



The Scottish Parliament
Pàrlamaid na h-Alba

Michael Matheson MSP
Cabinet Secretary for Transport,
Infrastructure and Connectivity

c/o Clerk to the Committee
Room T3.40
The Scottish Parliament
Edinburgh
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By email only

(RNID Typetalk calls welcome)

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23 May 2019

Dear Michael,

The carbon impact of infrastructure investment, and natural capital considerations

At its meeting on 7 May 2019, the Committee agreed that it would write to you in connection with its work on financial scrutiny and the Scottish Government's budget 2020/21.

The Committee considered the carbon impact of the capital budget 2019/20 and agreed to continue to focus on how public spending contributes to climate change mitigation and adaptation, and the how Parliament's new powers on taxation could influence behaviour change and impact this.

Scotland can only deliver its climate targets if the policies in the Climate Change Plan are financed and funding for high carbon activities is significantly reduced. At the level of parliamentary budget scrutiny this means—

- aligning the budget and climate change plan;
- understanding and reducing spend that will “lock in” future emissions

Given the long lifetimes of infrastructure projects, the Committee considers capital investment to be a key area of Scottish Government spending likely to “lock in” a pattern of future emissions.

The Committee on Climate Change recently recommended that Scotland set a more ambitious target of reaching net-zero by 2045. If the net-zero target is to be met, low carbon and sustainability issues will need to be a clear priority for Scottish budgets and infrastructure plans for years to come.

The Committee has also noted the publication of the UN global assessment report on biodiversity in May, which highlights that nature is essential for achieving the Sustainable Development Goals (SDGs), and that chosen economic, energy and infrastructure pathways could have substantial positive or negative impacts on nature and therefore on the achievement of other SDGs.

At the Committee's meeting on 7 May 2019, the Committee heard – in separate sessions – from Revenue Scotland, the Chair of the Infrastructure Commission for Scotland and from officials in the Office of the Chief Economic Adviser. From these discussions, the Committee agreed that it appeared that there is a wealth of long-term planning taking place and that this is to be welcomed.

The Committee would welcome your view as to how low carbon, sustainable and green infrastructure sits within the Scottish Government's priorities and its budget planning.

The Committee is aware that the Infrastructure Commission for Scotland is currently consulting on a 30-year vision for Scotland's infrastructure and has been asked to advise on how plans for the next five years provide a platform for the 30-year vision. The Committee considers that maintaining and enhancing natural capital and green infrastructure are vital to Scotland meeting its targets for biodiversity and climate change and we would encourage the ICS to consider this fully in its work. The Committee would welcome your view as to whether this could be considered as priority focus of this work.

The Committee would welcome further information on the role low carbon, sustainable and green infrastructure will play in the next Infrastructure Investment Plan, how the Plan will be aligned with the UN Sustainable Development Goals, and how this will be addressed in the budget process, financing models and in the forthcoming Climate Change Plan.

The Committee would also welcome information on planning and work to protect existing infrastructure, including pipelines, that could support and facilitate carbon capture and storage.

Additionally, the Environment Secretary, Michael Gove MP, has published draft clauses on environmental principles and governance to be included in an Environment Bill set for introduction at Westminster later in 2019. Amongst other things, it aims to establish an Office for Environmental Protection (OEP). This is described as a “world-leading, green governance body...to uphold environmental legislation. The OEP will be an independent, statutory environmental body that will hold government and public bodies to account on environmental standards, including taking legal action to enforce the implementation of environmental law where necessary, once we leave the EU, replacing the current oversight of the European Commission.” The Committee understands that under current proposals, Scotland will not be covered by the remit of the OEP in respect of devolved matters, but if Scottish Ministers or public authorities were fulfilling functions related to environmental law in respect of any reserved matters, they would fall under the remit of the OEP. The Committee has heard from the Scottish Government that there is uncertainty

about how the OEP's role is intended to work in practice in Scotland, for example in relation to executively devolved functions that may be central to decarbonisation or infrastructure plans, such as offshore wind consenting. It would be useful for the Committee to understand how this proposal fits into work planned by the Scottish Government and how this is would be placed in relation to strategic infrastructure planning and investment, sustainable infrastructure and any implication for the budget.

The Committee looks forward to receiving a response from you, if possible, by 17 June 2019.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Gillian Martin'.

Gillian Martin MSP
Convener
Environment, Climate Change and Land Reform Committee