



Stop Climate Chaos Scotland

Evidence to the Infrastructure and Capital Investment Committee on the Scottish Budget 2015-16
October 2014

Introduction

Stop Climate Chaos Scotland (SCCS) welcomes the opportunity to respond to the Committee's call for evidence on the draft Budget for 2015-16. We also welcome the Committee's decision to focus its attention on the important area of Scotland's Carbon Footprint and related issues.

SCCS is a diverse coalition of 60 organisations campaigning together on climate change, including international development, faith and environment organisations, trade and student unions and community groups. We worked together to inform the debate around the Scottish Climate Change Act when it went through Parliament in early 2009. Since then we have continued our engagement with Parliament to ensure that Scotland meets the ambitious, but necessary, emissions targets set in that Act.

Summary of our recommendations

- Greater transparency and read-across between the Scottish Budget and the RPP2 is required.
- Updating RPP2 so it remains a current and relevant document of use to Committees and other stakeholders.
- Funding for active travel should increase year on year until it represents at least 10% of the total transport budget.
- Significantly increase funding for fuel poverty and home energy efficiency programmes.

Low Carbon Scotland and the NPF3

As we highlighted in our response to the Scottish Government consultation about the National Performance Framework (NPF) 3, there are significant contradictions between the Scotland's low carbon ambitions and the Scottish Government's ongoing focus on carbon-intensive activities such as over-reliance on North Sea oil and gas, large road-building programmes and fossil-fuelled power stations.

The scale of ambition outlined in the Scottish Climate Change Act is correct. In 2009, MSPs unanimously agreed to greenhouse gas emissions reductions based upon global scientific consensus on the minimum levels required to tackle the global problem of climate change. Nonetheless, the targets to reduce Scotland's emissions are challenging and will require considerable leadership and action from the Scottish Government to be realised.

Monitoring National Indicator: Reducing Scotland's Carbon Footprint

Scotland's carbon footprint includes greenhouse gas emissions created in Scotland, as well as goods and services produced in other countries but consumed in Scotland. Monitoring progress in this area is done in two ways. Firstly, though the annual publication of Scotland's greenhouse gas emissions, with a two-year time-lag i.e. figures published in June 2014 relate to emissions during 2012.

In addition, Section 37 of the Climate Change (Scotland) Act 2009 requires the Scottish Government to publish a report of emissions produced by or otherwise associated with the consumption and use of goods and services in Scotland. However, there is no requirement for this report to be published regularly and it has only been published once since the Act was passed, relating to consumption emissions in 2010.

In its scrutiny of the budget last year, the Committee requested the: “views of the Scottish Government on whether modelling the forecast effects on both emissions and carbon consumption would be useful in monitoring progress against the Sustainability Target and Carbon Footprint Indicator.” It is unclear what progress has been made in this regard.

We understand and are sympathetic to the complexities of calculating Scotland’s carbon footprint and encourage the Scottish Government to publish Scottish consumption emissions reports more regularly, with evolving data as methodologies improve.

Progress to date on National Indicator: Reducing Scotland’s Carbon Footprint

Scotland's carbon footprint in 2010 was 4% higher than in the previous year, though 12% lower overall than the baseline year of 2006. SCCS is concerned that the last figures published show an increase in our overall emissions, but without further data for later years, it is difficult to identify any trend in this area.

Scotland’s emissions reduced by 26.4% between 1990, the baseline year, and 2012, after taking account of trading in the EU Emissions Trading Scheme (ETS). The main contributors to this reduction have been a fall in energy supply emissions and from business and industrial emissions. In June 2014, the latest greenhouse gas emissions for Scotland were published, showing an increase of 0.5% in 2012 compared to the previous year¹. This meant that the 2012 annual target, as set in the Scottish Climate Change Act, was missed.

This was the third year in a row that Scotland’s annual targets have been missed. Annual emissions targets thus far have equated to less than 1% reductions per year. The required emissions reductions are more challenging in future and are set at at least 3% reduction each year from 2020.

More effort is needed to ensure Scotland meets its climate change commitments and hits all future emissions targets. A new global agreement on climate change, to replace the Kyoto Protocol, is expected to be agreed at the Paris climate talks next year. National effort to tackle climate change is imperative to raise ambition at the global level and positive, successful examples like Scotland’s Climate Change Act are more important now than ever.

