

T: 0300 244 4000
E: scottish.ministers@gov.scot

Edward Mountain MSP
Convenor, Net Zero Energy and Transport
Committee

By Email:
netzero.committee@parliament.scot

7th February 2024

Dear Convener,

WRITTEN RESPONSES FOLLOWING THE NET ZERO, ENERGY AND TRANSPORT COMMITTEE EVIDENCE SESSION

I would like to thank the Committee for inviting me to present evidence on the 2024-25 Scottish Budget during the session held on Tuesday 30 January 2024.

During this session, there were a number of areas where my officials or I undertook to provide further information to the Committee in writing. These areas are as follows:

- Clarity on figures for the Cabinet Secretary's overall budget with inflation taken into account, following a question about figures from the Scottish Fiscal Commission
- How much revenue is generated by SEPA through its charging regimes for waste pollution
- Further detail in response to a question on public investment in electric vehicle charge points
- Detail from Transport Scotland on the planned LNG infrastructure and its associated costings in the Budget for Halls 801 and 802
- Which local authorities have not finalised their LHEESs

I have responded to each of these questions within the annex attached to this letter. I trust that the Committee will find the information enclosed useful.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

I would like to thank the Committee for its scrutiny of this important area of the Scottish Government's budget and I look forward to continued engagement with you all.

Yours sincerely,

MÀIRI MCALLAN MSP

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

INVESTORS IN PEOPLE™
We invest in people Silver



Annex – Further Information Following Committee Session

Clarity on figures for the Cabinet Secretary's overall budget with inflation taken into account, following a question about figures from the Scottish Fiscal Commission

Within the Committee session, Douglas Lumsden MSP referred to the draft budget for 2024-25 being “0.9 per cent bigger” than in 2023-24 but that the Transport Net Zero and Just Transition budget is “down by 1.8 per cent in real terms”.

I indicated that I had different figures, making reference to the budget having a 1.1% increase on the previous year. I noted that I expected we were utilising different methodology and committed to providing clarity.

As expected, all of the figures noted are correct, but achieved through different methodology. The 0.9% increase for the Scottish Budget provided by the Scottish Fiscal Commission is the real terms comparison of the 2024-25 Scottish Budget with the latest 2023-24 funding position following in-year movements, including Barnett consequentials, confirmed at fiscal events. The 1.1% increase I quoted is the cash increase between the 2023-24 and the 2024-25 Scottish Budgets.

The 1.8% reduction in the Transport Net Zero and Just Transition budget, to which Douglas Lumsden MSP referred, is the change in Resource and Capital only. If the non-cash budget increases are included, this reduction is lowered to 0.6%.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

INVESTORS IN PEOPLE™
We invest in people Silver



How much revenue is generated by SEPA through its charging regimes for waste pollution

SEPA charges for activities through the Environmental Regulation (Scotland) Charging Scheme 2018 with the approval of Scottish Ministers and, in exercise of its powers under section 43 of the Environment Act 1995 can fix and recover charges for services and facilities provided in the course of carrying out its functions.

The polluter pays is an established environmental principle. It is embedded in the Scottish Government's Environment Strategy and in SEPA's Approach to Regulation.

SEPA's charging scheme applies this principle with sites with the highest pollutant loads getting a progressively higher charge. This encourages operators to reduce their impacts on the environment.

The charges cover all types of environment load from air and water emissions, water abstraction through to waste recycling / disposal. This is best expressed as an example: for a large sewage treatment works subsistence fee the charge is up to £318,000 which reduces by the pollutant load. This means that the top 6% of polluting sewage treatment works pay 50% of the charges for sewage treatment works (i.e. 66 sites pay £4.3 million and the remaining 1,045 sites pay £4.3 million). This pattern is roughly repeated for all large scale operations.

Table 1 gives a breakdown of all SEPA's charging scheme income (draft forecast for 2024-25). Of this the main scheme (Environmental Regulation (Scotland) Charging Scheme) accounts for £47.9 million of the £52.9 million and is further broken down by main area of charge.

