

10 December 2025

Edward Mountain MSP
Convener
Net Zero, Energy and Transport Committee
Scottish Parliament

Dear Convener

Scottish Government draft Climate Change Plan

Thank you for inviting Audit Scotland to provide evidence to support the Committee's scrutiny of the Scottish Government's draft Climate Change Plan (CCP).

As you will appreciate, as Auditor General for Scotland I cannot make suggestions or comment on the policy content of the CCP. This is critical for maintaining my independence and for safeguarding the independence of our audit work from policy decisions. However, I can share our assessment of the extent to which the draft CCP includes the characteristics of an effective plan, as set out in my [letter](#) to you in March 2025.

As highlighted in that letter, a clear and transparent CCP is essential for building a shared understanding among the Scottish Government, Scottish Parliament, delivery partners, scrutiny bodies and the public about how Scottish Ministers intend to meet the greenhouse gas emissions reductions set out in Scotland's carbon budgets. The draft CCP and its annexes are a positive step in the right direction towards that, however they are lacking in detail in some important areas. An assessment of the draft CCP (including annexes) under each of the elements highlighted in my previous letter, is set out below.

Greenhouse gas emissions reduction

In my letter of March 2025, I set out that we would expect the CCP to quantify the contributions that each sector, and the policies within it, will make towards reducing emissions in line with Scotland's carbon budgets.

The draft CCP clearly shows the overall emissions reduction pathways required for each sector to contribute towards achieving Scotland's carbon budgets through to 2040.

Annex 3 summarises the estimated reductions in emissions expected from packages of policies in each sector. It is reasonable to group packages of policies in this way as it reflects the interdependencies between them, for example where there are a range of policies and initiatives aimed at improving the energy efficiency of residential buildings. However, the policies and their impact on emissions are grouped at a very high-level and to a different extent across sectors. For example, they are separated out into residential and public buildings and by modes of transport but are not broken down at all for the agriculture sector.

It is helpful that the draft CCP distinguishes between key policies, which are expected to be direct drivers of emissions reductions, and supporting or enabling policies, where any emissions reductions are captured in the key policies they support. This helps to identify which packages of policies are intended to have the greatest impact on emissions reductions, where there is limited detail on the impact of individual policies.

Policies to deliver the CCP

I highlighted in my previous letter that we would expect the CCP to set out well developed policies, grouped by sector, that Scottish Ministers have confidence they can deliver and that provide some level of assurance that the required reduction in Scotland's emissions can be achieved.

Information included in the main draft CCP and annexes 2 and 3 provides an overview of how packages of policies and proposals are expected to contribute towards achieving Scotland's carbon budgets. However, the reader needs to piece this together across the three documents. Although I recognise the complexity of the information included in the draft CCP, it would be helpful if there was clearer signposting between the relevant sections of each document.

The draft CCP distinguishes between policies (where it is possible to set out actions, timescales and cost implications) and proposals (which are generally less specific as they will not be implemented until later in the CCP period). This approach reflects the level of uncertainty when planning over a 15-year period. However, given that the estimates of emissions reductions include the impacts of both policies and proposals, the draft CCP could be clearer on the uncertainties that may impact on the implementation of specific policies and proposals and their implications for achieving corresponding carbon reductions. This would provide greater transparency over the degree of certainty that can be attached to emissions reductions in specific areas. For example, a new industrial decarbonisation programme accounts for a high proportion of the estimated emissions reduction in the sector, but this is classified as a proposal given it will need further policy development.

As well as the uncertainties associated with longer-term proposals, the draft CCP refers to interdependencies with other policies and highlights where action by other parties, including the UK Government, is required. This illustrates the many different factors that will influence the successful implementation of the CCP. It would therefore be helpful if the draft CCP included more detail on the assumptions underpinning the anticipated impact of various policies.

Currently, the draft CCP does not provide a clear picture across all sectors of what successful implementation would look like (for example, the scale of connections to heat networks or transition to electric vehicles that is required to stay within set carbon budgets), what the risks or uncertainties around achieving this are, and the implications if these assumptions are not realised. This may make it difficult to assess how realistic or achievable the emissions reductions set out in the draft CCP are, and to scrutinise how effectively risks to achieving these reductions are being managed.

Timescales

For effective monitoring and reporting of progress, I highlighted previously that the CCP would need to identify the timescales for implementing each policy and for expected reductions in emissions.

The routemaps in Annex 2 note some key milestones in each sector, but not all policies in the draft CCP have specific timescales attached to them. The table at the end of Annex 3 sets out which policies are already in progress or which carbon budget period they will be implemented in. It also sets out over which carbon budget periods the resulting emissions reductions are expected to be realised. However, this only provides timescales over a five-year period. The lack of clear and specific timescales means that it is not obvious what the Scottish Government's priorities are in the short-term (i.e. over the first carbon budget period).

Roles and responsibilities and governance

My letter in March noted that, to support accountability, the CCP needs to be clear on which organisation has lead responsibility for delivering each policy, and who the main delivery partners are. It also needs to be clear about governance arrangements for effective oversight of risk management and performance management from the outset. This includes having clear accountability arrangements for each policy and for the overarching plan.

The draft CCP is focused on action the Scottish Government will take to deliver Scotland's carbon budgets. However, it recognises that achieving this will require action from everyone across Scotland and effective collaboration with the UK Government. Annex 2 includes a 'call to others' under each sector, which sets out what role the Scottish Government expects others to play, including local authorities, industry and business, and individuals and households. It is also clear where powers are reserved to the UK Government and what action the Scottish Government would like to see them take.

However, it does not clearly set out who the main delivery partners are for each policy or proposal, or exactly what is expected of them and by when. The draft CCP also does not include any details of the governance or accountability arrangements supporting it.

Costs

In my letter of March 2025, I included examples of the type of cost information that it would be helpful for the CCP to include. That included the estimated resource and capital costs attached to each policy, the potential total costs over the period to 2045, and how costs are likely to be split between public and private finance.

The draft CCP set out the net costs of the policies (not proposals) included in it, by sector and by carbon budget period. This is calculated by deducting the estimated cost savings and financial benefits of the policies from the estimated costs. Although it is helpful to see the net costs, it does not provide transparency on the direct financial requirement of delivering the plan. This ought to be the basis for financial planning. It is also not clear which individual policies or packages will cost money to implement, the scale of that investment, and when it needs to happen. There is also no breakdown between resource and capital costs or where the investment will come from (i.e. public sector, private sector, or individuals and households).

Because the costs are only included for policies, it is not possible to make links between the estimated investment required and the resulting emissions reductions, which include the estimated impact of proposals that are yet to be fully developed into specific policies. That may make it difficult to inform decisions on spending, to prioritise policy implementation and for scrutiny and accountability.

The draft CCP includes limited information on how the cost estimates were calculated and what assumptions underpin them, and it recognises that there is significant uncertainty associated with many of the estimates. It could therefore be difficult to scrutinise impact of any changes to policies or external developments on the costs and financial benefits set out in the draft CCP.

Although the inclusion of cost estimates in the draft CCP is a positive step forward, the lack of detail outlined above could make it difficult to quantify the scale of public funding that the Scottish Government needs to deliver the plan, assess general affordability, and inform future spending decisions.

I recommended in my previous letter that there be a clear line of sight between the costs set out in the CCP and spending allocations in the Scottish Budget. This will be needed to provide assurance that the policies set out in the plan can be delivered. The costs in the draft CCP are estimated across a five-year carbon budget period and so it will be important for the Scottish

Government to clearly illustrate how they translate across into annual budget documents and Spending Reviews.

Measures and indicators to support scrutiny of progress

I previously highlighted that – because of the two-year time lag in reporting on Scotland's emissions - a framework would be needed for assessing progress against the policies and actions in the CCP, as an indicator of whether delivery against the plan and associated emissions reductions is on track.

Annex 3 includes a monitoring and evaluation framework for the CCP, which sets out the Scottish Government's proposed approach. Although it would not be appropriate for me to comment on the indicators and measures proposed in the framework, it is encouraging to see that the Scottish Government proposes developing a set of 'early warning indicators' for each sector. It is also encouraging to see that the framework includes an approach to assessing the extent to which the Scottish Government is delivering a just transition for Scotland.

Finalising the monitoring and evaluation framework in time to assess progress during the first five-year carbon budget period will be important. Until the framework proposed in the draft CCP is developed, it is not possible to assess how effective it will be in supporting scrutiny of progress or in highlighting risks to delivery early enough to enable the Scottish Government to take effective corrective action, if needed.

The lack of detail in the areas outlined above makes it difficult to assess if the policies and proposals included in the draft CCP are achievable and affordable. It also presents a risk to the effective scrutiny of the implementation of the policies in the plan, the assessment of progress and cost effectiveness of policies, and the ability to hold relevant bodies to account for delivery.

I hope the information provided is helpful to the Committee. Please note that I intend to share a copy of this letter with the Scottish Government, as part of its consultation on the draft CCP.

Your sincerely

Stephen Boyle
Auditor General for Scotland