

John Swinney MSP
First Minister
Scottish Government
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

Date 26 January 2026

Dear First Minister,

Climate Change

Climate change and the City of Edinburgh Council's efforts to reduce emissions in Edinburgh have been discussed on several occasions in recent months and as such, I would like to raise a number of points with you on this subject.

Edinburgh has an ambitious target to achieve Net-Zero by 2030, and the City of Edinburgh Council is working with partners across the city, and the wider region to achieve this goal.

The Council's Policy and Sustainability Committee recently received an update on our progress on reducing emissions across the city, and we are forecast to achieve a reduction of 60% by 2030. While this is a significant reduction, it falls short of our ambitious target and Elected Members agree that more must be done to enable the Council to move at the pace and scale required.

Climate Funding

Given the complexity of reducing emissions, there are many barriers, but it is our view that one of the key enablers of faster delivery would be flexible multi-year funding, coupled with an increase in the total funding available. Annual funding allocations aligned to specific projects make long-term, strategic planning very difficult and hamper project delivery in several areas.

We welcome the recent commitments in the draft national Climate Change Plan for multi-year funding for key transport workstreams. Officers are engaging with the Scottish Government's Climate Change Plan's officials to understand the pace and scale at which this welcome change will be rolled out. While transport is a priority for decarbonising Edinburgh, it is not the only sector that would benefit from multi-year funding to help us tackle our emissions. We therefore seek more detail from the Scottish Government on how this approach could be expanded to other key emission

Councillor Jane Meagher

Leader of the City of Edinburgh Council

City Chambers, High Street, Edinburgh EH1 1YJ

Tel: 0131 529 3281 Email: cllr.jane.meagher@edinburgh.gov.uk

sectors and associated workstreams, such as improving the energy efficiency of social housing.

Resources such as the Heat Network Fund, Public Sector Heat Decarbonisation Fund, and Social Housing Net Zero Heat Fund are greatly valued. The bidding process for these funds is however arduous, competitive and the funds come with strict conditions on how and when they can be used. I would be interested to learn if there are any discussions taking place within the Scottish Government on the alignment of place-based funding across all aspects of climate and nature funding as opposed to the current siloed focus. This would mark a significant change in our ability to deliver transformational projects that would make a real impact on our carbon emissions.

We would be keen to discuss with the Scottish Government ways to fund Net-Zero activities that are not restricted to specific projects or bound by spend deadlines. This would give local authorities the ability to carry out discretionary capital expenditure aimed at unlocking further investment. Such an approach would reflect the role of local authorities as key delivery partners in decarbonising heat, a role that is not currently reflected in the allocation of resources and powers.

We recognise that the public sector is collectively currently facing a challenging financial situation and while there is uncertainty on the outcomes of the multi-year Scottish Spending Review, the Council are keen to work together with the Scottish Government to bring this approach forward so that we can address our collective challenge of tackling climate change and reaching net zero.

We would also be keen to explore with you the scope for the Scottish Government to take a long-term stake in transformational projects. There are bodies offering finance for the development of heat networks and other Net-Zero projects, yet we feel there is still a significant gap in the market in terms of public sector capital that can take a long-term stake in projects, sharing in risk and reward, and help to bring in further investment from the private and/or third sector.

Green Heat Finance Taskforce

While we hoped the Scottish Government may have included more action to support domestic retrofit and decarbonisation in their outlined next steps, we welcome the Government's recent response to the Green Heat Finance Taskforce recommendations. We note that the Government has deemed many of the actions are to be taken forward by the next administration. We look forward to working with them on progressing these important actions, which would represent a step change in our ability to deliver heat networks, as well as allowing the use of blended finance models to deliver other decarbonisation programmes across the city.

Heat Networks

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I was disappointed to learn that the Scottish Government has announced that the Heat in Buildings Bill will not be progressed during this session of Parliament. Buildings are by a long way the largest climate emissions sector in Edinburgh, accounting for 58% of emissions.

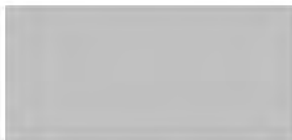
I am concerned at the uncertainty over the legislative and funding framework for building decarbonisation and heat networks, and their implications for Edinburgh. Urgent clarification from the Scottish Government is required and I look forward to receiving this in due course.

Data Centres

In recent months, it has come to my attention that there are significant legislative gaps in dealing with data centres, particularly relating to the requirement for an Environmental Impact Assessment where there is significant electricity use. I urge you to consider including data centres in schedule 2 of EIA legislation over certain electricity use thresholds; the requirement to connect to a heat network and the powers of local authorities to require developer contributions where there may be significant demands on the electricity grid.

This fight is a generational challenge and one in which cities like Edinburgh undoubtedly have a key role to play. National government, however, has powers and financial resources that local authorities do not. I urge you to use these to address the aforementioned barriers as soon as possible, enabling us to help the Scottish Government achieve the Net-Zero by 2045 target.

Yours sincerely



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