

Scottish Government
St. Andrew's House
Regent Road
Edinburgh
EH1 3DG

28 January 2026

Dear Climate Change Plan team,

The Scottish Fiscal Commission welcomes the publication of the Scottish Government's draft Climate Change Plan (CCP) and the opportunity to respond to the Scottish Government's consultation.

Our consultation response is in line with the evidence we gave to the Net Zero, Energy and Transport (NZET) committee in November 2025 and in our correspondence with the NZET committee on the CCP in advance of publication.^{1,2} While it wouldn't be appropriate for us to comment on specific areas of policy, we are able to comment on the information presented in the CCP on spending required, the methodology used, and how progress will be monitored.

Climate change presents significant fiscal risks and challenges, and it is our aim to assess the fiscal risks presented by climate policy and other forms of climate related costs.

In our September 2025 publication, *Fiscal Sustainability Perspectives: Climate Mitigation*, we highlighted the information the upcoming CCP would need to include to allow us to track and review the fiscal sustainability of the Scottish Government's mitigation plans in the short, medium, and long term.³

We set out that the CCP should include estimates of the cost and benefits of the proposals and policies it set out, and should meet our recommendations in relation to:

- the level of detail needed in the CCP
- transparency around the methods used to estimate emissions
- what information would be needed to monitor the progress towards its goals.

This information would also provide greater transparency around spending on climate change mitigation which could support scrutiny of the Budget process.

¹ Scottish Parliament (2025) [Net Zero, Energy and Transport 25 November 2025](#)

² Scottish Fiscal Commission (2025) [Letter to Net Zero, Energy and Transport Committee – 25 March 2025](#)

³ Scottish Fiscal Commission (2025) [Fiscal Sustainability Perspectives: Climate Change Mitigation – September 2025](#).

Based on our assessment of the draft CCP published in November, the information currently in the draft does not meet our recommendations and is not sufficient to assess the impact of the commitments in the draft CCP on Scottish Government fiscal sustainability.

Level of detail

While policies have been costed in the draft CCP, proposals have not, and the split between emissions reductions attributable to each remains unclear. This makes it difficult to understand how much of the draft CCP is costed.

For example, the draft CCP presents the net economy-wide costs of the policies at £4.8 billion in 2025 prices for the 15 year period the CCP covers. Whereas based on the Climate Change Committee's (CCC) latest estimates, under the balanced pathway the CCC estimate a net economy-wide cost of £32.4 billion in 2025 prices over the same time period as the CCP. Without the information about how much of the planned emission reduction is due to policies and proposals it is unclear how much of this difference is due to differences between the approach to reducing emissions in the CCC's pathway and the draft CCP, and how much of the difference is due to the proposals being uncoded and therefore excluding part of the costs of achieving the emission reductions needed by 2040.

The draft CCP only includes an estimate of economy-wide net costs. It would need to present how these costs are divided between public and private spending in order for us to be able to assess its impact on Scotland's public finances.

In addition, all figures are presented by carbon budget rather than broken down by individual year, limiting how the fiscal implications for the Scottish Budget can be assessed.

Methods

The methodology used to estimate reductions in emissions and the associated costs underpinning the draft CCP are not clearly set out.

We welcome that the draft CCP identifies baseline policies against which costs are assessed. It provides only net costs and presents benefits separately, by policy or groups of policies. Although the costs of policies can be inferred, this information has not been provided, which creates a barrier to assessing the draft CCP.

There is no accompanying data in the form of spreadsheets or detailed breakdowns to support the estimates provided. This makes it difficult to understand the assumptions and methodology behind the figures and limits our ability to scrutinise or replicate the analysis.

We believe that publishing clear methodological details and supporting data is essential to ensure accountability and enable informed decision-making.

Monitoring

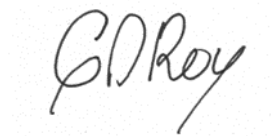
The draft CCP does set out approaches to monitoring progress towards the just transition and emission reductions. In addition, we would encourage that the costs and especially public costs should be also tracked, monitored and information on this published.

We acknowledge that there is limited time before the final publication is required and some of these recommendations could not be addressed within this timeframe. However, we would encourage the Scottish Government to publish data and information relating to the draft CCP as soon as possible.

To be able to assess and consider the fiscal effects of the draft CCP we need to understand how much of it is costed and this would require information about how much of the proposed emission reduction is split between the costed policies and the uncostered proposals. We strongly recommend the final draft of the CCP includes this information.

I have also copied the Net Zero, Energy and Transport Committee into this response. We look forward to continued engagement on the Climate Change Plan and fiscal sustainability issues.

Yours sincerely,

A handwritten signature in black ink, appearing to read "G Roy".

Professor Graeme Roy