

# PRESS RELEASE

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Thursday 09 January 2020

## CALL FOR SCOTTISH BUDGET TO FUND SCOTLAND'S RESPONSE TO THE CLIMATE EMERGENCY

Today the Climate Emergency Response Group ([CERG](#)) published a [report](#) [1] calling for the Scottish Government to announce a transformative Climate Emergency Scottish Budget that will support Scotland's transition to net-zero emissions by 2045 with rapid action required over the next decade. The report estimates the public spend required to fund the twelve immediate actions proposed by CERG and referred to in the government's Programme for Government.

The proposed figures provide an indication of the scale of public spending needed to kick-start projects, incentivise action, level the playing field, lever in private investment, and grow the low carbon market for jobs and manufacturing and ensure a just transition to net-zero by 2045.

The Committee on Climate Change concluded the UK would need to invest between 1-2% of GDP every year to reach net-zero. Placing this in the Scottish context, with GDP at about £180bn, this would mean somewhere between £1.8 and £3.6bn of public and private investment is needed on an annual basis.

Highlights of CERG budget proposals (for 2020/2021 and an overall three-year commitment) - full details are found in Table 1 [2].

1. **Agriculture** - A £100m Agricultural Transformation Fund for land use skills training, net-zero farm tool and business fund to purchase latest low carbon farming technologies
2. **Green Growth Accelerator projects** – Support innovative co-funding arrangements involving local authorities, Scottish Government and the private sector to finance the essential place-based, multi-stranded infrastructure projects that will enable Scotland's transition to net-zero.
3. **Zero emissions cities** – funding to support Scotland's city centres to be vehicle emission free by 2030 through investment in public transport, walking, cycling, and electric mobility. This funding will create more liveable and healthy cities and will also support the same transition throughout Scotland.
4. **Building retrofit** – public investment to increase pace and scale of energy efficiency improvements to buildings, which offer the simplest and most cost-effective way to reduce emissions and reduce demand for heat.
5. **Heat pump sector deal** – funding to provide clear long-term market signals for the accelerated installation of heat pumps and complementary technologies to reduce heat demand and increase its flexibility, creating and sustaining manufacturing and installation businesses.

CERG acknowledge that these five immediate actions require substantial capital and revenue funding over multiple years to be realised. The remaining seven immediate actions [3] require vital resourcing for staff, research, and planning to accelerate processes, build capacity, and provide data and decision-support tools.

There is an urgent need to scale up existing initiatives and explore new and innovative policies across all sectors. CERG recognizes and is acutely aware that the 12 immediate actions do not make up the sum total of action and funding for Scotland's response to the climate emergency.

The Climate Emergency Response Group [4] brings together leaders and influencers from across different sectors in Scotland, spanning private, public sector, third sector, delivery organisations and membership bodies. The group's members welcome the First Minister's commitment to net zero greenhouse gas emissions in Scotland by 2045 and want to support the action that requires.

**Mike Thornton, Group Director of Operations, Energy Saving Trust :** "The global climate emergency should be at the heart of the Scottish Budget. The Scottish Government has already committed to ambitious climate targets – next steps must see funding put in place to realise these laudable goals. The Climate Emergency Response Group embraces the recognition of our 12 immediate actions in the Programme for Government and urges ministers to use this Scottish Budget to indicate substantial new funding, repurposing existing funds and working in partnership with private investors to fund the climate emergency response."

**Sara Thiam, Chief Executive, SCDI :** "Investment now in the low carbon transition is not only the most cost-effective way to reach net-zero, it also places Scotland at the head of the queue to benefit from manufacturing and jobs growth, and tackle inequalities such as fuel poverty to ensure a just transition."

**Sarah Jane Laing, Chief Executive, Scottish Land and Estates:** "Scotland's land managers stand ready to continue playing their part in the transition to net-zero emissions by 2045. The Agricultural Transformation Fund will support farmers to improve nitrogen use efficiency, soil management, carbon auditing, energy efficiency and more. This will not only reduce carbon emissions, it will improve productivity, air and water quality, strengthen resilience, and grow the home and export markets for sustainable and climate-friendly food produce. "

**Daisy Narayanan, Director of Urbanism, Sustrans:** 'Our cities and towns have a critical role to play in the response to the climate emergency. Scotland's emissions from transport have not decreased in the last 25 years and is now the biggest source of Scotland's carbon emissions. Support is needed for town and city centre transformations, making walking and cycling the way to get around; the transition to e-vehicles, including public and commercial vehicles; bus priority measures, solar electricity generation on existing rooftops and more – the potential is enormous. These projects will improve health and well-being for residents, increase attractiveness for inward investment and migration, and remove barriers to the take up of low carbon heat and travel.'

