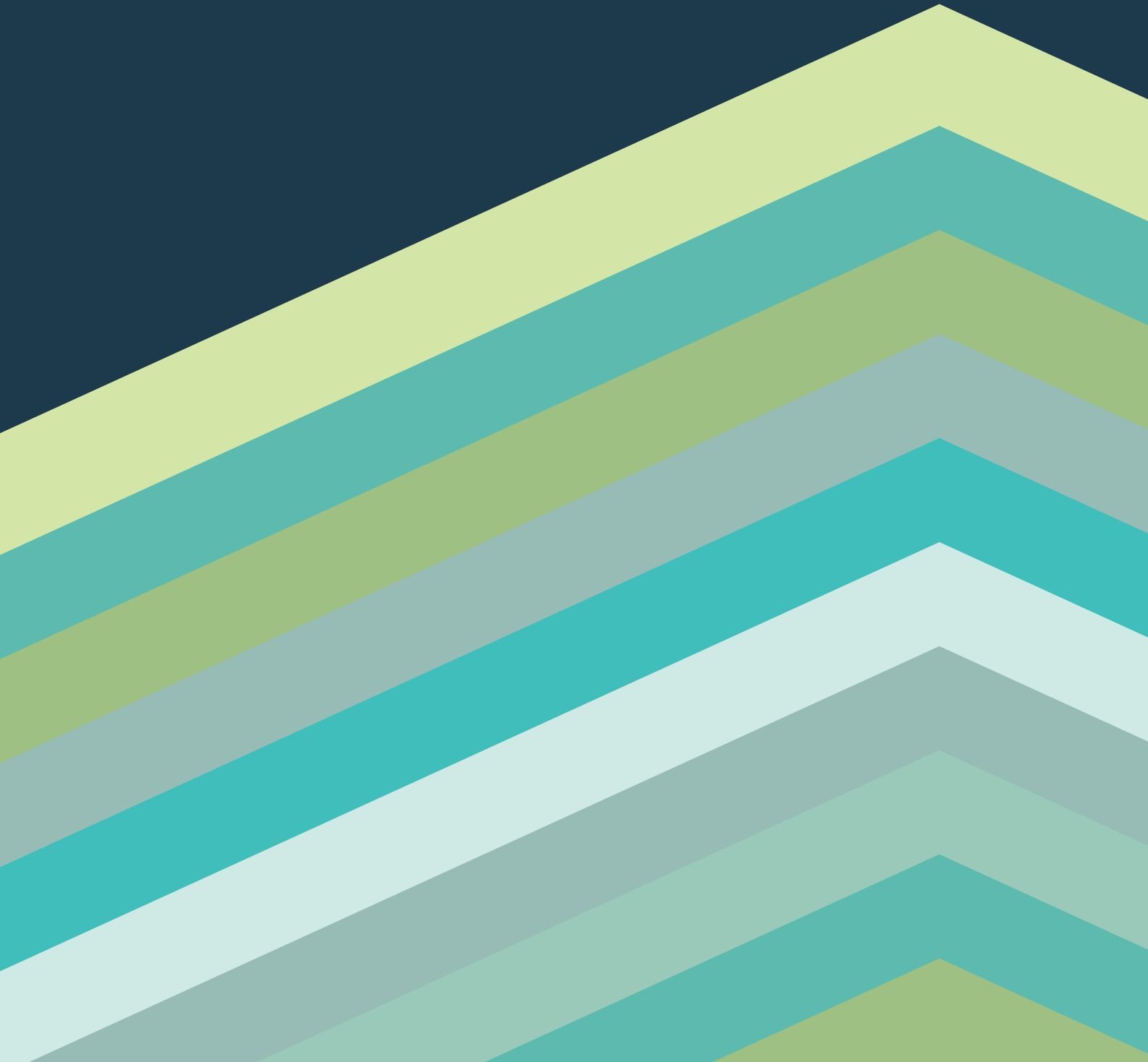


CLIMATE EMERGENCY RESPONSE GROUP

# Stepping Up to Delivery

October 2024



# Executive Summary

The evidence is clear: Scotland is not delivering sufficiently on its climate ambitions. With this report, the [Climate Emergency Response Group \(CERG\)](#) proposes that current ways of working are not delivering the change we need to see. It shines a light on why delivery is so slow (and for many sectors hasn't really started), why it really matters how the Government organises itself to enable policy delivery and suggests how this could improve.

Running through the report CERG poses the following questions for the Scottish Government's consideration and response which we believe will help get delivery on track.

1. **Leadership:** How does the Scottish Government's commitment to tackling the climate emergency as a key Government priority translate into the necessary actions on the ground?
2. **Whole of Government approach:** In 2019, on declaring a climate emergency, the Scottish Government committed to 'place climate change at the heart of everything we do'<sup>1</sup>. Given the evidence that this has not yet fully happened, where and how could the Government accelerate the process of integrating climate change into all plans, policies, budgetary processes, capital investment and delivery initiatives?
3. **Governance:** Do the structures and systems that oversee the delivery of climate action (at national, regional, sectoral and local levels) have the appropriate authority, responsibility, resource and programme management systems required?
4. **Unlocking delivery by others:** Given that national government rarely delivers policy, what more could national government do to coordinate, de-risk and enable delivery by others, particularly for the priority sectors of heat, transport and agriculture?
5. **Overcoming barriers:** How could the Scottish Government be more agile in working with stakeholders to identify and overcome barriers to delivery quickly? What ways of working enable this?
6. **Engagement:** How could closer involvement of stakeholders in the policy-making process help national and local government ensure deliverability?

The purpose of this report is to explore these questions and others and facilitate a constructive discussion about different ways of working which could help the Scottish Government, working with its partners, to deliver a strong and effective response to the climate emergency.

<sup>1</sup> [The Global Climate Emergency - Scotland's Response: Climate Change Secretary Roseanna Cunningham's statement - gov.scot \(www.gov.scot\)](#)

# 1. Introduction

**Evidence shows that Scotland is neither cutting its greenhouse gas emissions sufficiently or acting swiftly enough to prepare for and adapt to the effects of climate change.**

Since a climate emergency was declared in 2019, Scotland has made very little progress to reduce emissions from heat, transport or agriculture – the three ‘big sectors’ (beyond electricity supply) where urgent action is required<sup>2</sup>. In its March 2024 assessment, the UK Climate Change Committee<sup>3</sup> concluded that the acceleration in emissions reduction needed in these sectors meant that Scotland’s long-held and internationally recognised 2030 target was no longer credible. This led to the Scottish Government proposing that the Climate Change (Scotland) 2009 Act should be amended to remove annual targets, including the 2030 and 2040 targets.

At the same time, the impacts of climate change are accelerating faster than expected and the Scottish Government states that economic costs of climate change impacts could reach billions of pounds per year by 2050<sup>4</sup>. Audit Scotland found in its report on Scottish Government governance arrangements for climate targets that the ‘risks of failing to adapt to climate change have had less focus’ compared with emissions reductions that requires action now, but this has not been prioritised as highly as emissions reduction risks<sup>5</sup>. Publication of the Scottish National Adaptation Plan (SNAP 3) in September 2024 must mark a turning point.

Tackling climate change and building a strong, green, wellbeing economy sit firmly at the top of the Scottish Government’s, and the Scottish peoples’, priority list and have done since 2019. There is a clear political mandate for accelerated climate action from the public: recent polling commissioned by IPPR found that ‘in every Scottish constituency .... more voters think Government policy on net zero should be going further and faster than it is right now’ (IPPR 2024)<sup>6</sup>.

Ambitious targets and high-level political commitment to tackling the climate crisis are insufficient without the capability, route maps and enabling mechanisms to deliver action on the ground. In the absence of the 2030 target, Scotland needs a clear framework to drive early action and processes to ensure that infrastructure and investments made now are aligned to a net zero, climate resilient future. Policy implementation needs to start as soon as possible.

The First Minister and his Government have stated their commitment to climate action, yet CERG has yet to see a response from the government that matches the need to accelerate the pace of delivery. The Scottish Government needs to take this moment to reflect on why delivery is so far off track and ensure that it is using every power and lever to get on course to meet net zero by 2045 and every milestone along the way. The next few years are critical to making this happen with an evolution of how policy is developed and delivered.

This report is not a blueprint but an attempt to catalyse a change in how government responds to the climate emergency. It sets out CERG’s analysis of the problems, what good practice could look like and offers several suggestions for a way forward. There is a lot of good practice both within and beyond the Scottish Government on which to build, and the potential and desire for working differently is huge.

