


CLIMATE EMERGENCY RESPONSE GROUP

State of Delivery: Bridging the gap between climate ambition and action in Scotland.

An open invitation to the
Scottish Government.

May 2023



“We invite the Scottish Government to draw on the collective knowledge and experience of CERG through dialogue to shape and advance solutions to step up delivery of climate action this year.”

1. Summary:

This report presents the [Climate Emergency Response Group's \(CERG\)](#) four priorities for action by the Scottish Government in 2023. The proposals are rationalised in the context of CERG's assessment of the Scottish Government's response to CERG's recommendations since 2019. The report sets out compelling evidence of where and why Scotland's delivery to net zero is stalling alongside our analysis as to why our recent recommendations haven't yet been met.

CERG invites the Scottish Government to draw on the collective knowledge and experience within the Group by engaging in dialogue with us to shape and advance solutions to step up delivery this year.

Key findings of CERG's assessment:

Overall, the Scottish Government has made only limited progress against CERG's recommendations since 2019 (see Section 3). These findings are indicative of wider concerns about the slow progress being made to deliver the transformative action on the ground required to tackle the climate emergency. Lengthy policy timelines (e.g., agriculture, transport, buildings), slow leverage of private investment, lack of capacity leading to underspend of government delivery programmes (e.g., in energy efficiency, fuel poverty, bus improvement measures) and funding / procedural constraints (e.g., active travel and place-based city transformations) mean that policy is not translating to rapid transformative action on the ground.

Our findings concur with the UK Committee on Climate Change's (CCC) recent conclusions that Scotland is 'off-track', and that achieving Scotland's legally binding 2030 emissions reduction target is 'at significant risk'¹ and delivery on adaptation has stalled².

CERG believes that more can be done to speed up emissions reduction and adaptation with the existing powers that Scotland has, and that a big step up in delivery, strong leadership, oversight and a coordinated, whole-government approach must be enacted now in order to reach the 2030 emissions target and adapt to increasing climate risks. Without action, Scotland will not be resilient in the face of climate change, and importantly will not be responding in a fair way, where the benefits are felt across the whole of society, prioritising the needs of the most vulnerable.

CERG firmly believes that until the barriers identified in this report are addressed, emissions will continue to remain stubbornly high, the required scale of investment will not be forthcoming, and ambition will remain locked in policy documents.

The Scottish Government must avoid falling into the trap of waiting until the next Climate Change Plan or National Adaptation Programme to solve these problems. The rapid scale up of action on the ground must start now. There is no time to waste, further delays will only increase the social, economic and environmental costs of the transition, as well as the costs of climate impacts.

Leadership, a 'Team Scotland' approach and strong oversight is needed more than ever to speed up the transition process, ensure meaningful collaboration across sectors and public bodies, and deliver smarter public investment in order to overcome the barriers which are holding back innovation, delivery, and private investment.

¹ [Scottish Emission Targets & Progress in reducing emissions in Scotland – 2022 Report to Parliament - Climate Change Committee \(theccc.org.uk\)](#)

² [Is Scotland climate ready? - 2022 Report to Scottish Parliament - Climate Change Committee \(theccc.org.uk\)](#)

CERG's invitation to the Scottish Government:

Collectively, CERG has considerable expertise across sectors and a first-hand understanding of the practical steps that must be taken for Scotland to deliver on its vision for a net zero, climate resilient future. We focus on identifying solutions and actions that can be taken now to overcome the well-documented challenges and enable delivery to flow.

In 2023, we have identified four issues which, if effectively addressed, can speed up emissions reduction and build resilience. These include two cross-cutting, systemic proposals and two proposals focused on fast-tracking action in high carbon, priority sectors where delivery is lagging. As a package, the four proposals have the potential to reinforce and strengthen each other, for example, the sectoral proposals are both enabled by, and could be used as a test-bed for the Net Zero test and joint climate delivery framework. These four themes are just a sub section of both the range of the actions needed for a comprehensive response to the climate emergency, and of the activity ongoing within the Scottish Government.

Theme:	Cross-governmental alignment
CERG proposal:	Require a Net Zero Test for policy, procurement and investment decisions
Outcome:	All government decisions aligned with the transition to net zero



Theme:	Enabling and empowering delivery
CERG proposal:	Agree and act on a joint delivery framework between national and local government for net zero and climate adaptation.
Outcome:	Local authorities have the clarity, powers, resources and capacity they need to deliver on their statutory responsibilities and role in the transition.



Theme:	Fast-tracking delivery within high carbon priority sectors
CERG proposals:	i) Introduce fiscal measures to reduce car reliance and improve places for people. ii) Unleash the potential of greening Scotland's commercial and public buildings for the heat transition and climate resilience.
Outcome:	Local delivery driven and enabled by strong leadership, policy certainty, co-designed bold solutions, new local powers and capacity.

Over the course of 2023, CERG will invite the new First Minister and members of the Cabinet, their Ministers and senior civil servants to engage with CERG members and other experts in constructive dialogue to identify tangible and achievable action-oriented pathways on these four themes.

We look forward to the conversation.

2. Introduction

2.1. Context

Scotland's transition to a low carbon, climate resilient future is underway and has the potential to deliver thousands of green jobs, new industries, improved health and wellbeing outcomes, and healthy thriving ecosystems. The challenge is summarised in Scotland's National Strategy for Economic Transformation: 'the next ten years will be a time of incredible change and extraordinary opportunity - but success is not inevitable. The time for brave and bold action is now'³.

In this decade of action on climate and with Scotland's ambitious 2030 targets looming, the extent of change required over the next seven years is both daunting and exciting. But the clock is ticking and as time passes, the speed at which change must happen increases.

With key milestones being missed, experts are starting to question the credibility of Scotland's climate leadership.⁴ Evidence is growing of a serious delivery gap between the Scottish Government's high-level commitments and change on the ground.

The Scottish Government's commitment to tackling climate change isn't questioned – indeed, even in a public sector resourcing crisis, this year's 2023/24 Budget includes a record investment in low carbon projects⁵. The government also effectively and consistently positions decarbonisation as a solution to the current cost-of-living crisis and an economic opportunity for Scotland in key policy documents such as the Programme for Government and the National Strategy for Economic Transformation. This framing is extremely important, as is the Government's laudable commitment to fairness and a just transition.

