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## Budget (Scotland) Bill 2012 – Stage 3

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WWF Scotland welcomes the opportunity to brief MSPs in advance of the Budget Bill Stage 3. We acknowledge the current constraints on public expenditure and believe that effective spending decisions can support long-term solutions that deliver multiple economic, social and environmental benefits. A low carbon budget should be seen as an investment in the health and wellbeing of our people and an investment in a green economy.

### Summary

- WWF Scotland was pleased that the Draft Budget document made a commitment to 'supporting a low carbon economy' and the need to help achieve Scotland's climate change targets. However, the final Budget Bill fails to adequately fund key measures set out in its Report on Policies and Proposals (RPP) as necessary to deliver Scotland's Climate Change Act.
- In their scrutiny of the Draft Budget, two committees - ICI and RACCE – echoed our concerns that the Government's spending plans were not aligned with Scotland's climate change ambitions. The EET committee also shared our concern about the shortfall in funding for home energy efficiency.
- Transport: Despite an increase in spending on roads, active travel suffers a major cut, rendering the Budget Bill at odds with the need to cut emissions from this sector. The Sustainable & Active Travel spend has been cut from £25m in 2011-12 to £16m in 2012-13, and the Cycling, Walking & Safer Streets allocation to local authorities from £7.5m in 2011-12 to £6.1m in 2012-13. As a proportion of the total transport budget, proposals to support walking and cycling equate to less than 1%.
- Homes: The Budget Bill proposes £65m for energy efficiency and fuel poverty. While this constitutes a greater spend than the current year (£48m) it is still less than the 2010-11 budget (£70.9m). This falls short of the at least £100m we believe is required to meet our climate and fuel poverty targets.
- WWF Scotland cannot support the Budget (Scotland) Bill in its current form, and its failure to provide adequate funds for active travel and home energy efficiency sends a worrying signal for ambitions to fully deliver Scotland's Climate Change Act.



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## Transport

Road transport is the second biggest single contributor to greenhouse gas emissions, accounting for over 25% of Scotland's total emissions in 2009. The transport sector has one of the greatest abatement potentials for carbon emissions in Scotland. In order to meet the emissions reductions required from the transport sector, many of the most effective interventions in financial terms will be those which require least in the way of expensive infrastructure – for example, the widespread introduction of travel planning, active travel, the introduction or increase in parking charges and reductions in road speeds.

Sir Liam Donaldson, England's former Chief Medical Officer, has described physical activity as "one of the most undervalued interventions in public health."<sup>1</sup> Research published by the Transform Scotland Trust has estimated that if Scotland were to secure cycling levels similar to those in continental Europe the Scottish economy could save £1-2bn each year on health care costs.<sup>2</sup> Commissioned by the UK government the Eddington Transport Study into links between transport and the UK economy concluded that "some of the best projects are small scale, such as walking and cycling schemes."<sup>3</sup>

## Homes

With homes responsible for a quarter of Scotland's climate emissions and a third of Scotland's households suffering from fuel poverty, investment to improve the energy efficiency homes is critical. Given that the numbers of people in fuel poverty are rising, it is disappointing to see the level of investment in these schemes diminishing, not increasing.

Spending on home insulation prevents people from having to live in cold, damp homes, incurring numerous health and social problems. According to the Fuel Poverty Advisory Group for England, for every £1 spent on fuel poverty, 42p is saved by the NHS.<sup>4</sup> Allocating capital budget to improve the energy efficiency of our homes not only offers benefits of cutting carbon emissions, tackling fuel poverty but provides significant widespread economic benefits. For example, work undertaken for WWF by the Energy Savings Trust shows that improving Scotland's worst energy rated homes would support nearly 10,000 jobs directly and generate £613 m gross value added (GVA) to the economy.<sup>5</sup>

## Conclusion

Housing and transport are two sectors of the Scottish economy that are responsible for more than 40% of our annual carbon emissions. WWF Scotland urges MSPs to ensure that this Budget and future Budgets adequately reflect Scotland's ambitions to secure a low carbon future.

WWF Scotland calls on MSPs to ensure greater levels of funding for active travel and energy efficiency in housing, to give us more confidence of meeting our climate change obligations.

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<sup>1</sup> <http://bjsm.bmj.com/content/34/6/409.extract>

<sup>2</sup> <http://www.transformscotland.org.uk/transport-and-the-economy.aspx>

<sup>3</sup> <http://www.thepep.org/ClearingHouse/docfiles/Eddington.Transport.Study%20-%20Rod.pdf>

<sup>4</sup> Poverty Advisory Group, *eighth annual report*, <http://bit.ly/rbBKzE>

<sup>5</sup> [http://assets.wwf.org.uk/downloads/raising\\_the\\_standards.pdf](http://assets.wwf.org.uk/downloads/raising_the_standards.pdf)