<sup>2</sup> [Progress in reducing emissions in Scotland - 2023 Report to Parliament - Climate Change Committee \(theccc.org.uk\)](https://theccc.org.uk/progress-in-reducing-emissions-in-scotland-2023-report-to-parliament-climate-change-committee)

<sup>3</sup> [Progress in reducing emissions in Scotland - 2023 Report to Parliament - Climate Change Committee \(theccc.org.uk\)](https://theccc.org.uk/progress-in-reducing-emissions-in-scotland-2023-report-to-parliament-climate-change-committee)

<sup>4</sup> [Outcome Four: Economy, Business, and Industry \(B\) - Climate change: Scottish National Adaptation Plan 2024-2029 - gov.scot \(www.gov.scot\)](https://www.gov.scot/outcome-four-economy-business-and-industry-b-climate-change-scottish-national-adaptation-plan-2024-2029)

<sup>5</sup> [How the Scottish Government is set up to deliver climate change goals \(audit.scot\)](https://audit.scot/how-the-scottish-government-is-set-up-to-deliver-climate-change-goals)

<sup>6</sup> [Political leaders in Scotland must be bold on climate and tax | IPPR](https://www.ippr.org/insight/political-leaders-in-scotland-must-be-bold-on-climate-and-tax)

## 2. The case for change

On declaring a climate emergency in 2019, the Scottish Government committed to ‘structural changes across the board: to our planning, procurement, and financial policies, processes and assessments’ and to ‘place climate change at the heart of everything we do’<sup>7</sup>. While progress has been made, this commitment has not been met in full. Audit Scotland (2023) concluded that significant challenges and gaps remain<sup>8</sup>.

Analysis of the Scottish Government’s progress on reducing its emissions over the past four years have consistently shown that progress is off track. It was no surprise that the Climate Change Committee’s (CCC) March 2024 progress report concluded that Scotland’s 2030 climate goals are no longer credible. The CCC, Audit Scotland, CERG, Environmental Standards Scotland, Scottish Parliament committees, and the Scottish Government’s own internal risk registers have repeatedly flagged concerns.

CERG suggests that current ways of working are not resolving problems and responding to these concerns quickly enough. In the following sections of this report CERG set out the various pieces of evidence that make the case for a change in approach to delivery.

### 2.1 Scotland is off track on emissions reduction

Scotland’s GHG emissions have reduced 50% since 1990 but most of this reduction is from electricity, and the rate of reduction is slowing. Scotland has now missed its annual climate targets in nine of the past thirteen years, and between 2021- 2022, Scotland’s emissions decreased only 0.1% .

Domestic transport is Scotland’s highest emitting sector, followed by agriculture and buildings. These are all policy areas where Scotland has significant devolved powers.

The Climate Change Committee’s March 2024 progress report concluded:

*There is no comprehensive strategy for Scotland to decarbonise towards Net Zero.... the required acceleration in emissions reduction in Scotland is now beyond what is credible. The only sectors to reduce emissions in 2021 were electricity supply and industry. Most key indicators of delivery progress, such as tree planting, peatland restoration rates and heat pump installations are off track*<sup>10</sup>.

The Scottish Government’s own data reflects this. In its 2024 Climate Change Plan update (CCPu) monitoring report, it found that while 18 of its 43 indicators were on track, 15 indicators (35%) were off track<sup>11</sup>.

<sup>7</sup> [The Global Climate Emergency - Scotland’s Response: Climate Change Secretary Roseanna Cunningham’s statement - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/global-climate-emergency-scotland-response/summary/pages/10_to_12.aspx)

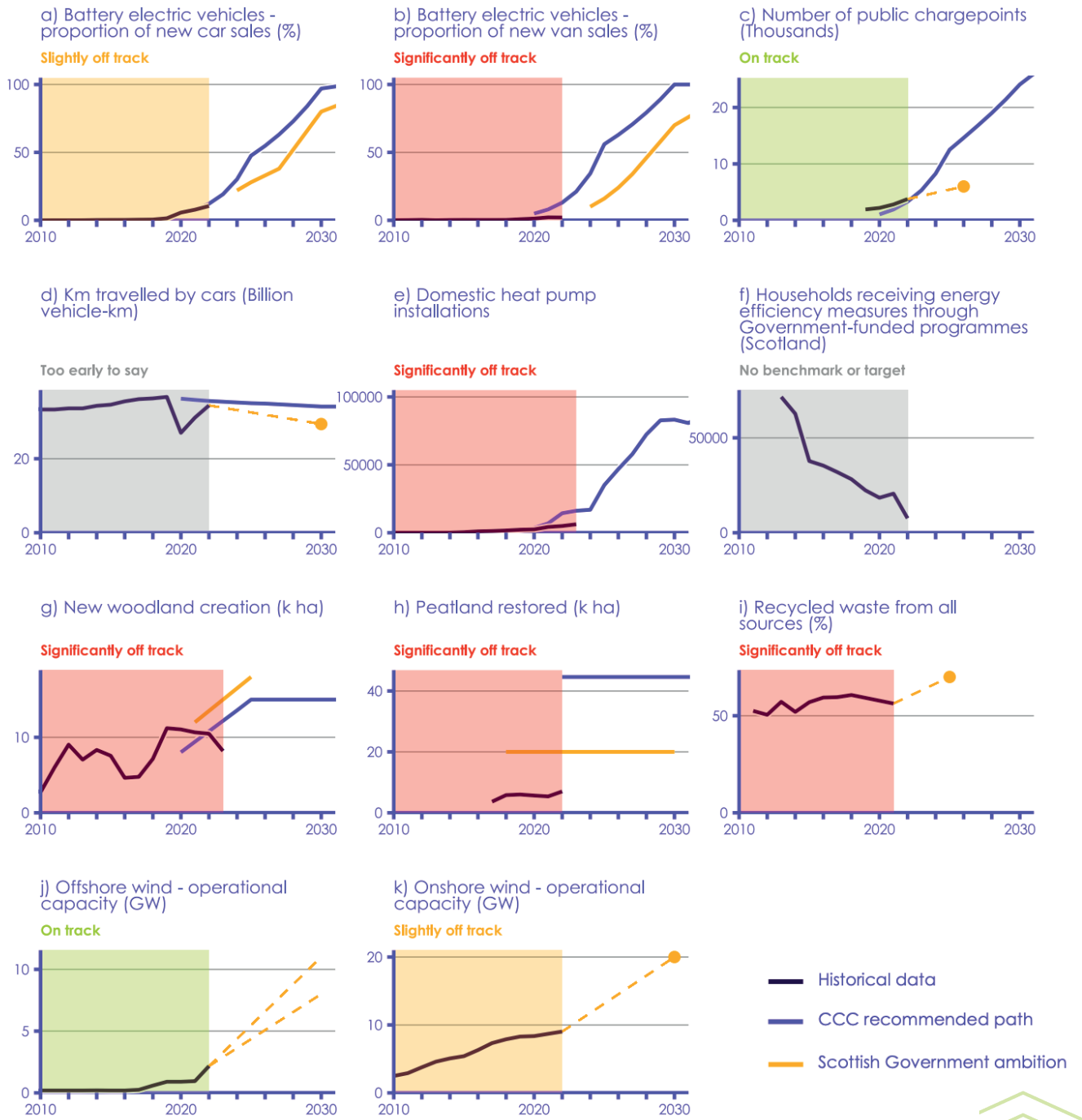
<sup>8</sup> [How the Scottish Government is set up to deliver climate change goals \(audit.scot\)](https://www.audit.scot/publications/how-the-scottish-government-is-set-up-to-deliver-climate-change-goals/summary/pages/1_to_3.aspx)

<sup>9</sup> [Scottish Greenhouse Gas Emissions Statistics for 2022 - a summary of the results - Stop Climate Chaos Scotland](https://www.stopclimatechaos.scotland.org.uk/news/scottish-greenhouse-gas-emissions-statistics-for-2022-a-summary-of-the-results)

<sup>10</sup> [Scotland’s 2030 climate goals are no longer credible - Climate Change Committee \(theccc.org.uk\)](https://www.theccc.org.uk/2024/03/15/scotland-2030-climate-goals-are-no-longer-credible/)

<sup>11</sup> [Climate change monitoring report 2024 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/climate-change-monitoring-report-2024/summary/pages/1_to_3.aspx)

**Figure 1: CCC's analysis of Scottish Government's progress against key sectoral indicators (March 2024)**



**TABLE 1: SUMMARY OF EMISSIONS REDUCTION ACROSS PRIORITY SECTORS OF TRANSPORT, BUILDINGS AND AGRICULTURE AND LAND USE.<sup>12, 13</sup>**

	<b>Emissions reduction since 2019</b>	<b>CCC analysis</b>
<b>Domestic Transport</b>	Only 2% reduction since 1990 2.9% emissions increase between 2021-22 – rebound effect from COVID.  Now highest emitting sector in Scotland Note 11% increase in car traffic 2022-2023.	Progress limited, delivery plans needed (EV charging infrastructure, reducing car kilometres, decarbonising aviation and shipping).
<b>Heat in Buildings</b>	3.6% reduction since 1990 13.8% reduction in emissions from Buildings and Product Usage between 2021-22 but external factors considered as the main reason.	Draft Heat in Buildings Bill commended - could act as a template for rest of UK. Heat pump installation in 2023 slow. Installation of energy efficiency measures slow. Non-residential buildings received less focus
<b>Agriculture</b>	1% reduction since 1990. 0.3% reduction between 2021-22.	Limited progress.
<b>Land use</b>	0.2% emissions increase 2021-22	Off track to hit target of 18,000ha new woodland creation by 2024/5. Missed annual peatland target 5 years running.

