Cabinet Secretary for Wellbeing Economy, Net Zero and Energy

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Climate Change Plan Advisory Group

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Dear CCPAG Member

CLIMATE CHANGE POLICY ACTION

I am writing to update you on new climate change policy action that I announced in Parliament today, reaffirming the Scottish Government's unwavering commitment to delivering net zero by strengthening the action we will take to help achieve our ambitious net zero target. I also announced proposed minor changes to climate change legislation, which will retain our legal commitment to 2045 alongside annual reporting on our climate progress, while introducing a target approach based on five-yearly carbon budgets. The Government will, of course, work closely with Parliament on developing a timetable.

At the same time, we are undertaking a package of new climate change policy actions that will strengthen Scotland's existing bold measures to deliver net zero, such as: the broadening of free bus travel to over 2 million children, young people under 22, disabled people and everyone aged 60 and over; the highest number of charge points per head of any nation or region in UK, excluding London; the continuation of tree planting, with more than 75% of all the tree planting across the UK in recent years being in Scotland; and the launching of the world's largest commercial leasing round for floating offshore wind in ScotWind.

Further work will include development of the Climate Change Plan, Scottish National Adaptation Plan, Just Transition Plans and Green Industrial Strategy, alongside our existing action, building on the work that the Advisory Group has been a critical part of. These policies are being progressed in parallel with our ambitious and wide ranging programme of proposed legislative reform through the Agriculture & Rural Communities Bill, Land Reform Bill, Circular Economy Bill and Heat in Buildings Bill. The new policy action will include the following:

- A plan to deliver approximately 24,000 additional electric vehicle charging points by 2030;
- Development of a new integrated ticketing system that people can use across all public transport:
- A pilot for methane suppressing food to reduce livestock emissions;
- Publication of our routemap for 20% car km reduction by Autumn 2024 with a timeline for implementing demand management (this will include consideration of how local government action can further incentivise the switch to EVs in addition to reducing overall car km); and

 Consultation on proposals to introduce a carbon land tax as part of considering fiscal and regulatory measures to incentivise peatland restoration, afforestation and renewable energy generation.

These are just some of the new measures which will help cut emissions and deliver a more sustainable future for everyone in Scotland. A full list of the policy package being introduced can be found at Annex A.

In line with recommendations in the recent Audit Scotland report on our climate change governance, we will take steps to ensure that net zero is fully considered in our workforce, spending, policy development and structures, starting with the full roll out of a net zero assessment in the Scottish Government from the end of 2024.

To ensure spending across the public sector reflects our net zero ambitions, as we expand the assessment, we will work with COSLA on how we can assess wider public sector spend against our shared net zero ambitions, through the Climate Delivery Framework.

This Government recognises that collaboration with our partners in Local Government, the business community and stakeholders representing urban and rural interests remains fundamental. I look forward to engaging with these key partners across this policy package as we accelerate the pace and scale of our collective decarbonisation efforts.

MAIRI MCALLAN

CLIMATE CHANGE POLICY PACKAGE

Transport

- 1. Publication of a routemap to 20% reduction in car km by Autumn 2024 which includes a timeline for implementing demand management. This will include consideration of how local government action can further incentivise the switch to EVs in addition to reducing overall car km.
- 2. In line with advice from the CCC, by the end of 2024, we will publish a new routemap for the delivery of approximately 24,000 additional charge points by 2030 through a mix of public and private finance, alongside consideration of how we can support consumers transitioning to EVs, targeting rural areas and lower-income groups.
- 3. Develop measures to accelerate the switch from Internal Combustion Engine (ICE) to zero emission vans and other vehicles in order to help reduce ICE van kms with the intention of achieving early progress with the largest companies while ensuring appropriate support mechanisms for smaller businesses and independent traders.
- 4. Develop a new national integrated ticketing system for public transport in Scotland across all modes of transport to enable a system that can be used for all elements of a journey, with a first step of publishing a new smart ticketing delivery strategy in 2024, alongside the business case for introducing a national and/or regional integrated fare structures.
- 5. We also agree that future investment in our transport network will be set out in the second Strategic Transport Projects Review Infrastructure Investment Plan (STPR2 Delivery Plan) and will align with the sustainable mode and investment hierarchies. As per the Bute House Agreement, new roads projects will normally only be taken forward where they reduce the maintenance backlog; address road safety concerns or adapt the network to deal with the impacts of climate change or benefit communities such as bypassing settlements.
- 6. The CCC is clear that emissions from the aviation sector must be reduced. This is accepted and it is recognised that ADT could and should make a contribution alongside, for example, sustainable aviation fuels. This must not, however, be at the expense of Highlands and Islands connectivity and particularly lifeline air services. We will set out the high-level principles of ADT, including how it will support emissions reductions and will proceed with more detailed policy development as soon as possible.