Table 1: All SEPA Charging Schemes – Draft Forecast for 2024-25	Applications £'000	Subsistence £'000	Total Income £'000
Environmental Regulation (Scotland) Charging Scheme (ERS)			
Air	259	4,435	4,694
Land	68	93	161
Waste	270	9,829	10,099
Water	1,395	27,004	28,399
RSA	72	881	953
Waste Exemptions	1,037		1,037
Waste Carriers	669		669
Special Waste Consignment notes		1,859	1,859
Total ERS	3,770	44,101	47,871
Other Schemes			
Reservoirs	1	455	456
Greenhouse Gas Emissions Scheme	52	358	410
RSA Nuclear		2,617	2,617
Producer Responsibility	680		680
Transfrontier Shipment of waste	277		277
WEEE	520		520
COMAH		47	47
Total Other	1,530	3,477	5,007
Total Charging Scheme Income	5,300	47,578	52,878

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot



Table 2 table shows the forecast charging income for waste only activities (this is part of the total income provided in Table 1).

Table 2: Only Waste Activities - Draft Forecast for 2024-25	Applications £'000	Subsistence £'000	Total Income £'000
Waste Activities Extracted Income Forecast 24-25			
ERS - Waste	270	9,829	10,099
Waste Exemptions	1,037		1,037
Waste Carriers	669		669
Special Waste Consignment notes	0	1,859	1,859
Producer Responsibility	680		680
Transfrontier Shipment of waste	277		277
WEEE	520		520
Total Waste Activities Income	3,453	11,688	15,141

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

INVESTORS IN PEOPLE™
We invest in people Silver



Further detail in response to a question on public investment in electric vehicle charge points

During the discussion at the Committee in my response to Bob Doris MSP, I offered to provide a written update on progress with public investment in electric vehicle (EV) public charging points.

Historic Investment

Since 2011, the Scottish Government has invested over £65 million in Scotland's public charging infrastructure. As a direct result of this investment, [Scotland has the most comprehensive public charging network in the UK per head of population, outside of London](#). Scotland's public charging network currently consists of just over 4,600 public charge points. Of these, just over 2,700 have been funded by the Scottish Government since 2011, and just over 1,900 have been funded by the private sector.

Alongside this investment in public charging infrastructure, since 2011, Scottish Ministers have also invested approximately £6 million to support the installation of just under 20,000 low-powered domestic charge points, and £12 million to support the installation of just over 1,800 high-powered workplace charge points. Large numbers of domestic and workplace charge points have also been funded directly by consumers, employers and the private sector.

In January 2022, the Scottish Government published its draft Vision for Scotland's public charging network, signalling a shift away from an investment and operating model that is led by the public sector. At the same time, we launched the £60 million EV Infrastructure Fund (EVIF) to support the delivery of the Vision, with the aim that at least half of this funding will be invested by the private sector.

Following a period of engagement and consultation with local authorities and other stakeholders, this [Vision for a world class public EV charging network](#) was finalised and published in June 2023.

EVIF

As I set out in Committee, EVIF can be viewed in broadly two parts. The first phase is a preparatory step of planning, and the second stage is one of market engagement and delivery. The first phase of EVIF has consisted of Transport Scotland, Scottish Futures Trust and Energy Savings Trust supporting local authorities (LAs) to develop public EV charging Strategy and Expansion Plans (SEPs). Each LA has been offered up to £140,000 (£4.48 million in total) to support the cost of developing a SEP, supported by resources and guidance from Scottish Futures Trust and Energy Savings Trust.

This £4.48 million is supporting LAs to develop SEPs across an LA area or, where LAs are collaborating, across a region. It funds LAs to undertake robust planning based on analysis of current and future demand for EV charging. It also supports LAs access legal and procurement expertise to inform the delivery a new approach to growing and operating Scotland's public EV charging network through joint investment by the public and private sectors.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

LAs have been required to develop a SEP before being provided with funding for delivery to ensure value for public funding in the complex and rapidly evolving market for EV charging infrastructure. The work carried out over the past 18 to 24 months has been critical to enable local authorities to work together to develop regional approaches that create the scale of ambition that is genuinely attractive to the private sector. There are now a number of regional partnerships at an advanced stage, with the first due to go to procurement by the end of this financial year.

The Committee quite rightly wishes to understand whether EVIF is on track to deliver. I can confirm that, to date, 25 of Scotland's 32 LAs have submitted SEPs to Transport Scotland, and 24 of these have been assessed with the remaining SEP due to be assessed this month. A further four LAs are expected to complete SEPs by the end of March 2024. Transport Scotland and Scottish Futures Trust are engaging with the remaining two LAs to understand what further support may be required to enable completion of their SEPs.

