



UNISON Scotland response: Just Transition Commission Interim Report June 2020

Introduction

UNISON is Scotland's largest trade union with members across the public, private and voluntary sectors. We are the largest trade union in the gas and electricity sectors, as well as in local government and other sectors with a specific interest in this issue, such as the Scottish Environmental Protection Agency. UNISON Scotland is a member of the Just Transition Partnership, created by Friends of the Earth Scotland and the STUC in 2016, and part of the coalition of over 80 civic organisations calling for a Just and Green Recovery from Covid-19.¹

We welcome the Commission's interim report and the opportunity to inform the final stage of the Commission's work.

What do you see as the main economic and wider social opportunities and challenges associated with meeting Scotland's climate change targets?

The future of life on earth is at stake. 800 million people live in places which have declared climate change an emergency. An emergency requires emergency planning and leadership by both national and local government. The type of planning required has already been set out by the Just Transition Partnership, of which we are a member, of which more below.²

The economic and social opportunities and challenges associated with meeting Scotland's climate change targets are well known. It is imperative we take the right action now.

Over the past few months we have learnt there is an enormous collective will in Scotland to pull together in the face of a public health threat. It is also clear that public and government initiative, direction and control was necessary when addressing the major challenge of the pandemic, and that private ownership proved a weakness in organising provision of care and supplies for care workers.

Climate change presents a far greater threat to our way of life than covid-19. However, we can create quality jobs and regenerate our economy if we mobilise the support of the population for a green industrial plan. This is the way to avert environmental disaster. **We believe that mobilising support means engaging, supporting and empowering public sector bodies, particularly local authorities, to take leadership roles and be active players in the economic and climate challenges within their areas and sectors.**

Councils should strengthen their role in leading local partnerships, and be given greater access to funds to be able to initiate actions with other bodies and communities. This must include:

- stronger planning authority to ensure developments are in line with the Just Transition principles;
- powers to initiate projects in partnership with other local players, as well as;

¹ <https://foe.scot/wp-content/uploads/2020/05/FM-letter-on-Just-and-Green-Recovery-May-2020-1.pdf>

² <https://foe.scot/resource/the-just-transition-challenge-in-scotland/>

- measures to strengthen the voices of environmental statutory consultees in the planning process.

To engage communities there needs to be genuine engagement with climate change/sustainability plans developed for and with communities involving residents, businesses, land owners, farmers, transport providers and users, local trade union representatives and environmental groups.

In addition to the economic and climate challenges there are the ongoing challenges of inequality, health, educational attainment, fuel and heat poverty, food insecurity and homelessness. Just Transition principles should embrace these challenges by, for example:

- The retro-fitting of houses to address the economic and climate challenges but also the health, fuel and heat poverty challenges.
- The extension of local renewable energy generation to address economic and, through the creation of local skilled jobs, inequality and educational attainment.

The unprecedented drop in economic activity during the pandemic – dramatic in both scale and rapidity – requires a radical response. This response must be based on Just Transition principles; and driven by the combined goals of reducing carbon emissions, strengthening climate resilience and eliminating the obscene levels of pre-existing inequalities.³

Undermining this is the challenge of corporate self interest, illustrated by the recent refusal by transport operators to cooperate with a subsidised bus retrofit programme to reduce emissions. Scottish Government funding of £7.9m was barely used, as bus operators held out, demanding the higher rate of subsidy available to them in England.⁴

The time for incentivising behavioural change and relying upon goodwill is past; it's an approach which cannot deliver change at the rate that is needed. Government investment must prioritise economic activity which helps to meet climate change targets, and with the investment used as leverage to **guarantee** the implementation of Just Transition principles by economic actors.

4. What actions do you think the Scottish Government should take to manage the opportunities and challenges referenced above?

Bold interventionist leadership is needed to meet the scale and urgency of the task. Strategic national direction and intervention is needed to support planning and action undertaken by Councils, NHS Boards and other partners at a local level.

