POLICY NOTE

THE CLIMATE CHANGE (SCOTLAND) ACT 2009 (SCOTTISH CARBON BUDGETS) AMENDMENT REGULATIONS 2025

SSI 2025/281

The above instrument was made in exercise of the powers conferred by section A4(1) of the Climate Change (Scotland) Act 2009. The instrument is subject to *affirmative procedure*.

Summary Box

The Climate Change (Scotland) Act 2009 (Scottish Carbon Budgets) Amendment Regulations 2025 (herein 'the Regulations') will set the target levels for the carbon budget periods up to 2045. The carbon budget framework was introduced by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2024 (herein 'the 2024 Act').

Policy Objectives

The objective of the Regulations is to set the levels for the carbon budgets introduced as the new emissions reduction framework by the 2024 Act.

The 2024 Act amended existing climate change legislation to establish a carbon budget approach to emissions reduction target setting instead of the system of annual and interim targets while retaining the target for delivery of net zero emissions by 2045.

A Scottish carbon budget sets a limit on the amount of greenhouse gases that can be emitted in Scotland over a five-year period. Not exceeding a carbon budget is the "Scottish carbon budget target". Scottish Ministers have a duty to ensure that each Scottish carbon budget target is met. While the duty to achieve these targets sits with the Scottish Ministers, the drive to reduce emissions will be a whole-society effort, delivered through the next Climate Change Plan (CCP), which will cover the period 2026-2040, and subsequent CCPs. The current CCP covers the period up to 2032.[1]

Scotland's carbon budgets include emissions from international aviation and shipping, with no provision to "carry over" emissions from one carbon budget to another (if emissions are lower than the carbon budget target in one period, the difference is not automatically carried over to the next carbon budget period).

The Regulations will amend the Climate Change (Scotland) Act 2009 ("the 2009 Act") to set the carbon budgets from 2026 up to the statutory net zero target year of 2045, with budgets for the periods 2026-2030, 2031-2035, 2036-2040 and 2041-2045.

[1] Reducing greenhouse gas emissions - Climate change - gov.scot - https://www.gov.scot/policies/climate-change/reducing-emissions/

UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility

The Scottish Ministers have made the following statement regarding children's rights.

In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 (the Act), the Scottish Ministers certify that, in their view, the Climate Change (Scotland) Act 2009 (Scottish Carbon Budgets) Amendment Regulations 2025 are compatible with the UNCRC requirements as defined by section 1(2) of the Act.

EU Alignment Consideration
This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

Consultation

In developing the Regulations, Scottish Ministers have taken into account the latest advice received from the Climate Change Committee (the CCC), in their *Scotland's Carbon Budget* report. The CCC are established as the advisory body for the Scottish Government on matters relating to climate action. The report provided the CCC's assessment of emissions reduction targets for Scotland on its pathway to net zero emissions. In developing the Regulations, Scottish Ministers have also had regard to the target-setting criteria set out in the 2009 Act, which includes requirements to consider economic, fiscal and social circumstances when assessing the credibility of targets. These are requirements under the 2009 Act.

In the process of developing the secondary legislation, officials have engaged with local authorities and COSLA through the Climate Delivery Oversight Group and other meetings to discuss the setting of levels for carbon budgets. Officials attended a meeting of the Sustainable Scotland Network and invited the attending representatives from local authorities to provide comments via a written questionnaire. Responses highlighted the need for certainty in the setting of emissions reduction targets and the financial pressures faced by local authorities in funding decarbonisation of fleet, property and other projects. There were also concerns that an acceleration of climate action to meet emissions reduction targets would require significant external investment and support from the Scottish Government. These views have been taken into account in the development of the carbon budget levels. Officials have shared a position paper on the carbon budget levels with COSLA to follow up on those engagements.

In general, those engaged with through consultation activities have been concerned with the policies and actions that will be required to deliver the carbon budgets, rather than the emissions reduction targets in themselves. Officials developing the CCP will be conducting detailed consultations on the draft version which will provide opportunities for representatives of business, local authorities and others to provide views on the proposed policies for inclusion in the next CCP.

Impact Assessments

The Regulations will be limited to setting the levels for the carbon budget targets and will not amend the duty for Scottish Ministers to achieve the net zero emissions target in 2045. When passed, the Regulations will not directly initiate any specific policies or actions required to meet the carbon budget targets or the net zero emissions target. As such, there are no identifiable direct impacts from the Regulations themselves that would disproportionately affect the groups and organisations covered by the impact assessments

The policies and actions required to meet the carbon budget targets will be laid out in the CCPs. Impact assessments will be conducted for the CCPs and individual policies and actions that are developed for emissions reduction and decarbonisation where appropriate. The 2024 Act requires that the draft of the next CCP has to be laid in the Scottish Parliament within two months of the coming into force of the Regulations setting the carbon budget levels, so work is currently being undertaken on impact assessments of the next CCP as a key compenent of the development of the plan.

Financial Effects

A Business and Regulatory Impact Assessment (BRIA) has been completed and is attached. Officials have engaged with COSLA, local authorities and the business sector during the development of the Regulations. The Regulations will be limited to setting the levels of the carbon budgets, which are consistent with the existing target to achieve net zero emissions by 2045. The Regulations will not initiate any policies or actions required to meet the Scottish Government's emissions reduction targets and, therefore, do not present any direct impacts on businesses and other organisations. The policies and actions required to meet the carbon budget targets will be laid out in the CCPs, for which Business and Regulatory Impact Assessments will be completed. Engagement with businesses, local authorities and other organisations is ongoing to assess potential impact of policies and actions of the next CCP.

Scottish Government
Directorate for Energy and Climate Change

19 June 2025