Land Use and Agriculture

- 7. Tier 2 of the agriculture future support framework will be important for delivering outcomes for climate and nature. Following the First Minister's announcement in February that the funding for Tiers 1 and 2 will constitute at least 70% of the overall funding envelope to support farming, crofting and land management from 2027, a further announcement about the proportion of funding between Tiers 1 and 2 will be made in June 2024.
- 8. New conditions for agriculture support from 2025 include a Whole Farm Plan within which two of five options must be chosen. Soil testing and Integrated Pest Management plans

will form two of those options and we will add Nutrient Management Plans to the Whole Farm Plans by 2028, with the details developed through our co-design approach. Proportionate Carbon audits will required by all farms receiving public support by 2028 at the latest.

- 9. We will take forward a pilot scheme with some Scottish farms to establish future appropriate uptake of methane supressing feed products/additives which is a key measure to reduce emissions from livestock (where practically possible). This pilot will establish how future support can recognise uptake of these products as well as encouraging pioneering Scottish dairy farms to engage with the potential of these products. This will help inform and support the role out of methane supressing feed products, the first of which has recently received approval, to reduce emissions from livestock. Our initial List of Measures for future agricultural support, published last year, envisages support for use of these products in the beef and dairy sectors as part of Tier 2. The pilot will help show how the potential of this technology can be harnessed.
- 10. The Scottish Government will establish Regional Land Use Partnerships (RLUPs) as an initiative with coverage across Scotland by the end of the next Parliamentary term. This is beginning with the recruitment of up to three new areas over the next year, recognising successful partnership must be driven by communities from the bottom up.
- 11. Investigation of how partial re-wetting can co-exist with continued agricultural activity and access to Agricultural Support, and further research on costs and benefits of partial rewetting, including up to £1 million invested in pilot partial re-wetting projects. This will inform potentially improved incentives for land managers to manage peatlands for nature and carbon from 2026 onwards. As part of this, we propose further research to understand the extent, depth and quality of peat under grassland.
- 12. We will build on the current Cairngorms Deer Pilot to develop a national scheme which incentivises increased management and investment in the venison supply chain.
- 13. We will consult on options for a carbon land tax on larger landholdings in summer 2024, as part of exploring regulatory and fiscal changes that could be made to further incentivise peatland restoration afforestation, and renewable energy generation.

Other

- 14. We are considering the recommendation from the Green Heat Finance Taskforce to review and publish, by the end of 2024, analysis of how non-domestic rates reliefs can better support our climate ambitions and encourage investment in energy efficiency and zero direct emissions (or clean) heating system, working closely with the New Deal for Business.
- 15. Following the production of a Just Transition Plan for Grangemouth, we will co-develop a Just Transition Plan for Mossmorran.
- 16. We will seek agreement to the establishment of a 4 nations climate response group. The remit of a new Group will be developed, but will include climate financing, the balance of reserved and devolved powers, and presented to the UKG and other nations for further discussion.

- 17. An appropriate legislative vehicle will be explored, as required, to enable aspects of the accelerated climate policy package, with Parliament being updated in due course.
- 18. To continue strengthening the capacity of climate policy development within the Scottish Government, the following will be taken forward:
 - explicit and detailed consideration of the staffing needs for taking forward this climate change policy package and wider programme as part of Portfolio Workforce Planning to be led by the Scottish Government's Executive Team; and
 - continued active consideration of options for secondment/short-term use of external expertise to support the development of policies.

In addition, the Global Climate Emergency Programme Board and the Cabinet Sub-Committee for the Climate Emergency will have a comprehensive and formal advisory role on the climate impact of proposals for both the Budget and the Programme for Government. This would be based on the systematic examination of carbon emissions impacts of expenditure being taken forward through the current pilot of the Net Zero Assessment. The intention is, on completion, to roll the pilot out across all significant expenditure decisions from the end of 2024. The Cabinet Sub-Committee for the Climate Emergency will also ensure net zero issues are fully reviewed in the development of the forthcoming Green Industrial Strategy, Just Transition Plans and the refresh of the National Strategy for Economic Transformation.

19. Following on from the climate assembly, and the report from the Committee's People Panel on climate engagement, we will take forward a new assembly/participative process, which, unlike previous assemblies, will develop public understanding of the implications of the transition to net zero for Scottish households and businesses.