



WWF

BRIEFING

DECEMBER

2013

Scotland

2014-15 BUDGET DEBATE

WWF welcomes the Parliament's application of the National Performance Framework (NPF) to this year's budget scrutiny, to enable a discussion of how Government spending can achieve a broader range of economic, social and environmental outcomes. The NPF has the potential to provide a sound basis to better integrate spending decisions with efforts to create opportunities for all to flourish. However, for it to fulfil its potential, WWF believes it must be better integrated into decision-making such as budget allocation and be maintained with accurate and timely data to allow informed decisions.

WWF calls on the Government to amend the Budget Bill, by

doubling the energy efficiency and active travel budgets

to ensure sufficient progress on delivery of the Climate Change (Scotland) Act.

A budget to deliver the Climate Act

The Finance Committee rightly acknowledged the role of climate change within its budget report. It is vital to ensure Government spending plans underpin, not undermine, its climate commitments. Indeed, there are a number of Indicators within it that are good bell-weather indicators of Scotland's progress in its delivery of the Climate Act:

- Reduce the proportion of driver journeys delayed due to traffic congestion
- Increase the proportion of journeys to work by public or active transport
- Reduce overall ecological footprint
- 50% of gross electricity consumed in Scotland to come from renewable sources by 2020 (now out of date)

The signs are not altogether good. With the exception of the renewables indicator, these are all flat¹. We also look back at a record of two missed targets under the Climate Act and minimal progress on reducing emissions in our transport and housing sectors. There is clearly more to do to exert meaningful control over the emissions profile of either of these sectors. WWF therefore calls on the Government to amend Budget Bill – doubling the energy efficiency and active travel budgets - to ensure sufficient progress on delivery of the Climate Change Act.

¹ Indeed, the Rural Affairs committee noted that 'a number of indicators relevant to its remit, including Scotland's carbon footprint, are worsening'. We share the Finance committee's recommendation that 'the Government addresses this as a matter of urgency.' (para 225)

As both RACCE and Finance committees noted, a 'renewed effort is required by the Scottish Government, in terms of both policy and finance' if climate targets are to be met². This renewed effort must start now, and must translate into additional finance in the Budget Bill.

Housing

Home insulation is by far the best way to tackle fuel poverty and to insulate people against rising fuel bills. WWF analysis reveals that a significant shortfall exists in the level of spending necessary to meet our climate and fuel poverty targets and we believe at least doubling energy efficiency investment will bring about the multiple wins.

Many committees drew attention to the uncertainty around current, and future, funding for energy efficiency programmes in Scotland, despite reassurance to the ICI committee on 30 October from Nicola Sturgeon MSP that private and public sector finance would deliver around £200m annually. However, this relies on a 3:1 ratio of private to public investment (currently £79m under the Home Energy Efficiency Programmes Scotland scheme), and no committee has been provided evidence that this ratio is being achieved. This also has to be placed in the context of the requirement identified by Energy Action Scotland (EAS) and supported by the EET Committee in 2011 as necessary to eradicate fuel poverty of £200 million per year between 2006 and 2016. Given this persistent shortfall in funding EAS have revised their calculations and now estimate that a minimum of £300 million per year is needed to hit the 2016 fuel poverty target. If we are to lever in the necessary private investment, WWF believes energy efficiency must be funded by at least double current spend.

Transport

In September, the Cabinet Secretary for Finance announced an increase of £10m for cycling and walking, which will go some way towards meeting our climate and cycling commitments. Yet this still falls short of what WWF and many other active travel organisations and Stop Climate Chaos Scotland members called for – a doubling of last year's budget of £20m to £40m.

Given the additional funds already committed, it would require a modest uplift to make a significant difference to Scotland's cycling and walking levels – currently at 2% and 14% respectively. We must change this if we are to encourage low carbon, active lifestyles and meet our climate targets.

FOR MORE INFORMATION

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² Para 114 of RACCE cttee report, para 229 of Finance cttee report. This follows the Minister for Climate Change & Environment's comments on 10.10.14: 'As I said when I lodged the final version of RPP2, I had productive discussions with John Swinney in his role as finance secretary and we recognise the need to compensate for slow action at an EU level.'