## 2.2 Progress on adaptation is too slow and has not been prioritised

In its November 2023 report the Climate Change Committee concluded<sup>14</sup>:

*‘Overall progress on adapting to climate change in Scotland remains slow, particularly on delivery and implementation. For only one out of the 33 outcomes identified by the Committee for climate resilience across devolved areas do we find good progress on adaptation delivery. (November 2023)*

*Audit Scotland found that ‘failure to adapt to the impact of climate change is a longer-term risk that requires action now. But it is not prioritised as highly as emissions reductions risks.’<sup>15</sup>*

It would appear that just as targets for mitigation have been missed the same is likely to be true for the equally important adaptation priorities. Delivering on SNAP3 provides the opportunity to make up for lost time.

<sup>12</sup> Supporting documents - Scottish Greenhouse Gas Statistics 2022 - gov.scot ([www.gov.scot](http://www.gov.scot))

<sup>13</sup> Scotland’s 2030 climate goals are no longer credible - Climate Change Committee ([theccc.org.uk](http://theccc.org.uk))

<sup>14</sup> Adapting to climate change - Progress in Scotland - Climate Change Committee ([theccc.org.uk](http://theccc.org.uk))

<sup>15</sup> How the Scottish Government is set up to deliver climate change goals ([audit.scot](http://audit.scot))

## 2.3 Policy action since April 2024 has been limited

Scotland has not had an up-to-date Climate Change Plan since April 2024. This has left a worrying policy vacuum leading to uncertainty about how and when policy commitments will be taken forward.

The April 2024 ‘ambitious new policy package’ set out 19 climate change policy actions intended to show Government’s ‘unwavering commitment to deliver net zero’<sup>16</sup>. The Scottish Parliament Information Centre’s analysis of this package<sup>17</sup> concluded that ‘Many of the proposals in this package appear to have been previously discussed, proposed or committed to in one form or another ... the actual impact of all of these commitments to emissions reductions appears uncertain.’

This was a moment for the Scottish Government to set out an interim plan, pending the eventual publication of a new Climate Change Plan, to prioritise actions for delivery in the short term to get emissions reductions back on track and aligned with the pathway to the 2045 net zero target.

The recent September 2024 budget cuts (e.g. to the sustainable and active travel budgets, the Natural Environment Fund) and the decision to redeploy the one-off funds secured through the ScotWind auction instead of using it to support the transition to greener energy, have further pushed back delivery and increased uncertainty.

## 2.4 CERG’s analysis

Each year CERG members undertake an internal review of progress made by the Scottish Government against the group’s published recommendations. Drawing on documents in the public sphere and stakeholder inputs, CERG reviews progress against criteria based on policy commitment, investment and speed of response.

The analysis, completed in May 2024, concluded that while progress is being made, the pace of change is far too slow.

Overall, we found that policy timelines and the rate of delivery were usually slower than CERG advocated in its analysis, frequently slower than the Government’s own targets, and often delayed.

“... the pace of change is far too slow.”

<sup>16</sup> [Climate change action: policy package - gov.scot \(www.gov.scot\)](https://www.gov.scot/policy-positions/policy-packages)

<sup>17</sup> [A changing climate? The Scottish Government’s newly announced policy package – SPICe Spotlight | Solas air SPICe \(spice-spotlight.scot\)](https://www.spice.scot/spotlight)

**TABLE 2: DELAYS IN PUBLISHING KEY POLICIES AND PLANS**

Policy	Deadline	Comment
Draft Climate Change Plan (CCP).	Originally due November 2023, no new date set.	With new climate legislation process, unclear when new CCP will be published. Concern about a lack of framework to rapidly increase emissions reduction.
Energy Strategy and Just Transition Plan.	Originally due 2023.	Draft published January 2023. Final version delayed until spring 2024, but still outstanding.
Other Just Transition Plans	Due with the draft CCP (November 2023).	Agriculture, Grangemouth due to be published with draft CCP, still outstanding.
Fair Fares Review.	June 2023.	Delayed twice, finally published March 2024.
Final Route map to a 20% reduction in car use (in km).	Delayed several times, now due autumn 2024.	Final version and supporting evidence to guide delivery of that target currently unpublished, 4 years after target announced. Car demand management framework not due until 2025.
Green Heat Finance Taskforce.	Final report due September 2023.	Still unpublished. First announced in 2021, commissioned in January 2022 to 'develop a portfolio of innovative financial solutions' <sup>18</sup> . Scottish Government has only formally committed to 'considering' one of the recommendations made in the task forces' first report (November 2023), and the second stage report is still pending resulting in uncertainty on how to finance the heat transition.

**“Plans and strategies can’t be delivered without the appropriate levels of investment, skills and capacity.”**

<sup>18</sup> [Heat in Buildings - Green Heat Finance Taskforce: terms of reference - gov.scot \(www.gov.scot\)](https://www.gov.scot/terms-of-reference)



**TABLE 3: EIGHT THEMES EMERGING FROM CERG'S ANALYSIS**

**1. High profile, ambitious 'world-leading' targets and high-level political commitment aren't followed through with action to enable and drive delivery.**

- For example, 20% reduction in car km and 75% reduction in emissions by 2030 were high ambition targets intended to drive action but required strong political leadership and a 'mission' oriented approach to deliver.

**2. Government 'commitments to action' tend to focus on the production of plans and strategies. The role that national Government must play in unlocking delivery is not considered early enough.**

- Plans and strategies can't be delivered without the appropriate levels of investment, coordination, skills and capacity. These delivery issues are often cited as reasons why budgets aren't spent on time and delivery is slow. Government itself may not need to deliver but, following a published strategy or action plan, has a duty to ensure delivery.
- Commercial building owners expressed concerns about 'deliverability' of heat regulations – there has not been enough engagement with the non-domestic building sector to ensure regulations will work in practice, or to explore incentives and/or industry-led efforts to drive down costs and speed up action.
- There is a significant role for government to use its resources to scope and test delivery models, and provide coordination and leadership, so the transition can commence much sooner.

**3. Identified barriers to delivery aren't addressed quickly enough risking market failure and missed investment opportunities. Issues that have been identified and remain significant challenges include:**

- Consenting and approval processes for renewable infrastructure.
- Lack of capacity and expertise in the planning system to deliver and enforce NPF4 – particularly climate, flood risk and biodiversity. Recent announcements in the Programme for Government of a new 'Planning Hub' appear to prioritise hydrogen and house building.
- Lack of project development funding and technical assistance for local authorities to build investable pipelines of place-based projects.
- The urgent need to clarify roles, responsibilities and resource / capacity needs for delivery of net zero between national and local government. While the Climate Delivery Framework is a welcome step forward, it will take time and determination to resolve this.
- Overly complex, competitive, ringfenced and fragmented public sector grants obviate a national and strategic approach.
- Limited progress in improving access to skills and advice that will meaningfully support an agricultural transition.

**TABLE 3: EIGHT THEMES EMERGING FROM CERG'S ANALYSIS Contd.**

**4. Bold decisions are put off, for example:**

- Land use and agriculture – introducing a ban on extracting peat for horticulture, deer management and agricultural payment conditionality needs to be stronger. The April 2024 policy package included some new detail and some small, and welcome, steps forward; but CERG members believe these are likely to have a very limited impact on emissions and resilience. No update has since been given on how agriculture support payments will allow a transition to more regenerative agricultural systems.
- Measures to reduce car use were first proposed back in 2001 but have yet to be acted on. The Fair Fares Review was proposed in 2021 and finally published, after delays, in March 2024. However, the review postpones important decisions to the 20% car km route map, and a proposed 'Future of Public Transport' Forum.

**5. Policies and barriers are tackled in sectoral silos without sufficient coordination across government (between teams or between national and local levels of government).**

**A cross-sectoral approach could include:**

- A shared strategy to develop supply chains for onshore and offshore wind maintenance and repair.
- A just transition for transport depends on delivering affordable, safe and reliable public transport/active travel alternatives which need to be managed holistically and through a place-based approach which is hampered by separate policy, plans and funding.