The most recent assessment of the Scottish Government's progress on climate change by the Committee on Climate Change is stark reading, finding the Government 'significantly off-track' in key sectors, with insufficient policies and plans in place to speed things up to the required rate to meet these targets by 2030⁶ and delivery on adaptation has stalled⁷. More can, and must, be done to speed up climate action with the existing powers that Scotland has.

Recent analyses by Audit Scotland, the Scottish Parliament's Net Zero, Energy and Transport Committee, and the Edinburgh Climate Commission / Scottish Cities Alliance have looked in-depth at local authorities and their critical role in delivery⁸. All of these reports raise significant concerns about the current ability of local authorities to fulfil their role in delivering climate targets⁹.

³ [Executive Summary - Scotland's National Strategy for Economic Transformation - gov.scot \(www.gov.scot\)](#)

⁴ [Scotland's climate targets are in danger of becoming meaningless - Climate Change Committee \(theccc.org.uk\)](#)

⁵ [Scottish Budget Bill passed - gov.scot \(www.gov.scot\)](#)

⁶ [Scottish Emission Targets & Progress in reducing emissions in Scotland – 2022 Report to Parliament - Climate Change Committee \(theccc.org.uk\)](#)

⁷ [Is Scotland climate ready? - 2022 Report to Scottish Parliament - Climate Change Committee \(theccc.org.uk\)](#)

⁸ [Scotland's councils' approach to addressing climate change \(audit-scotland.gov.uk\)](#) – September 2022; [The role of local government and its cross-sectoral partners in financing and delivering a net-zero Scotland | Scottish Parliament](#) (January 2023); [Net Zero - Local Authority Powers FINAL.pdf \(edinburghcentre.org\)](#)

⁹ Environment Standards Scotland will also soon be publishing the results of its own investigation into the systems in place to support local authority delivery on net zero.



Looking at the national level, Fraser of Allander's research that informed the Joint Budget Review process raised serious concerns about the lack of integration of climate targets into central government's internal policymaking and scrutiny processes, a need for governance improvements and earlier consideration of climate issues in the policy process¹⁰

These publications point to challenges across the public sector with ensuring policy and investment decisions are on the right side of getting Scotland to reach its climate targets. This report kicks off a conversation on how to tackle these challenges and win the wider benefits of smarter public policy and investment in terms of better health and well-being, jobs and business growth, and addressing inequalities. The strong leadership and personal commitment of the outgoing First Minister has laid strong foundations, and we look to the new First Minister and his Cabinet to build on these foundations and go even further by championing the cross-governmental innovation required to ensure delivery.

The Scottish public is demanding more action and clear leadership to guide them through the transition. In a poll conducted for the Scottish Government, half of Scots thought the Scottish Government isn't doing enough to tackle the climate emergency¹¹ and a recent IPSOS Mori research shows the UK public continue to support net zero policies, despite the cost-of-living crisis¹².

2.2. About CERG

CERG is a group of Scottish public, private and third-sector leaders who work together to inform and influence the Scottish Government's response to the climate emergency. Collectively, the group has considerable expertise across sectors and a first-hand understanding of the practical steps that must be taken for Scotland to deliver on its vision for a net zero, climate resilient future.

Since 2019, CERG has published a series of [reports](#) setting out practical, immediate actions that can, and must, be taken now to avert the worst impacts of the climate crisis. We have also published annual assessments of the Scottish Government's progress to delivering on CERG's recommendations.

Our assessments conclude that while the Government is making progress, there is little evidence of the emergency thinking that was demonstrated during the COVID pandemic – rapid targeted action, unlocking barriers, and a shift from sectoral to systemic solutions.

In August 2022, CERG published its latest proposals for unlocking delivery on the climate emergency and tackling the cost-of-living crisis. These included a **net zero** test to make sure we don't spend public money on out-of-date fossil fuel technologies or infrastructure which will have to be replaced, at higher cost, in a few years' time. We also proposed smarter public investment in better and more **affordable options for sustainable travel** and action to unlock barriers in city centres and beyond, and a **rapid upscale in advice and training for farmers**. We called for the Government to move at pace to negotiate and agree a **joint net-zero delivery framework between national and local government** which clearly sets out roles, necessary funding, and resources.

This paper reflects the collective view of CERG rather than the views of any individual member or the organisations to which they belong.

¹⁰ [Scottish Government Needs A Rethink To Meet Net Zero Ambitions | FAI \(fraserofallander.org\) \(February 2023\)](#)

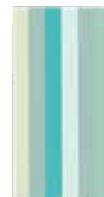
¹¹ [Internal Scottish Government climate change polling published after FOI request | The National](#)

¹² [Overall action on Climate Change \(ipsos.com\) November 2022.](#)

CERG Steering Group members:

- Andrew Bissell
- Teresa Bray
- Claire Daly
- Kit England
- Sam Gardner
- Iain Gulland
- Gina Hanrahan
- Alex Irwin
- Andy Kerr
- Sarah-Jane Laing
- Adam Liddle
- Josiah Lockhart
- Daisy Narayanan
- Stefanie O’Gorman
- David Reay
- Valerie Robertson
- Sara Thiam
- Morag Watson
- Paul White
- Ruth Wolstenholme

Climate
Emergency
Response
Group



CERG Secretariat:

- Elizabeth Leighton
- Kate Studd
- Emma Davies, Cunningly Good Group

2.3. Structure of this report

Section 3 of this report presents CERG’s assessment of the Scottish Government’s progress on delivery, drawing on CERG’s internal assessment of progress against its recent recommendations. It sets out CERG’s analysis of where and why delivery is stalling and some evidence as to why our recent recommendations haven’t been met.

Section 4 goes onto introduce CERG’s priorities for 2023 - why we’ve chosen them and what we hope to achieve. We set out our proposed approach to driving change and invite the Scottish Government to draw on the collective expertise and experience within CERG by entering into dialogue with us to push forward solutions to unlock delivery.

“The report sets out compelling evidence of where and why Scotland’s delivery to net zero is stalling, alongside our analysis as to why our recent recommendations haven’t yet been met.”

