

Draft Budget 2013-14
Details of funding for climate change mitigation measures

This document summarises the principal lines within the Scottish Government's budget and spending plans which support the delivery of measures to reduce greenhouse gas emissions.

The information has been organised in line with the emissions sectors identified in *Low Carbon Scotland - Meeting the Emissions Reduction Targets 2010-2022*, the Scottish Government's first climate change report on proposals and policies. Indications are provided where elements of Ministerial portfolio budgets are allocated across separate sectors.

The majority of the figures in this document are presented at "level 4" where it is possible to do so. This provides a more detailed breakdown than the "level 3" figures presented in the draft budget. There is no single definition of level 4, and indeed there is wide variation in the level 4 figures provided. However, as a general rule, level 4 figures show the principal budget lines allocated to individual Directorates within the Scottish Government.

At this level of disaggregation, the information is subject to change without notice during the year and outturn spending at this operational level may not necessarily reflect the disaggregation as recorded in budgets.

In order to provide as up to date a summary as possible, the tables in this document include proposed changes to budget lines which would be made as a result of the Autumn Budget Revisions 2012. These changes are subject to the Parliament passing the Budget (Scotland) Act 2012 (Amendment) Order 2012.

Figures have been rounded to one decimal point and may not sum to total due to rounding.

Summary of sectoral totals

	2012-13 budget	2013-14 draft budget	2014-15 plans	Total over three years
Energy	96.9	141.8	140.6	379.2
Homes and Communities	106.7	119.5	114.1	340.2
Business and the Public Sector	10.3	10.3	5.3	25.8
Transport	65.6	72.9	61.3	199.7
Rural Land Use	39.6	39.3	38.6	117.4
Zero Waste	26.4	26.4	26.4	79.2
Other	1.2	1.2	1.1	3.5
TOTAL	346.6	411.3	387.1	1145.0

(NOTE: For printing highlight all sheets first to achieve consecutive page numbering and set print preferences/binding location to short edge)

Draft Budget 2013-14

Detail of funding for climate change mitigation measures

Energy

(Budgets held within Finance, Employment and Sustainable Growth Portfolio)

Energy

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Renewable and Community Energy	29.3	8.2	tbc	In recognition of the potential of wind, hydro, wave and tidal energy to curb global emissions, this budget supports renewable energy and renewable heat projects, including support for the Scottish Government's Community and Renewable Energy Scheme (CARES), the European Marine Energy Centre and Saltire Prize promotional activity. It also helps increase community ownership of renewable energy developments and supports renewables workforce development.
Critical National Infrastructure	0.3	0.3	tbc	This budget covers the development and implementation of the Scottish Government's critical national infrastructure resilience strategy, including associated programme manager costs.
Grid Enhancement	0.7	0.7	tbc	Investment in grid contributes to our climate change targets by unlocking renewable energy potential in Scotland and ensuring renewable power can get from where it is most abundant to where it is most needed. This budget includes support for the Scottish European Green Energy Centre and the first phase of implementation of the findings of the Irish Scottish Links on Energy Study (ISLES), to help realise the renewable energy potential off the coasts of the Republic of Ireland, Northern Ireland and Western Scotland.
	5.0	20.0	tbc	This new capital budget supports a range of initiatives that will contribute to emissions reductions, such as POWERS (Prototyping for Offshore Wind Energy Renewables Scotland) (to incentivise inward investments of manufacturing of offshore wind equipment); marine infrastructure, including a £2.5m investment at Copland's Dock to provide the marine renewables industry with upgraded pier and quayside facilities; and the development of district heating networks in Scotland.