**6. Lack of published analysis / evidence of the impact of Scottish Government decisions and budget cuts on the likelihood of achieving net zero and adaptation outcomes:**

- Lack of data and evidence to show how the proposals under the Agriculture Reform Programme, including the additional measures for agriculture announced in the April 2024 policy package, will deliver emissions reduction, tackle the biodiversity crisis or build resilience to climate impacts at scale (WWF & Soil Association, 2024)<sup>19</sup>.
- No mitigation activity announced to offset the impact of cuts to woodland planting and peatland restoration budgets.
- Impacts on the energy transition from using the ScotWind windfall to plug the 2024-5 gap in public finances.
- Impact on the achievability of the 2030 car km reduction target and transport sectoral emissions of recent cuts to the Active Travel budget, suspension of the Bus Partnership Fund, the reversion to peak fares on Scotrail whilst continuing with the investment of billions into road schemes.
- Impact of repeated budget cuts to environmental bodies, such as SEPA, NatureScot, and RESAS (James Hutton Institute).

<sup>19</sup><https://www.wwf.org.uk/our-reports/farming-net-zero-summary-report>

**TABLE 3: EIGHT THEMES EMERGING FROM CERG'S ANALYSIS Contd.**

**7. Achieving net zero and climate resilience is still not fully embedded across all government investment, policy and procurement.**

- Not only does this have the potential of costing the public purse more in future through expensive retrofits or stranded assets, but it also diverts public investment and can lead to perverse outcomes.
- Road building – the Climate Compatibility Test for the A96 remains unpublished. The CCC recommends the Scottish Government should 'set out the impact on achieving the 20% car-km reduction target of the road-building plans, including road-dualling, set out in the 2023/24 PfG (CCC progress report, March 2024; p50) but there has yet to be a response to this.
- A Net Zero Assessment is being piloted but is yet to be applied to capital investments such as the Infrastructure Investment Pipeline.
- Procurement decisions still tend to be dominated by lowest cost and alignment with net zero and climate resilience are not mandatory conditions. Climate is not built into business cases and project planning, and key components are often missing or come too late in the decision-making process<sup>20</sup>.

**8. Much more could be done to use Scotland's existing powers and levers to secure additional investment into net zero and adaptation at national and local level to drive behaviour change:**

- While there have been some recent positive steps e.g. Scottish (infrastructure) Bond, a commitment 'to consult on' a Carbon Land Tax, regulations for Workforce Parking Licensing (2022), many more opportunities exist<sup>21</sup> and could help drive delivery.

**“A Net Zero Assessment is being piloted but is yet to be applied to capital investments such as the Infrastructure Investment Pipeline.”**

<sup>20</sup> Scottish Government Needs A Rethink To Meet Net Zero Ambitions | FAI ([fraserofallander.org](https://fraserofallander.org)); Audit Scotland evidence to NZET Committee (12 March 2024)

<sup>21</sup> E.g. [Financing Climate Justice \(stopclimatechaos.scot\)](https://stopclimatechaos.scot)

## 2.5 Green shoots of a new culture of delivery?

The First Minister, John Swinney, said in a speech to business leaders (17 May 2024) that he wants to see ‘more concrete actions and fewer strategy documents.’

The Scottish Government has committed to change, for example to create a culture of delivery (outlined in the National Strategy for Economic Transformation - NSET), to strengthen ‘climate governance’<sup>22</sup> (see below) and to improve relationships and engagement with business and local authorities.

The following building blocks for delivery have been progressed over the past year:

- **Directly setting the way for policy delivery:**
  - o Commitment to bring forward the Heat in Buildings Bill - acknowledged by the Climate Change Committee as a potential ‘template for the rest of the UK’
  - o guidance for implementation of the National Planning Framework 4
  - o PfG commitment to improve planning and consenting regime for renewable energy generation and electricity transmission
- **Initiatives to strengthen policy alignment, coordination and investment:**
  - o commitment to roll out the Net Zero Assessment across all significant expenditure decisions from the end of 2024
  - o establishing a Climate Delivery Framework with local authorities
  - o the establishment of the new Investment Strategy and Delivery Unit
  - o launch of the Scottish Climate Intelligence Service (SCIS)

It is too early to judge the extent to which these changes will improve delivery. Nonetheless they are important building blocks which demonstrate the appetite for change, and a recognition of the need to evolve the established ways of working.

Lessons can also be learned from public policy experts and other countries, all of whom are grappling with the same challenge of how to transform economies and places faster than at any time previously.

These ‘building blocks’ provide the starting point for this report by CERG.

<sup>22</sup> <https://www.parliament.scot/chamber-and-committees/committees/current-and-previous-committees/session-6-public-audit-committee/business-items/how-the-scottish-Government-is-set-to-deliver-climate-change-goals>

#### TABLE 4: EXAMPLES OF 'GOOD WAYS OF WORKING' IN SCOTTISH GOVERNMENT

The following initiatives / policies include elements of good practice that could be used as exemplars.

- ✓ **Onshore Wind Sector Deal:** strategic partnership between industry, government, and communities to achieve the ambition of 20GW of installed onshore wind capacity operational by 2030, deliver additional outcomes (jobs, economy, biodiversity) and tackle barriers to deployment. Includes short term 'task and finish' groups.
- ✓ **Active Travel Transformation Project:** Established with strong Ministerial leadership and in response to the need to rapidly ramp up delivery of active travel; specifically designed to overcome barriers, focus on achieving outcomes and spend public money better. Close collaboration with COSLA and Regional Transport Partnerships in design. Early evidence shows a strong trend of user growth in areas where high quality segregated infrastructure is in place.
- ✓ **Bus Decarbonisation Fund (Scot-ZEB):** co-created by the Bus Decarbonisation Taskforce which brought together senior leaders from bus, energy, and finance sectors. Blended Government/private finance model, focusing on innovation, collaborative and partnership working to fund zero emission buses, coaches and supporting charging infrastructure.
- ✓ **Heat in Buildings Strategy and Bill:** essential elements for delivery built into design of the strategy and bill (investment, skills, supply chain, engagement).
- ✓ **Efforts to strengthen cross-government climate governance arrangements including:**
  - The appointment of a Director-General (DG) for Net Zero with responsibility for the policy on delivering Scotland's climate targets. The DG is a member of the Government's Corporate Governance Board.
  - A Global Climate Emergency Programme Board which has strengthened its programme management and risk management procedures (but still more to do) and reports to a Cabinet Subcommittee on the Climate Emergency for cross-government leadership and coordination.
- ✓ Piloting a **Scottish Government-wide Net Zero Assessment** process and commitment to roll this out to all significant expenditure decisions from the end of 2024.

### 3. Elements of Success: characteristics of good practice

A climate emergency demands emergency thinking and an emergency response. This means more urgent, coordinated, cross-governmental approaches, strong programme management to oversee delivery, steadfast leadership and Ministerial approval processes that allow big, difficult decisions to be made at pace, innovative solutions to barriers mobilised, and a fast-track into delivery. The traditional, linear approach to policymaking does not support working at pace and learning by doing as it often separates planning from delivery, tackles problems in isolation and can be slow to identify and action routes to delivery.

Table 5 is based on good practice examples identified through desk research, interviews with stakeholders and a CERG stakeholder workshop held in July 2024.

TABLE 5: CHARACTERISTICS THAT ENABLE DELIVERY
<p><b>Strong First Minister leadership</b> on a clearly defined set of cross-governmental priorities, with oversight and a clear mandate to coordinate action across government (beyond departmental boundaries).</p> <p><b>Dedicated delivery structures (Programme Management Office - PMO)</b> with robust programme management systems, and the authority, insight and resource to deliver defined outcomes at the scale required through a coordinated approach.</p> <ul style="list-style-type: none"> <li>• Clarity of roles and responsibilities across organisations / players. Named accountable person.</li> <li>• ‘Clear water’ surrounding delivery actors to allow them the freedom and accountability to deliver. Government’s role is oversight and assurance on delivery, rarely delivery itself.</li> <li>• Outside expertise is included from the start.</li> <li>• Strong risk management and monitoring systems that enable the PMO to understand and adapt to keep the programme on track to delivery.</li> </ul> <p><b>Rapid and streamlined decision-making processes</b> – with firm deadlines, regular check-ins, able to adapt as needed.</p> <p><b>Strong links between policy development, planning and delivery.</b></p> <p><b>National government plays a wide range of roles to enable delivery</b> – including convening, enabling, catalysing.</p> <p><b>Close cooperation and clear roles and responsibilities between national, regional and local levels of Government.</b></p> <p><b>Long-term continuity of mission and commitment to deliver outcomes – beyond a parliamentary cycle.</b></p> <p><b>Wide use of deliberative engagement tools</b> to find solutions to complex, costly or controversial policy issues and/or identify fair routes to delivery in different places.</p> <p><b>Clarity of direction (route map) with space for innovation and experimentation.</b></p> <p><b>Systems thinking</b> – process identifies and addresses ALL barriers to delivery (not just those within a particular sector).</p>

## 4. Suggested approaches to speed up delivery

CERG has considered opportunities to apply the elements of good practice outlined in section 3 to Scottish Government priorities. The proposals below pose questions and suggestions to the Scottish Government, as an invitation for discussion.

