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All members of the Bus Decarbonisation Taskforce

12 May 2023

Dear all,

Since taking up position as Minister for Transport I have learned about your work as group between 2020 and 2022, co-designing a pathway to a future where bus operators exclusively run zero-emission battery-electric and hydrogen fuel-cell buses, and I have been very impressed. I am even more impressed to have learned that over the same period, through your hard work, the number of zero-emission buses on the road (or soon to be on the road) has grown from less than 20 to nearly 600. Scottish Government supported that with £113 million capital and £22 million resource funding, and I know you have all invested heavily yourselves as well.

I consider this an excellent example of the public and private sectors pulling together to tackle the global climate crisis in a way that is good for all, and I congratulate you.

I am writing to you now to confirm that the Scottish Government remains committed to delivering our part of the collective effort to achieve the Taskforce's vision. I understand that the taskforce discussed the idea of a 2-phase ScotZEB scheme in July 2021, and at that point Transport Scotland officials explained that the two phase fund would "challenge" the sector to work in collaboration, and to bring innovation and creativity to bear, for example by amalgamating orders from multiple bus operators to achieve efficiencies of scale, use the charging infrastructure to support the decarbonisation of other fleets and to generate revenue streams. It was made clear that, subject to review, the second phase would go further to encourage innovation and collaboration.

Following not just a review, but a Market Transition Scheme, whereby £500,000 was made available to help operators and financiers prepare for the next phase of capital funding, I will shortly launch the second and final phase of the Scottish Zero Emission Bus Challenge Fund. The challenge now is to demonstrate how Government investment will put the market firmly on track to a self-sustaining future, with a particular focus on smaller operators who must not be left behind. Any sum awarded will depend on the extent to which propositions demonstrate that further subsidy into the future will not be required to achieve decarbonisation of all buses, including those run by smaller and community operators.

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I understand that you plan to reconvene the Bus Decarbonisation Taskforce later this month to discuss progress over the past year and consider how to work together now. I commend you for taking such a proactive approach to joint working, and have instructed my officials to respond positively to any request to contribute. We all have to play our part in the collective endeavour to end Scotland's contribution to climate change. The launch of ScotZEB 2 is Government's part, and I encourage you to continue to play your part and bring collaborative proposals for that fund to change the market and deliver a just transition to net-zero for the bus sector.

Kind regards

A handwritten signature in black ink, appearing to read 'Kevin Stewart', with a long horizontal stroke extending to the right.

KEVIN STEWART

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