Delivering the Report on Proposals and Policies (RPP2)

Scotland’s climate action blueprint, the Report on Proposals and Policies (RPP) 2 sets out how Scotland will meet its commitments set under the Scottish Climate Change Act. As the Rural Affairs, Climate Change and Environment Committee noted in its scrutiny of the RPP2, every single policy and proposal in the RPP2 would need to fully deliver its anticipated abatement potential if Scotland’s climate promises are to be delivered.

It is already clear that some of the emissions savings set out in the RPP2 will not be achieved e.g. in the Homes section, emissions savings from the Energy Company Obligation and from the Green Deal are not on track. Furthermore, the considerable savings anticipated from changes to the EU ETS in 2013 have not been realised. The Scottish Government’s Climate Change Delivery Board’s Checkpoint Report identifies areas of potential abatement shortfall².

To address previous missed targets and remain in line with Scotland’s legislated cumulative budget, further additional policy effort must be put in place if future targets are to be met. The most straightforward way to do this would be to bring forward action to turn proposals in RPP2 into concrete policies at an earlier date.

¹ Emissions in 2011, adjusted for EU ETS, were 55.4 MtCO₂e and were 55.7 MtCO₂e in 2012.
<http://news.scotland.gov.uk/News/Scottish-Greenhouse-Gas-Emissions-rise-in-2012-d62.aspx>

² <http://scotland.gov.uk/Resource/0045/00451990.pdf>

However, it continues to be impossible to read across with confidence from the Scottish Draft (or final) Budget to the RPP2, and therefore to ascertain whether the required policies are being delivered to the required and anticipated extent. It is essential that this is achieved so that areas of shortfall can be identified and increase effort secured in other areas to make up the difference.

For example, in the transport sector, the RPP2 states that the total cost of required proposals and policies in 2014 must be £59m, increasing to £192m in 2015 and £208m in 2016³. This increased level of required funding is consistent with the increased emissions abatement predicted/ required during those years.

However, the Scottish Budget sets aside £55.9m for sustainable and active travel in 2014-15 and £53.3m in 2015-16. The RPP2 figure also includes funding required from others sources e.g. local authorities, private investment etc. But how can MSPs and other stakeholders be confident that we are on track to deliver the RPP2, without knowing what proportion of the funding required is expected to come from central Government Budgets? What is clear is that delivery of RPP2 requires increased levels of funding for sustainable and active travel year on year. This is contrary to what is proposed in the draft budget for next year.

More effort required in transport sector

Last year, we were greatly encouraged by the increase in funding for active travel of £20m over two years. At that time, we stated:

“This must be reliable, year-on-year, long-term funding which signals continued commitment to cycling and walking⁴.”

We are therefore concerned that there appears to be a decline in the proposed overall funding for active travel in the draft Budget for 2015-16⁵. At the same time, the trunk roads budget is set to increase from £639m in 2014-15 to £695m in 2015-16. Only 2.5% of the total transport budget is allocated to active and sustainable travel, despite the multiple benefits of travelling in this way.

Active travel is an important lever in reducing the number of cars on Scotland’s roads, and therefore emissions levels. Scotland’s transport sector is responsible for nearly a quarter of Scotland’s total emissions. Transport planning is naturally long-term planning and if we are to meet climate targets in the next five, 10 or 25 years, we need to begin making significant changes now. Delaying action will only make it more difficult and more expensive in future⁶.

The majority of Scotland’s working population travel to work by car or van: 67% of commuters. This compares poorly with northern European countries like Denmark and Holland where active travel rates are closer to 30% and where a significantly higher proportion of the transport budget is allocated to active travel⁷.

In January this year, the UK Committee on Climate Change recommended that “Scotland needs to consider next steps to build on Smarter Choices Smarter Places pilots” and in June, the Scottish Government confirmed £5m of funding for this area of work. We welcome this further investment in active travel. It is, however, clear that significantly more funding will be required in future years if SCSP is to deliver to its full potential. We repeat our calls from previous years for the budget for active travel to increase year on year until it represents 10% of the total transport budget.

³ p238

⁴ <http://www.stopclimatechaos.org/sccs-tentatively-welcomes-additional-funding-green-transport>

⁵ A decrease of £2.6m from 2014-15 to 2015-16 .