3. Scottish Government's progress in delivering against CERG's previous recommendations

3.1. CERG's approach to assessing progress

This assessment tracks the extent to which the Scottish Government has responded to the recommendations presented to them by the [Climate Emergency Response Group](#) since 2019.

Specific attention has been given to the four proposals within CERG's most recent recommendations report published in August 2022, [Unlocking Scotland's response to the climate emergency](#). In 2022, CERG focused its collective efforts around two cross-cutting proposals: Net Zero Test and local authority support for delivery and two thematic proposals: city transformations (modal shift) and agriculture advice and skills. They were selected because CERG believes they are fundamental to 'unlocking' progress across all sectors on meeting Scotland's climate targets, and that immediate action could be taken. The two thematic proposals would support place-based approaches and a just transition – two key themes and priorities of the Scottish Government.

The assessment also looks at progress against CERG's previous proposals ([reports published in 2019, 2020 & 2021](#)) excluding those which have been superseded by more recent proposals. The assessment summarises achievements and gaps in how the Scottish Government proposes to address CERG's priorities and to deliver an emergency response to the climate crisis.

The assessment is based primarily on a review of Scottish Government announcements and publications between August 2022 – February 2023. It also takes into account the UK Climate Change Committee's latest assessments of Scotland's progress on reducing emissions and adaptation, and relevant publications from the Scottish Parliament and public sector bodies. Where relevant and possible we have cross-checked our findings with external stakeholders and Scottish Government civil servants.

CERG wishes to stress that this assessment is only a snapshot in time, accurate as of the end of April 2023, and nine months after the publication of our report in September 2022. In several cases we are aware that work is underway within the Scottish Government but has yet to be finalised or made publicly available. It is possible that ratings could change as this work delivers tangible outcomes and action. CERG accepts that it may be missing some information but has made best efforts to provide a fair and objective assessment.

Through the assessment, the Scottish Government's response to each of CERG's proposals was given an overall Red, Amber or Green (RAG) rating. A summary of our ratings is provided in Table 1 below. This is based on a more detailed assessment, presented in Annex 1, which rates the Government's response against our 3 criteria of investment, policy and speed. The criteria used to guide the assessment process are presented below.

Ratings Criteria:

Policy Trajectory
↑ = policy signals moving in right direction in line with CERG's proposals.
↔ = policy signals not really changing.
↓ = policy signals moving away from CERG's proposals.

RAG ratings	Certainty & scale of investment (£)	Policy commitments	Speed (timelines, targets, scheme delivery)
GOOD	Sufficient budget allocated, long-term investment certainty, credible financing plan.	Credible and specific policies, targets and regulations meet the vast majority of CERG's asks.	Government commitments align with CERG proposed timescales and/or a significant ramp up in government action on this issue.
GENERALLY GOOD	Budget allocated but insufficient to enable a rapid transition and/or financing plan not yet developed.	Credible policy commitments against most aspects of CERG's asks, but few gaps or uncertainties.	Government commitments ambitious but slightly behind CERG's proposals. Significant Government action.
CONCERNS	Some funding commitments but unclear where significant part of funding will come from.	Significant gaps in policy & commitments which will hinder delivery against CERG's asks.	Policy timelines too slow to drive urgent action and/or significant delays in delivery.
INADEQUATE	No clarity on investment or investment inadequately targeted.	Insufficient or no policy response.	No timelines or processes in place.

“It also takes into account the UK Climate Change Committee’s latest assessments of Scotland’s progress on reducing emissions and adaptation...”

3.2. Summary of Assessment Findings

CERG proposal	Rationale for the proposal	Policy Trajectory	Overall RAG rating (note more detailed analysis in Annex 1)
Net Zero Test for policy and investment (2022)	Ensure all policy and spend decisions are in line with Scotland's net zero goals.	↑	Welcome commitment to develop a Net Zero Assessment and improve budget scrutiny. Outstanding questions remain about the assessment's influence over policy design without improved oversight and scrutiny. Timescales are slow. Could be changed to light green with clarity on plans for scope, governance and rapid timetable for implementation.
Joint net-zero delivery framework between national and local government (2022)	Scotland's ability to deliver on national flagship policies depends on ensuring local authorities have access to the capacity, skills and resources they need.	↔	Framework not negotiated and no process or commitment in place to do so despite the plans for a 'New Deal' with local government which includes the climate emergency as one of four priorities. Positive discussions about establishing a 'climate intelligence service'. Pipelines and capacity remain major barriers to accessing funds.
City transformations (modal shift) (2022)	Significant changes in the design and use of city spaces are needed, but barriers and funding limitations are holding up the pace of change.	↑	Moving in the right direction with a lot of activity but progress to speed up delivery of infrastructure still too slow. Significant underspend of Bus Partnership Fund and delivery of active travel projects. Active Travel Transformation Fund is positive example of flexible funding but wider reform of funding streams still required to enable place-based approaches. It should be possible to change this rating to amber if tangible announcements made on consenting processes for new schemes, stronger enforcement measures and car demand management.
Realign and upscale accessible advice and skills available to farmers (2022)	Advice and skills should be at the forefront of the agricultural transition –farmers and crofters need trusted advice to make informed decisions now.	↔	No significant changes in farm advisory services since its refresh in early 2022 (prior to CERG proposal). Work is ongoing to develop the post-March 2024 FAS and a wider Agricultural Knowledge and Innovation System (AKIS) to be launched through the Tier 4 Agricultural Support Package in 2026. Some new skills / training initiatives in place. Advice remains separate to capital support although work ongoing to explore the links.

