

Ministear airson na h-Àrainneachd agus Atharrachadh Aimsir  
Minister for Environment and Climate Change  
Roisin Chonaigean BPA  
Roseanna Cunningham MSP

F/T: 0845 774 1741  
E: scottish.ministers@scotland.gsi.gov.uk



Patrick Harvie MSP  
Convener  
Transport, Infrastructure and Climate Change Committee  
The Scottish Parliament  
Edinburgh  
EH99 1SP

14 March 2011

Dear Patrick,

I am pleased to advise you that *Low Carbon Scotland: Meeting the Emissions Reduction Targets 2010-2022* will be laid before the Scottish Parliament today. This is the final version of the Scottish Government's Report on Proposals and Policies (RPP), which was first published in draft on 17 November 2010.

A written statement will also be laid before Parliament today setting out details of the representations, resolutions and reports made on the draft RPP, the changes that have been made to the report in response and the reasons for those changes. I will also be making a statement on the RPP to the Parliament on 16 March.

I would like to thank you and the other members of the Transport, Infrastructure and Climate Change Committee for the work you undertook to scrutinise the draft RPP during the 60-day period for Parliamentary consideration and for the report (SP Paper 554, TIC/S3/10/R9) published on 23 December 2010.

The written statement incorporates the Scottish Government's formal responses to the recommendations in the Committee report. References are provided throughout the statement to indicate precisely where responses are given to recommendations made in the Committee report. A table has also

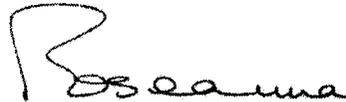
Taigh Naomh Anndrais, Rathad Regent, Dùn Èideann  
EH1 3DG  
St Andrew's House, Regent Road, Edinburgh EH1 3DG  
[www.scotland.gov.uk](http://www.scotland.gov.uk)



been provided in the annex to this letter listing the recommendations and related statements made in the Committee report and providing the numbers of the paragraphs in the written statement that respond to those points. Where recommendations have been duplicated - for example, in the body of the report and in the summaries of recommendations - reference is made to the first instance of each recommendation.

I am writing in similar terms to Iain Smith in his capacity as Convener of the Economy, Energy and Tourism Committee.

Yours



**ROSEANNA CUNNINGHAM**

<p><b>TICC COMMITTEE REPORT STATEMENTS AND RECOMMENDATIONS</b></p>	<p><b>Addressed in the following paragraphs of the Scottish Government's Written Statement accompanying the final version of the RPP for 2010-2022</b></p>
<p>14. The TICC Committee recommends that the Scottish Government should consider carefully the timing of future RPPs to ensure that the optimum opportunity is afforded for its parliamentary scrutiny within the limited statutory period. The Committee would be happy to liaise with the Scottish Government on this matter.</p>	<p>57 &amp; 58</p>
<p>26. However, the Committee remains to be convinced that the general public, as well as public and private sector organisations across Scotland, are yet to recognise all the financial, health benefits and environmental benefits of and are ready to take the next steps, which may involve difficult lifestyle choices as stated in the RPP.</p>	<p>16</p>
<p>29. If the vision set out in the RPP is to become a reality, the importance of different groups in society understanding the climate change agenda and being aware of how they can contribute to it is considered to be crucial by the Committee. In this respect, it has long viewed the public engagement strategy for climate change as being key to the delivery of the Scottish Government's climate change objectives. The Committee hopes that this strategy will include far-reaching and innovative proposals for the mobilisation and genuine involvement of the public.</p>	<p>45 &amp; 46</p>
<p>38. The Committee acknowledges that the nature and intent of the RPP document is to detail a mix of adopted policies and proposals which have potential to be developed into policies. However, the Committee recognises that the RPP does not represent a step change in policy terms and presents only a menu of options for the future.</p> <p>39. The Committee therefore recommends that the Scottish Government should move quickly to develop a programme of assessment and evaluation of the proposals contained within the document to inform decisions on which of these should be adopted and implemented to make a contribution towards meeting the emissions reduction targets. This process should also identify alternatives to those proposals which are found to be impractical or inappropriate.</p>	<p>30-34, 49-52</p>