- City Region and City Growth Deals must be transformed to deliver the green and just transition our communities need. Climate change aims should have been at their core.
- The Government's Economic Strategy needs to be similarly revised and transformed.
- Every strategy for which national government is responsible must be mobilised and joined up to provide the emergency response required.

³ <https://www.unison-scotland.org/wp-content/uploads/UNISON-Scotland-response-Advisory-group-on-economic-recovery-group-2020-1.pdf>

⁴ <https://foe.scot/press-release/government-funding-air-pollution-ignored-bus-companies/>

Economic and industrial planning: Shortening supply chains to reduce carbon emissions and stimulate domestic economic activity should be an explicit public policy aim.

The Covid crisis has illustrated the fault lines in a supply chain that relies on production of materials on the other side of the world with limited capacity locally to ensure supplies when the global market failed. The huge increase in costs associated with this and the huge environmental cost of transporting products around the world demonstrate starkly the need to develop local production and supply systems for health, economic, emergency planning and environmental reasons. Air and sea travel emissions should be accounted for in any Just Transition, as should other outsourced emissions from imported goods.

As the Just Transition Partnership recommends, the shift to a zero-carbon economy requires detailed plans for every industry, company and workplace to reduce the use of carbon. These plans must be drawn up between employers, trade unions and government, with the aim of creating jobs, protecting livelihoods, and reducing poverty. The growing levels of youth unemployment provide an added impetus.⁵ The expertise of the further and higher education sectors and Skills Development Scotland must be used to guarantee access to re-training for workers in the fossil fuel industries, and quality apprenticeship schemes in the renewable sectors.

These must be supplemented by agreements at enterprise and sectoral levels, accompanied by targets and timescales. Public sector procurement and licensing should build in these expectations, including licensing of oil and gas decommissioning and building of offshore wind installations. To ensure justice for affected communities, regional or local plans are needed, of which more below.

This must be complemented by the introduction of sectoral bargaining arrangements based upon the Scottish Fair Work Framework agreement. Standardisation of pay and conditions is vital for a just transition.

Particular supports will be needed for those sections of the economy who are big users of carbon fuels. Part of the solution in these areas may be carbon capture and storage. Whilst there are doubts as to whether this can be a large scale solution we believe that investment in the research and development of carbon capture and storage is an opportunity for re-skilling industry, the securing of existing employment and the retraining of workers. If it is a viable option Scotland, with its existing infrastructure of oil and gas pipelines and North Sea installations, could be in an advantageous position to exploit this potential.

Transport: is the largest single source of Scotland's greenhouse gas emissions and remains the largest obstacle to emissions reduction.⁶

The increase in cycling and walking during the pandemic shows the potential if these were made easier and safer. Applying Christie Commission principles, a comprehensive national plan of preventative spending on active travel will save the country money through mental and physical health improvements.⁷ Quality of life will improve by joined this up with planning decisions, and with investment in the planning, design, management and maintenance of green spaces by Councils.

⁵ <https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2020/06/labour-market-trends-june-2020/documents/labour-market-trends-june-2020/labour-market-trends-june-2020/govscot%3Adocument/Labour%2BMarket%2B-EXTERNAL%2BOUTPUT.pdf>

⁶ <https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2020/06/scottish-greenhouse-gas-emissions-2018/documents/scottish-greenhouse-gas-emissions-2018/scottish-greenhouse-gas-emissions-2018/govscot%3Adocument/scottish-greenhouse-gas-emissions-2018.pdf>

⁷ <https://www.gov.scot/publications/commission-future-delivery-public-services/>

The increase in home and flexible working during the lockdown should be built on with employers encouraged to facilitate this through negotiated agreements to support the practice therefore reducing the number of people travelling, particularly during rush hour times.

Only a radical transformation of public transport – free or low fares, more routes, improved frequency and integration, multi-modal ticketing, as well as greener – will be sufficient for people to shift from private cars. In the process inequality will be reduced and access to the labour market opened up. This can be achieved by local authorities re-regulating and municipalising bus transport, using the powers in the Transport (Scotland) Act 2019, extending the powers and funds of regional transport authorities, and creating national bargaining arrangements to secure Fair Work in the transport sector. In the meantime a more directive approach is needed from government to speed the pace of emission reduction.