CERG Previous Proposals (2019, 2020, 2021)

CERG proposal	Rationale for the proposal	Policy Trajectory	Overall RAG rating (note more detailed analysis in Annex 1)
Heat in Buildings (multiple CERG recommendations 2019-21)	Emissions need to fall by 68% by 2030. Rapid role out of energy efficiency measures could help reduce the impacts of the cost of living crisis.	↑	Significant focus on Heat in Buildings Strategy but delivery gaps remain – eg financing, supply chain and local authority capacity leading to underspend. Delays in consulting on regulatory framework which is needed to provide certainty for investment.
Upskill the workforce (Green skills, 2021) plus other CERG recommendations - 2020	The lack of skilled people is a threat to the fast deployment of emissions reduction and adaptation solutions.	↑	Lots of activity and focus at sector and strategy level. Just Transition Fund being allocated. Review of the skills delivery landscape due. However, progress is too slow to provide the skilled workforce needed to deliver climate targets. Availability of workers already identified as a significant risk for key sectors – particularly energy– and that the transition to green jobs won't be realised.
Mobilise public sector expenditure to address the climate emergency 2021 & 2019	The actual shifting of overall public sector spend to low or zero carbon products and services is slow and is leading to missed opportunities for public procurement to kickstart low carbon, circular supply chain.	↑	Scot Gov adopting a guidance and reporting- approach rather than mandating processes such as whole life carbon assessment, funding conditionalities or overcoming barriers to challenge-based / outcome-oriented procurement. Overall, while moving in right direction, progress is slow and public agencies still facing barriers and missing opportunities to build markets and supply chains, affecting net zero, adaptation and circular economy.
Climate emergency a guiding principle in all planning decisions (2021)	The cost of the transition lies well beyond the public purse, but to access the private capital requires new innovative financing models, an 'investors-mindset' and investment-ready pipelines.	↑	NPF4 came into force Feb 2023. Final version stronger on prioritising climate and nature crises and speeding up planning decisions for renewables. Serious concerns relating to preparedness and capacity for delivery (hence amber rating). Must be incorporated into updated local plans and decision-making urgently. Significant concerns relate to capacity and expertise of skilled planners and staff to deliver and enforce NPF4.

CERG proposal	Rationale for the proposal	Policy Trajectory	Overall RAG rating (note more detailed analysis in Annex 1)
Solve real and specific financing challenges (2021)	The cost of the transition lies well beyond the public purse, but to access the private capital requires new innovative financing models, an 'investors-mindset' and investment-ready pipelines.	↑	No incubators set up by Government as per CERG's ask. A lot of activity e.g. FM's Investor Panel, Green Heat Finance Taskforce, EV-charging, and a lot of innovation outside of Government. Some support to build investible pipelines (e.g. Investment Ready Nature Scotland and Green Growth Accelerator) but not at the scale and pace required –local authorities need significant specialist advice and support. Urgent need to ramp up real case testing of innovative financing models.
Incentivise climate and nature friendly farming now (2021)/ Regional Land Use Plans (2019)	Agriculture produces almost a quarter of Scotland's greenhouse gas emissions.	↔	Agricultural Reform Route Map provides greater clarity on timescales but lack of detailed policy certainty and slow timescales are still holding back progress within the sector to reduce emissions and transition to new approaches. Regional Land use Partnerships remain in pilot phase.
Sustainable, healthy, climate friendly diets (2021)	There is confusion regarding what constitutes a climate-friendly, sustainable, and healthy diet.	↔	No notable progress with the Scottish Government. Policy work is primarily targeting local and organic food production and commitment to revise public sector catering guidance has stalled.
Natural solutions to mitigate and adapt to the climate emergency (2021)	Critical to reducing land-use emissions, tackling the biodiversity crisis and the impacts of climate change. Between £15 billion and £27 billion, in addition to current public funding, is needed over the next 10 years to restore nature across Scotland (GFI).	↑	NPF4 a significant step forward to prioritise nature in decision-making. Natural Environment Bill missing from this year's legislative timetable. New facility to stimulate responsible private investment and test new financing models (Light green). Peatland restoration behind schedule and hampered by skills and contractor availability.
Citizens at the heart of decision-making (2021)	Public engagement seen as critical for success of decarbonisation, behaviour change and adaptation.	↑	Engagement being built into national sector plans (e.g. heat, transport) and just transition but would like to see this translate down to local engagement – where traditional consultation processes still dominate. Stronger leadership and accountability needed for politically challenging decisions. Unclear what influence Scotland's Climate Assembly has had on the Scottish Government's policy.

CERG proposal	Rationale for the proposal	Policy Trajectory	Overall RAG rating (note more detailed analysis in Annex 1)
Scottish National Investment Bank (2019)	Patient public finance to help unlock private finance to scale up delivery.	↑	Operational and well-resourced (which was the CERG proposal) but not completely fulfilling its full potential. Would like to see stronger alignment / targeting of its investments to specific financing challenges with the intention of helping to scale up solutions as part of a whole system approach to financing.
Plans to generate the renewable energy we need (2019)	Scotland's renewable electricity generation needs to grow rapidly to complete the transformation of our electricity sector, and the decarbonisation of transport and heat.	↑	Increase in ambition for onshore and offshore wind power plus targets for solar and tidal and wave energy generation. Integrated into planning system but concerns about resources remain and slow decision-making.
Green Scrappage scheme (2020)	Would speed up replacement of high carbon equipment with low- or zero-carbon alternatives.	↔	Some limited progress e.g. with a pilot mobility and scrappage scheme in and Heat Pump grants. Not an overarching Scot Gov priority strategy but being used in some sectors.

“Progress against CERG’s four 2022 proposals has been worryingly slow...”

3.3. Analysis

The Scottish Government's progress against CERG's four 2022 proposals has been worryingly slow. Only the Net Zero Test is rated as amber (significant gaps in response and timescales too slow), while the 3 other proposals rate red (inadequate response). It is CERG's opinion that the ratings for City Transformations, Net Zero Test and Local Authority support for delivery could shift to amber or light green over the next 6 months if ongoing activity within the Scottish Government leads to changes in resource allocation, removing barriers, and providing additional capacity. On agricultural advice and skills, the Scottish Government clearly set out its policy timetable and approach in a Parliamentary Statement (November 2022) which does not align with CERG's proposal or timelines.

Across all the 16 CERG proposals assessed, none are rated as Green across all categories (fully delivered) and only 2 are rated as light green across all categories (generally good). The majority are rated as amber (concerns and significant gaps). It is notable that of the 6 proposals rated as red across the board, 3 are within the food / agricultural sector and 3 related to CERG's most recent set of recommendations (2022 report). Procurement is the other proposal rated red where, while some progress is being made, the Scottish Government is adopting a voluntary approach instead of the mandatory approach CERG believes is necessary.