<p>40. The Committee recommends that the final version of RPP laid before the Parliament should set out the Scottish Government's intentions in this regard, together with an indicative timetable for undertaking this work. It suggests that the production of the next RPP, likely to be towards the end of 2011, provides an opportunity for the Scottish Government to provide clear evidence of the outcomes of this analysis.</p>	<p>40, 49-52</p>
<p>49. The Committee agrees that there should be a balance between voluntary and regulatory measures to deliver the RPP objectives. However, the majority of the Committee agrees with concerns expressed with regard to the Scottish Government's assumption that the voluntary approach to the implementation of policies and proposals should be considered as the default starting point in all cases. It recognises the potential for this approach to cause delays in the implementation of the RPP, particularly in those sectors where there appears to be a real risk that the voluntary approach could prove unsuccessful or where voluntary approaches have already been tried and found to have failed.</p> <p>50. The majority of the Committee therefore recommends that the Scottish Government should define failure criteria for voluntary measures and introduce an appropriate mechanism, as part of its ongoing development and monitoring of the RPP, to provide a realistic assessment of all policies and proposals where a voluntary approach is proposed to determine whether, in each case, this is likely to be sufficient to deliver the necessary changes.</p>	<p>30-34, 49-52</p>
<p>64. The Committee shares the concerns expressed in evidence that there could be further delays in the implementation of those elements of the RPP where the Scottish Government is reliant on the roll-out of UK policies and associated funding, some of which will not occur until 2012-13. It seeks reassurance from the Scottish Government that it will keep this situation under review and consider alternative approaches should any significant delay in the implementation of the relevant UK policies occur.</p>	<p>40</p>

<p>65. The Committee notes that one of the assumptions made when developing the RPP was that the EU ETS cap would be strengthened to 30% by 2020. This has not yet happened and there remains significant uncertainty as to when or even if agreement will be reached on this matter.</p> <p>66. However, the Committee is reassured by the indication given by the Cabinet Secretary that, in the event that the EU ETS cap is not strengthened, the Scottish Government will propose additional compensatory measures to ensure that Scotland's interim target of 42% reductions by 2020 will be met. The Committee recommends that the Scottish Government should, as a feature of the final version of the RPP, make a clear statement of its intended course of action should the EU not agree to a 30% reduction in emissions.</p>	<p>22-27</p>
<p>71. The Committee acknowledges the tight deadlines for reporting on the Scottish Government's Draft Budget 2011-12 and the RPP as set out in the Climate Change (Scotland) Act 2009. The Committee has commented earlier in this report on the need to consider carefully how the limited statutory period for parliamentary consideration of the RPP might be best managed. It is of the view that the comments made by those giving evidence which question the value of publishing the budget and the RPP to the same timescale should be taken into account as part of any discussions on improving and enhancing the scrutiny of the next RPP.</p>	<p>57 &amp; 58</p>
<p>88. The Committee accepts that this year's Draft Budget 2011-12 covers only one year and that it has been produced against a backdrop of public finance constraint. It also acknowledges that the RPP requires long term funding for the next 10 to 20 years. However, it is the Committee's view that the RPP must be aligned with the Budget in a manner which presents an accurate and realistic picture of what can be achieved. It sees little benefit in setting challenging objectives and making ambitious estimates of emissions reduction to be made through proposals and policies if subsequent Scottish Government Budgets do not contain sufficient financial provision to allow these to be delivered.</p> <p>89. It is the Committee's view that, if there are circumstances in future years where the Scottish Government takes decisions which result in the scaling back or removal of funding for a policy or initiative which</p>	<p>37, 49-52</p>

