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Net Zero, Energy and Transport Committee

Net Zero, Energy and Transport Committee report on the Vehicle Emissions Trading Schemes (Amendment) Order 2024 (draft)



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Net Zero, Energy and Transport Committee

To consider and report on matters falling within the responsibility of the Cabinet Secretary for Transport and the Cabinet Secretary for Net Zero and Energy, with the exception of matters relating to just transition; and on matters relating to land reform, natural resources and peatland, Scottish Land Commission, Crown Estate Scotland and Royal Botanic Garden within the responsibility of the Cabinet Secretary for Rural Affairs, Land Reform and Islands.



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Introduction

1. The Vehicle Emissions Trading Schemes (Amendment) Order 2024 (draft) was laid before the Scottish Parliament on 3 September 2024. The draft instrument was referred to the Net Zero, Energy and Transport Committee for consideration and is subject to the affirmative procedure, meaning it must be approved by the Scottish Parliament before it can come into force.
2. It is for the Net Zero, Energy and Transport Committee to recommend to the Scottish Parliament whether the draft Order should be approved. On 4 September 2024, the Cabinet Secretary for Transport, lodged motion [S6M-14319](#) , proposing that the Committee recommends the draft Order be approved.
3. The policy note explains that the [Vehicle Emissions Trading Schemes Order 2023](#) (“the VETS 2023 Order”) established Great Britain-wide vehicle emission trading schemes (“VETS”) under the [Climate Change Act 2008](#) with the aim of reducing carbon dioxide (“CO2”) emissions. In order for multiple national authorities to create joint trading schemes under the Climate Change Act 2008, the instrument creating the schemes must be approved by a resolution of the legislature of each national authority. At the time of making the VETS 2023 Order, the Northern Ireland Assembly was unable to meet this requirement and, as such, the territorial extent of the VETS did not include Northern Ireland.
4. This Order now extends the VETS to all four nations of the UK by including Northern Ireland. The VETS will replace Northern Ireland’s current legislative regime governing CO2 emissions of new cars and vans. In addition to extending the VETS to Northern Ireland, various minor amendments that clarify the intent of the VETS Order 2023 are also made by this instrument.

Delegated Powers and Law Reform (DPLR) Committee consideration

5. At its meeting on 10 September 2024, the DPLR Committee considered the instrument and determined that it did not need to draw the attention of the Parliament to the instrument on any grounds within its remit.

[Read the Official Report - 10 September 2024](#)

Net Zero, Energy and Transport Committee consideration

6. At its meeting on 8 October 2024, the Committee took evidence on the draft Order from:
 - Fiona Hyslop, Cabinet Secretary for Transport
 - Matthew Eastwood, Head of EV Infrastructure, Low Carbon Economy Directorate, Transport Scotland
 - Micheila West, Solicitor, Scottish Government
7. The evidence taken at the meeting can be read in the Official Report, which is available at the following web page:
[Read the Official Report 8 October 2024](#)
8. In her opening remarks, the Cabinet Secretary explained that the Order would extend the territorial extent of the vehicle emissions trading schemes to include Northern Ireland.
9. The Cabinet Secretary outlined the significance of transport in contributing to Scotland's greenhouse gas emissions, accounting for 31.7% of total emissions in 2022, with road transport making up 70% of that. To address this, Scotland, in collaboration with the UK and Welsh governments, implemented the Vehicle Emissions Trading Schemes Order 2023, which took effect in Scotland in January 2024. This legislation aligns with similar measures across Great Britain to promote the sale of zero-emission vehicles and reduce emissions from non-zero-emission vehicles. ¹
10. The Cabinet Secretary for Transport emphasised the impact of the vehicle emissions trading schemes, which place legal obligations on car and van manufacturers to meet annual targets for zero-emission vehicle sales. By 2030, these targets aim for 80% of new car sales and 70% of new van sales to be zero-emission. In parallel, CO2 trading schemes encourage manufacturers to reduce emissions from non-zero-emission vehicles.
11. The Cabinet Secretary referred to UK Government analysis that projected these schemes to save 420 million tonnes of CO2 emissions across the UK by 2050, with Scotland expected to contribute a 40 million tonne reduction. Since the introduction of the legislation, fully electric cars now account for 17.2% of total vehicle sales in Great Britain. In Scotland, there are more than 96,000 electric vehicles on the roads, over 62,000 of which are fully electric. ²
12. The Cabinet Secretary noted that vehicle manufacturers and charge point operators have called for greater clarity and ambition from the government. She said:

- ” “the vehicle emissions trading schemes have provided that clarity and, as of the end of August, in part due to increasing private sector investment and public electric vehicle charging infrastructure, Scotland has more than 5,900 charge points. We will certainly meet our target of 6,000 public charging points by 2026.”³
13. The Committee asked about electric vehicle (EV) sales and the speed of uptake. The Cabinet Secretary acknowledged mixed views on the market but noted that the used EV market is performing well, with prices for used electric and fossil fuel vehicles now similar. She suggested that manufacturers are calling for more incentives to speed up sales, while Scotland's EV loan scheme, which targets those living in rural and island areas and those earning less than £50,000, has helped increase uptake.⁴
 14. Scottish Government officials noted that September was the UK's best-ever month for EV sales, with over 20% of all vehicles sold being electric. They further explained that the UK's vehicle emissions trading (VET) schemes have driven higher sales compared to European Union markets. The Committee asked specifically about how Scotland was performing with regard to EV sales. Scottish Government officials stated that "we do not have Scotland specific figures yet. We should have those shortly, and we can provide them to you. We understand that the uptake of EVs here is similar to the UK figures."⁵
 15. The Committee raised the issue of accessible charging bays for wheelchair users, mentioning that Glasgow had very few of these. The Cabinet Secretary explained that local authorities are responsible for charge point provision, supported by a £30 million Scottish Government fund aimed at expanding EV infrastructure.⁶ The Committee also asked about charging in the context of planning barriers for homeowners without driveways. The Cabinet Secretary mentioned solutions to charge more "innovatively" that are being developed by companies such as Trojan Energy and stated that "helping people who do not have driveways will be one of the key things in increasing uptake. I have asked my officials to carry out a piece of work to look very closely at that."⁷ The Committee also asked about price disparities between charging at home and at public stations. The Cabinet secretary acknowledged this issue, noting the role of private investment in EV infrastructure and the need for affordable on-street charging. However, she noted that the regulation of EV charging pricing is a reserved matter for the UK Government.⁸
 16. The Committee inquired about the former UK Prime Minister's announcement regarding the phase-out of fossil fuel vehicles. The Cabinet Secretary explained that the VET schemes operate independently of that announcement and continue to progress as planned.⁹
 17. The Committee asked about amendments to the VET schemes allowing hydrogen fuel cell vehicles to be classified as zero-emission. The Cabinet Secretary noted hydrogen is more suitable for heavy goods vehicles (HGVs) rather than cars and vans. She stated she had worked with the HGV sector to plan where the infrastructure should be to support HGV fleets.¹⁰
 18. The Committee queried the treatment of plug-in hybrids under the schemes. A

Scottish Government official stated that he understood the intention to be to phase out the sale of all fossil fuel-powered vehicles, including plug-in hybrids, but that they would be sold after the point that exclusively fossil fuel-powered vehicles are phased out. ¹¹

19. Following the Committee meeting, the Scottish Government wrote to the Committee to provide further information on accessible and cross pavement charging, which is available at the following web page:

[Follow up to session on the Vehicle Emissions Trading Schemes \(Amendment\) Order 2024](#)

Conclusion

20. Following the conclusion of evidence taking, the Cabinet Secretary moved motion [S6M-14319](#) in her name:

That the Net Zero, Energy and Transport Committee recommends that the Vehicle Emissions Trading Schemes (Amendment) Order 2024 [draft] be approved.

The motion was agreed to without debate or division.

The Net Zero, Energy and Transport Committee recommends that the Vehicle Emissions Trading Schemes (Amendment) Order 2024 [draft] be approved.

Net Zero, Energy and Transport Committee

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- 1 Net Zero, Energy and Transport Committee, [Official Report](#), 8 October 2024, Col 2
- 2 Net Zero, Energy and Transport Committee, [Official Report](#), 8 October 2024, Col 3
- 3 Net Zero, Energy and Transport Committee, [Official Report](#), 8 October 2024, Col 3
- 4 Net Zero, Energy and Transport Committee, [Official Report](#), 8 October 2024, Col 4
- 5 Net Zero, Energy and Transport Committee, [Official Report](#), 8 October 2024, Col 4
- 6 Net Zero, Energy and Transport Committee, [Official Report](#), 8 October 2024, Col 5
- 7 Net Zero, Energy and Transport Committee, [Official Report](#), 8 October 2024, Col 7
- 8 Net Zero, Energy and Transport Committee, [Official Report](#), 8 October 2024, Col 9
- 9 Net Zero, Energy and Transport Committee, [Official Report](#), 8 October 2024, Col 6
- 10 Net Zero, Energy and Transport Committee, [Official Report](#), 8 October 2024, Col 8
- 11 Net Zero, Energy and Transport Committee, [Official Report](#), 8 October 2024, Col 9