In some cases, the ratings given by CERG have been downgraded compared to our [assessment](#) published in 2022. This is because additional information has been published and / or where delivery of recommendations and Government plans are not progressing as fast as presented in the plans, with underspending and delays. Progress against CERG's 2019 proposals on accelerating domestic energy efficiency retrofit, heat pump sector deal and the Scottish National Investment Bank have all been downgraded from green to light green for at least one category for these reasons.

Table 2: combined RAG assessment ratings for all CERG proposals

CERG's 2022 recommendations					
RAG ratings		Certainty & scale of investment (£)	Policy commitments	Speed	%
GOOD – fully delivered		0	0	0	0
GENERALLY GOOD		0	0	0	0
CONCERNS		1	1	1	25%
INADEQUATE		3	3	3	75%

Note – city transformations (modal shift) received some amber ratings for some aspects of the proposal but overall awarded a red rating, whilst noting that this could be increased to amber.

CERG's 2019,2020, 2021 recommendations

RAG ratings		Certainty & scale of investment (£)	Policy commitments	Speed	%
GOOD – fully delivered		1	0	0	2%
GENERALLY GOOD		5	8	1	27%
CONCERNS		9	7	13	57%
INADEQUATE		2	2	3	14%

Our assessment presents a very worrying picture of ambitious commitments and strategies matched with slow, under-resourced processes that simply can't deliver at the pace necessary. Slow and delayed policy timelines (e.g. agriculture, transport, buildings), limited leverage of private investment, and underspend of government delivery programmes (e.g. in energy efficiency, bus prioritisation and fuel poverty) are indicative that policy is not translating to rapid transformative action on the ground.

Our findings concur with the Climate Change Committee's recent conclusions that Scotland is 'off-track', and that achieving the 2030 target is 'at significant risk'¹³ and delivery on adaptation has stalled.¹⁴

3.4. Emerging themes

While there are pockets of good policy progress in the past year (e.g. new renewable energy targets, NPF4, Active Travel Transformation Programme), action is urgently needed to ensure more policies are turned into action with faster progress across the board. Government attention and priority must be given to implementing the commitments already made, rather than setting new plans and strategies. There is a lack of evidence of the emergency thinking that was demonstrated during the COVID pandemic – we need the same rapid targeted action, focus on unlocking barriers, and a shift from sectoral to systemic solutions.

A lack of specific **policy frameworks, regulations and targets** is still holding back progress in agriculture, car demand management, energy efficiency, decarbonising heat and management. This lack of policy certainty is preventing the public, businesses and investors from having the confidence to make decisions, invest in the transition and is holding back supply chain development and new markets. The lack of clear outcomes of what good adaptation looks like has been identified as the biggest barrier to investment.¹⁵

Concerns about **skills, capacity (resource) and expertise** within the public sector are identified as barriers across multiple CERG proposals including city transformations, planning, public sector expenditure and procurement, finance, nature-based solutions. The issue was the focus of the CERG proposals on resourcing local authorities in 2021 and 2022 and is still rated red across every category. The situation is being exacerbated by increased competition for 'climate talent' with the private sector¹⁶ and local authority staffing cuts¹⁷. Limitations in resource, capacity and skills is holding back delivery across the board and was the focus of a Net Zero Energy and Transport


¹³ [Scotland's climate targets are in danger of becoming meaningless - Climate Change Committee \(theccc.org.uk\)](https://www.theccc.org.uk/publication/scotland-climate-targets-are-in-danger-of-becoming-meaningless/)

¹⁴ [Is Scotland climate ready? - 2022 Report to Scottish Parliament - Climate Change Committee \(theccc.org.uk\)](https://www.theccc.org.uk/publication/is-scotland-climate-ready-2022-report-to-scottish-parliament/)

¹⁵ <https://www.theccc.org.uk/publication/investment-for-a-well-adapted-uk/>

¹⁶ <https://www.ft.com/content/8412db41-dce1-44a7-9417-25a3a534ee54>

¹⁷ Nearly a third of planning staff has been cut since 2009 and 'evidence of churn, repetition and delay leaving applications for renewables projects stranded in the planning system for years at a time'. Ref: NZET Committee report on the role of local government and its cross-sectoral partners in financing and delivering a net-zero Scotland. Recommendation 11.



Committee's year-long inquiry and recommendations to the Scottish Government. Likely to play a factor in programme underspends (eg Heat in Buildings).

Delays and slow decision-making have been exacerbated due to the COVID pandemic and the cost of living crisis where attention, investment and staff in government and the wider public sector have been reallocated to tackling these immediate social problems. Agriculture policy reform, guidance on climate-friendly diets, Low Emission Zones and the introduction of mandatory standards for energy efficiency and heat in buildings are examples of policy areas where slow timescales have significantly delayed action.

For example, with energy efficiency and heat in buildings, there were initial plans to consult on regulations in 2018/19. The government now plans for regulations to be introduced through the Heat in Buildings Bill in 2024 following consultation in 2023.


The 2019 Programme for Government commitment to develop guidance to encourage people to eat climate-friendly foods has not only been excruciatingly slow, but the focus has been narrowed down to reviewing public sector procurement guidance. Even this work has now been put on hold due to competing priorities on agriculture and food.

Need for a whole-system / cross-governmental approach. Incremental, sector-based approaches aren't delivering change fast enough. CERG identified areas where new approaches and decisions need to align to unlock the barriers to allow faster delivery– e.g. a whole of government financing approach linking up smarter public investment, private capital, SNIB and capacity building to develop pipelines and project investment strategies. Similarly, separation of net zero and adaptation within government strategies, planning and teams are limiting the opportunity to maximise synergy of net zero policies that also address adaptation eg peatland restoration, building retrofit; and to manage trade-offs.

Strong national leadership would help to encourage local authorities to use the full range of their fiscal levers and powers to drive delivery¹⁸ (eg City Transformations and Circular Economy), and progress on publicly supported but politically contentious agendas such as agriculture, land use and modal shift.