<p>is included in the RPP, the document should be suitably amended to reflect that position. It recommends that the process being developed by the Scottish Government to monitor the progress of the RPP, should include a means to consider any such changing circumstances.</p>	
<p>90. The Committee's scrutiny of the Draft Budget 2011-12 suggests that financial provision is not adequate to drive forward certain of the initiatives set out in the RPP, such as active travel and modal shift as it relates to the freight industry. The Committee has commented on these matters in its report to the Finance Committee on the Draft Budget 2011-12 and makes further reference to them in the transport section of this report.</p>	110-114
<p>91. The Committee also acknowledges the many concerns raised in terms of the need to provide greater clarity in the RPP on those proposals and policies which local authorities will be expected to deliver. It recommends that the Scottish Government should reflect on whether greater clarity on this issue could be provided in the final RPP.</p>	30-34, 48
<p>92. The Committee also recognises the challenges presented to local authorities by budget constraints and the requirement to manage many competing priorities, of which emissions reduction is only one. It considers this to be a serious and significant issue which has potential to create an unnecessary barrier to the effective delivery of emissions reduction in the public sector. The Committee calls on the Scottish Government to provide details of how it intends to engage with COSLA and local authorities on how these challenges might be addressed.</p>	30-34
<p>99. The TICC Committee would like to restate its thanks to the EET Committee for its work. It notes and endorses all of the recommendations contained in the EET Committee's report and expects the Scottish Government to give due consideration to its contents and to provide a full response to its recommendations.</p>	15, 59
<p><b><i>Conclusions on homes and communities</i></b></p>	
<p>129. The Committee notes that policies for reducing emissions from the homes and communities sector rely heavily on UK funding and the Scottish Government's policies concentrate on measures to ensure access and increased up-take of these funding streams.</p>	73-79
<p>130. The Committee also notes the uncertainty surrounding a number of UK policies as further details on their implementation and funding have yet to be announced.</p>	73-79

<p>131. The Committee is concerned that an over-reliance on UK funding could pose a risk to the Scottish Government in achieving its targets as it does not have control of the timing of the roll-out of policies and control over their funding.</p>	<p>40, 73-79</p>
<p>132. The Committee believes that it remains unclear the extent to which the Scottish Government will allocate appropriate funding to energy efficiency and fuel poverty schemes in 2011-12 should the UK funding mechanisms prove inadequate or inappropriate for Scotland.</p>	<p>73-79</p>
<p>133. The Committee recommends that, should funds from the UK policies prove inadequate, the Scottish Government should seek to provide additional alternative funding to ensure that energy efficiency targets in this sector are achievable.</p>	<p>73-79</p>
<p><i>Business sector</i></p>	
<p>144. The Committee agrees that if private finance is to be levered in to the scale required, investors will need to have confidence that investments in low carbon projects are worthwhile from a business perspective. It suggests that “early wins” and good examples of successful investments and business opportunities are essential if this investor confidence is to be provided.</p> <p>145. The Committee therefore calls on the Scottish Government to indicate whether it has carried out any scenario planning which anticipates early private sector activity which might deliver such success and act as encouragement to others in the business sector.</p>	<p>98-102</p>
<p><i>Public Sector</i></p>	
<p>153. In its report, the EET Committee also stated its concern about the potential skills gaps and the challenges and scale of training and retraining required. The EET Committee recommended that the Scottish Government provides the necessary funds for the education and training sector in Scotland to enable the Scottish population to fully take advantage of the employment opportunities in the renewables sector by providing the right skills at the right time.</p> <p>154. This Committee endorses that view and recommends that the Scottish Government provides greater clarity on how it will support academia, local authorities and others to ensure they have the skills and funding to deliver transformational policies such as electric car charging points and adequately ensure compliance with new stringent energy standards across all sectors.</p>	<p>53-56</p>

