

Stop Climate Chaos Scotland briefing in advance of the stage 2 consideration of the Climate Change (Emissions Reduction Targets) (Scotland) Bill

October 2024

Summary and recommendations

This briefing builds on previous SCCS publications that set out the coalition's views on the Climate Change (Emission Reduction Targets) (Scotland) Bill. It addresses the amendments being considered by the NZET Committee during the stage 2 process, beginning on 29 October. It focuses on those amendments that seek to address the issues we have raised previously, and our reflections are grouped according to those issues (re-framed and re-ordered to reflect, as far as possible, the headings and groupings used by the Committee).

In the order that amendments will be debated, SCCS:

- strongly supports amendments 28, 29, 30 & 32 (in the name of Monica Lennon).
- supports amendment 6 (in the name of Mark Ruskell).
- supports amendment 7 (in the name of Mark Ruskell).
- supports the intention of **amendment 25** (in the name of Mark Ruskell) and **amendment 53** (in the name of Graham Simpson), but suggests they should not be agreed.
- considers **amendments 3 & 9** (in the name of Graham Simpson) are unnecessary and potentially counter-productive.
- welcomes and supports, in principle, amendments 2 and 10 (in the name of Maurice Golden).
- strongly supports **amendment 22** (in the name of Maurice Golden), **amendment 37** (in the name of Monica Lennon), **amendment 55** (in the name of Sarah Boyack) and **amendment 58** (in the name of Monica Lennon)
- supports amendment 52 (in the name of Monica Lennon)
- supports **amendment 54** (in the name of Monica Lennon) and **amendments 59, 5 & 19** (in the name of Mark Ruskell) noting that 54 and 59 & 5 are, in effect, alternatives.
- supports **amendments 61 & 63** (in the name of Douglas Lumsden).
- supports **amendments 38** (in the name of Douglas Lumsden) and **amendment 48** (in the name of Maurice Golden).
- strongly supports **amendments 13** (in the name of Mark Ruskell). If 13 is agreed, **amendment 57** (in the name of Monica Lennon) becomes unnecessary; however, should 13 not be agreed, we support amendment 57.
- supports the principle of **amendments 39 & 40** (in the name of Douglas Lumsden) and urges the Committee to agree to one of them.
- strongly supports amendments 62 (in the name of Mark Ruskell).
- strongly supports **amendment 18** (in the name of Mark Ruskell).

Introduction

Stop Climate Chaos Scotland (SCCS) has previously shared views on the Climate Change (Emission Reduction Targets) (Scotland) Bill including in:

- <u>our submission</u> to the pre-legislative scrutiny by the Net Zero, Energy and Transport Committee,
- <u>oral evidence</u> during the Committee's stage 1 consideration from our Chair, Mike Robinson, on 17 September;
- our briefing for the stage 1 debate, held on Thursday 10th October;

We have also set out views on the climate action needed to help to ensure Scotland meets its emissions reduction targets and regains some leadership on action to address climate change, champion climate justice, and deliver co-benefits for health, wellbeing, jobs and tackling inequality in our proposals for the Programme for Government 2024/25.



This briefing builds on the above, and takes account of the Committee's <u>stage 1 report</u>, to set out the coalition's views on the amendments being considered by the Committee during the stage 2 process, beginning on 29 October.

In the light of SCCS's views expressed previously, we welcome the attention, in the stage 1 report and debate, on issues we had raised, such as the need for faster and more robust action to deliver emissions reductions. Many of these matters are beyond the scope of this (rightly) narrowly focused bill and are thus not matters that can be addressed at stage 2. However, we would continue to urge members to press the Scottish Government for progress on these matters during the stage 3 debate and/or at other opportunities.

We welcome the most critical part of this bill – that it does not amend the 2045 target date for reaching net zero and that it retains much of the emissions reduction framework established by the 2009 Act, as amended. So, for example, it retains international aviation and shipping within Scotland's emissions reduction framework, it retains the concept of a Climate Change Plan and the annual reports related to that, as well as retaining the just transition and international climate justice principles. SCCS would oppose any proposals that might emerge to use this bill to amend any of these or other crucial aspects of the 2009 Act, as amended.

Stage 2 amendments

We further welcome the focus accorded, both in the report and debate but also in the amendments tabled to issues related to:

- 1. A firmer and clearer timetable for the setting of carbon budgets and the publication of the first and subsequent CCPs;
- 2. The setting of carbon budgets based on expert advice;
- 3. The use or otherwise of any carry forward mechanism;
- 4. The consideration of sectoral targets/budgets;
- 5. CCP content
- 6. More transparent annual reporting of progress on emissions reductions and actions needed to secure further reductions; and
- 7. Improved scrutiny by Parliament and greater public engagement.

