



## Budget 2020-21 Summary

The Scottish Government's draft Budget 2020-21 was presented to Parliament on 6<sup>th</sup> February. It was billed as a 'climate emergency budget' but also one that would offer stability to the Scottish economy during the Brexit transition period with no substantial changes to tax or to reverse the downward trend in local government funding.

The Budget document is available here:

<https://www.gov.scot/binaries/content/documents/govscot/publications/publication/2020/02/scottish-budget-2020-21/documents/scottish-budget-2020-21/scottish-budget-2020-21/govscot%3Adocument/scottish-budget-2020-21.pdf>

### 1. Response to the Climate Emergency

Kate Forbes' statement highlighted:

- "We promised that this would be a budget that steps up the delivery of our ambition to tackle climate change, and today we are delivering on that promise." They have been guided by the expert advice of the UK CCC and the Climate Emergency Response Group.
- **1% of Scottish GDP will now be spent on capital projects to address the climate emergency.** Specifically, an increased % of the infrastructure spending will be targeted toward low carbon infrastructure projects (from public transport to energy efficiency).
- A change in the Government's approach to transport emissions – explicitly stating they will focus on increasing the use of **public transport** (though electric vehicles also key).
- **£40m to go to Agricultural Transformation Fund** in its first year. (However, funding for agri-environment scheme has fallen, see more below).
- **Increase funding for forestry** in recognition of need to meet tree planting targets (from proposed £59m to just over £64m).
- **£120m funding to decarbonise heating in homes and buildings.**
- Commitment to **ring fence £2bn of total infrastructure investment over the next session of the Parliament** for measures that support the delivery of the Climate Change Plan.
  - This will be based on the final recommendations of the Infrastructure Commission which will be published later this year. The preliminary recommendations released in [January 2020](#) note the need for investment in 'natural infrastructure' specifically.
- An increase of £6m for **peatland restoration** (£20m in total for 2020-21). £0.25bn will be invested in peatland restoration over the next decade. (The Budget document cites this as "a clear 'nature-based' solution to the climate crisis."

In the questions from MSPs that followed this statement, Mike Rumbles (LD) noted that there is nothing in the budget about **cutting waste**.

Peter Chapman highlighted that funding for the **agri-environment scheme** has fallen for the third year in a row.



The **links between the climate emergency and biodiversity crisis** was not noted in the ministerial statement or in MSPs' follow up questions. However there is a statement in the Budget document itself that restates the First Minister's comments in 2019.

A [blog](#) from SPICe also notes that:

This [response to the climate emergency] includes the funding of existing, new and expanded schemes to decarbonise heat, transport and agriculture. **It is worth noting that the Government's own [Carbon Assessment](#) actually reports an increase over the year in the emissions associated with the purchase of goods and services through its budget.** Total emissions attributed to the 2020-21 Budget is estimated to be 9.5 million tonnes carbon dioxide equivalent (MtCO<sub>2</sub>e) compared to 7.0 MtCO<sub>2</sub>-equivalent in 2019-20 (much of this increase relating to farm payments previously attributed to the EU).

## 2. ECCLR Portfolio

Spending plans are set out on pp.181-194 of the Budget document

### The framing:

The chapter opens with a restatement of the **interlinked nature of the climate and biodiversity crises**:

“Our priority for the year ahead is to respond to the global climate emergency and biodiversity loss. This will require a cross-government effort, with all portfolios tackling these twin challenges and to capturing the opportunities of transitioning our economy and protecting and enhancing our natural capital. We will ensure that our high quality natural assets – like our water, air, soils and nature – are the cornerstones of our economy, culture and quality of life and we will continue to ensure these precious assets are protected and enhanced.”

The introduction also notes that there will be a “150% increase for the **Biodiversity Challenge Fund**, increasing total resource and capital to £5m.” The Programme for Government already committed a further £2m for the Fund, bringing it up to roughly £3.8m, it therefore looks like a further £1m has been allocated.

It also mentions: “The transition to a net-zero economy is at the heart of our **economic strategy**.” Not entirely clear how this is the case given that the Economy Strategy was released before the climate emergency was recognised.

**Green and blue infrastructure** is noted: “Scotland's natural environment is a valuable health-promoting asset, with investment in our green and blue infrastructure encouraging a healthier and more active Scotland.”

Finally, mention is made of environmental standards and governance: “The portfolio is heavily impacted by EU exit, with essential funding, labour, scientific expertise and around 80 per cent of our environmental legislation coming from the EU. In line with our commitment to **maintain environmental standards after EU exit**, putting in place new arrangements for environmental law and policy will continue to be priorities for this portfolio.”



### The numbers:

All figures are in £m.

This year, the funding figures for SNH and SEPA (and other agencies) have been presented differently. First there is what is described as NDPB non-cash resource and then the cash allocated to the agencies as part of the ‘Environmental Services Budget’ which supports work to enhance and protect the environment while meeting European standards.

	2018-19	2019-20	2020-21
TOTAL ECCLR	405.5	426.6	461.8
SEPA (NDPB)	2.1	2.7	4.9
SNH (NDPB)	1.9	1.9	2.5
SEPA (env services budget)	35	34.4	37.1
SNH (environmental services budget)	46.5	46.5	49.1

All ECCLR budget lines have increased in cash terms. The budget document also sets out how each area of spend contributes towards specific national outcomes.

### 3. REC Portfolio

Spending plans are set out on pp.195-210.

#### The framing:

The opening of this chapter frames agriculture as primarily contributing to the economy. The objective of spending in this area is to boost the rural economy, as opposed to also contributing to broader sustainability or biodiversity goals. For example, support will be given “to increase the contribution of forests and woodlands to Scotland’s sustainable and inclusive economic growth.”

#### The numbers:

All figures in £m.

	2018-19	2019-20	2020-21
Agri-Environment	46.4	43.0	42.7
Agri Transformation Fund	–	–	40



*This is an internal briefing for LINK conveners and vice conveners.*

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