Fossil Fuel Levy – Renewable Projects (capital)	16.0	45.0	tbc	The Renewable Energy Investment Fund, set up following the release of funds from the fossil fuel levy, will offer loan or equity support for shovel ready renewable projects including wave/tidal, district heating and community renewable projects. Investing in these projects and technologies will help make Scotland’s emissions reductions targets a reality.
Total Level 3	51.3	74.2	83	

Enterprise Agencies investment in renewables

Scottish Enterprise investment in renewables	34.6	57.8	47.3	This budget is for a range of initiatives and projects that will ultimately help us improve our emissions performance, such as the National Renewables Infrastructure Fund, which aims to provide the necessary infrastructure to support offshore renewables; Scotland’s International Technology and Renewable Energy Zone; Fife Energy Park; the Power Network Demonstration Centre and the WATERS fund (for wave and tidal energy technology development).
Highlands and Islands Enterprise investment in renewables	11.0	9.8	10.3	This budget will fund a whole range of infrastructure developments that will support the transition to a low carbon economy, including a new renewables quayside at Nigg; new development sites at Arnish; a deep water decommissioning base at Lerwick; new quaysides at Wick and Invergordon; a marine energy quayside at Scrabster; an infrastructure upgrade at Kishorn; deployment and fabrication units at Hatston and Scrabster; and marine energy research and development projects at Heriot Watt/UHI and the European Marine Energy Centre (EMEC).
Total	45.6	67.6	57.6	

	2012-13 budget	2013-14 draft	2014-15 plans
TOTAL ENERGY	96.9	141.8	140.6

(NOTE: For printing highlight all sheets first to achieve consecutive page numbering and set print preferences/binding location to short edge)

Draft Budget 2013-14

Detail of funding for climate change mitigation measures

Homes and Communities

(Unless stated otherwise, these budgets are held within the Infrastructure & Capital Investment portfolio)

Fuel Poverty/Domestic Energy Efficiency/Climate Change

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Capital	40	22.5	0	<p>In 2012-13 this budget supports delivery of the Energy Assistance Package (EAP) which provides advice and upgrades for the least energy efficient/most fuel poor homes; and the Universal Home Insulation Scheme (UHIS) - a Scottish, area-based scheme delivered through local authorities, promoting and installing insulation and other energy saving measures. As well as the Scottish Government funding detailed in this table, EAP and UHIS are also part-funded by money from the Carbon Emissions Reduction Target (CERT), a UK scheme which obliges gas and electricity suppliers to achieve emission savings by installing energy saving measures in people's homes. It is not possible at this stage to quantify the extent this additional funding but we estimate that by the end of this financial year these programmes will have drawn in an additional £7 million in CERT funding.</p> <p>It is worth noting that, as well as helping to fund the Scottish Government programmes listed above, energy companies carry out additional domestic energy efficiency installations through CERT and the similar Community Energy Saving Programme (CESP). The specific levels of funding are not reported to Ofgem but Scotland has received a pro-rata share (around 9%) of professionally installed GB insulation under CERT. If Scotland received a pro-rata share of all CERT and CESP energy efficiency investment, this will have delivered in excess of £100m per year in Scotland since April 2011.</p>

Revenue	25.1	42.5	66.3	<p>From 2013-14 the EAP and UHIS will be replaced by a single National Retrofit Programme (NRP) to upgrade energy efficiency in Scotland's ageing housing stock, tackle fuel poverty and reduce carbon emissions. The programme will tackle fuel poor areas first and cover the whole of Scotland in around ten years.</p> <p>Local authorities will play a central role in delivering the programme which could also benefit from around £120 million a year from the new energy company obligation (ECO), which replaces CERT . Together with SG funding this could create a fund of nearly £200 million a year to support the National Retrofit Programme in 2013-14 and 2014-15.</p>
	3	0	0	Additional funding allocated as part of the 2012-13 Autumn Budget Revision. This will be used for NRP pilot projects to kick-start the programme prior to its full roll-out in 2013-14.
Total Level 3	68.1	65.0	66.3	

Scottish Futures Fund - Warm Homes Fund

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Warm Homes Fund	3.3	7.8	18.8	This is a £50m fund over the lifetime of the current Parliament providing loans for renewable energy projects for homes in fuel poor communities to help to reduce household energy bills.