This briefing focuses on amendments related to these specific issues – that fall within the scope of the bill. We also note the debate and amendments related to alignment of budget periods with those of the UK Government's carbon budgets. In the commentary below, the issues above have been re-framed and re-ordered to reflect (as far as possible) the headings and groupings used in the Committee's 'Groupings of Amendments' and thus are (as far as possible) addressed in debating order.

1. Carbon budgets: content of regulations & statements (*group 1*)

SCCS has previously called for the setting of budgets to be "in accordance with the advice from the CCC, unless there are exceptional circumstances". As drafted, the bill only requires the Scottish Ministers to "have regard to" the latest CCC advice in preparing the draft budget-setting regulations (see new section A4(4)); although a statement under (under new section A4(5)) has to set out whether the advice is consistent and, if not, why.

This "have regard to" duty should be strengthened to require the budgets proposed to be consistent with the CCC advice – unless there are exceptional circumstances to justify a variance. Accordingly, SCCS strongly supports amendments 28, 29, 30 & 32 (in the name of Monica Lennon) and would urge the Committee to agree these amendments. It should be noted that new section A4(5) would still require a statement if the proposed budget was different to the CCC advice, but this would (if the amendments were agreed) be focused on explaining what the "exceptional reasons" were.

SCCS has previously indicated that the bill, and the budgets it introduces, should "make provision for long-term, sectoral targets/pathways to 2045". We therefore welcome amendments 1 (in the name of Graham Simpson) and 6 (in the name of Mark Ruskell). Both seek to provide for a sectoral breakdown of budgets. However, we consider the wording in amendment 6 (in the name of Mark Ruskell) to be



preferable, as it adopts the wording for sectors as used in s.35 of 2009 Act and refers to the "contribution" each sector "can be expected to make", thus providing for flexibility in the delivery/reporting phases. Thus, SCCS supports amendment 6 (in the name of Mark Ruskell) and urges the Committee to agree this amendment (if so agreed, amendment 1 (in the name of Graham Simpson) becomes unnecessary).

SCCS has often called for improved scrutiny of climate policy, including draft CCPs, by Parliament, with the input of relevant stakeholders. Such scrutiny is also, of course, greatly improved – as is the resulting policy – with enhanced public engagement.

One proposal we have made to enhance scrutiny, in the light of the proposed change from annual targets to 5-year carbon budgets, was that the next and subsequent CCPs "should have a section comparing the Scottish carbon budgets and progress towards them against the previous interim targets (2030, 2040)". Amendment 7 (in the name of Mark Ruskell) and amendments 15 & 16 (in the name of Maurice Golden) all seek to provide some form of link to the current (to be previous) interim target year (albeit that the percentage reductions are amended). These proposals are welcome and, on balance, amendment 7, which adds to the statement to accompany the budget-setting regulation is probably the most effective. However, this could also be improved, if agreed, by a (stage 3) amendment adding a requirement for the next and subsequent CCPs to set out when the reductions referred to in the amendment will be achieved. Subject to this, **SCCS supports amendment 7 (in the name of Mark Ruskell).**

Scrutiny of the budget-setting regulations might be further improved by further information as to how the proposed budgets will be met. This was an issue highlighted by the Committee in its stage 1 report, as well as by several witnesses, including for instance Dave Hawkey from IPPR. Amendments 25 (in the name of Mark Ruskell) and 53 (in the name of Graham Simpson) seek to address this issue.

There are possible advantages to the availability of "indicative proposals and policies" or " in broadly indicative terms, the proposals and policies" likely to feature in the CCP might bring to this period of scrutiny. That said, it is unclear how such "indicative" ideas are defined - is it really a draft plan, or a draft of a draft, or just more information? In addition, there are also possible disadvantages – especially to revising the process so that the budgets and the CCP are, in effect, produced concurrently rather than sequentially. SCCS has no firm views as to whether a concurrent or sequential process is preferable; we believe there to be advantages and disadvantages of each. However, without revising the bill as a whole to provide for a concurrent process, these amendments risk a delay to the draft budget-setting regulations to allow a draft CCP to be finalised.

Thus, while we support the intention of amendments 25 and 53, SCCS suggests they are not agreed. Rather, the Scottish Government should be asked to provide clear and firm commitments to publish, alongside the proposed budgets, as much detail as possible about how they will be met, including some indications of the 'current state of play' in relation to the forthcoming draft CCP. (Note: amendment 25 is included in *group 8* despite addressing the statement to accompany budget-setting regulations)

On the issue of the alignment between Scottish and UK carbon budget periods, SCCS notes the debate but has no firm view or preference; we believe there to be advantages and disadvantages of either approach. The bill does not specify budget periods, leaving the matter to subsequent regulations, either on setting the budgets (new s.A4) or amending budget periods (new s.A5).

