

Building a Scotland Ready for the Future

Climate
Emergency
Response
Group

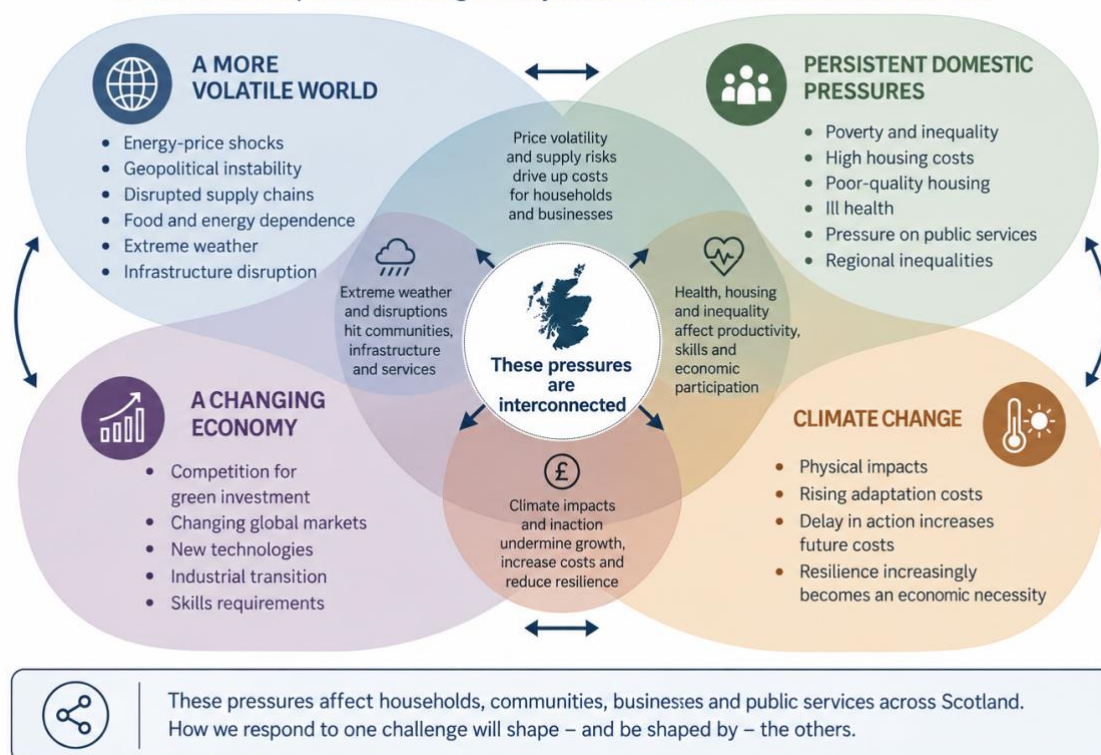


Practical priorities for a healthier, more prosperous and resilient Scotland

October 2026

Scotland's economy, society and environment face interconnected systemic risks, which are already putting pressure on household finances, businesses, equality, public services and nature, alongside climate-related damage. These pressures are not only challenges in their own right; they also weaken our capacity to respond to further disruption and change.

Scotland is facing a combination of immediate pressures and longer-term risks. These are not separate challenges: they interact and can reinforce one another.



Preventative action is needed to address these pressures to reduce future costs and protect public services. **But the response does not need to be a series of competing priorities.** Instead of choosing between prosperity, healthier lives, social wellbeing, resilience and climate action, the Scottish Government has the opportunity to use existing investment, programmes and policy levers to tackle these challenges together, in a way that ensures that the costs of change do not fall disproportionately on those least able to bear them.

How the six areas for action deliver across the Scottish Government's four priorities

Each of our six areas for action can reduce costs and inequality, improve health and wellbeing, create good jobs and strengthen local economies, reduce exposure to climate and energy shocks, and build long-term resilience. Together, they support the Scottish Government's four priorities.