The assessed SEPs identify opportunities to fund over 2,500 additional low and high-powered charge points across Scotland, for an estimated public investment of £20 million. The exact number of chargepoints that will be delivered through EVIF will be subject to the market's willingness to invest in public EV charging infrastructure and the capacity of public procurement to leverage the maximum number of high quality accessible charge points for the funding available. However, engagement with LAs and the commercial charge point operators currently suggests that the target of growing Scotland's public charging network from 4,600 charge points now, to at least 6,000 charge points by 2026 will be delivered.

Based on the assessed SEPs, my officials are currently developing plans for the first formal announcements of delivery awards under EVIF. These will set out public funding, delivery timescales and expected project outcomes (including charge point numbers). These announcements will be posted online on the Transport Scotland website, and are expected from March of this year, with the dates for announcements set out in the final column of Table 1 below.

In financial year 2024-25, spend under these awards is currently forecast to be £4 million. This will represent Scotland's LAs progressing to public procurement, and leveraging private investment from commercial charge point operators looking invest in public charging infrastructure in Scotland to secure delivery against their SEPs and awards.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

INVESTORS IN PEOPLE™
We invest in people Silver



Table 1: EVIF Progress February 2024

Local Authority	Collaboration	SEP submitted	SEP Assessed	Formal Announcement of Delivery Awards Expected
Aberdeen City Council Aberdeenshire Council Highland Council Moray Council	North Scotland	✓	✓	Q1 2024
East Dunbartonshire Council East Renfrewshire Council Glasgow City Council Inverclyde Council North Lanarkshire Council Renfrewshire Council South Lanarkshire Council West Dunbartonshire Council	Glasgow City Region	✓	✓	Q2 2024
Falkirk Council Clackmannanshire Council	Forth Valley	x	N/A	TBC
East Ayrshire Council North Ayrshire Council South Ayrshire Council	Ayrshires	✓	✓	Q2 2024
Orkney Islands Council Shetland Islands Council Western Isles Council	Islands Collaboration (supported by HITRANS)	✓	✓	Q3 2024
East Lothian Council	South East Scotland (in development supported by SESTRAN)	x	N/A	TBC
Fife Council		x	N/A	TBC
Midlothian Council		✓	✓	Q2 2024
Edinburgh City Council		✓	✓	Q2 2024
West Lothian Council		✓	Due Feb '24	Q2 2024
Scottish Borders Council		✓	✓	Q2 2024
Dundee City Council	N/A	✓	✓	Q1 2024
Perth & Kinross Council	N/A	✓	✓	Q2 2024
Argyll & Bute Council	N/A	✓	✓	Q3 2024
Dumfries & Galloway Council	N/A	x	N/A	TBC
Stirling Council	N/A	x	N/A	TBC

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

INVESTORS IN PEOPLE
We invest in people Silver



Detail from Transport Scotland on the planned LNG infrastructure and its associated costings in the Budget for Hulls 801 and 802

During the discussion at the Committee, in the response given to Douglas Lumsden MSP, further information was offered in relation to Liquefied Natural Gas infrastructure, and whether there was budget cover for this.

I can confirm that while the Arran service operates from Troon temporarily, the fuelling of Liquefied Natural Gas (LNG) will be undertaken from tanker direct to the vessels. There are no current plans for an LNG storage tank at Troon.

The Ardrossan Harbour Redevelopment project includes the provision of an LNG storage tank in the scope.

I can confirm that the delivery of the LNG infrastructure workstream is aligned to the Ardrossan project and vessel programme, with both being progressed accordingly taking cognisance of the necessary consents, licenses and acquiring approval from the Health and Safety Executive.

For completeness, there is no provision for LNG 'infrastructure' as such in the budget lines for 801/802, as these costs would be associated with the ports investment rather than the vessel cost.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

INVESTORS IN PEOPLE™
We invest in people Silver



Which local authorities have not finalised their LHEESs

During our meeting I promised to provide you with more information about the twenty-one local authorities that have yet to submit their LHEES. We expect these to be published in the coming months, and they are as follows:

- Aberdeen City Council
- Aberdeenshire Council
- Angus Council
- Argyll and Bute Council
- Dundee City Council
- East Ayrshire Council
- East Dunbartonshire Council
- East Lothian Council
- East Renfrewshire Council
- Inverclyde Council
- Midlothian Council
- Moray Council
- North Ayrshire Council
- Orkney Council
- Perth & Kinross Council
- Renfrewshire Council
- Scottish Borders Council
- Shetland Council
- South Ayrshire Council
- South Lanarkshire Council
- West Dunbartonshire Council

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

INVESTORS IN PEOPLE™
We invest in people Silver