**Sam Gardner, Head of Sustainability and Climate Change, Scottish Power :** "Transforming Scotland's buildings from fossil fuels to renewable heat, delivered via electric heat pumps and heat networks powered by an expansion in renewable generation, needs to happen at scale across the next decade if we are to tackle the climate emergency. It is vital that public funding is available at the outset to help level the playing field compared to existing gas systems and help create the necessary scale to support innovation, drive cost reductions and expand the supply chain in Scotland."

**Professor Dave Reay, Chair in Carbon Management, University of Edinburgh:** 'This budget will herald in a monumental year for climate change action in Scotland. The eyes of the world will be on us in 2020 as Glasgow hosts the most important United Nations climate conference in history. In every sector we have the capacity to show the way forward, to forge a transition to net zero emissions that is inclusive, sustainable and just. Our climate targets are already world-leading, now our climate action needs to match them.'

**Ends**

**For further information contact: Energy Saving Trust, media team at [media@est.org.uk](mailto:media@est.org.uk)**

**Notes to Editors**

[1] For further information and report <https://www.changeworks.org.uk/resources/cerg-funding-the-12-immediate-actions-for-scotlands-climate-emergency-response> and or <https://www.changeworks.org.uk/cerg>

[2] **TABLE 1 – CERG’s immediate actions and estimated Scottish Budget funding requirement**

<b>Climate Emergency Response Group Policy Proposal</b>	<b>2020/2021 budget proposal</b>	<b>Estimated 3-year commitment</b>
<b>Agricultural Transformation Fund</b> Support for farmers in the transition to climate-friendly farming through bridging the current cost gap to new technologies, machinery maintenance, data gathering and monitoring, advice and training.	£34m	£100m
<b>4 Green Growth Accelerator projects</b> Innovative co-funding arrangements involving local authorities, Scottish Government and the private sector to finance the essential place-based, multi-stranded infrastructure projects that will enable Scotland’s transition to net-zero.	£6m	£206m plus revenue payments against outcomes
<b>Zero Emission Cities</b> Signal that Scotland’s city centres will be vehicle emission free by 2030 to decarbonise our cities, maximising the use of public transport, walking and cycling, and creating more liveable and healthy cities. This will also support the same transition throughout Scotland.	£166m	£500m
<b>Building retrofit</b> Increase pace and scale of energy efficiency improvements to buildings, which offer the simplest and most cost-effective way to reduce emissions and reduce demand for heat.	£240m (non-domestic not included)	£900m (non-domestic not included)
<b>Heat pump sector deal</b> Create a Scottish Heat Pump Sector Deal that provides clear long-term market signals for the accelerated installation of heat pumps in Scotland, creating and sustaining manufacturing and installation businesses.	£61m	£598m
<b>TOTAL</b>	£507m	£2.3bn

[3] **TABLE 2 – CERG’s immediate actions which require Scottish Government resource to staff policy development and implementation**

<b>CERG Policy Proposal</b>
Mobilise the £11bn of annual public procurement to support the product and service innovation the climate emergency response needs
Produce public guidance on sustainable, climate-friendly healthy diets

Make regional land use plans to optimise the potential of every part of Scotland's land to contribute to the fight against climate change.
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Establish a public-interest company to invest in and operate CCS infrastructure
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Enhance building standards to deliver zero-carbon homes and buildings
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Complete plans for how we generate the renewable electricity needed to reach net-zero emissions
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Dedicate the Scottish National Investment Bank to delivering on the climate emergency
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[4] The **Climate Emergency Response Group** brings together leaders and influencers in Scottish society who welcome the First Minister's commitment to net zero greenhouse gas emissions in Scotland by 2045, and who believe the time is right to support strong changes to policy and programmes in response to the climate emergency.

This report is the synthesis and conclusions of the Climate Emergency Response Group only. The following organisations are proud to support the group's important work to enable informed net-zero policy development: AC Whyte, Alexander Dennis, Changeworks, Climate-KIC, Confederation of Passenger Transport UK, Confor, Energy Saving Trust, Everwarm, Keep Scotland Beautiful, Kensa Group, Jacobs, Locogen, Mitsubishi, Scottish Council for Development and Industry, Scottish Land & Estates, Scottish Power, Scottish Renewables, Scottish Wildlife Trust, Star Renewable Energy, Sunamp Heat Batteries, Sustrans, University of Edinburgh, Vegware, WWF Scotland, and the 2050 Climate Group.