



Scotland's climate coalition

Inquiry, by Finance and Public Administration Committee into the Scottish budget process in practice

Submission by Stop Climate Chaos Scotland

March 2025

Introduction

Stop Climate Chaos Scotland (SCCS) is Scotland's climate coalition, with over 70 diverse civil society organisations campaigning together for climate action and justice in Scotland. SCCS believes the Scottish and UK Governments must take fast, fair action to address the climate emergency, delivering our fair share of action to limit global temperature rises to 1.5 degrees, championing international climate justice and inspiring others to take action.

SCCS is pleased to offer this submission to the Committee's [Inquiry into the Scottish budget process in practice](#).

SCCS's interest in this issue arises from the climate crisis, caused by anthropogenic emissions of greenhouse gases and the importance of Scottish Government action to reduce emissions and adapt to climate change (see box below). In this regard, SCCS warmly welcomes that one of [the Scottish Government's four key priorities](#) is "Tackling the Climate Emergency". However, to deliver the intended outcomes in relation to this issue, it is vital that all parts of Government that have a part to play in addressing the climate crisis are aligned, *and appropriately resourced*, to play their part. This submission focuses on the question of whether the Scottish budget delivers such alignment and resources – and whether the budget development and scrutiny process might be improved to ensure it does.

Climate context

From devastating droughts to catastrophic floods, the impact of the spiralling climate crisis could not be clearer, and those with the least responsibility for causing rising global temperatures are facing the most severe - and deadly - consequences.

Scotland has been a global climate leader. When our 2009 Climate Change Act first set targets for emissions' reductions, they were "world-leading" – and this was sustained by the 2019 Act's amendments, which set rightly ambitious targets, based on our historic responsibility, the science, and public mandate. However, on 18 April 2024, [the Cabinet Secretary responded](#) to the Climate Change Committee's latest advice, announcing a proposal to revise the targets framework and seeking to reinvigorate action. Our [analysis of the measures](#) announced indicates that they lack ambition and much additional effort is needed to get anywhere near to delivering the emission reductions needed.

Then, on 18 June 2024, [official statistics for emissions in 2022](#) revealed that the annual target for reductions was missed again – meaning that **Scotland has now missed its targets in nine of the past thirteen years**. On the following day, the [Cabinet Secretary's statement](#) confirmed that the Government's "*legislative proposals on a new emissions reduction framework will include establishing five-yearly carbon budgets*"; and that "*the bill is introduced as soon as possible after recess*". This bill has now been introduced, considered, passed and is now the Climate Change (Emissions Reduction Targets) (Scotland) Act 2024.

The 18 April 2024 statement listed a number of welcome achievements, contributing to the 50% reduction in emissions since 1990, and reiterated the commitment to achieve Net Zero by 2045.

However, it was disappointingly light on new proposals for meaningful action to ensure that emissions reductions get back on track and that the future budgets and 2045 target can be achieved. The latest [CCC Report to Parliament on Progress in Reducing Emissions in Scotland](#) sets out the current situation very well and highlights that:

- **Current overall policies and plans in Scotland fall far short of what is needed to achieve the legal targets under the Scottish Climate Change Act.** The CCC identifies risks in all devolved policy areas - transport, buildings, agriculture, land use and waste. The CCC did, however, welcome policy actions and proposals related to heating but sought a clearer timeline for the Heat in Buildings Bill.
- **The Scottish Government has delayed its draft Climate Change Plan.** A draft CCP was, previously, expected in November 2023 but has been delayed. Scotland is therefore lacking a comprehensive strategy that outlines the actions and policies required to achieve the 2030 target.
- **Most key indicators of delivery progress are off track**, with tree planting and peatland restoration rates, heat pump installations and community energy, electric van sales and recycling rates significantly so.

With the Climate Change (Emissions Reduction Targets) (Scotland) Act 2024 now passed, attention now turns to the setting of the first carbon budgets, and the production of a Climate Change Plan to meet that budget. As indicated above, there is an urgent need for faster and bolder action to deliver emissions reductions, both immediate and to be set out in the forthcoming plan.