⁶ www.businessgreen.com/bg/analysis/2350086/lord-stern-economists-are-underestimating-costs-of-climate-change

⁷ See Sustrans written evidence on Budget 2015-16

In its Budget scrutiny last year, the Committee called on “the Scottish Government to publish a short summary of where Behaviour Change techniques are currently used across the Scottish Government” to help influence travel behaviours. The Committee also recommended that the Scottish Government investigates and reports on the underlying reasons for this indicator remaining flat for so long and considers whether making more use of Behaviour Change methodologies might help shift modal choice and encourage greater use of the outdoors using public or active travel. It is unclear what progress has been made in this regard.

More effort required in home energy sector

Home energy use accounts for nearly 20% of Scotland’s emissions. Energy efficiency is an area where investment and action can significantly improve people’s lives at the same time as reducing emissions by providing a warmer homes and lower energy bills. Investment in home energy efficiency can deliver immediate carbon savings.

Because addressing emissions from the housing sector can also work towards meeting the target to reduce fuel poverty, improving the energy efficiency of Scotland’s housing stock should become a national infrastructure priority and be included in the Scottish Government’s Infrastructure Investment Plan.

The 2015-16 Budget should significantly increase Scottish Government funding for fuel poverty and home energy efficiency programmes – sufficient to compensate for Energy Company Obligation (ECO) losses and to meet its statutory targets on fuel poverty and climate change.

Despite the UK Committee on Climate Change raising concerns regarding the amount of renewable heat generation in Scotland and the lack of projects in the pipeline, the draft Budget fails to offer any clear signal of additional commitment in this area. We recommend the Committee call on the Government to fully implement the recommendations of the District Heating Expert Commission⁸.

Carbon assessment of the draft budget 2015-16

The Scottish Government carbon assessment of the budget⁹ is required by the Scottish Climate Act. It details the high-level impact of the Government’s spending plans. There is a wealth of detail, but unfortunately it is not easy to understand because it gives only a partial picture of the likely overall impact of the spending in this budget. For instance, it will include the carbon consequences of ordering gravel to build a new road, but does not include the carbon emissions from the additional traffic that this new road will generate. The document suggests looking at the figures in the RPP2 to see the positive side, but, as we state above, it is hard to be sure which RPP2 policies are fully funded and on track, and which are not.

The report shows that the Budget 2015-16 will result in an increase in Scotland’s footprint of 8.8 million tonnes of CO₂ equivalent, up from 8.4MtCO₂e in the 2014-15 budget. Within this overall figure, the ‘Infrastructure, Investment and Cities’ spend of £2.9bn is estimated to result in 1MtCO₂e of extra emissions, about half of this as embedded emissions in goods or services imported from outside Scotland. This portfolio also has the second highest amount of carbon emissions per pound spent, because construction projects generally use lots of energy and high-embedded-carbon materials like concrete.

The document does not give any indication of how much CO₂ saving might result from this investment as a result of, for instance people living in better insulated homes or choosing to use the Border railway rather than travel by car, or any increases that might result from, for instance, new

⁸ <http://www.scotland.gov.uk/Resource/0040/00408383.pdf>

⁹ <http://www.scotland.gov.uk/Resource/0046/00460459.pdf>

traffic crossing the Forth. The Scottish Climate Change Act is supposed to reduce our territorial emissions by around 1MtCO₂e between 2015 and 2016.

Although the report delivers on the Scottish Climate Act, it would be more useful if it made a broader attempt to quantify the net impact of spending plans and say whether the Budget's planned expenditure will take us in the right direction or not in terms of reducing emissions. It could also be used as the document to present an assessment of whether the policies in RPP2 are being funded at the scale envisaged, delivering as proposed and whether proposals are developing into policies fast enough.

Conclusion

There is a significant problem for the Committee and all stakeholders in making a meaningful assessment on whether Scotland is on track to deliver its climate plans. The RPP2 needs to be refreshed and updated to reflect developments over the past year; the draft Budget must provide clearer detail of spending on active and sustainable transport; and there must be greater read-across between these two documents.

What is clear, is that more funding for home energy efficiency and for active travel will be required in 2015-16 than is currently proposed, and that funding in these areas must continue to increase year on year if we are to meet increasingly challenging, but necessary, emissions reduction targets.

For more information, please contact:

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Stop Climate Chaos Scotland (SCCS) is a coalition of organisations campaigning on climate change, including environment, faith and development organisations, trade and student unions and community groups.
Stop Climate Chaos Scotland is a charity, registered in Scotland