<p>163. However, the Committee notes that local authorities are concerned that there are several issues on which further clarity and definition is required if they are to prepare to fulfil this responsibility effectively. The Committee calls on the Scottish Government to hold discussions with COSLA to resolve these concerns. It also recommends that the role of public bodies in delivering proposals and policies should be more clearly defined in the next RPP.</p>	<p>30-34</p>
<p><i>Conclusions and recommendations on transport</i></p>	
<p>192. The Committee considers that the discussions around the allocation of resources for active travel and freight modal shift during scrutiny of the Draft Budget 2011-12 support its comments earlier in this report on the need to ensure that there is greater alignment between the objectives set out in the RPP and the Budget.</p> <p>193. The Committee has outlined its concerns that the Draft Budget 2011-12 may not include sufficient measures to encourage both active travel and freight modal shift. It notes that, at the same time, the RPP includes proposals and policies which suggest that improvements in these areas are integral to its objective of meeting the emissions reduction targets. The Committee calls on the Scottish Government to provide details of how it intends to address such inconsistencies.</p>	<p>110-114</p> <p>110-114</p>
<p>194. The Committee notes that the Cabinet Secretary is not convinced that a hierarchy of transport measures is necessary. The Committee disagrees and considers it essential that Scottish Government policy direction matches the transport objectives set out the RPP if emissions targets are to be met. It is of the view that there is little sign that this is happening at present to a sufficient degree and that there needs to be a more progressive shift in direction.</p>	<p>115-117</p>
<p>195. The Committee also supports the view expressed by witnesses and in written evidence that the RPP should include reference to a need to reduce the need to travel and the contribution that this could make to emissions reduction. It calls on the Scottish Government to include reference to this issue in the final version of the RPP and to develop its approach more fully in advance of the next RPP.</p>	<p>115-117</p>

<i>Rural Land Use</i>	
208. The Committee would expect that the Scottish Government's Land Use Strategy, once published, will begin to shed some light on some of these issues and begin to shape how land use can make a contribution to climate change objectives. <b>It would also expect the Land Use Strategy to help inform the development of the next RPP.</b>	<b>139-141</b>
<i>Waste</i>	
228. The Committee notes the work being done by the 2020 waste sub-group and urges the Scottish Government to adopt a proactive approach and to work closely with that sub-group and the waste industry and other stakeholders to identify opportunities within the current financial constraints to improve waste management facilities and the coordination of waste collection, treatment, recycling and disposal.	<b>158 &amp; 159</b>
229. The Committee recommends that in developing the RPP, and in advance of the next RPP, the Scottish Government should consider wider issues in relation to waste and incorporate proposals in relation to all aspects of the waste hierarchy and not just on the issue of waste treatment.	<b>160-164</b>
<i>Monitoring of Progress</i>	
245. The Committee welcomes the commitment given by the Cabinet Secretary to ongoing work with the 2020 Climate Group and other stakeholders on the development of the Scottish Government's Low Carbon Management Framework, which will include an assessment of whether the use of indicators would be beneficial to this exercise.	<b>49-52</b>
246. The Committee considers it essential that comprehensive monitoring of this and successive RPPs takes place and that the monitoring process measures performance against targets and also identifies any emerging risks that targets may not be met.	<b>49-52</b>
248. The Committee has also commented earlier in this report on the need to better align the RPP with Scottish Government Budgets. It further recommends that the monitoring mechanisms developed for the RPP should also incorporate a means of assessing whether Budgets deliver sufficient funding for proposals and policies, identifying any funding shortfall and flagging up any required revisions to the RPP or climate change targets that may be required as a consequence.	<b>49-52</b>

<p>249. The Committee is of the view that accurate monitoring and reporting will be particularly essential beyond 2011, when the periods between the publication of RPPs will extend to 5 years to tie in with batches of annual targets. It therefore requests clarity from the Scottish Government as to whether regular progress reports will be made available to the Parliament and publicly during the lifetime of RPP documents and, if so, to what timetable.</p>	<p>49-52</p>
<p>250. The Committee also calls on the Scottish Government to provide information as to how the RPP monitoring process will interface with and inform reports on annual targets required under the 2009 Act.</p>	<p>49-52</p>
<p><b>EET COMMITTEE REPORT STATEMENTS AND RECOMMENDATIONS</b></p>	
<p>42. The Committee would like to see the funds from the fossil fuel levy being made available to take advantage of investment in renewable energy and not to miss the opportunities available. The Committee asks the Scottish and UK Governments to work constructively together to see if a way can be found that will release the funds held by Ofgem in its fossil fuel levy account in a manner which will not impact on the Scottish Consolidated Fund.</p>	<p>60 &amp; 61</p>
<p>68. The Committee heard from the Cabinet Secretary for Finance and Sustainable Growth that it was not possible to provide exact figures for either the home insulation scheme or energy efficiency packages at this time as the level of future investment was still the subject of negotiations between the Scottish Government and private companies. In a follow-up letter to the Committee the Cabinet Secretary indicated that "The EAP and HIS budgets will be announced shortly". The Committee notes the lack of financial information provided on this during the budget scrutiny process. The Committee had previously stated that investment should be in the order of £100-170 million per year and is therefore disappointed at the proposed reduction of £20.7 million to £83.9 million for the 'supporting sustainability' budget.</p>	<p>70-72</p>
<p>93. More generally, the Committee questions whether a one-year budget provides enough information to parliamentary committees when considering how the medium and long-term climate change targets are to be financed and if the Scottish Government is putting in place the necessary finance to meet these targets over the medium- and longer-terms.</p>	<p>16</p>