In other cases, **government resources** have been invested in establishing taskforces, advisory groups and consultation processes in lieu of applying these limited resources and the time of external experts to co-creating and testing immediate actions in the real-world. For example, CERG's 2021 proposal on financing incubators focused on mandating and resourcing 'a set of small, focused financing incubators with the private sector to solve real and specific financing challenges within a 12-month timeframe'¹⁹. The recently launched Facility for Investor Ready Nature in Scotland (February 2023) is an excellent step forward, but we would have hoped to see more rapid progress in other areas, for example the Green Heat Finance Taskforce which could be initiating pilots to test financing tools as in other parts of the UK. The Taskforce was announced in September 2021 and has yet to make much progress on its mandate to 'develop a portfolio of innovative financial solutions'²⁰.


One good example of how the Scottish Government has worked to align investment with net zero and build capacity within the public sector is through the carbon assessment of the City and Growth Deals. Carbon management guidance was developed along with a programme of workshops and tailored support for programme leads to identify the whole life carbon impact of projects and programmes and explore how they could be amended to cut emissions.



¹⁸ [Net Zero - Local Authority Powers FINAL.pdf \(edinburghcentre.org\)](#)


¹⁹ [CERG Report Final Sept 2021.pdf page 33](#)

²⁰ [Heat in Buildings: Green Heat Finance Taskforce - gov.scot \(www.gov.scot\)](#) ; [Green Heat Finance Taskforce minutes: November 2022 - gov.scot \(www.gov.scot\)](#)



“Until the issues set out in this report are resolved, emissions will continue to remain stubbornly high, investment will not be forthcoming, and ambition will remain locked in policy documents.

Leadership and strong oversight is needed now more than ever to speed up the transition process, ensuring meaningful collaboration across sectors and public bodies, using all the existing levers available to the Scottish Government and delivering smarter public investment in order to overcome the barriers which are holding back innovation, delivery, and private investment.”



4. CERG’s work programme in 2023 – a call for action and engagement with the Scottish Government to unlock delivery

In 2023 CERG will continue to push for rapid and decisive decisions by the Scottish Government to unlock action on the ground through bold policies, investments, and unequivocal messages on how and when Scotland will transform its heating, transport and decision-making to meet its climate change targets in 2030 and 2045 whilst building climate resilience.

While framework plans and strategies such as the forthcoming Climate Change Plan and Climate Adaptation Programme are important, they will not be deliverable on the ground unless the fundamental barriers to delivery are tackled. The government needs to focus efforts on identifying and overcoming these barriers so every policy, programme and investment has a clear and resourced route for delivery.

Drawing on the findings of our assessment, and through a process of engagement and prioritisation with CERG members, CERG has decided to focus its efforts on four priorities we believe have huge potential to unlock delivery and speed up emissions reduction and build resilience.

The following 5 criteria were used to guide selection of the priority issues.

1. Accelerate delivery of net zero commitments & emissions reduction – transformational change.
2. Contribute to building resilience and adaptation to climate change.
3. Achievable now – can be acted on now or very soon by the Scottish Government; and/or lays foundations now for next year.
4. Support a just transition and green recovery — shared prosperity, social well-being, and wider environmental benefits.
5. Where CERG is able to act as catalyst for immediate action

The agreed priorities include two cross-cutting issues which if effectively addressed will unlock emissions across the board, and two thematic issues which focus on unlocking delivery in specific sectors. Both of these thematic issues were highlighted by the Climate Change Committee as being ‘significantly off-track’, with policy gaps and ‘where achieving targets will be very challenging’.

“CERG’s priorities include two cross-cutting issues which if effectively addressed will unlock emissions across the board...”

Theme: Cross-governmental alignment

CERG proposal: Require a Net Zero Test for policy, procurement and investment decisions

Outcome: All government decisions aligned with the transition to net zero



Theme: Enabling and empowering delivery

CERG proposal: Agree and act on a joint delivery framework between national and local government for net zero and climate adaptation.

Outcome: Local authorities have the clarity, powers, resources and capacity they need to deliver on their statutory responsibilities and role in the transition.



Theme: Fast-tracking delivery within high carbon priority sectors

CERG proposals: i) Introduce fiscal measures to reduce car reliance and improve places for people.
ii) Unleash the potential of greening Scotland's commercial and public buildings for the heat transition and climate resilience.

Outcome: Local delivery driven and enabled by strong leadership, policy certainty, co-designed bold solutions, new local powers and capacity.

These 4 themes are just a subsection of the range of actions required, and ongoing, to respond to the climate crisis. CERG will continue to advocate on those proposals from previous years which have yet to be fully addressed and are of particular concern – notably agriculture, diet and peatland restoration.

“CERG will continue to push for the Scottish Government to deliver action on the ground through bold policies, investments and unequivocal messages”

6. CERG's proposals for 2023

1. Require a Net Zero Test for policy, procurement and investment decisions

The Scottish Government has committed to introducing a government-wide carbon assessment to improve scrutiny of the Scottish Budget. This welcome commitment should lead to a mandatory 'Net Zero Test' (an iterative process of screening and assessment commensurate with the influence and impact on emissions) to inform all policy and investment decisions starting in 2023.

Why the climate emergency demands this now

Decisions are taken every day by the public sector which can either support our response to the climate emergency, delay progress, or at worst lock us into high carbon, high risk ways of living and working. Given tight fiscal constraints, and time running out to meet the 2030 climate targets, every pound spent, and every policy lever needs to be pulling in the net zero direction.

With only 7 years left in this decade of action on climate, responsible officials and ministers need to understand the whole-life carbon impact of policies and projects. Otherwise, they won't know if they are the right policies and projects to get us to net zero.

Barriers

- Lack of a common, coherent carbon assessment process across the public sector leading to confusion, an inability to aggregate the carbon impact of policies and programmes, and unnecessary duplication of effort.
- Low level of understanding carbon impact of policy and spending decisions.
- There is no clear process and gatekeeper to ensure assessments are applied and acted upon.

Opportunities

- The Scottish Government is developing a carbon assessment process but the scope and governance arrangements are not clear.
- It is not necessary to start from scratch - there are several pieces of guidance already in place: the Carbon assessment guidance for City and Growth Deals, the UK Treasury Green Book guidance, and the PAS 2080 guidance on cutting carbon emissions in buildings and infrastructure construction.