Whichever approach is ultimately chosen, the bill at present would permit that approach. Should it be demonstrated that alignment is clearly preferable, the bill therefore allows for this to become the case. On the other hand, if non-alignment was determined to be preferable, these amendments would rule that out. Thus, we consider that **amendments 3 & 9 (in the name of Graham Simpson) are unnecessary** - and potentially counter-productive.



2. Carrying carbon deficits forward (group 2)

SCCS has previously suggested that the bill should "not permit any carry forward mechanism". We therefore welcome the fact that there is no explicit provision in the bill to permit this, and the Scottish Government has previously indicated that it has no intention of seeking to undertake any 'carry forwards'.

However, we also note that the bill does not explicitly prohibit any carry forward and thus it may be possible to draft second and subsequent budget-setting regulations in a manner that would, in fact, utilise 'carry forwards' (even if not so named). SCCS therefore welcomes and supports, in principle, amendments 2 and 10 (in the name of Maurice Golden) which seek, we believe, to place a prohibition of 'carrying forward' on the face of the bill.

3. Carbon budgets and CCP: deadlines and procedure (groups 3 and 8)

SCCS has previously called for "further clarity on the timetable expected for the setting of the first carbon budgets and, thereafter, the next CCP" and for "greater clarity and certainty regarding the timetable [to be] on the face of the bill. In particular, we have suggested that "the next Climate Change Plan (CCP) [should] be produced as soon as possible after the first carbon budget has been set. Various amendments have been tabled to seek to make the timetable of the budget-setting and CCP production/approval clearer and firmer. These include amendments 22 (in the name of Maurice Golden), 37 & 58 (in the name of Monica Lennon), 45 (in the name of Graham Simpson) and 55 (in the name of Sarah Boyack).

SCCS welcomes the intention of all these amendments and the debate that will ensue on how this issue might best be reflected in the final bill – resulting in a clearer and firmer timetable.

On reflection, SCCS sees particular merit in amendment 22 (in the name of Maurice Golden) which sets a firm deadline for the laying of a draft CCP in Parliament (and thus would require previous stages to be completed in time to meet this deadline). There is also much to welcome in amendment 37 (in the name of Monica Lennon) as this, in effect, sets (relative) deadlines for the stages following Royal Assent to the Act and the approval of the budget-setting regulations. We also support amendment 55 (in the name of Sarah Boyack) which requires the draft CCP to be laid within a set period following the budget regulations coming into force, and amendment 58 (in the name of Monica Lennon) requiring the government to respond to Parliamentary scrutiny of the draft CCP within a defined period.

SCCS therefore strongly supports amendment 22 (in the name of Maurice Golden), amendment 37 (in the name of Monica Lennon), amendment 55 (in the name of Sarah Boyack) and amendment 58 (in the name of Monica Lennon), and would urge the Committee to agree these amendments.

In addition, SCCS also supports amendment 52 (in the name of Monica Lennon) which would require the statement under new section A4(5) to be laid "on the same day as" as the draft budget-setting regulations. It seems inexplicable that this statement could be laid later than the regulations, potentially as little as a day before (or even after!) Parliament is asked to approve the regulations that the statement supports and explains. We would urge the Committee to agree this amendment.

Early consultation and greater public engagement in the development, approval and implementation of climate policy is always welcome – indeed, it should be good practice for any government. We therefore welcome the opportunity to consider improving consultation provided by amendments 59 & 5 (in the name of Mark Ruskell) and 54 (in the name of Monica Lennon), in relation to budget-setting regulations, and by amendments 19 (in the name of Mark Ruskell), in relation to the draft of the next and subsequent CCPs.

These amendments would provide additional and early consultation on these areas of policy/regulation making. This is welcome, in principle, but it should be noted that would cause the timetable to be further extended – which could be a concern for the first budget and the (already



considerably delayed) next CCP. It is therefore welcome that amendments 54, 59 and 19 include exemptions for the first (2025) regulations and CCP.

SCCS therefore supports amendments 54 (in the name of Monica Lennon) and 59, 5 & 19 (in the name of Mark Ruskell), as additional and early consultation on these areas of policy/regulation making are to be encouraged - and the exemptions for the first phase in 2025 demonstrate pragmatism, given the existing delays. We note, however, that 54 and 59 & 5 are, in effect, alternative drafting with the similar effect.