<p>96. The Committee is supportive of the efforts to create low carbon employment opportunities. However, the Committee is concerned about the potential skills gaps and the challenges and scale of training and retraining required. The Committee recommends that the Scottish Government provides the necessary funds for the education and training sector in Scotland to enable the Scottish population to fully take advantage of the employment opportunities in the renewables sector by providing the right skills at the right time.</p>	<p>53-56</p>
<p>97. Whilst the Committee welcomes the publication by the Scottish Government of a range of energy and climate change documents alongside this year's Draft Budget, the fact that parliamentary committees only have a 60-day period to conclude evidence-taking and report to a lead committee for it to then complete the final report is immensely challenging. Overall, we feel that this has had an adverse effect on the ability of this Committee to effectively scrutinise their contents.</p> <p>98. The Committee would therefore recommend for future years for the publication of the annual Reports on Proposals and Policies that these documents are not published simultaneously with the Draft Budgets and that the Scottish Government considers publishing all of the energy and climate change information at least 6 months prior to the Draft Budget.</p>	<p>57 &amp; 58</p>
<p>99. The Committee recommends to the lead committee that it may wish to consider whether parliamentary committees should be consulted much earlier in the budgetary cycle in terms of whether the Scottish Government is on track to meet the target of a 42% reduction in emissions by 2020 and 80% by 2050, and thereby be in a position to propose what should be included in forthcoming Draft Budget. Ideally, this might be at the start of a three-year spending review.</p>	<p>57 &amp; 58</p>
<p>100. More specifically, the Committee notes the apparent disparity of statements made by the Scottish Government and the enterprise agencies of energy, and renewable energy in particular, being a top priority, with the proposed cut to the energy budget. We also note the discrepancy between what we called for as a Committee in our 2009 energy report in relation to energy efficiency schemes – namely a rise to between £100-170 million per year – with what is actually being proposed for the next financial year. In this respect, the Committee is concerned that the funding that is being proposed for 2011-12 is not going to be enough to meet the targets set in the Climate Change (Scotland) Act 2009.</p>	<p>73-79</p>

<p>101. The Committee also regrets that we appear to be in severe danger of failing to meet the target of eliminating fuel poverty by 2016. The numbers of households in Scotland in fuel poverty or in extreme fuel poverty are increasing, not decreasing. We recommend that as a matter of urgency, the Scottish Government puts in place measures to address the increases in fuel poverty, for example, through a significant boost to the home insulation scheme and its extension throughout Scotland.</p>	<p>73-79</p>
<p>102. The Committee had anticipated that the policies within the Report on Policies and Proposals would be costed (as they were in <i>Scotland's Independent Budget Review</i>) and would like to see this in future reports. For those policies which are based on assumptions, for example the assumed compliance rates for new build properties, the Committee would like further information to be provided to enable effective scrutiny. The Committee would also like future RPPs to include both medium and longer term trends and to have more policies than proposals.</p>	<p>41 &amp; 42, 44, 57 &amp; 58</p>
<p>107. The Committee requests further information from the Scottish Government on what finance options are in place for consumers prior to the introduction of the UK Green Deal in autumn 2012 and whether there will be an equivalent Scottish measure? The Committee is concerned that households will not invest the sums necessary for climate change measures, as the returns on their energy bills do not always cover the upfront capital costs.</p>	<p>73-79</p>