Possible solutions and Scottish Government role

- Set out expected scope for government-wide carbon assessment to include policy, procurement and investment, phasing in over 3 years.
- Develop government-wide carbon assessment based on existing guidance and learning from best practice (City and Growth Deals, Green Book guidance).
- Set out governance procedures in terms of when and what kind of assessment process is required, along with scrutiny and accountability roles.
- Continue to resource and mandate carbon assessment of City and Growth Deals and extend this work to other capital infrastructure projects with immediate effect.
- Adapt guidance for use by planners in the implementation of NPF4.
- Require Business Cases and application of Green Book requirements with ultimate oversight at DG and cabinet level.
- Provide shared technical support and training for Scottish Government, local authorities and wider public sector in applying the assessment process

2. Agree and act on a joint delivery framework between national and local government to fast-track delivery.

Negotiate, agree and start acting on a joint climate delivery framework between national and local government identifying roles, funding and resources in 2023, including workable solutions to overcome barriers to delivery of emissions reduction and adaptation.

Why the climate emergency demands action now

Local authorities are critical to the delivery of the transformative action required to tackle the climate emergency – emissions reduction, climate resilience, and improved well-being coordinated through place-based programmes.

Local authorities can deliver national policy priorities, convene innovative partnerships, and influence wider investment and action by others. However, gaps in local authority capacity, predominantly single year funding streams and a ‘lack of coordination from the Scottish Government’²¹, are leading to delays, under-delivery and fragmented approaches. Despite CERG’s call for action in 2022, alongside similar calls from COSLA, SOLACE and the Scottish Cities Alliance, little has changed, although there are some promising initiatives in train.

Barriers

The problems and barriers are well-documented²² and multi-faceted, and require a sustained ‘Team Scotland’ approach to resolve. Barriers include a lack of coordination and clarity on roles and responsibilities between national and local government in key policy areas; insufficient collaboration at regional level; lack of local capacity, expertise and data to develop and deliver large-scale, transformational proposals; limitations and inefficiencies of single sector, one year government funding streams; leadership and procurement challenges; limitations and under-utilisation of powers for revenue-raising.

Specific opportunities

- Comprehensive analysis and recommendations from the CCC, Audit Scotland and the NZET Committee Inquiry report²³.
- Positive discussions between Scottish Government and COSLA, SOLACE, SCA around a ‘Climate Intelligence Service’ proposal and early engagement on a ‘Net Zero Delivery Framework’.
- Multiple pockets of good practice from across Scotland and wider UK which showcase innovation in place-based programming, mobilising investment and building capacity

Solutions and Scottish Government role

- Scottish Government leads on agreeing a climate delivery framework by end 2023 with clear outcomes, a constructive problem-solving approach and continuous feedback and accountability to ensure it is fulfilling its core purpose of coordinating delivery between national, regional and local government, driving collaboration (across public and private sector, and with communities) and overcoming barriers to delivery.
- The Climate Intelligence Service is set up with multi-year funding, matched with resources for increased local authority capacity to draw on the service to establish pipelines and projects.
- Fund and incentivise place-based, blended finance investment demonstrators that deliver multiple co-benefits and built in revenue streams.
- Targeted workstreams with evidence of barriers being resolved and initiatives to fast-track delivery against key policy priorities – eg LHEES delivery, modal shift.

²¹ Progress on emissions reduction in Scotland, Dec 2022, UK CCC

²² NZET Committee Inquiry, Audit Scotland, Scottish Cities Alliance, Environment Standards Scotland.

²³ The role of local government and its cross-sectoral partners in financing and delivering a net-zero Scotland, January 2023, NZET Committee, Scottish Parliament.

3. Introduce fiscal levers to reduce car reliance and improve places for people.

In 2023, the Scottish Government demonstrates its commitment to achieving a 20% reduction in car kilometres by agreeing a shared delivery action plan for consistency, coherence and fairness in the introduction of road user charging measures (road pricing, congestion charging) and parking levies.

Why the climate emergency demands action now

Scotland's target to reduce car kilometres by 20% by 2030²⁴, relative to 2019 is extremely ambitious and, according to the Committee on Climate Change, significantly off-track. 'Evidence suggests that providing viable alternatives to private vehicle use, without also making it more difficult to drive, will not achieve net zero emissions or modal shift in the required timescale'^{25,26}. Fiscal levers such as road pricing, congestion charging and parking levies have an²⁷ important role to play in rebalancing the cost of motoring compared to other public and shared transport options and bring in valuable revenue to invest in sustainable transport. If effectively and fairly designed as part of wider transport strategies, public transport improvements, active travel and place-based programmes²⁸ and investment in digital infrastructure; such measures can deliver multiple co-benefits for health, safety and air quality; strengthen social and economic vitality; and deliver more connected neighbourhoods. High-car dependency is a barrier to the creation of environments that can reduce the need to travel and facilitate the switch to more sustainable modes such as walking, cycling and public transport.

Barriers

- A lack of local confidence to introduce demand management schemes without strong national leadership (eg no workplace parking levy schemes have been introduced in Scotland).
- Discretionary powers mean local authorities are reluctant to introduce schemes due to perceived and genuine business and public concerns about fairness, equalities and economic impacts.
- Lack of coherence and consistency between areas, risks piecemeal, disjointed and variable local schemes that are slow, politically and economically costly, and collectively won't achieve climate targets.
- Lack of certainty on the role of distance-based road pricing within Scotland.
- Consistency needs to be balanced with a nuanced approach that takes into consideration differing needs for car transport and access to reliable alternatives.
- Improvements in active, shared and public transport have been too slow – a prerequisite for widespread use of demand management measures.

Opportunities

- The Scottish Government has already committed to 'consider other measures to 'discourage car use', such as road pricing' through its Car Demand Management Framework²⁹. More details are expected in the final 'Route map to achieve 20% reduction in car km by 2030' to be published before summer 2023.
- Edinburgh and Glasgow City Councils are considering introducing local measures within their local plans.

²⁴ Committee on Climate Change (2022). Progress in reducing emissions in Scotland.

