

**WWF Scotland** 

CodeBase Edinburgh, Argyle House, 3 Lady Lawson Street, Edinburgh, EH3 9DR

Tel: 0131 659 9100 scotland@wwf.org.uk wwfscotland.org.uk

# **PROGRAMME FOR GOVERNMENT 25-26**

WWF Scotland Briefing - 7 May 2025

### **SUMMARY**

One year ago, the Scottish Government acknowledged that it was no longer on course to meet its 2030 climate targets, leading to the removal of the legal obligation to do so. Delays in implementing the commitments made twelve months ago exemplify the need for a stronger, more coherent approach. As we enter the final year of this administration, WWF Scotland had hoped to see more ambition and detail of how the Scottish Government would meet one of its top priorities of how to deal with Scotland's climate and nature emergencies, including:

- **Supporting Green Jobs and Technologies** by actively promoting the adoption of heat pumps and heat networks to reduce carbon emissions reducing energy bills and creating employment opportunities.
- Strengthening the Heat in Buildings Bill to set clear markers for transitioning from fossil fuel heating to clean, renewable heating providing certainty for homeowners and businesses, enabling them to plan and adjust accordingly.
- Bold Agricultural Policies to support farmers and crofters adopt innovative and environmentally beneficial
  practices including expanding the knowledge transfer and skills development service available to farmers and
  crofters speeding up emissions reductions, delivering transformational change and creating green jobs in
  rural areas.

The Scottish Government's own <u>statistics</u> reveal that 72% of people feel climate change is an immediate and urgent problem and almost half of Scots think that reaching net zero by 2045 would improve their quality of life. The 2025-26 Programme for Government provided an opportunity to reaffirm Scotland's commitment to a greener, fairer and just future. WWF Scotland looks forward to the publication of the upcoming Climate Change Plan in the hope it will set out robust policies to meet the first carbon budget and set Scotland on track for 2045 net zero climate emission goals.

#### SUPPORTING GREEN JOBS AND TECHNOLOGIES

The Programme for Government 2025-26 should have included commitments to a high-profile awareness-raising campaign on the benefits of the transition to clean, warm, and healthy homes for everyone in Scotland with information on the level of financial support available to households. This is needed to cut our carbon emissions and free people from volatile fossil fuel prices – a big factor in the cost-of-living crisis.

Heating for homes and buildings is **one of the largest emitting sectors in Scotland**, accounting for 20% of our annual carbon emissions and 50% of our annual energy use. Around 90% of homes still use oil and gas for heating, with 50% of homes below the recommended levels of energy efficiency. Furthermore, fuel poverty has reached unprecedented levels with **1 in 3 households in Scotland struggling to afford to heat their homes** as a result of poor insulation and soaring fossil fuel prices.

Installing clean heating systems, such as electric heat pumps, powered by Scotland's abundant homegrown renewables in combination with better insulation in our homes and workplaces will have a transformational impact on people's lives in Scotland, delivering affordable warmth for households and determining whether Scotland remains on track to meets its climate obligations. The Scottish Government **funding support** for energy efficiency measures at £300M announced in the budget and re-affirmed in the Programme for Government is **welcomed**. Alongside this we need to see a **clear commitment to supporting heat pumps as the lowest cost and most versatile electric solution for heating**, with the potential to cut annual carbon emissions associated with household heating by up to 90%, and with additional policy reforms can become more cost-effective than gas boilers.

WWF Scotland believes that technologies like hydrogen are best suited for hard to decarbonise sectors where there aren't other alternatives available such as heavy industry, heavy transport and electricity generation. Therefore, we don't support the use of hydrogen for heating due to the risks diverting it from more valuable uses. Focus should be on existing tried and tested technologies like energy efficiency measures and heat pumps which we know work now and should form part of the revised Heat in Buildings Bill.

#### The co-benefits of the transition to clean heat include:

- The transition to clean heating has been estimated to create **16,400 additional jobs by 2030** in Scotland, and increase GDP by nearly **£5 for every £1 invested in energy efficiency**. A strong HiBB would give industry the clarity needed to invest in job creation and heat pump manufacturing.
- A **reduction of around 15% in annual energy bills** (£365 at current energy prices) **and carbon emissions** (around one tonne) per home that meets the minimum energy efficiency standard roughly equivalent with an EPC 'C' rating.
- Delivering healthier and warmer home environments through clean heating and energy efficiency measures
  can reduce health-related public spending and deliver improved public health outcomes. It is estimated
  that it costs NHS Scotland between £48m and £80m per year to treat health conditions caused as a result of
  living in cold homes.