Action / priority	 Eradicating child poverty	 Growing the economy	 Tackling the climate emergency	 Delivering high quality and sustainable public services
 Skills and resilient businesses	Secure, fairly paid work and opportunities across places, helping tackle the cost-of-living crisis	Good jobs; home-grown businesses and markets; productivity; local value	Skills to deliver the just transition and business resilience and adaptability	Adaptable workforce and businesses
 Resilient infrastructure	Protects health and essential services	Protects productivity and investment; reduces future costs	Climate-ready infrastructure	Protects essential services, less disruption from extreme weather
 Better homes and buildings	Warmer, healthier homes and reduced fuel poverty, helping tackle the cost-of-living crisis	Jobs and lower energy costs for businesses	Lower emissions; cleaner heating; less reliance on oil	Improved health reduces pressure on services
 Better buses	Reduced transport poverty; better access to jobs and services	Access to jobs and opportunity	Lower transport emissions	Cleaner air, preventative health measure
 Resilient landscapes	Rural job opportunities, access to nature, health benefits	Rural jobs and resilient local businesses and opportunities for investment	Carbon storage and nature recovery; water, food, drought and flood resilience	Stronger, more resilient communities and services
 Local food system	Affordable, accessible food	Stronger local economies and markets	Lower emissions; healthier soils	More resilient supply chains, healthier diets

Recommendations

This briefing sets out recommendations for each area to strengthen and maximise the benefits of existing and planned activity. They focus on areas where the intersection between societal need, economic opportunity and climate action is particularly strong, and where there is a clear rationale for action now.



A skilled workforce and resilient businesses ready to thrive in a changing economy

WHY THIS MATTERS Scotland has a major opportunity to create good jobs, strengthen its domestic economy and capture more of the value from the transition to a net zero and climate-resilient economy. Much of this transition will be delivered by the existing workforce, requiring SMEs and self-employed people across key sectors to adapt their skills and business models.

Scotland's net-zero economy contributes £10.2 billion in GVA

- 1 Build workforce pipelines with clear timelines to deliver Scotland's priority climate and infrastructure
- 2 Create a flexible workforce development offer for SMEs and existing workers.
- 3 Link regional workforce planning to Just Transition plans, local economic strategies and major investment and delivery pipelines,
- 4 Use public investment and procurement to strengthen demand for skills and goods
- 5 Support more inclusive and democratic business models including community ownership



Climate-resilient infrastructure that protects essential services, communities and the economy

WHY THIS MATTERS Critical infrastructure resilience is directly about security and economic resilience: failures in energy, transport, water and digital systems can cascade through businesses, public services and communities. With much of today's infrastructure still likely to be in use in 2050, Scotland needs to plan for future resilience now and address risks across interconnected systems.

At least £20 billion of assets lie within 50 metres of Scotland's coastline

- 1 Stress-test existing infrastructure and the 2030 infrastructure delivery pipeline against future climate risks
- 2 Establish a national picture of infrastructure climate risk and investment priorities.
- 3 Use planning, procurement and other devolved levers to ensure resilience is built into infrastructure investment and asset management.
- 4 Work with UK Government, regulators and infrastructure operators to address critical interdependencies and risks
- 5 Establish a clear framework to monitor and report whether infrastructure resilience is improving



Healthier, warmer, more efficient and affordable homes and buildings

WHY THIS MATTERS Too many households still face the choice between heating their home and meeting other essential costs, particularly in remote rural areas. Improving energy efficiency and moving to cleaner heating can tackle several pressures at once, reducing household costs, improving health and housing quality, tackling fuel poverty and cutting emissions, while creating economic opportunities through retrofit skills, supply chains and investment.

732,000 Scottish households (28.7%) were in fuel poverty in 2024

- 1 Ensure the Buildings (Heating and Energy Performance) and Heat Networks (Scotland) Bill is strong and provides sufficient regulatory certainty to drive change and delivery.
- 2 Deliver place-based retrofit at scale by providing long-term, multi-year funding for area-based retrofit programmes
- 3 Make heat networks investable and deliverable at pace with direct public investment in infrastructure.



Available, accessible, and affordable buses

WHY THIS MATTERS Buses are critical to Scotland's transport system and particularly important for people on lower incomes, disabled people, young people and older people. Yet bus use has declined over the long term and, outside urban areas, services are often not sufficiently available, reliable, direct or convenient to provide a realistic alternative to the car. Good bus services support economic participation and social inclusion while reducing household transport costs and car dependence.

Every £1 of public investment in bus improvements generates at least £4.55 in economic benefits, rising to more than £5 for targeted interventions such as bus priority

- 1 Reform the Bus Infrastructure Fund to allow multi-year capital commitments
- 2 Use Better Buses legislation to turn the Government's affordability commitment into a genuinely reliable and accessible network.
- 3 Create a genuinely integrated public transport network
- 4 Set minimum standards for safety, accessibility and passenger experience across the bus network and community transport services



Connected, productive and climate-resilient landscapes

WHY THIS MATTERS Scotland's economy depends on nature. Healthy, connected ecosystems support productivity and resilience by regulating water, reducing flooding and erosion, supporting water quality, storing carbon and protecting coasts, while also benefiting health and tourism. The opportunity is to move from individual nature projects to aligning investment across sectors and places, so that nature is treated as economic and climate-resilience infrastructure.