²⁵ [Back to the future: Reducing car travel in Scotland – SPICe Spotlight | Solas air SPICe \(spice-spotlight.scot\)](#)

²⁶ [RTPI | Net Zero Transport: the role of spatial planning and place-based solutions](#)

²⁷ [Cost of motoring against costs of public transport \(racfoundation.org\)](#)


²⁸ Locally designed schemes that change how we plan, design and use space, designed to deliver multiple benefits to people and communities.

²⁹ [A route map to achieve a 20 per cent reduction in car kilometres by 2030 | Transport Scotland.](#)




Potential solutions and the Scottish Government's role

- Clear national position by end of 2023 on the role that fiscal levers must play in delivering Scotland's 2030 and 2045 climate targets (and other national outcomes) and whether current powers / duties are sufficient to deliver.
- Within 12 months, a shared delivery action plan between the Scottish Government, regional transport partnerships, local authorities, with early schemes introduced by 2025. Plan sets out roles, responsibilities, actions, key decision-points, support and resources to introduce schemes, with national and regional coordination, consistency and coherence where useful.
- Action to close regulatory gaps (eg around road pricing / congestion charging).
- Collaborative approach through close and long-term engagement with business groups, access & equalities groups and transport stakeholders, to enable a proactive response to business and public concerns about fairness, equalities and economic impacts.
- Long-term programme of national and local public engagement to build understanding and awareness of the benefits and proposed approach.
- Proactive engagement with UK Treasury to reform motoring taxes and replace with road pricing including a clear position on fairness, hypothecation and 'what works for Scotland'³⁰.



“Proactive engagement with the UK Treasury to reform motoring taxes...”



³⁰ But note, a UK road charging scheme is ruled it out in this Parliament ([Road Pricing: Government Response to the Committee's Fourth Report of Session 2021–22 - Transport Committee \(parliament.uk\)](#)).

4. Unleash the potential of greening Scotland's offices, shops and leisure buildings for the heat transition.

Scottish Government convenes outcome driven partnership with leading commercial building owners, tenants, private investors, and local authorities to identify and build business cases for several heat decarbonisation projects.

Why the climate emergency needs this now

Non-domestic buildings account for 7% of Scotland's carbon emissions. The Heat in Buildings Strategy aims for 'the equivalent of' 50,000 non-domestic buildings to be heated by zero emissions technologies by 2030. However, uncertainty remains regarding regulation and designation of heat zones, leaving building owners confused and unaware. There are concerns these uncertainties are holding up large-scale retrofit programmes and there is a sense that Scotland is falling behind the rest of the UK and missing opportunities for investment.

Barriers

- Many building owners are not aware that they will be expected to renovate their buildings in the coming decade for net zero and to adapt to climate impacts.
- Delays in introducing regulation and designating heat zones mean building owners and landlords lack the certainty to invest in retrofit.
- For many buildings, the business case for the heat transition does not stack up and is not a priority compared with the cost-of-living crisis, Brexit and COVID impacts.
- There are significant shortages in the supply chain which affect the whole building sector.
- Many non-domestic properties are located in mixed tenure / mixed use buildings and it is a legal and logistical challenge coordinating and agreeing works.

Opportunities

- Buildings with big heating and cooling demand can be anchors for heat networks.
- The public sector is required to assess suitability for heat network connections (this could be extended to the private sector), presenting an early opportunity to engage with private sector for area-based schemes.
- Scotland's Heat Network Support Unit provides support, expertise and facilitates access to funding (also UK funding opportunities).
- Many businesses can benefit from cutting energy bills. Business Energy Scotland provides advice, loans and cashback.
- Retrofit should be designed to address climate impacts, avoiding costs in the future.
- Good design should also recognise embodied energy in materials and take a circular approach to building materials.
- Corporate and pension fund owners have their own climate targets which should drive action to cut emissions in their buildings portfolio.
- The Heat in Buildings Bill (2024) plans to include targets for non dom buildings.
- The Scottish Government Green Heat Finance Task Force is exploring financing models for all tenures.

Solutions and Scottish Government role

- Convene building owners and tenants to press for speedier development of heat networks, taking up UK green heat networks funding (and Scot Govt equivalent).
- Engage commercial building owners and public sector, investors and local authorities to meet their corporate climate targets through building decarbonisation. Pilot large-scale retrofit programmes with leadership of public sector and commercial building owners.
- Give clear regulatory signal for non-domestic buildings and accelerate designation of heat zones.

7. Conclusions

Over the years the Scottish Government has demonstrated its commitment to tackling the global climate emergency through ground-breaking legislation and ambitious policy and targets.

However, there is an expanding gap between the strong rhetoric and ambitions and the reality on the ground. Scotland is at risk of falling behind, missing valuable investment and economic opportunity and losing public confidence in its role as a climate leader.

If implemented well, climate interventions and investments can deliver significant benefits and jobs³¹ and the subsequent benefits exceed the costs of taking action now³². Every month and year of delay increases the speed at which changes must be introduced.

The Scottish Government needs to get on with the hard job of delivery to transform how we get around, heat our buildings and the things we eat and buy, so citizens can enjoy the many benefits of a cleaner, greener Scotland that can adapt to a changing climate.

Overcoming the barriers that are currently preventing the roll-out of policy will be hard, but the rewards for Scotland's economy, society and environment could be great.

Scotland's new First Minister, Humza Yousaf, must pick up Nicola Sturgeon's mantle of championing delivery on climate. We need strong climate leadership to embrace the challenges and deliver on the opportunities of this transition. We hope the new First Minister and their Cabinet will take up CERG's invitation to engage and move forward on the ideas set out in this report.

The stakes are high, and the path is challenging, but further delay is no longer an option.

“If implemented well, climate interventions and investments can deliver significant benefits and jobs...”

³¹ Eg Research estimated that Glasgow's Green Deal has the potential to deliver benefits in the region of three or four times greater than their costs, and that, sometimes, benefits may be ten times higher than costs. Financing options for Glasgow's Green Deal. November 2022. Pengwern Associates.

³² [What will climate change cost the UK? Risks, impacts and mitigation for the net-zero transition - Grantham Research Institute on climate change and the environment \(lse.ac.uk\)](#)

The organisations supporting the work and progress of the Climate Emergency Response Group are:

