



WWF *for a living planet*

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2011-12 Budget Bill: a budget for a low carbon future?

Parliamentary Briefing

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The Scottish Budget is a very important lever in securing a transition to a low carbon economy and the delivery of Scotland's Climate Act commitments – one of the Cabinet Secretary's three stated aims for this year's Budget. Spending decisions made now about both capital infrastructure and investment programmes will impact directly on Scotland's climate emissions for decades ahead, locking us into specific development pathways and behaviour.

WWF Scotland acknowledges the current constraints on public expenditure and believes that effective spending decisions can support long-term solutions that deliver multiple economic, social and environmental benefits and ensure that a 'One Planet' Scotland becomes a reality.

Summary

- **A low carbon budget must be seen as an investment in the wellbeing of our country, supporting green jobs, more comfortable homes, cleaner energy, active travel and more efficient public transport.**
- **The Budget Bill identifies tackling climate change and maximising Scotland's low carbon economic opportunities as a welcome priority¹. However, it falls short of providing the step change in spending priorities needed to reflect this vision.**
- **There is insufficient alignment between the Budget Bill and what is required under the Climate Change Act. A number of measures set out in the Draft Report on Proposals and Policies (RPP) lack funding in the Budget Bill, despite being considered necessary to deliver our Climate Act commitments.**
- **WWF urges the Parliament to strengthen the Budget Bill in the following ways:**
 - Homes: Increase home energy efficiency investment to support a national retrofit programme to make all our homes warm, healthy and low carbon by 2020.**
 - Active travel: Rebalance transport expenditure on roads and active travel – pushing spending on active travel from just 2% to 10% of the total transport budget.**
 - Freight: Reinstate the Freight Facilities Grant to support further modal freight switch from road to rail.**
 - Roads: Postpone planned 2011-2012 expenditure associated with the additional Forth Road Bridge (£200m) which is premature until current dehumidification trials are complete.**

¹ "In the face of a swingeing £1.3 billion cut in Scotland's budget from Westminster, we have delivered a set of spending plans that not only balance the books, but also protects jobs, and frontline services, promotes economic recovery and provides vital investment in Scotland's transition to a low carbon economy", John Swinney MSP, Scottish Government news release, 21/01/11



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Energy Efficiency in Homes

Last year, the Home Insulation Scheme budget was £15m, the Energy Assistance Package £40m and an additional £10m was made available under 'non recurring budget consequentials' to supporting home insulation. This year however, the Minister has confirmed that the budget for the Energy Assistance Package and the Home Insulation Scheme has been cut to just £48m. Disappointingly, no explicit commitment has been made in the Budget Bill to continue support for the successful Universal Home Insulation Scheme (UHIS).

WWF Scotland supports the Energy, Economy and Tourism (EET) Committee's recent recommendation that 'as a matter of urgency, the Scottish Government puts in place measures to address the increases in fuel poverty, for example, through a significant boost to the home insulation scheme and its extension throughout Scotland'.² The Transport, Infrastructure and Climate Change (TICC) Committee also further recommended the Government 'maintain or increase expenditure on home energy efficiency in the Scottish Budget'.³

A national retrofit programme to make every home in Scotland low carbon by 2020 would not only deliver significant carbon reductions but also ensure Scotland meets its commitment to eradicate fuel poverty by 2016. **WWF Scotland is calling for an explicit commitment for £100m in this Budget for energy efficiency improvements in existing homes.**

Transport

The transport sector has one of the greatest opportunities to cut carbon emissions yet transport spending remains at odds with meeting our climate targets. For example, the draft RPP sets out a need for 2011 investment to include eco-driving (£3m), speed limit enforcement (£25m), Intelligent Transport Systems (£29m), cycling and walking infrastructure investment (£207m), and travel planning (£7m). The Budget Bill makes no provision for these, undermining the credibility of these proposals. **WWF is calling for a greater rebalancing of the transport budget away from roads towards cycling and walking, public transport and rail.**

Active travel: Confirmation that the Local Authority 'Cycling, Walking & Safer Routes' budget is set to continue is welcome, though it is disappointing that the level has been reduced (£7.5m rather than £9.1m). Accounting for the proportion of the increased Sustainable and Active Travel budget that is to be allocated to support Low Carbon Vehicles (£3m) and additional monies that were available last year through the Barnett consequentials (£10m) overall spending on walking and cycling has reduced and falls well short of levels required.

Freight: The Budget Bill proposes cutting freight support from £10.3m to £2.9m by scrapping the Freight Facilities Grant scheme – a successful scheme with an explicit environmental purpose to encourage modal switch from road to rail. Abolishing this scheme will limit any further road to rail switch and is likely to increase climate pollution as a result and therefore the grant should be re-instated. WWF welcomes the TICC Committee's explicit criticism of the 'insufficient provision to encourage both active travel and freight modal shift in the Draft Budget' and urges the Parliament to support this in the Budget Bill debates.⁴

Roads: Spending on motorways and trunk roads is set at £553.9m. In addition the 2011-12 Budget Bill allocates £200m for the additional Forth Road Bridge, despite the fact that ongoing trials to determine the success of cable repairs to the existing bridge have not yet been completed. In coming years capital spend on the Forth Road Bridge to meet the expected cost of £1.7bn-£2.3bn will consume a greater and greater proportion of the total transport budget constraining future options to support sustainable transport.

² TICC Report on the Draft Report on Proposals and Policies, December 2010

³ TICC Report on the Draft Budget, January 2011

⁴ TICC Report on the Draft Report on Proposals and Policies, December 2010

Conclusion

WWF Scotland urges the Scottish Parliament to strengthen the Budget Bill, particularly in the areas of homes and transport, to ensure that it reflects Scotland's commitment and to secure a low carbon future. Modest budget amendments on these areas would provide significant long term emissions reductions and provide significant boost to a low carbon economy, green jobs and help create a healthier, fairer Scotland.

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