An estimated £40.1 billion of economic output (14.4% of Scotland's total) and around 261,600 jobs are reliant on natural capital.

- 1 Scale up the FIRNS model into a £30million strategic national development facility for blended-finance, landscape-scale restoration projects
- 2 Align public investment (rural support, climate and nature funding) through conditionality and targeting, to deliver locally defined landscape and catchment priorities.
- 3 Strengthen private investment in landscape-scale restoration through aggregation, market-making and independent brokering.



A healthy, sustainable and resilient food system

WHY THIS MATTERS Food prices and access to healthy food are immediate social concerns, with food insecurity and poor diets particularly affecting people on lower incomes. At the same time, Scotland's food system faces resilience pressures from complex supply chains, climate change, disease, rising input costs and limited local processing and distribution. Strengthening local food systems can reduce vulnerability to disruption and retain more value within local economies.

In 2024, 8% of adults in Scotland were worried about running out of food, 6% had eaten less because of food insecurity and 3% had actually run out of food.

- 1 Use public procurement to build markets for healthy, sustainable Scottish food.
- 2 Invest in resilient local food systems, including production, processing and distribution.
- 3 Accelerate changes to the Rural Support Plan to increase agricultural support that rewards diversified, sustainable, regenerative and resilient production.

Delivering at pace and scale

Government strategies and plans, alongside robust policy and regulation are essential enablers of delivery. But to deliver at pace and scale and overcome the persistent gap between policy and implementation, requires four interlinked approaches:

Deliver through places, coordinating investment and programmes around the needs, assets and opportunities of places.

WHAT'S HOLDING THIS BACK Funding and programmes are often fragmented, short-term and organised around individual projects rather than the needs and opportunities of places.

Maximise community ownership, wealth and shared benefits, ensuring more value is created, retained and circulated locally.

WHAT'S HOLDING THIS BACK Too much value from investment can flow out of communities, while local organisations can lack the finance, capacity and support to participate.

Make public investment work harder, using procurement, funding and investment to secure wider economic, social and environmental value.

WHAT'S HOLDING THIS BACK Procurement, funding and investment decisions do not consistently use their full potential to secure wider social, economic and environmental benefits.

Improve decision-making and join up government, aligning budgets, policies and delivery around shared outcomes and avoiding contradictory investment decisions.

WHAT'S HOLDING THIS BACK Budgets, policies and delivery are often managed in silos, making it harder to align investment around shared outcomes and avoid contradictory decisions.

Cross-cutting recommendations

The following recommendations provide a starting point for applying these approaches to climate action while delivering wider benefits for people, the economy and communities:

- 1 Use the revised National Performance Framework and Public Service Reform to align all Government decision-making against the social, economic and climate resilient future we need.
- 2 As part of Public Service Reform and the regionalisation agenda, invest in local and regional public sector capacity and capability to coordinate and deliver large-scale, place-based, shared-outcome programmes
- 3 Review and recommend the role of taxes, reliefs and exemptions in improving environmental and social outcomes action.
- 4 Expand and properly resource the Climate Delivery Framework
- 5 Establish a national Technical Assistance Facility to enable local authorities to build investable programmes and work together where appropriate.
- 6 Use area-based retrofit as a testbed and a priority to building place-based delivery and financing models at scale

Taken together, the recommendations and cross-cutting approaches provide a way to join up policy, investment and delivery to address immediate pressures, reduce future costs and risks, deliver tangible benefits and achieve a healthier, more prosperous and resilient Scotland.

This briefing is an invitation to the Scottish Government to engage with CERG and other organisations across sectors and institutions to turn shared priorities into tangible action. The challenges are significant but there are also real opportunities to do things differently. In the Programme for Government the Scottish Government has shown its appetite for change; the task now is to translate that ambition into tangible benefits for Scotland's people, economy and environment.

Supporting organisations



Support for this briefing and its narrative does not imply that individual organisations endorse all the specific recommendations contained within it.

About CERG

CERG Members

Sarah Beattie-Smith Gemma Bone-Dodds Sara Collier James Curran Claire Daly Kit England Iain Gulland Alex Irwin Eleanor Kay	Adam Liddle Josiah Lockhart Phil Matthews Rebecca McLean Stefanie O'Gorman Valerie Robertson Tara Schmidt Raphaëlle Vallet
Secretariat Kirstie Shirra Helen Stockham Kate Studd	