

T: 0300 244 4000
E: scottish.ministers@gov.scot

Edward Mountain, MSP
Convenor of the Net Zero, Energy and Transport
Committee
The Scottish Parliament
Edinburgh
EH99 1SP

08 August 2025

Dear Edward,

Kevin Stewart, then Minister for Transport, wrote to this Committee in May 2023 to announce the opening of the second and final phase of the Scottish Zero Emission Bus Challenge Fund (ScotZEB 2). Today I am writing to inform you of my intention to make available up to £40 million of additional capital funding to Scotland's bus and coach sector through that same fund.

As this phase of ScotZEB is the final time subsidy is being made available to large operators to transition to zero emission vehicles, the Scottish Government hopes to maximise the return on investment – the fund has leveraged more than £3 of private finance for every £1 of taxpayer money to date. It is my ambition that this additional funding may bring up to 300 additional new vehicles and their charging infrastructure to Scotland.

As you will be aware, heavy duty vehicles emit a disproportionate amount of greenhouse gases compared to the proportion of the road transport fleet operating in Scotland overall. To meet our Climate Change Plan emissions targets, we must move rapidly, work collaboratively and think creatively to see a rapid decrease in emissions. The Scottish Government is currently examining options to introduce regulation to prohibit the registration of new non zero emission buses from a date no earlier than 2030. Making additional funding available through ScotZEB 2 will support Scotland's bus sector to respond proactively to any regulatory changes.

An extension to this funding may allow the second final stage bidder, Rock Road, in partnership with their consortium, to extend the benefits of ScotZEB 2 to more operators, customers and communities. ScotZEB 2 not only supports a reduction in emissions, it also improves air quality, reduces noise pollution, and supports green jobs and skills in the supply chain, contributing to our good, green economy.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

My officials intend to review Rock Road's application to the funding thoroughly and in line with the original aims and criteria of the fund, as established when it opened.

Yours sincerely,

FIONA HYSLOP
Cabinet Secretary for Transport

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

INVESTORS IN PEOPLE
We invest in people Silver