## STRENGTHENING THE HEAT IN BUILDINGS BILL

WWF Scotland looks forward to the speedy introduction of the Heat in Buildings Bill, but it needs to reverse the recent watering down of proposals. As it stands, the proposed bill may not effectively address fuel poverty for those most in need, nor does it set the necessary measures to transition from fossil fuels to clean heating. Additionally, it does not provide certainty to the industry delivering the clean heat transition.

WWF-Scotland has been calling for the **introduction of the Heat in Buildings (Scotland) Bill to create warmer and healthier homes for everyone living in Scotland** aligned with our ambition to tackle fuel poverty by 2040 and reach net zero by 2045. This regulation would need be **introduced before summer 2025** to allow sufficient time for parliamentary scrutiny, while providing certainty to the industry delivering the clean heat transition. The bill should include the following **measures**:

- Create a requirement for all owner-occupied homes to meet the minimum energy efficiency standard by 2033, and include a requirement for all private-rented to meet this standard by 2028;
- Establish a power for Scottish Ministers to introduce requirement for homeowners to **fit clean heating** within a 2-5 year grace period after property purchase;
- Establish a power for Scottish Ministers/Local Authorities to introduce a requirement for homeowners within a designated Heat Network Zone to receive a deadline for **connecting to a heat network** once available;
- Ensure a requirement for all building owners to end the use of polluting heating systems by 2045.

This must crucially include a combination of **public and private financial support**, as well as **information and advice**, for households to support them in making these improvements. These measures include:

- Working closely with the UK Government to tackle unaffordable household electricity prices by restructuring the electricity market to rebalance the gas and electricity price ratio. This will ensure that clean heating systems, such as electric heat pumps, become cost-effective with progress towards decarbonising heating at scale made possible.
- Maintaining financial support for existing grant and loan schemes covering energy efficiency upgrades and clean heating installation costs for fuel poor and able-to-pay households, as well as exploring new public and private financial mechanisms that incentivise installation.
- Delivering a high-profile awareness-raising campaign on the benefits of the transition to clean, warm, and healthy homes for everyone in Scotland with information on the level of financial support available to households.
- Support the development of a national network of one stop shops across local authorities in Scotland to supplement the provision of retrofit advice by Home Energy Scotland (HES) and deliver tailored support to homeowners throughout the entire retrofit process.

Polling showed that **the majority of Scots** support policies to **phase out fossil fuel boilers** with even stronger support for regulation to **improve the energy efficiency of homes**. The longer clear regulation and investment on affordable warmth is delayed the further astray we will be from the pathway to reaching net zero by 2045 and tackling fuel poverty by 2040, while leaving households tied to volatile fossil fuel prices for longer.

## **BOLD AGRICULTURAL POLICIES**

Over the course of this Parliament, the Scottish Government has repeatedly set out its ambition to make our farming sector a world-leader on climate and nature-friendly farming. Unfortunately, to date, we've seen delay and missed opportunities to bring forward policies that could support farmers and crofters restore nature, reduce their emissions, while producing food, and the Programme for Government 2025-26 contains no proposals today to deliver the scale of transformation needed for that.

Agriculture is the second **largest source of greenhouse gas emissions in Scotland**. Emissions from agriculture have remained almost static for over a decade, decreasing by only 1% between 2021 and 2022. Livestock emissions, animal waste and fertilisers are the main sources of greenhouse gas emissions. To remain on track to reach net zero as a nation, the sector will need to see dramatic reductions in emissions. However, emissions have remained almost static for over a decade, decreasing by only 1% between 2021 and 2022<sup>1</sup>.

New and ambitious agricultural policy must provide stability to farmers seeking to take positive steps to decarbonise, reduce dependence on external inputs, and weave nature back into their farmland. It must also ensure farmers and land managers can adapt to changing markets, and a changing climate. There is a clear need to take all available established opportunities in the short-term for Scotland to remain on track for net zero as a nation:

A report from WWF Scotland and the Soil Association 'Farming for Net Zero: Transitioning Scottish Agriculture' highlighted certain measures of the Scottish Government's proposed policy framework can be considered 'low hanging fruit', which should be implemented without delay<sup>2</sup>. This is critical given that the report also identifies potential difficulties with implementing some of the measures proposed to reduce greenhouse gas emissions on-farm, including a lack of data and evidence on measures and several barriers to uptake. The report makes the following recommendations:

<sup>&</sup>lt;sup>1</sup> Scottish Government, *Greenhouse Gas Statistics 2022*: <u>Scottish Greenhouse Gas Statistics 2022 - gov.scot</u>.

