

Net Zero, Energy and Transport Committee
Tuesday 3 February 2026
5th Meeting, 2026 (Session 6)

Evidence session with the Cabinet Secretary for Transport on the Scottish Budget 2026-27

Background

1. On 13 January 2026, the Scottish Government introduced the [Budget \(Scotland\) \(No. 5\) 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](#). An outline of the Scottish budget process is [available on the Parliament's website](#).
2. The effect of the Bill, if agreed to, would be to implement the [Scottish Budget 2026-27](#). Supporting documentation and a more detailed breakdown of the budget within Cabinet Secretary portfolios, can also be [found on the Scottish Government's website](#).
3. The Committee has agreed to invite the Cabinet Secretary for Transport to give evidence on the Budget on 3 February.
4. The session coincides with the Committee taking evidence from the Cabinet Secretary on the [Scottish Government's draft Climate Change Plan \(CCP\)](#), on the same day. As the Committee's pre-budget letter highlighted, the CCP must be closely linked to the annual budget if the emissions reductions laid out in the draft Plan are to be realised.

The Committee's general transport scrutiny

5. The Committee has a rolling programme of scrutiny on transport-related matters. Below are some of the main issues the Committee has considered over the last 12 months:
 - *Public transport on land*: the Committee held evidence sessions with road and rail stakeholders in April 2025 about a range of matters including funding and capital investment for Scotrail and bus services, the safety of public transport users and bus and train staff, customer satisfaction, and ticketing. Links to those sessions and other transport correspondence are [available via this link](#);
 - *Ferries*: the Committee's scrutiny in the past 12 months has mainly been in relation to its role monitoring progress in delivery of the MVs Glen Sannox and Glen Rosa. More information, including relevant recent correspondence on all ferries matters, is [available via this link](#);
 - *Scottish Government transport priorities*: the Committee also had a wide-ranging evidence session with the Cabinet Secretary for Transport and

officials on [7 October 2025](#). The session covered many of the main issues in her portfolio including capital funding for A9 dualling and other major transport projects; train ticketing and Scotrail performance; active travel spending, road safety, bus infrastructure funding, and the proposed purchase of Ardrossan Harbour.

Pre-budget scrutiny

6. Scottish Parliament committees often carry out pre-budget scrutiny, making recommendations or posing questions on budgetary matters in the autumn before Scottish Government budget proposals are published.
7. The Committee's [pre-budget scrutiny for 2026-27](#) focused on the implementation of the Joint Budget Review (JBR) of climate change and the Scottish Budget. The JBR, which comprised a mixture of Scottish Government and Scottish Parliament officials, aimed "to improve budget information on climate change – to understand and reduce spend that will 'lock in' future greenhouse gas emissions and increase alignment between the budget and climate change plans." The JBR has concluded, and the Scottish Government has committed to implementing its main outcomes.
8. The [Cabinet Secretary for Climate Action and Energy responded](#) to the Committee's letter on 13 January 2026. The Committee is likely to pursue matters arising from this exchange of correspondence mainly in its 10 February evidence session with her.

Transport in the 2026-27 Scottish Budget

9. The Transport portfolio accounts for 6% of the total budget: £4,282 million. Transport is 31% of the total capital budget, the largest share of any portfolio. The budget includes an 8% real terms increase in the transport capital budget from 2025-26 to 2026-27.
10. The Scottish Parliament Information Centre has published a [Budget briefing](#), including an overview of transport spending. Generally, there is little scope for significant year-on-year change in the transport budget, as most funds are invested in maintaining the operation of Scotland's transport services and infrastructure. However, more notable changes in the draft transport budget for 2026-27 from previous years include:
 - A 41.8% increase in the trunk road Capital Land and Works budget from 2025-26, rising to £223 million. This funds the design, development, and delivery of trunk road schemes. The increase is largely accounted for by work on the A9 dualling programme entering the delivery stage.
 - The Rail Services budget, which supports the operation of ScotRail and Caledonian Sleeper services, sees a 9.4% increase when compared to 2025-26, rising to £1,008.6 million. While this includes provision for the permanent removal of peak fares on ScotRail services it is worth noting that these were abolished on 1 September 2025, meaning the 2025-26 budget included six months of the new fare regime. It is also worth noting

there is no increase in the total amount being spent on railways in Scotland, as there is a slight reduction in investment in maintenance and rolling stock replacement programmes.

- A £1.8 million increase in Northern Isles Ferry Service funding to support the removal of mid and peak seasonal fares for island residents travelling on Northlink services.
 - An additional £55 million for the Concessionary Fares budget, £7 million of which will support the pilot £2 bus fare cap in the Highland and Islands. This is less than was announced in the 19 December 2025 [Transport Scotland press release](#) launching the bus fare cap, which stated that it would be “Supported by £10 million investment”.
 - Payments to the operators of Design, Build, Finance, Operate (DBFO) sections of the trunk road network (e.g. the Aberdeen Western Peripheral Route) increase by 10% to £146.8 million, despite no new DBFO routes opening in this period.
11. The budget also proposes replacing Air Passenger Duty, administered by the UK Government, with a Scottish Air Departure Tax. The power to create such a tax has not been used to date, owing to concerns it could lead to the removal of a tax exemption for flights serving Highlands and Islands airports.

Next steps

12. The Committee will take budget evidence from the Cabinet Secretary for Climate Action and Energy on 10 February. This will cover some other aspects of the committee’s remit: climate change, energy and the environment.
13. Main scrutiny of the Budget Bill falls to the [Finance and Public Administration Committee](#). However, by taking portfolio-specific evidence in this way, the Net Zero, Energy and Transport Committee contributes to the general public discussion around the Scottish Government’s spending proposals and on the final content and future implementation of the 2026-27 budget before the Scottish Parliament is asked to pass the Bill.

Clerks to the Committee
January 2026