Firstly, CERG identifies the Global Climate Emergency Programme Board (GCE-PB) and the Climate Delivery Framework as key governance vehicles which could significantly help unlock delivery. The GCE Programme Board has oversight of delivery on climate and connects teams across the Scottish Government up to the Executive Team and Cabinet. The Climate Delivery Framework is a new vehicle to strengthen the collaboration between national and local levels of Government.

We then go on to suggest three key policy areas (heat, transport and adaptation) where there are opportunities to fast-track delivery through a more mission-oriented approach with strong programme management and stakeholder engagement.

### **4.1. Ensure the Global Climate Emergency Programme Board is placed at the right level of Government to have the mandate, decision-making power and resources needed to get climate delivery on track through a ‘whole-of-government’ response.**

#### ***Rationale***

The GCE Programme Board has an ambitious mandate to ‘pivot the organisation onto a trajectory whereby it could deliver on the ambitious targets outlined in the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019<sup>23</sup>, which was later extended to also include adaptation and just transition. The GCE Programme Board is central to ensuring the Scottish Government is set up to respond to the climate emergency and achieve a just transition to a net zero, climate resilient economy.

Delivering climate change outcomes is a highly complex, whole-of-government programme with considerable uncertainties and interdependencies, and is ‘dependent on all eight Directorates embedding climate change considerations into their financial and policy decision-making processes’<sup>24</sup>. With tackling the climate emergency one of the First Minister’s four key priorities, robust, professional programme management and truly cross-Governmental approaches are essential to achieve the transformation required. The structures, systems, relationships and cultures need to be in place to get, and keep, delivery on track.

In November 2023, the Auditor General for Scotland commended the Scottish Government on the progress made to date in strengthening its climate governance structures, but highlighted ‘there is a lot of work still to undertake and there is a need for greater transparency’<sup>25</sup>.

In April 2024, the GCE Programme Board and the Cabinet Sub-Committee for the Climate Emergency (CSC-CE) were given an additional ‘comprehensive and formal advisory role on the climate impact of proposals for both the Budget and the Programme for Government... based on the systematic examination of carbon emissions impacts of expenditure....’<sup>26</sup> This commitment, if fully implemented, will fill a significant gap in evidence to manage risk and inform net zero policy and spending decisions across government and is a very welcome step in the right direction.

## How? Are current ways of working fit for purpose?

### ***Climate change needs a whole of Government approach:***

**Every Director-General should be accountable** to the First Minister on how their division is delivering against climate targets (e.g. through published whole-life carbon assessments, resilience screening, budget tracking and reporting).

**All Scottish Government policy making, investment and procurement must align to deliver emissions reduction pathways, climate resilience and just transition outcomes, and the Finance Division should hold the responsibility to align the budget to this mission.** The following tools would enable this:

- the Net Zero Assessment process<sup>27</sup>
- mandatory screening against future climate impacts (20° and 40°) as per Treasury Green Book guidance)
- screening to identify opportunities to build climate resilience into programmes and achieve a just transition.

### ***The following questions are presented for consideration by the Scottish Government:***

Do the existing governance structures (CSC-CE, GCE Programme Board) and defined accountable people (DG Net Zero, the Senior Responsible Officers) have the **mandate, authority and responsibility** they need to ensure delivery through a **'whole of Government' approach**? Are accountabilities and responsibilities set at the right level?

Does the GCE Programme Board have the **mandate, and accountability, to actively manage the Climate Change Programme** (and/or formally advise the CSC-CE on management decisions)? – i.e. if one or more component project / programmes are not delivering as expected, or budgets are cut, who identifies and authorises ways to mitigate this loss of delivery – including increasing action by another project / programme / sector, reallocating resources etc. How are the impacts of decisions on Scotland's ability to hit climate targets, build resilience to climate change, and achieve a just transition, communicated, and to whom?

**What evidence / information does the GCE Programme Board need to comprehensively monitor delivery and how can it ensure it gets this information?** This means a shift in focus from monitoring government outputs (strategies / plans) to monitoring progress in delivery (e.g. against critical pathways, milestones, carbon budgets, climate resilience etc.).

<sup>23</sup> [Climate Change PAC to NZET \(parliament.scot\)](https://www.parliament.scot/committees/climate-change-pac-to-nzet)

<sup>24</sup> [How the Scottish Government is set up to deliver climate change goals \(audit.scot\)](https://www.audit.scot/publications/how-the-scottish-government-is-set-up-to-deliver-climate-change-goals)

<sup>25</sup> [Climate Change PAC to NZET \(parliament.scot\)](https://www.parliament.scot/committees/climate-change-pac-to-nzet)

<sup>26</sup> <https://www.gov.scot/publications/climate-change-action-policy-package/>

<sup>27</sup> Ref to CERG's briefing on Net Zero Test



## How? Are current ways of working fit for purpose? Contd.

### How can the Climate Intelligence Service and the ClimateView platform help demonstrate and aggregate progress on delivery?

Does the GCE Programme Board / Cabinet Sub-Committee have the **mandate, resources and ability** to commission **short-term, cross-governmental emergency action groups to identify solutions to specific cross-cutting problems** that are delaying delivery? This could include bringing in experts and re-allocating resources to **short-life 'task and finish'** project groups as was done to respond to the COVID-19 crisis. Many of the cross-cutting challenges have been previously identified by CERG and others but do not sit with any specific government division and thereby don't benefit from clear accountability.

**Is the GCE Programme Board preparing to expand its skills and capacity** as the Climate Change Programme grows more complex?

**How can the Scottish Government increase transparency and include independent scrutiny** of progress of key sectors against critical pathways, and actions taken to keep delivery on track?

## 4.2. Coordinate routes to delivery to enable local government to play its full role in responding to the climate emergency (emissions reduction, adaptation, just transition)

### *Rationale*

Local authorities can translate national policy into tangible actions. Place-based approaches enable delivery of multiple outcomes and the potential to deliver significant value for money and efficiencies for the public purse.

However, the financial, service demand and workforce pressures faced by local authorities are growing, with core services already being cut back. Actions and capacity to deliver on the climate emergency are squeezed, despite the Scottish Government's ambition to 'closely support local authorities to develop locally owned and led climate action strategies to tackle territorial emissions'<sup>28</sup>.

The newly agreed Climate Delivery Framework commits to a collaborative approach to deliver shared ambitions on climate change, including a commitment in 24/25 to develop a 'comprehensive roadmap', and a 'joint programme focusing on high carbon sectors'<sup>29</sup>.

<sup>28</sup> [Local authority role in Scotland's transition to net zero | ClimateXChange](#)

<sup>29</sup> [Appendix 1 - LOCAL AND SCOTTISH GOVERNMENT CLIMATE DELIVERY FRAMEWORK.pdf \(modern.gov.co.uk\)](#)

## How? Are current ways of working fit for purpose?

The following questions are presented for consideration by the Scottish Government and local government:

1. What ways of working can help the **Climate Delivery Framework deliver at pace** to help local authorities and national Government design and agree solutions to bridge the gap between national policy, targets and local delivery?

2. How can the Scottish Government, regions and local authorities **better align the combined resources, capacities, skills and influence that exist across the whole of government** and public sector to unlock delivery and deliver greater value for money?

Through the Climate Delivery Framework, local and national government have committed to tackling, and solving, some of the significant challenges and barriers holding back delivery. CERG has identified the following considerations and characteristics of good practice that will help enable the Climate Delivery Framework to fulfil its goal:

- **Adequate resourcing** of the Programme Management Office and the Delivery Team so priority areas of work can move forward at pace between meetings. Resource for these services should be included in the 2025/26 Scottish Budget.
- **Clear decision-making** and solutions are fed quickly and directly back into national and local government processes for action.
- **External expertise** is used to inform dialogue, learning and creative problem solving, including 'experience from the ground' coordinated through Sustainable Scotland Network and the Scottish Leaders Forum.
- The Delivery Board has the mandate to set up **short term 'emergency action groups'** where officials and experts are tasked with unpicking challenges and proposing detailed solutions.
- There is an **established line of communication and accountability** between the Leaders Group of the Climate Delivery Framework and the Cabinet Sub-Committee on the Climate Emergency as part of the Government's wider Climate Governance system.
- **All roles that national and local government can play in delivery are considered** – including, but not limited to, the roles of regulator, funder, enabler, convenor etc.
- Areas of uncertainty where national and local government could **work together to help test, and learn from, new delivery approaches (demonstrators)** are identified.
- The full range of actions required to deliver policy are considered including **skills, capacity, behaviour change and engagement**.