<sup>&</sup>lt;sup>2</sup> Dr Sarah Buckingham; Tushaani Naidu; Anna Sellars; Fiona Salter; Matt Herbst; Seamus Murphy; and Dr Lorna Cole, *Farming for Net Zero: Transitioning Scottish Agriculture*: <a href="https://www.wwf.org.uk/sites/default/files/2024-09/WWF-Soil-Association-Net-Zero-Farming-Full-Report.pdf">https://www.wwf.org.uk/sites/default/files/2024-09/WWF-Soil-Association-Net-Zero-Farming-Full-Report.pdf</a>.

- o More **monitoring of current on-farm activities** in relation to agricultural reform measures and management practices contributing to greenhouse gas mitigation;
- Further research into emissions associated with agricultural reform measures;
- o **Addressing barriers** to uptake and supporting the adoption of new measures on-farm.
- A recent WWF Scotland report on financing regenerative agriculture aims to guide and accelerate the agriculture sector's transition through policy and finance recommendations. The report sets out a timeline of actions for policy makers and government, with deadlines for the end of 2025, 2026 and 2027<sup>3</sup>. Milestones include:
  - By end of 2025: publish an ambitious Rural Support Plan; publish a Code of Practice for Sustainable and Regenerative Agriculture that puts Scotland on the path to being a world leader; set ambitious targets, policies and proposals for agriculture in the next Climate Change Plan; give Regional Land Use Partnerships mandate and support to coordinate investment to deliver landscape and catchment scale collaboration;
  - o By end of 2026: improve **Whole Farm Plans** to include a wider range of actions; increase the **budget for agricultural knowledge and innovation** systems to £20 million per year.

WWF Scotland recognises the importance of high-quality food production, but we know that there will be no food security without nature. Moving to a sustainable production model is the only way to build up the fertility of our soils and safeguard food production in Scotland for future generations.

- WWF Scotland believes that 75% of available funding for agriculture should support measures which enable farmers to produce food while restoring nature and tackling climate change. By supporting activities such as integrating trees and hedges, peatland restoration and improved soil management, we can help nature thrive, lock in carbon and support climate adaptation, whilst building resilience into the agricultural system. Adopting climate- and nature-friendly measures can deliver win-wins for farmers and crofters as the local climate changes, with healthier and more diverse ecosystems more resilient to shocks.
- By introducing regenerative farm practices<sup>4</sup>, including minimising or eliminating tillage where appropriate, rotational livestock grazing and planting cover crops the majority of Scotland's farmers and farm businesses are better able to remain profitable as the frequency of extreme weather events increases.
- Investing in advice, knowledge transfer and innovation while developing a new farm payments system will allow farmers and crofters to be better equipped to make changes when legislation comes into force. Investment in skills should be scaled up so that by 2027 Scottish farmers and crofters are prepared for engagement with new funding schemes Delaying investment in innovation and knowledge transfer, the Scottish Government risks missing a key opportunity to prepare the sector for future policy developments and give confidence to the sector to take up new measures. This lack of investment risks creating a skills and knowledge gap across Scottish agriculture and hinders a just transition for all.

There is **strong public support for changing how we support Scottish agriculture**. Polling carried out by Survation for WWF Scotland<sup>5</sup> found 54% believe that farmers should be paid for how they manage their land, and 89% believe that farming and crofting has an important role to play in tackling climate change and restoring nature. The polling also showed that 74% believe farmers should be paid to produce food, protect nature and reduce emissions.

Contact	Frances Johnston, Public Affairs Advisor
Email	FJohnston@wwfscotland.org.uk

<sup>&</sup>lt;sup>3</sup> WWF Scotland, A Roadmap for Financing a Regenerative Agricultural Transition in Scotland: <a href="https://www.wwf.org.uk/our-reports/roadmap-financing-regenerative-agricultural-transition-scotland">https://www.wwf.org.uk/our-reports/roadmap-financing-regenerative-agricultural-transition-scotland</a>.

<sup>&</sup>lt;sup>4</sup> WWF Scotland, *The Impact of Extreme Weather Events on Scottish Agriculture*, <a href="https://www.wwf.org.uk/our-reports/impact-extreme-weather-events-scottish-agriculture">https://www.wwf.org.uk/our-reports/impact-extreme-weather-events-scottish-agriculture</a>

<sup>&</sup>lt;sup>5</sup> Survation polling results: <a href="https://www.survation.com/wwf-scotland-pr-tables/">https://www.survation.com/wwf-scotland-pr-tables/</a>