Scotland's climate coalition

Stop Climate Chaos Scotland
Policy Priorities and Campaigns, Oct 2026

Stop Climate Chaos Scotland is a coalition of over 70 diverse third sector organisations, which together represent over 1 million members of the public. We are currently focused on the policies below because they will improve ordinary people's lives as they tackle the climate emergency and reduce our vulnerability to international energy price shocks. ***We need a fast, fair, funded transition.***

1. Warmer, Healthier Homes

Everyone should be able to stay warm in a healthy home environment, but too many Scots are suffering from fuel poverty, damp and mould, and ill health caused by cold homes. Meanwhile, more affluent households with solar, batteries and heat pumps are benefitting from the lowest tariffs and consistent warmth. These benefits should be available to all.

Heating for homes and buildings is one of the largest emitting sectors in Scotland, contributing 20% of our annual carbon emissions. Reducing this is key to the Scottish Government's Climate Change Plan[1]. It's also an opportunity to shift the dial on eradicating child poverty, by ensuring that measures to decarbonise homes also bring down bills. The pace of insulation and clean heat retrofits must grow from fewer than 10,000 homes per year to well over 100,000 each year to deliver a full transition to clean heating[2], and funding should be more targeted to cover the costs for fuel-poor households.

The Scottish Parliament has an opportunity to act on this in Year 1, through the Buildings (Heating and Energy Performance) and Heat Networks (Scotland) Bill (formerly 'Heat in Buildings Bill') and the Heat in Buildings Delivery Plan.

What we need:

1. At least a **15% increase in the Warmer Homes Scotland budget** (incl. £20m in 2027-28). The new funding should come with requirements for the programme to fund fewer new boilers and more clean heat systems.
2. **More quality control assessors** (e.g. through Changeworks) to help deliver a Warm Homes Guarantee. Publicly-funded insulation and clean heat retrofits should deliver bill savings and a healthier home environment; if they don't, improvements should be made at no cost to the resident.

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3. Increased budget for **locally-based energy advice and support**, which is particularly important in rural and island communities with different housing stock and heating systems.

A 'Heat in Buildings' bill with no watering down of targets:

- Minimum energy efficiency standards for all homes by 2033, with an interim standard for the private rented sector set out on the face of the bill.
- End the use of polluting heating systems in all buildings by 2045, and add a target for 40% of homes to be fitted with clean heating by 2035, as recommended by the UK's Climate Change Committee.

Savings and economic benefit:

- Over £1.3bn of co-benefits between now and 2040, from improved health outcomes from warmer homes, reduced dampness and improved air quality in homes[1].
- These measures would reduce NHS costs, as it currently costs NHS Scotland between £48m and £80m per year to treat health conditions caused as a result of living in cold homes[3].
- The transition to clean heating has been estimated to increase GDP by nearly £5 for every £1 invested in energy efficiency[3].

How we can fund it:

Private jet tax revenue should contribute to this Warm Homes roll-out. The Scottish Government has committed to implement a private jet tax, and 89% of the Scottish public support it[4]. If the tax rate is set at 30 times the higher Air Passenger Duty rate and introduced in April 2028, this could raise nearly £300m over the course of this Parliament, from the wealthiest people who are responsible for the largest share of emissions.

This could be supplemented by:

- Replace Non-Domestic Rates (NDR) with a **Green Land Value Tax.** If set at 2.9% of market land value, and if the tax base is widened to include forestry land, this could raise an additional £482 million a year[5].
- Additional suggestions for revenue raising in:
    - No Home Left Behind: Funding a Just Transition to Clean Heat in Scotland (2024), IPPR
    - Tax Justice Scotland's Priorities (2026)
    - Financing Climate Justice (2022), Dr Richard Dixon[6].

2. Better Buses

Buses are Scotland's most-used form of public transport, and are relied on most by people on lower incomes[7,8]. But bus routes continue to be cut when operator profit reduces, and passenger numbers have been declining for decades[9] while the number of private cars on the road is increasing[10]. This is directly at odds with Scotland's Climate Plan, which sets out the need to reduce car use.

Buses must be more affordable, more extensive and better at meeting people's needs, to encourage more people to choose the bus instead of the car. Capping fares helps with affordability, but it does nothing to improve service provision, and it is not financially sustainable, as it converts public funds to private profit[17].

As part of the Better Buses National Coalition, we recommend that Scottish Government take steps to enable and accelerate:

1. **Bus franchising**
   This would create a regulated market in which local authorities or Regional Transport Partnerships (RTPs) would award bus operating contracts, and would set fares, routes and timetables to meet passengers' needs, not to maximise private profit. In Manchester, since buses were franchised in 2023, fares have been frozen or reduced, services have increased, and the number of journeys has increased by 14% each year[11]. Whilst bus franchising is now being deployed at pace in many English city regions (Greater Manchester in 2023, Liverpool City Region in 2026, West Yorkshire, South Yorkshire, Cambridgeshire & Peterborough and West Midlands in 2027, and the North East in 2029) and *across the whole of Wales* by 2030 – progress in Scotland has been painfully slow.

2. **Local public ownership**
   Local authorities or RTPs should be supported to set up bus operating companies, similar to the award-winning Lothian Buses. Highland Council set up an in-house bus company in 2023, saving £1.8m per year while passenger numbers have increased[12]. Dumfries & Galloway and Perth & Kinross Councils are also moving towards public ownership. This works best in a regulated (franchised) market under local public control, so that the profitable routes subsidise the non-profitable routes across the network.

The Scottish Government's promised **Better Buses legislation** provides the opportunity to further these two complementary aims.

What we need:

- The **£2 bus fare cap** must be extended across Scotland as soon as possible, to reduce the cost of living for those who rely on buses. Further, the Scottish Government should develop a financial plan to enable free bus travel for residents (including asylum seekers).
- **Fast-track the bus franchising process.** This requires amending the Transport (Scotland) Act 2019 to remove the 'independent panel' requirement and empower all RTPs to use bus franchising powers.[13]
- **Minimum service guarantee** for bus routes in rural areas, set by local transport authorities.
- **A new fund (of at least £500m)** to support set-up costs for local authorities and RTPs to establish franchising and publicly-owned bus companies.

Savings and economic benefit:

- These measures would **save public money** in the long term, since it is more cost-efficient to operate or subsidise bus services in a regulated market than to subsidise high, unregulated fares. This is why Strathclyde Partnership for Transport (SPT) have plans to franchise their bus network, and why Transport for London has announced plans for a publicly-owned bus company[14].
- These measures would **reduce NHS costs** by reducing air pollution, which currently costs the NHS and social care billions of pounds per year. They would bring co-benefits of **reduced congestion** and road accidents[6].
- **Green job creation:** Major investment in public transport would almost double the number of direct jobs in the sector and support around 35,000 direct and indirect jobs in manufacturing and infrastructure over 12 years.[15]

How we can fund it:

By the end of this Parliament, a substantial portion of the concessionary fares budget (which is set to rise above £617m) should be reallocated to support the set-up costs of bus franchising and municipal ownership[16], on the condition that franchised or publicly-owned bus companies keep fares capped at £2 or lower. This would reduce the large subsidies that the Scottish Government is currently paying to private bus operators[17].

We also recommend:

- Reallocating a portion of the budget for new roads (from the trunk road budget of £1.15bn) to buses. New roads lead to increased private vehicle use, congestion, emissions, air pollution and NHS costs.
- Encourage local authorities to implement new taxes and levies to support better buses, such as road user charging (which could raise up to £2.3bn)[18, 19], workplace parking levies or public transport levies similar to those in France, Vienna and the US[20].

3. Our Power (Public and Community Energy)

Scotland has abundant renewable energy resources and is world-leading in offshore wind. But even if "it's Scotland's energy", not everyone is feeling the benefit. Wealth is being extracted out of Scotland by predominantly foreign-based energy multinationals, with too little being reinvested in local communities. Instead, we need more community energy ownership to reduce poverty and build community wealth[21]. Greater community ownership and shared ownership of energy would also increase public support for new renewables and the energy transition[22].

Too few of the promised green jobs in supply chains have materialised, and renewables components are being manufactured overseas. Robert Gordon University research shows that reductions in the oil and gas workforce can be matched by increased employment in other energy sectors[23], but this will require increased public investment in renewables and supply chains[24].

We need a course correction to make the energy transition deliver more benefits for communities, workers, and local economies. As a partner in the Our Power campaign, we are calling on the Scottish Government to:

- Follow through on its Programme for Government commitments to **increase community ownership and shared ownership** of renewables, through increased CARES funding (which should be changed to multi-year funding) and new guidance for relevant authorities about giving community energy organisations priority access to public land (building on the Scottish Government pilot[25]).
- Establish a **Scottish Community Wealth Fund** and seed it with the remaining £300m ScotWind auction fees. The Fund would grow annually through investment and contributions from large developments including renewables, data centres and commercial forestry. Communities across the country could bid into the fund for community wealth building projects, as recommended by the Scottish Community Coalition on Energy[26].
- Take a **public stake in offshore wind projects and key manufacturers,** helping establish these supply chains in Scotland. The Scottish Government must commit to fulfilling its pledge of £500m over 5 years for the offshore wind supply chain and ports, in the forthcoming Energy Strategy and Just Transition Plan. Much of this should be equity investment, not grants, as recently highlighted by Audit Scotland.[27, 28]

Savings and economic benefit:

- The Scottish Government would receive an **annual return on investment**, once loans are paid off. ScotWind projects are estimated to generate a 4% - 8% return, for 25-40 years[24]. This would provide a transformative source of long-term revenue.
- Savings for billpayers: By supporting the growth of renewables in Scotland, this will help **reduce energy bills and the cost of living**. In Spain, the cost of electricity has fallen to 32% lower than the EU average due to a swift scale-up of wind and solar[29].
- By investing in renewables for decarbonisation, the Scottish Government will save the Scottish economy up to 20% of GDP per year by 2050[30].

How we can fund it:

- Future Economy Scotland propose that taking a 20% equity stake in future offshore wind projects could be **affordable within existing budgets**, with equity injections required gradually as construction progresses. Funding equity stakes would not come at the expense of spending on day-to-day public services, if they are treated as financial transactions rather than resource or capital budgets[31].
- To enable *more* public investment in Scotland's renewables sector, the Scottish Government should "**Overhaul the investment strategies of the Scottish National Investment Bank, Scottish Enterprise and the Just Transition Fund**, and more effectively coordinate public procurement, subsidies and innovation funding towards just transition goals"[32].
- **Reform tax on aviation** so that the most frequent flyers pay higher tax, without any change to the price of each resident's first short-haul flight each year (as called for by Scotland's Citizens' Climate Assembly)[33]. This would raise £6bn across the UK, but could be implemented in Scotland first through Air Departure Tax. The revenue could be invested in renewables, helping produce the clean power needed for short-haul electric flights, which will create the aviation jobs of the future[34].

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4. AI Data Centres

Our coalition has severe concerns about the rush to develop hyperscale data centres in Scotland. (These are data centres that require above 50MW of energy, and are used for AI, not for storing data or for fibre broadband.) The total energy demand from the proposed applications would require more than Scotland's entire peak winter demand. This calls into question our country's ability to electrify home heating, transport and industry, as required by Scotland's Climate Change Plan, alongside powering these data centres.

Communities are also rightly concerned about the impacts these large developments would have on them, including noise, possible increases in energy bills, reduced water availability, loss of local land and the impact on nature.

Ofgem has highlighted a potential economic cost from data centres, since the large demand for data centre grid connections "risks delaying connections for other demand projects that are critical for decarbonisation and economic growth"[35]. Further, reports have cast doubt on the job numbers claimed by developers, reducing this by three-quarters or even 90%[36].

We need a national conversation on AI data centres. They were not included in manifestos for the last Scottish Parliament election, they were not discussed at hustings or on the doorstep. This is a strategic issue which goes beyond planning and relates to our energy system and our plans to decarbonise Scotland: one of the biggest issues facing our country.

We welcome the Scottish Government's announcement of a pause decisions on planning applications and to require all applications to submit EIAs. However, local authorities require clarity on how that pause is to be implemented. In addition, before any AI data centres are approved, we are calling on the Scottish Government to:

- Conduct a public consultation on AI data centres
- Commission an independent analysis of the impact of hyperscale data centres on Scotland's grid and route to net zero
- Produce a definition of the term 'green data centre'
- Require any data centres over 50MW to report water and energy usage, and discharge of pollutants, regularly and transparently
- Clarify that the determining power for data centre applications will remain with local authorities, even in UK Government-designated AI Growth Zones.

SCCS members also work on international climate justice, agriculture and marine policy, including blue carbon. Please get in touch if you would like briefings or to discuss these policy areas.

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References

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[16] The concessionary fares budget is currently over £400m, and is set to increase by at least £120m to fund the £2 bus fare cap according to the First Minister: STV News interview in April 2026.
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[19] Transport Scotland-commissioned report on Travel Demand Management Options
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[21] Reports and briefings on how community energy helps reduce poverty and build community wealth.
[22] Community Energy Scotland response to the ESNZ Call for Views on building support for the energy transition.
[23] RGU report on jobs from the energy transition
[24] Transition Economics report on Scotwind: The Investment needed to secure manufacturing jobs
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[32] Future Economy Scotland (2026): Scotland's Just Transition: Priorities for the new Parliament
[33] New Economics Foundation: Flying Fair: Modernising the air transport tax system
[34] News article by an Aerospace engineer in the Safe Landing campaign group.
[35] Ofgem Call for Views on Demand Connections Reform (see p. 4).
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