## How? Are current ways of working fit for purpose? Contd.

Much has been written about the challenges and proposed solutions here, including CERG (2021, 2022, 2023), ECCI (2023), NZET Committee, (2022), CCC (2022,2023). Some of the solutions that have been considered at length are set out below, and should be discussed as a priority through the framework:

- **Create a trusted intermediary and support service providing aggregation, coordination, technical and financial assistance services to help local authorities design, finance and deliver emission reduction and adaptation projects.** (e.g. a Local Climate Finance Support Service / Climate Adaptation Technical Assistance Facility)<sup>30</sup>.
- Identify **new local authority powers, resourcing and revenue raising** to fast-track delivery, drive behavioural change and increase investment for climate action.
- **Transform national funding streams** to align with long-term place-based programming designed to deliver multiple outcomes and greater value for money (multi-year funding and moving away from small-scale, fragmented and competitive funds).
- **Embed local data, evidence and knowledge** (as provided through the SCIS) directly into national policy making, target setting and monitoring, creating a real-time overview.
- **Allocate funding into innovation, demonstrators and learning, to test different delivery models.**

### 4.3. Step up to delivery on Heat Networks – Dedicated programme management group (mission control) tasked with meeting heat network targets and wider social and economic benefits

#### *Rationale*

The switch to zero emissions heat needs to accelerate rapidly and heat networks are expected to provide 9% of electric heat consumption by 2035 (compared with 2% now). There could be many benefits in terms of energy security, alleviating fuel poverty, and job creation.

There is considerable interest from private investors in heat networks, but there is a lack of good business cases with the necessary scale and return on investment.

The Heat Network Support Unit<sup>31</sup> is a good model but does not have sufficient resource or mandate to fulfil this role in its current form.

Scottish Government has an important role in ‘market shaping’ i.e. creating the right conditions for investment through regulation, incentives, funding support, encouraging innovation and coordinating / support the development of investible projects.

<sup>30</sup> Such a service could include standardising and aggregating projects to secure investment and deliver at scale; linking local / regional project pipelines into the national pipeline and the Investment Strategy and Delivery Unit; and enabling local authorities to drawdown and access the expertise they need in procurement, project development, finance, engagement.

<sup>31</sup> <https://www.heatnetworksupport.scot/>

## How? What roles can the Scottish Government play to enable investment and delivery to start to flow?

1. **Market shaping and creating demand assurance** through regulation, and
2. **Addressing the coordination and delivery gap** through creating an arm's length 'Delivery Body'

The following suggestions are presented for consideration.

- **Create demand assurance through secondary regulations** to encourage / mandate connection to a Heat Network.
  - o Provide local authorities and the Scottish Ministers with powers to require buildings within a Heat Network Zone to end their use of polluting heating systems (by a certain date, and with a minimum notice period).
  - o Provide powers to local authorities or the Scottish Ministers that require developers to connect new buildings within Heat Network Zones to a heat network.
- Establish a Mission-oriented approach to delivering heat networks at the pace and scale needed.
  - o Establish a **Heat Network Coordination and Delivery body**, building on the existing Heat Network Support Unit, with a clear mandate to oversee the development, financing and delivery of heat networks. This body should be set up now, so it is ready to act as soon as regulations are passed.

The '**delivery body**' should be separate from government and mandated to have a **long-term, strategic role** to deliver the full potential of heat networks to meet Scotland's decarbonisation targets and wider national outcomes (fuel poverty) over the next 15-20 years. Its function should include:

- Coordinate projects across local authority boundaries to aggregate and create scale, avoid cherry-picking, and help projects get to delivery.
- Focus on outcomes with consideration of how to maximise co-benefits.
- Robust programme management to keep projects on track and identifies and finds solutions to gaps and barriers.
- Flexibility to apply public finance in the most effective way to lever in private investment and delivery (shift from grants to development, enabling funds).
- A strategic role to identify where networks could / should be extended, e.g. to include buildings in the public interest.
- Facilitate project's access to technical and specialist support around procurement, law etc. bringing in specialist skills as required.
- Engagement with private sector, and public/private building owner-occupiers at all stages to ensure delivery models are fit for purpose and supply chains can be developed.
- Commission pathfinders around new and emerging solutions, e.g. tenements, 5th generation heat networks, and/or to overcome specific challenges.

#### 4.4. Reducing emissions from transport requires a ‘whole of Government approach’ with strong leadership, long term ambition and coordinated delivery.

##### **Rationale**

The challenge around reducing emissions from transport by shifting peoples’ travel to active, shared and public transport requires a ‘mission-driven’ approach.

It requires a bold vision for transformational change and coordinated action across multiple sectors and levels of Government and society. As a derived demand, transport behaviours are influenced by conditions shaped by planning, housing, place and community, education and economy, and, of course, regulations and fiscal measures. Change therefore requires a whole-of-government approach. At the same time, walking, wheeling and cycling and use of public transport can lead to, and should be driven by, better outcomes for health, local economy, community wellbeing, safety, and environment.

At a strategic level, significant progress has been made in embedding the Sustainable Travel Hierarchy at the heart of National Planning Framework 4 and the Infrastructure Investment Plan framework, though it is too early to say what impact this will have on the delivery of transport infrastructure which will reduce emissions.

To date, the measures needed to deliver the 2030 target of reducing car use (measured in km) by 20% by 2030 (notably around demand management) have not been backed up by sustained political leadership, coordinated action, the required levels of investment in active and public transport, or initiatives to engage society. Recent transport data indicate that we are moving away from, rather than towards, the target.

Delivering on the target will help achieve multiple National Outcomes. With the imminent publication of the ‘Route map to 20% car kilometre reduction’, now is the key moment for the Cabinet to recommit to delivery and for the government to shift from **‘planning to enabling’ through strong leadership, accountability, coordination and engagement** with local government and key stakeholders on HOW to deliver in a way that is fair and locally relevant.

**“Recent transport data indicate that we are moving away from, rather than towards, the target.”**

## How? Suggested new ways of working for consideration

### 1. Political leadership

Cabinet should re-commit its leadership and engage other parties and local authorities around the national ambition to reduce car dependency and car use, and the measures required to deliver it.

### 2. Embed a 'whole of Government approach' to achieve the target

Responsibility for delivery of this target should lie across multiple parts of Government (not just Transport Scotland), who should all report on delivery of policies and plans against the target and alignment with the Sustainable Travel Hierarchy.

Monitor, and where possible quantify, the impact of all national and UK policy and investment decisions on delivery (including, but not limited to, those within the control of Transport Scotland), with the programme management function held by the National Transport Strategy Delivery Board, reporting up to the Global Climate Emergency Programme Board, and escalation up to Cabinet Sub-Committees where required.

### 3. Policy alignment

Identify policies and decisions which are working against achievement of the Sustainable Travel Hierarchy and the 20% car km target, as well as those policies / programmes which help deliver.

### 4. Coordinated, cross-government introduction of demand management measures

Delivery needs to be driven by CoSLA and local authorities aligned to place-based realities. A local, regional and nationally coordinated delivery programme, supported by a professional programme management office, should:

- Agree division of roles and responsibilities to best combine national leadership and coordination to enable locally relevant place-based delivery of demand management measures (building on lessons and good practice from LEZs).
- Agree the resource requirements to introduce demand management measures.
- Identify, enable and support 'flagship' places / regions to move more quickly.
- Explore opportunities and powers for local revenue raising to reinvest back into incentives and improved services and infrastructure.
- Bring in specialist expertise and advice as required.
- Monitor and evaluate the impact of proposals and projects.
- Facilitate knowledge exchange and learning between local authorities and from other places.

## How? Suggested new ways of working for consideration Contd.

### 5. Convene a coalition

Convene a broad coalition of partners from local authorities, CoSLA, public health, environment, poverty, planning and tourism agencies to drive a campaign and positive vision around how reducing car use can deliver outcomes for public health, air quality and environment.

### 6. Lead a four-nation approach

Build alliances with UK city regions and other devolved administrations to advocate for a UK-wide approach to road pricing that more equitably shares the costs of travel and generates revenue for public transport.

## 4.5. Innovation, engagement and 'learning by doing' to transform Scotland into a hub for innovative adaptation solutions and opportunities by 2029.

### *Rationale*

The economic costs of climate change will be significant, with widespread impacts to society. The UK Climate Change Risk Assessment 3 (CCRA3) reported that for a selection of nine important risks alone, annual damages for the UK overall could be £5 -10 billion /year by mid-century, rising to £tens of billions/yr by late century.