4. Periodic reporting on emissions reductions (group 4)

As noted above, SCCS welcomes the retention of annual reporting of progress on emissions reductions and on progress to deliver the CCP; however, simple reporting might be enhanced further by scrutiny and debate on whether climate action is sufficient and working. We therefore warmly welcome amendments 61 & 63 (in the name of Douglas Lumsden) that adds requirements for reports under amended s.33 and new s.34A (61) and s.35B (63) of the 2009 Act to be scrutinised by a Parliamentary Committee, and debated in Parliament. Accordingly, SCCS supports amendments 61 & 63 (in the name of Douglas Lumsden) and urges the Committee to agree these amendments.

5. Transparent annual reporting, especially of failures to meet targets (group 5)

SCCS has previously stressed that any alteration from annual targets to 5-yearly budgets should ensure the retention of "annual accountability mechanisms such as progress reports and statements to Parliament by Ministers", and that this must include the reports on "progress on emissions reductions and actions needed to secure further reductions". We therefore welcome the fact that, as far as is possible, the bill does not remove the requirements for such annual reports.

However, notwithstanding the above, this bill does also provide an opportunity to increase the usefulness of the annual reports. SCCS therefore welcomes amendments 38 (in the name of Douglas Lumsden) and 48 (in the name of Maurice Golden). The first of these seeks to ensure that the annual emissions report includes an indication of whether or not the 5-year budget, within which that year sits, is likely to be met. The second applies to the annual reports on progress on delivery under the CCP, in force at that time, and seeks to ensure that this includes a statement, if the 5-year budget, within which that year sits, is not likely to be met, as to why and will be done. Both these ideas will make the annual reporting process more transparent – and more useful to Parliament, stakeholders and the public. SCCS therefore supports amendments 38 (in the name of Douglas Lumsden) and 48 (in the name of Maurice Golden) and urges the Committee to agree these amendments.

Section 36 of the 2009 Act is an important provision in relation to the scrutiny of climate policy and its delivery. This provides a requirement for the Scottish Ministers to report to Parliament, if targets are missed, and to set out what measures will be taken to compensate in future years. Recent s.36 reports have both been considerably delayed (the current provision requires them "as soon as reasonably practicable") and lacking in new policies – indeed, the most recent report simply repeated previously announced proposals.

Thus, SCCS warmly welcomes amendments 13 (in the name of Mark Ruskell) and 57 (in the name of Monica Lennon). Both these amendments seek to set a specified deadline for the production of s.36 reports, following a s.33 report of a missed target which triggers the requirement for a s.36 report. However, amendment 13 also adds clarity to the required content of a s.36 report by specifying that the measures included must be "in addition to" those included in the (then) current CCP. SCCS therefore strongly supports amendments 13 (in the name of Mark Ruskell) and urges the Committee to agree this amendment. If 13 is agreed, amendment 57 becomes unnecessary; however, should 13 not be agreed, we support amendment 57.

With s.36 reports now being due only at the end of a 5-year budget (if missed), **amendments 39 & 40** (in the name of Douglas Lumsden) seek to insert a new "s.36-like process" if/when an annual emissions reduction report states that the carbon budget target for the period is not likely to be met (or [for amendment 40] if it is the second such report). Such a process would enhance scrutiny and accountability under the new 5-year budget system and **SCCS supports the principle of these**



amendments and urges the Committee to agree to one of them (they are presumably presented as alternatives).

6. Independent advisory body (group 7)

Given the importance of the expert advice provided by the CCC (or other relevant body), SCCS has also considered it to be vital that this is adequately funded. Accordingly, SCCS strongly supports amendment 62 (in the name of Mark Ruskell) which seeks to ensure the adequacy of funding and for the CCC (or other relevant body) to report on this issue to Parliament (in the same way as applies for ESS). We would urge the Committee to agree this amendment.

7. Climate Change Plan: deadlines and procedure (group 8)

Comments on this group were presented alongside *group 3* amendments above and in *group 1* (for amendment 25).

8. Climate Change Plan: content (group 9)

In the past, draft RPPs and CCPs, as well as the most recent CCPu, have been subject to concern about lack of detail – and in particular lack of clarity related to how much emissions reductions will be achieved by each policy and proposal set out. Previous plans have provided estimates of emissions reduction broken down only to each sector (as required by s.35(5) of the 2009 Act). This has made commenting on the draft difficult as it has been unclear how each policy and proposal set out contribute to the sectoral 'envelopes' described.

Amendment 18 (in the name of Mark Ruskell) seeks to add a requirement that the CCP must set out "the respective contribution that each proposal and policy can be expected to make towards meeting the emissions reduction targets during the plan period". This addresses a past criticism of the draft plans and will make commenting on and scrutiny of future plans that much more effective. **SCCS** therefore strongly supports amendment 18 (in the name of Mark Ruskell) and urges the Committee to agree this amendment.

SCCS October 2024