**Energy Efficiency Promotion & Policy Implementation
(Budget held within Finance, Employment and Sustainable Growth Portfolio)**

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Energy Efficiency & Policy Implementation	18.8	16.8	13.8	This budget supports the promotion of energy efficiency including in 2012-13 over £6.5m for advice and support programmes to encourage householders to be energy efficient; provides energy efficiency loans to SMEs and for the initial development phases of the introduction of the Green Deal and ECO in Scotland. It is also contributing £4m to the £20m voucher cash back scheme over a two year period for energy efficiency measures as part of the Green Investment Package (Green Deal money provides the balance). In addition, £5m of this budget line has been allocated (together with a further £5.3m from the Low Carbon Economy budget) to provide additional support for public sector energy efficiency over a two year period (2012-13 to 2013-14) (see the Low Carbon Economy line on the Business and Public Sector sheet).

**Green Deal
(Budget held within Finance, Employment and Sustainable Growth Portfolio)**

	2012-13 budget	2013-14 draft	2014-15 plans	Commentary
Green Deal	1.34	14.7	0	Scottish Ministers secured a proportionate share of this GB-wide funding to support the development of a Green Deal market in Scotland. It will fund the majority of the £20m voucher cash back scheme over a two year period for energy efficiency measures (See the Energy Efficiency & Policy Implementation budget line). In addition to, and working alongside this introductory government incentive, Green Deal finance will be available via Green Deal Providers, who will be responsible for both the provision of finance and arranging the energy efficiency works.

**Sustainable Action Fund
(Budget held within the Rural Affairs and Environment portfolio)**

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Sustainable Action Fund - Climate Challenge Fund	10.3	10.3	10.3	The Climate Challenge Fund provides Scottish communities with finance to support low-carbon action at a local level. Since the CCF's establishment in 2008, through to the latest round of awards (Round 11, August 2012), the Fund has supported 542 projects across 394 communities.
Sustainable Action Fund - Other	5	5	5	This element of the Sustainable Action Fund is used to support the Scottish Government's Greener Scotland strategic objective. This includes funding for environmental campaigns, the Government's low carbon behaviour change programme and sustainable development education activity. This budget also covers the costs of developing and expanding the Sustainable Scotland Network to provide support for the wider public sector alongside existing work with local authorities in support of the Climate Change Public Bodies Duties. It focuses on key areas of sustainable development, climate change and sustainable procurement including: events and networking services, best-practice knowledge exchange, performance improvement, capacity building, and scrutiny, with the overarching aim of improving local authority/public sector awareness, practice, assessment, action and reporting.
Total Level 3	15.3	15.3	15.3	

***N.B.** The Energy Efficiency Promotion & Policy Implementation, Green Deal and Sustainable Action Fund budgets also help to deliver measures that will support emissions reduction in businesses and the public sector.*

	2012-13 budget	2013-14 draft budget	2014-15 plans
TOTAL HOMES & COMMUNITIES	106.7	119.5	114.1

(NOTE: For printing highlight all sheets first to achieve consecutive page numbering and set print preferences/binding location to short edge)

Draft Budget 2013-14

Detail of funding for climate change mitigation measures

Business and the Public Sector

(Budget held within Finance, Employment and Sustainable Growth Portfolio)

Low Carbon Economy

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Low Carbon Economy	10.3	10.3	5.3	This budget is aimed at supporting emerging low carbon technologies, including carbon capture and storage; the Energy Technology Partnership knowledge exchange network; non-domestic energy efficiency advice and support for business and the public sector, including in 2012-13 over £4m for advice and support programmes to encourage business and public sector energy efficiency; energy efficiency loans to public sector organisations and for the initial development phases of a single integrated resource and energy efficiency service for Scottish business and public sector. In addition, £5.3m of this budget line has been allocated (together with a further £5m from the Energy Efficiency & Policy Implementation budget) to provide additional support for public sector energy efficiency over a two year period (2012-13 to 2013-14).

(NOTE: For printing highlight all sheets first to achieve consecutive page numbering and set print preferences/binding location to short edge)

Draft Budget 2013-14

Detail of funding for climate change mitigation measures

Transport

(Budgets held within the Infrastructure & Capital Investment portfolio)

Support for Sustainable & Active Travel (SSAT)

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Grant funding for cycling infrastructure and promotion.	10.3	10.4	tbc	Grant funding from the SSAT revenue budget to Sustrans and Cycling Scotland for cycling infrastructure and promotion. Cycling infrastructure investment (the bulk of this grant) is match-funded by local authorities. Also includes £0.1m for Government work to develop an active travel marketing campaign. The Future Transport Fund (see below) also supports cycling.
Energy Savings Trust	1.3	tbc	tbc	Grant funding for the Energy Saving Trust provision of sustainable travel support for organisations (incl. promoting workplace travel-planning) and fuel efficient driver training. Grant funding for future years will be reviewed in the light of outcomes achieved in 2012-13 and policy priorities.
CarPlus	0.3	tbc	tbc	Grant funding to Carplus to support the development in Scotland of affordable, accessible and low-carbon car-sharing clubs and ride-sharing services. Grant funding for future years will be reviewed in the light of outcomes achieved in 2012-13 and policy priorities.
Smarter Measures including Smarter Choices Smarter Places (SCSP)	0.5	tbc	tbc	SCSP is a sustainable travel demonstration programme undertaken in 7 communities as a partnership between SG and COSLA, involving tailored packages of measures including infrastructure and services development alongside local social marketing. It is currently undergoing an in-depth evaluation which will inform future policy and programmes around community-based travel planning work. Includes funding for bike-rail integration and possible work around Smart Cities. This line will be updated later this autumn as development work progresses and delivery options emerge.

Low Carbon Vehicles	0.2	tbc	tbc	Funding to support the operation of Plugged in Places (delivery of electric vehicle charging infrastructure) and E-cosse (partnership of government, industry NGOs and other stakeholders to advance adoption of electric vehicles in Scotland). In addition to this budget line, capital funding for low carbon vehicles is allocated from the Future Transport Fund.
Strathclyde Passenger Transport Fastlink	5.0	20.0	10.0	To promote modal shift to public transport through development of the Fastlink Bus Rapid Transit project.
Forth Replacement Crossing Public Transport Strategy	6.0	0.0	0.0	To promote modal shift to public transport through provision of Park & Ride facilities at Halbeath.
Total Level 3	23.5	35.0	19.0	Includes £2.5m in 2013-14 for green buses. Not all decisions about budget allocations below Level 3 have been made. The balance will be allocated over the next period in line with objectives for 2013/14 and outcomes achieved in 2012/13. This additional allocation will be within the overall budget envelope for the year.

Local Authority grants for Active Travel (Cycling, Walking and Safer Streets)

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
LA grants for Active Travel	6.1	5.6	8.2	Ring-fenced capital grants for programmes of work to support cycling, walking and safer streets. Forms part of the Local Government settlement.

Scottish Futures Fund - Future Transport Fund

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Low Carbon Vehicles	1.0	1.8	5.0	Capital funding for work to support LCV conversion (infrastructure and vehicles procurement)
Hybrid buses	0.0	2.8	4.8	This portion of the Future Transport Fund provides additional money to be paid through the Scottish Green Bus Fund, detailed separately below.
Cycling infrastructure	1.5	1.3	4.5	To support the development of the cycling infrastructure across Scotland, through partnership work by Sustrans with local authorities
Freight Modal Shift	0.8	2.0	4.5	To promote freight modal shift away from road transport, through support for infrastructure projects
Total Level 3	3.3	7.8	18.8	

Support for Freight Industry

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Freight mode-shift support	1.1	1.1	1.1	Mode Shift Revenue Support (MSRS) grants to encourage alternatives to road transport, plus the Water Freight Grant (WFG), a start-up grant for new water freight services

Additional Low Carbon Vehicle Support

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Plugged in Places	1.8	1.6	0.0	Capital investment in a programme of electric vehicle infrastructure, with support from the Office of Low Emission Vehicles (OLEV), complementing wider SG work around LCVs. Decisions about funding from 2014-15 will be taken subject to evaluations and policy priorities.

Scottish Green Bus Fund (comprises elements of funding from other transport budgets detailed in this spreadsheet)

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Scottish Green Bus Fund	[3]	[2.5]	[4.8]	<p>The Scottish Green Bus Fund (SGBF) pays part of the additional cost to operators of buying low carbon, mainly hybrid, buses compared with conventional vehicles. Allocations to individual operators are decided through a bidding process. Grants under the current 2012-13 round are expected to be made in March 2013.</p> <p>The SGBF draws money from other sustainable transport budgets. In order to maintain consistency with other Budget documents the individual elements of the fund are counted as part of their parent budgets in this spreadsheet. <u>To avoid double counting</u>, the SGBF money is shown in square brackets in this table and is not included in the overall totals in this spreadsheet.</p> <p>In 2012-13, £3m will be available, the bulk of which comes from accelerating £2.75m of 2013-14 money from the Support for Sustainable and Active Travel budget (SSAT) and the Future Transport Fund (FTF). This leaves £2.5m available in 2013-14 from the SSAT and FTF. In 2014-15, £4.75m will be provided from the FTF.</p>

Vessels and Piers - Hybrid Ferries

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Hybrid Ferries	2.0	2.0	0.0	To support the development of two new hybrid vessels.

Intelligent Transport Systems (ITS)

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
ITS Maintenance	7	7	7	Annual costs of running and operating the Traffic Scotland service and supporting systems, supporting congestion management and efficient network usage.
ITS New Works	9.5	1	1	Completion of the Traffic Scotland ITS Action Plan, e.g., enhancing Traffic Scotland field equipment and upgrading the Traffic Scotland control system, supporting congestion management and efficient network usage.
Total Level 3	16.5	8	8	

Rail projects

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary - Rail
Edinburgh-Glasgow Improvement Programme	7.5	7.5	0	Construction of the new Edinburgh Gateway station
Rail: major public transport projects	3.8	3.4	5.2	Support for the up-front RAB financing costs of Edinburgh-Glasgow Improvement Programme core works and the Borders project. Both supporting modal shift and/or electrification.
Rail Infrastructure (new electrification - Paisley Canal)	0	1	1	Support for electrification and modal shift.
Total Level 3	11.3	11.9	6.2	

	2012-13 budget	2013-14 draft budget	2014-15 plans
TOTAL TRANSPORT	65.6	72.9	61.3

(NOTE: For printing highlight all sheets first to achieve consecutive page numbering and set print preferences/binding location to short edge)

Draft Budget 2013-14

Detail of funding for climate change mitigation measures

Rural Land Use

(Budgets held within the Rural Affairs and Environment portfolio)

Agriculture

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Farming for a Better Climate	0.3	0.3	0.3	<p>Farming for a Better Climate is a targeted communication strategy delivered by the Scottish Agricultural College encouraging farmers to adopt efficiency measures that reduce emissions while having a positive impact on business performance. It promotes action that can be taken in five key areas that are flexible to individual farm businesses:</p> <ul style="list-style-type: none"> - improving efficiency in the use of energy and fuels; - developing renewable energy; - locking carbon into the soil and vegetation; - optimising fertiliser and manure application; and - optimising livestock management and storage of waste. <p>The funding also supports four Climate Change Focus Farms to demonstrate the practical application of emission reduction measures.</p>
Future Proofing Scotland's Farming	0.0	0.1	0.0	<p>Three-year project (2011-2014) funded through the Scottish Government Skills Development Scheme (£150,000) and Quality Meat Scotland (£50,000). Aims to prepare agricultural businesses for the impacts, opportunities and risks that both climate and economic change bring.</p> <p>It is delivered by the Soil Association in partnership with Quality Meat Scotland, NFU Scotland and Scottish Agricultural Organisation Society.</p>

Land Managers Renewables Fund	3.0	3.0	3.0	Land Managers Renewables Fund is a component of the Scottish Government's Community and Renewable Energy Scheme (CARES). It is available to land managers to help facilitate the development of renewables on farms.
	3.3	2.9	2.3	Payments of EU funding for ongoing commitments to participants in schemes (now closed to new entrants) to encourage farmers and land managers to create woodland. Farm woodland scheme. Closed 1992, 300 participants. Farm Woodland Premium Scheme. Closed 2002, 986 participants. Farmland Premium Scheme. Closed 2006. 776 participants.
Total	6.6	6.3	5.6	

Forestry - Woodland Creation

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Woodland Creation (part of 'Woodland Grants' Level 3 budget line)	30.0	30.0	30.0	The 'Woodland Grants' budget line provides support to the private sector for woodland creation, improvement and maintenance through the Scotland Rural Development Programme. The Woodland Grants budget is £36m per year, of which about £30m (shown in this table) will support woodland creation, and £6m the management of existing woodlands. Funding is mainly provided through Rural Priorities. N.B. 55% of this budget is EU co-financing and this element is included in the figures shown here.
Forest Enterprise	3.0	3.0	3.0	The budget for Forest Enterprise includes provision of £10m capital expenditure per year for Land Purchases and Woodland Creation; of this about £3m per year (shown in this table) is allocated for woodland creation.
Total	33.0	33.0	33.0	

Peatland Restoration

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Peatland Restoration	[0.2]	[0.5]	[1]	<p>This budget will provide dedicated funding to support peatland restoration work, recognising the multiple benefits that peatlands provides for water quality, biodiversity and carbon. This funding supplements the support that is also available via bids to the Scotland Rural Development Programme.</p> <p>This budget will be made available by reprioritising money from forestry (other than woodland creation) and Low Carbon Economy budgets. These transfers have not taken place at the time of publication therefore the sums for peatland restoration shown in this table have not been added into the overall totals for Rural Land Use shown in this spreadsheet.</p>

	2012-13 budget	2013-14 draft budget	2014-15 plans
TOTAL RURAL LAND USE	39.6	39.3	38.6

(NOTE: For printing highlight all sheets first to achieve consecutive page numbering and set print preferences/binding location to short edge)

Draft Budget 2013-14

Detail of funding for climate change mitigation measures

Zero Waste

(Budget held within the Rural Affairs and Environment portfolio)

Zero Waste Fund

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Zero Waste Fund	26.4	26.4	26.4	Support, through the Zero Waste Fund budget for a range of programmes to reduce waste and use materials efficiently for both economic and environmental benefits. Including the Waste (Scotland) Regulations 2012; developing markets for recycle use; waste prevention and minimisation; reuse and recycling awareness including behaviours; and support for local authorities to achieve waste targets in 2014 and beyond. In addition, the budget funds work to tackle litter and flytipping.

(NOTE: For printing highlight all sheets first to achieve consecutive page numbering and set print preferences/binding location to short edge)

Draft Budget 2013-14

Detail of funding for climate change mitigation measures

Other Rural Affairs and Environment Portfolio Climate Change Budgets

Climate Change Policy Development and Implementation

	2012-13 budget	2013-14 draft budget	2014-15 plans	Commentary
Committee on Climate Change	0.2	0.3	0.3	The Scottish Government makes an 8.4% contribution to the CCC's running costs on a pro-rata basis with the other national administrations. The figures in this table also include the Scottish Government's 4.2% financial contribution to the work of the Committee's Adaptation Sub-Committee. In 2012-13 (and earlier years) the Scottish Government also funded an economist secondee (1 FTE). Future plans for the secondee are currently under review and funding beyond March 2013 may not occur.
Other Policy Development and implementation	1.0	0.9	0.8	This budget is administered directly by the Scottish Government's Climate Change and Water Industry Division to support a number of ongoing programmes, including improvement work on the Greenhouse Gas Inventory, outreach work with the Intergovernmental Panel on Climate Change, funding Adaptation Scotland (formerly Scottish Climate Change Impacts Partnership), and supporting the Scottish Government's international climate change engagement activities and engagement with business and other sectors in Scotland.
Total Level 3	1.2	1.2	1.1	