A subsequent analysis reported in the CCRA3 report estimated a potential impact of 1% to 2% of GDP/year by mid-century (though there are both lower and higher estimates in the literature). The recent Office for Budget Responsibility (OBR) report on fiscal risks also highlight the risks that climate change presents to the public finances<sup>32</sup>.

There is a strong argument for why the Scottish Government needs to act strategically and at pace:

- **Policy coherence:** climate impacts will make it harder to achieve wider governmental policy goals, such as addressing child poverty, (but also on net zero).
- **Economic prosperity and inward investment:** resilience of infrastructure, agriculture, and other critical sectors is crucial to Scotland's social and economic stability. Stability in turn attracts investment and boosts economic confidence.
- **Improved public health and safety:** e.g. in schools, hospitals, prisons, social housing – in particular, this will underpin the long-term achievement of Scotland's national outcomes on child poverty and public health.
- **Innovation and economy:** new technologies and markets for professional services can help Scotland strengthen its industries, supply chains and create green jobs.
- **Net zero:** there can be no route to net zero in Scotland without sufficient investment and action towards adaptation. Climate change threatens our carbon sinks such as peatlands and forests and can seriously impact on the performance of renewable energy technologies.
- **Cost savings:** reduce fiscal risks (including direct and indirect costs) and increase fiscal stability from climate-related impacts and damage.

<sup>32</sup> OBR (2024) Fiscal Risks and Sustainability, September 2024. <https://obr.uk/frs/fiscal-risks-and-sustainability-september-2024/>

Finance is a key enabler underpinning delivery of the whole Scottish National Adaptation Plan (SNAP3). Last month, Deputy First Minister Kate Forbes outlined her vision for Scotland to become a world leader in green finance and investment<sup>33</sup> and SNAP 3 sets a high-level objective that by 2029 'Scotland is a hub for innovative adaptation solutions and opportunities'<sup>34</sup>. There is also welcome recognition of finance as an underpinning outcome, though finance needs will likely be beyond the nature-focus included in the plan, and cut across infrastructure, built environment and many other sectors.

As investors come under increasing pressure to take action to mitigate climate risks as part of their transition planning process<sup>35</sup>, there is a clear opportunity for the Scottish Government to work with public and private investors to explore and test ways of securing investment into adaptation outcomes in Scotland.

The costs of adaptation are large. A [recent World Bank study](#) estimated that the near term investment needs for adaptation for the EU-27 at 0.1% - 0.4% of GDP a year by 2030. Assuming Scotland's adaptation needs are similar, this is between £196m and £784m a year, or around £980m – £3.9bn by 2030<sup>36</sup>. Despite this, the adaptation objectives, and subsequent cost of SNAP3 (as well as the expected residual damages) are not known. Similarly, the current budget allocated to each goal is not outlined, making it difficult to understand if a finance gap exists.

To deliver SNAP3, and to build Scotland's resilience in the most cost-effective way, the Scottish Government must set itself up for delivery by investing in programme management and oversight, utilising external expertise, and innovation in blended finance models.

## How? Suggested new ways of working for consideration

**1. Establish a virtual Programme Management Office on adaptation investment** with a named, lead senior responsible officer.

Given the complexity and importance of this task, a relatively small-scale investment of resource into this PMO will set the government up for delivery and substantial investment later. The PMO could be embedded in, or linked to, the Strategic Investment and Delivery Unit and would:

- have the authority and mandate to deliver on SNAP's adaptation finance outcome.
- be tasked initially to develop a detailed delivery plan, and to secure the resource and expertise required to deliver on the outcome by 2030, ensuring clear progress is made on immediate actions (see below) by May 2025.
- be responsible for ensuring alignment of Government policies, budgetary and capital investment processes, procurement and plans against climate risks and adaptation and resilience outcomes, having a 'whole of government' view on public investment into adaptation measures.

<sup>33</sup> [Scottish Taskforce for Green and Sustainable Financial Services Final Report: SG Response - gov.scot \(www.gov.scot\)](#)

<sup>34</sup> [Climate change: Scottish National Adaptation Plan 2024-2029 - gov.scot \(www.gov.scot\)](#)

<sup>35</sup> Transition Plan Taskforce (2024) Disclosure Framework <https://transitiontaskforce.net/disclosure-framework/>

<sup>36</sup> GDP figures from GDP Quarterly National Accounts, Scotland: 2023 Quarter 4 (October to December). Based on annual onshore GDP (excluding oil and gas extraction)



## How? Suggested new ways of working for consideration Contd.

- have the capacity to commission short term ‘emergency action’ groups and ‘expert task and finish’ groups to dig into problems and define tangible solutions, including working with regional adaptation partnerships.

### 2. Establish a short-life expert ‘task and finish’ group delivering by April 2025.

Acknowledging the need to bring in specialist knowledge and skills, in SNAP 3 the Government commits to establishing a ‘short-life adaptation finance taskforce’. CERG supports a short-term ‘task and finish’ project with a clear mandate to help the PMO (above) define and prioritise a set of immediate actions, whilst shaping a longer-term strategic programme of action. Specific deliverables that the task and finish group could focus on include:

- Identifying **specific and immediate opportunities** to mobilise capital, advising on demonstrators, and identifying specific opportunities to work collectively with the private sector to overcome shared climate risks, building on those identified in the Adaptation Scotland programme’s Insights & Opportunities report.
- Providing specific guidance on **investment planning, ‘budget tagging’ and appraisal / screening tools** to assess the climate risks to all investments, the degree to which the investment supports climate adaptation and potential maladaptation.
- **Reviewing the current enabling environment** – particularly the distribution of risks and responsibilities for delivery, as well as the extent to which incentives, policies and regulations are aligned to support these goals.

### 3. Build resilience into national investment and planning as early as possible - a cost-effective, no-regret action.

Public investment will be needed to protect public assets and infrastructure from the worse impacts of climate change. The most cost-effective approach is to ‘future-proof’ all new infrastructure and infrastructure renewal as soon as possible. Such screening, risk assessment and adaptation approaches are now common in major development banks and are increasingly recognised by investors.<sup>37</sup>

The approach can align to the rolling out of a Net Zero Assessment process across all policy and investment decisions, plus existing guidance and standards such as PAS 2080, HM Treasury Green Book Guidance and appraisal / screening tools used by SNIB, Scottish Enterprise, Network Rail, and Scottish Water. As part of this process:

- Make it mandatory for priority public sector projects with long lifetimes to **follow HM Treasury Green Book guidance on adaptation** to publish economic appraisal under future warming scenarios, starting with the next Infrastructure Investment Plan, Vacant & Derelict Land Fund, and regeneration funds. This should also be extended to the SNIB if not currently already in practice.

<sup>37</sup> <https://www.iigcc.org/resources/pcram-in-practice-climate-resilience-risk-assessment-case-studies>

## How? Suggested new ways of working for consideration Contd.

- Introduce a climate resilience budget tagging tool for introduction by 2026 to enable tracking of public spend against adaptation needs and stronger public and Parliamentary transparency and scrutiny.

### 4. Innovate with public and private investors to test and solve real adaptation financing challenges.

Directly deliver on Scotland's objective of becoming a 'hub for innovative adaptation solutions and opportunities' by mandating and resourcing a series of **short-term, targeted adaptation finance demonstrators**, supported by a pot of funding for blended finance, and a technical assistance facility for adaptation financing.

Building on an existing approach used in the Adaptation Scotland programme's case study at Craighleith Retail Park<sup>38</sup> and proposed by CERG (2021), the demonstrator approach introduces new expertise and an 'investor's mindset' into the design of scalable financing models for adaptation and would feed into innovation around project structuring; coordination arrangements; procurement; new ways of blending finance and bundling outcomes, ultimately building an investible pipeline of projects. Importantly, it proposes a cultural shift in the use of public funds, from being purely invested to public goods, to being used strategically to crowd in additional private investment in adaptation.

The demonstrators should report back to the Scottish Government within six months, building up strong evidence and guidance on how to make adaptation projects more bankable, how to deploy public capital in a way that more effectively leverages private capital, and how the enabling environment could be strengthened to allow private investment to flow at scale.

The additional uncertainty of multiple climate futures and therefore adaptation benefits means that many projects involve more complex analysis and appraisal than in other policy areas. The Technical Assistance Facility would provide the technical expertise for proposed adaptation projects to go from business case development to implementation. It would ensure projects are subject to adequate economic and commercial appraisal and would help ensure sufficient funding and finance from a range of stakeholders through the most appropriate funding and financing mechanisms.

**“there can be no route to net zero in Scotland without sufficient investment in, and action towards, adaptation”**

<sup>38</sup> [adaptation-finance-case-study-2023.pdf](#)



## 5. Conclusion

This report has set out a strong case for changing the way the Scottish Government is responding to the climate emergency. It is clear that Scotland is not reducing greenhouse gas emissions sufficiently, nor is it doing enough to adapt to the impacts of climate change. Current ways of working are not delivering at the pace and scale needed and there is an appetite for change to do better.