The importance of the Scottish budget to action on climate change

The climate crisis has been caused by a wide range of human activities, and addressing the climate emergency requires action, to reduce emissions, across all sectors (as well as implementation of an adaptation strategy). Scotland's efforts to reduce emissions are monitored and reported in the Climate Change Committee's annual progress reports to the Scottish Parliament; their [latest \(2024\) report](#) highlights risks in all devolved policy areas - transport, buildings, agriculture, land use and waste. The importance of the budget to climate change policy (and vice versa) was underlined in the Scottish Fiscal Commission's report on [Fiscal Sustainability Perspectives: Climate Change](#), published in March 2024. Meanwhile, of course, it should be noted that [the costs of inaction](#) - whether in terms of public spending, the wider economy or social impacts - far outweigh the costs of the necessary action.

In December 2024, following publication of the Scottish Government's draft budget, [SCCS published a briefing](#) on the climate considerations arising from that draft and the issues/questions that might be raised during its Parliamentary scrutiny and approval. This highlighted the importance of budgetary decisions on the success or otherwise of climate policy – and drew attention to both short-term allocations proposed for 2025/26, as well as more medium and longer term matters. **SCCS therefore commends [this briefing](#) to the Committee for consideration as part of the current inquiry.**

How climate issues were addressed as part of the 2025/26 budget

First, we are aware that the Net Zero, Energy and Transport Committee undertook some 'pre-budget scrutiny' – the conclusions of which were set out in [a letter to the Scottish Government](#), dated 8 November 2024. This was a very welcome and positive contribution, building on evidence the Committee had heard during its consideration of the (then) Climate Change (Emissions Reduction Targets) (Scotland) Bill; although we are unaware of any specific, additional call-for-views from stakeholders. The Scottish Government responded to this by [a letter to the Committee](#) on 4 December 2024, alongside the release of the draft budget.

As the [SCCS briefing](#) makes clear, we considered that the draft budget raised a number of questions related to climate policy and the allocation of resources, both in 2025/26 and in the longer term. Although the Net Zero, Energy and Transport Committee subsequently took evidence from the Cabinet Secretaries (Net Zero on 14 January 2025 and Transport on 21 January), there were (as far as we are aware) no call for views from, or evidence sessions with, stakeholders.

The budget was finally approved on 25 February 2025, following amendments agreed as a result of discussions between political parties. If and how the climate-related concerns of the Net Zero, Energy and Transport Committee and/or of stakeholders was taken into account during this period is unclear.

Thus, in relation to [the Inquiry's Question 1](#) on "the four core objectives that underpin the Scottish budget process", SCCS would make the following observations:

- We consider that the Net Zero, Energy and Transport Committee's 'pre-budget scrutiny' process and its conclusions set out in the letter of 8 November 2024 was a valuable contribution to the process of "greater influence on formulation of the Scottish Government's budget proposals". However, while conscious of the demand on Committee time/resources, we note that this contribution might have been more powerful if it had been supported by further evidence from stakeholders gathered from a specific call for views. To achieve such an impact, of course, would have necessitated a longer timescale.

In future years, therefore, SCCS recommends that all Committees are encouraged to undertake such pre-budget scrutiny, over a period that allows evidence gathering and participation from stakeholders.

- While very aware of the political realities, we do not believe that the budget process has contributed to "improved transparency and increased public understanding and awareness of the budget". This is because of both the short timescales (caused in part by the timing of the UK budget) and the political realities of the discussions between political parties that are necessarily "behind closed doors".
- In relation to the objective to deliver "effective responses to new fiscal and wider policy challenges", SCCS considers **that the climate crisis is one of, if not the key, "wider policy challenges" of the current era**. It is therefore welcome that the Scottish Government has made "Tackling the Climate Emergency" one of [its four key priorities](#). It is therefore welcome that the Scottish Government publishes a [climate change taxonomy](#) alongside the budget; however, as the [SCCS briefing](#) makes clear this taxonomy process is still in development and, itself, raises a number of questions, including to what extent these climate considerations have influenced the budget decisions.

In such circumstances, SCCS considers that, in scrutinising the proposed budget, that Parliament, collectively, and via its Committees should identify such "wider policy challenges" and specifically establish a process by which the budget's contribution to those challenges can be assessed. This is especially important when the challenge is cross-government, rather than sectoral. In relation to climate change, a specific commitment to scrutinise and influence the taxonomy process and its impacts on budgetary decisions would be extremely valuable.

Conclusion

The above discussion and observations, read together with [our budget briefing from December 2024](#), is submitted in response to the Finance and Public Administration Committee's call for views on the Scottish budget process in practice. We hope this is useful to the Committee.

Stop Climate Chaos Scotland
March 2025