The report considers why this is the case and identifies the key elements of best practice – both within Scottish Government and beyond - and suggests how they could be applied to overall governance as well as the key sectors where emissions remain stubbornly high. In many cases this does not mean new policies, strategies or budgets, but focusing on delivering the changes on the ground to tackle the climate crisis and improve peoples' lives.

This is a moment for the Scottish Government to ensure it is set up to enable delivery of climate action commensurate with the crisis at hand. CERG believes much more can be achieved with the resources, powers and levers that the Scottish Government has. The analysis and recommendations set out in this report represent an invitation to reflect, engage and collaboratively work towards solutions.



**“This is a moment for the Scottish Government to ensure it is set up to enable delivery of climate action commensurate with the crisis at hand.”**



# Annex

<b>ANNEX 1: GOOD PRACTICE EXAMPLES</b>	
<b>Example</b>	<b>Characteristics</b>
<b>SCOTLAND</b>	
COVID - Scotland PPE Action Plan	<p>Built a resilient PPE manufacturing sector in Scotland within a few months</p> <ul style="list-style-type: none"> <li>• Rapid and streamlined decision-making</li> <li>• Clear Ministerial leadership and attention</li> <li>• Coordinated working across government divisions and public bodies</li> <li>• Collaboration with private industry for rapid scale up of supply chains and repurposing private sector capacity</li> <li>• Coordinated delivery structures</li> <li>• Emergency procurement</li> <li>• Re-prioritisation of peoples' time and resources.</li> </ul>
100% renewable energy by 2020 target.	<ul style="list-style-type: none"> <li>• Ambitious target</li> <li>• Cascaded through Government, private &amp; 3rd Sector</li> <li>• Strong leadership</li> <li>• Skills alignment</li> <li>• Procurement</li> <li>• Action plan</li> </ul>
Roll out of the Flood Risk Management Act to create	<ul style="list-style-type: none"> <li>• Defined programme management office to oversee delivery (outwith Government – delegated)</li> <li>• Clear programme objective with several bodies helping to deliver</li> <li>• Robust programme management office</li> <li>• Named accountable person with responsibility for delivery.</li> </ul>
Onshore Wind Sector Deal and subsequent Onshore Wind Strategic Leadership Group	<ul style="list-style-type: none"> <li>• Strong ministerial leadership</li> <li>• Systems thinking approach used to map out, and then address ALL barriers (not just within a particular silo)</li> <li>• Close working between Government, industry and other delivery</li> <li>• However, budget and capacity limitations have prevented strong subsequent delivery.</li> </ul>

## ANNEX 1: GOOD PRACTICE EXAMPLES Contd.

Example	Characteristics
<b>UK</b>	
Blair Government – Prime Minister’s Delivery Unit	<p>A clear delivery operation at the heart of Government.</p> <ul style="list-style-type: none"> <li>• Rigorous and relentless focus on a relatively small number of the Prime Minister’s key priorities.</li> <li>• Small and agile</li> <li>• Regular engagement with PM - ‘stocktake’ meetings</li> <li>• Monitoring and problem-solving approach to tackle gaps in capacity</li> <li>• Relationships across Gov were seen as key.</li> </ul> <p><a href="https://history.blog.gov.uk/2022/08/26/the-art-of-delivery-the-prime-ministers-delivery-unit-2001-2005/">https://history.blog.gov.uk/2022/08/26/the-art-of-delivery-the-prime-ministers-delivery-unit-2001-2005/</a></p>
Olympic Delivery Authority (plus Olympic Executive within UKG)	<ul style="list-style-type: none"> <li>• Clear division between Government and delivery, but clear reporting / accountability into Executive group in UKG who had the powers to overcome challenges.</li> </ul>
Contracts for Difference (2014) To incentivise investments in low carbon power infrastructure	<ul style="list-style-type: none"> <li>• Clear mandate and direction - and clear roles and responsibilities.</li> <li>• Legal commitments, parliamentary scrutiny.</li> <li>• Capacity, expertise in place to deliver.</li> <li>• Treasury has a role</li> <li>• Part of a collection of policies that worked to support each other (e.g. carbon price floor)</li> <li>• Good stakeholder links</li> <li>• Contracts reduces risks</li> </ul>
COVID - UK Vaccine Taskforce	<ul style="list-style-type: none"> <li>• Clear outcome-focused innovation mission</li> <li>• Ring-fenced budgets</li> <li>• Clear and dedicated ministerial approval processes</li> <li>• Brought private sector expertise into a government body partnering with the civil service to support informed decision making and optimal investment of public funds.</li> <li>• Clear lines of communication to a cross Department Ministerial panel for decisions on spending / funding allocation.</li> <li>• Centrally managed procurement processes if needed.</li> </ul> <p><a href="#">UK-Government-VTF-Strategy-report-.pdf (politico.eu)</a></p>

ANNEX 1: GOOD PRACTICE EXAMPLES Contd.	
Example	Characteristics
<b>INTERNATIONAL</b>	
Climate Governance - Demark	<p>Leadership role for finance ministry – often the most powerful part of Government.</p> <p>Danish Finance Minister heads up new cross-cutting, permanent ‘green’ committee to speed up the transition to net zero.</p> <p><a href="#">Regeringen opretter nyt grønt udvalg med finansministeren for bordenden - Altinget - Alt om politik: altinget.dk</a></p>
Carbon Tax on Agriculture - Denmark	<p>The Danish Government will introduce Europe’s first carbon tax on agriculture, after agreement was reached between the Government of Denmark, the Danish Agriculture and Food Council, the Danish Society for Nature Conservation, the Confederation of Danish Industry, the Trade Union NNF that organises workers within the Danish slaughterhouse and meat industry, and the Danish Local government Association, after five months of negotiations on 24 June 2024.</p>
Climate Governance - New Zealand	<p>Climate Implications of Policy Assessment (CIPA)</p> <ul style="list-style-type: none"> <li>• Objective is to ensure ministers are aware of implications a decision may have for GHG emissions.</li> <li>• Requirement for central Government agencies to undertake GHG emissions analysis.</li> </ul> <p><a href="https://environment.govt.nz/guides/climate-implications-of-policy-assessment-guidance-on-cabinet-requirement-for-central-Government-agencies/">https://environment.govt.nz/guides/climate-implications-of-policy-assessment-guidance-on-cabinet-requirement-for-central-Government-agencies/</a></p>
Whole of Government approach	<p>Whole of Government innovation and action - how to align the actions of multiple ministries and agencies around big goals</p> <ul style="list-style-type: none"> <li>• The structures, processes, relationships and cultures required to enable innovative approaches within Governments and suggests ways forward.</li> <li>• Report prepared for European Commission by Professor Sir Geoff Mulgan, UCL 2023</li> </ul> <p><a href="#">Whole of Government innovation and action (geoffmulgan.com)</a></p>

# 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.

CERG focuses on identifying solutions and actions that can be taken now to overcome the well-documented challenges of the transition to net zero and enable delivery to flow. 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. The group also publishes annual assessments of the Scottish Government's progress to delivering on CERG's recommendation.

## CERG members

Sara Collier	Adam Liddle
James Curran	Josiah Lockhart
Claire Daly	Phil Matthews
Kit England	Stefanie O'Gorman
Sam Gardner	Valerie Robertson
Iain Gulland	Tara Schmidt
Gina Hanrahan	Charlotte Wallace
Alex Irwin	Morag Watson
Eleanor Kay	

## CERG Secretariat:

Elizabeth Leighton  
Kate Studd  
Emma Davies, Cunningly Good Group

Climate  
Emergency  
Response  
Group



## Expert contributors

All experts participated in workshops/interviews on a person, individual basis. The sharing of their time should not be taken as any indication of their or their organisation's endorsement of this report.

Chris Birt	Joseph Rowntree Foundation
James Black	Fraser of Allender
Ruth Bush	Ramboll
Craig Elliot-Frew	Ramboll
Gemma Bone Dodds	Scottish National Investment Bank
Judi Kilgallon	Improvement Service
Craig Love	Scottish National Investment Bank
Iain McCreaddie	Scottish Cities Alliance
Douglas Smith	CBRE
Jonny Casey	Sniffer / Adaptation Scotland
Robert Nicol	COSLA
Rebecca Seidel	Audit Scotland
Jill Rutter	Institute of Government
Elliot Ross	JTC
Rosa Hodgkin	Institute of Government
Mark Roberts	Environmental Standards Scotland
Helen Melone	Scottish Renewables
Mike Robinson	Royal Scottish Geographical Society

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



**CHANGeworks.**



**eccci** EDINBURGH CLIMATE CHANGE INSTITUTE



**Jacobs**