Land management: Well-managed soils and plants, especially trees, can store and absorb (sequester) huge quantities of CO₂. Approximately one third of all greenhouse gas mitigation required before 2030 could be delivered globally by natural climate solutions. This includes protecting existing woodland, additional tree planting, and peat and wetland restoration. With the right advice and incentives from national government, the farmers who manage 75% of the land can play a key role in delivering land-based solutions to carbon sequestration, creating jobs in the process.

Energy: The Scottish people have paid the price since the 1970s of allowing private interests to control national energy assets. The Interim Report cites decades of failure to create jobs in the renewable industry's supply chains. We cannot continue to allow these same mistakes to be repeated.

It is clear from the drop in private sector investment in the renewable sector that only public investment will take this forward and so the predominant ownership model within energy needs transformed.

A Publicly Owned Energy Company (POEC) which is just another energy supply company (as proposed by the Scottish Government) is not what is required, and is also incredibly poorly timed. A Just Transition requires a POEC with powers over distribution and generation to lead the transformation of the energy sector.⁸

Municipal energy companies, alongside community owned generation, linked into local power grids for the benefit of local residents, businesses and public sector properties (schools, hospitals, etc) should be a stated intention within the Government's energy strategy. Power and incentives should be provided for the establishment of council run, municipal energy companies utilising the land and buildings owned by councils, linking to other public sector assets and skills in their area to create renewable generation capability. These would lay the basis for the creation of local power distribution grids, to supplement, but reducing the loss incurred in transporting electricity across, the national grid.

Using the industrial planning approach described above, the Scottish Government must make sure that our communities and our workforce gain the full benefits of the transition to green energy. Public sector procurement and licensing should build in these expectations, including licensing of oil and gas decommissioning, building of offshore wind installations, and retro fitting energy conservation and solar pv to homes and other buildings.

There is a need to address the reliance on natural fossil fuel gas as the main source of heating in homes. The extension of research and trialing of hydrogen as an alternative should be increased. Scotland has the advantage of the possibility of excess renewable electricity generation that could be

⁸ <https://unison-scotland.org/wp-content/uploads/UNISON-Scotland-Offshore-Wind-Response-April-2020.pdf>

used for the production of hydrogen without the use of fossil fuels and the capacity to transport it through existing gas networks.⁹

We need strategically targeted support for research and development programmes including government, companies and universities, alongside investment in start-up companies in the solar panel industry, wind turbines and other forms of renewable energy. Investment in green technologies must be accompanied by a strengthening of protections for our natural resources, especially our water and peatlands. The POEC must also have a role in promoting and supporting local energy cooperatives and smaller municipally owned energy companies, working with local authorities.

Water: Action to address water scarcity by improving water infrastructure is needed to ensure resilience against climate change across Scotland, with the potential for re-deployment of workers from the fossil fuel industries.

Investment: All the planning, research and development activity above will come to nought without available funding, evidenced by the collapse in investment in green energy since 2015.¹⁰ The scale of resources needed to achieve a carbon zero economy along with sources of investment must be identified. The Scottish National Investment Bank should have an important role to play but must be better capitalised to do so. Its current annual capital spend of £200m is inadequate. The remit and role of locally provided public services in delivering a Just transition needs to be recognised in budget settlements.

3. What would a successful transition to net-zero emissions look like for your sector/community?

The role of public services

By the start of this year, more than half of Scottish Councils had declared a climate emergency.¹¹¹² Local government and other public service organisations have a major role to play in delivering a just transition locally.

There are many examples of Councils developing projects to reduce energy use, generate energy from renewable sources utilising their properties and land assets, and linking with other public sector organisations, businesses and communities. **However there is not enough support or direction to ensure that successful projects are then built upon in other areas and become widespread. This is partly due to Councils having limited capacity and access to investment.**

The concept of a foundation economy, one which is based upon the essential public goods and services we all rely upon, links to key sectors within the Climate Change Plan including water, transport, green open spaces, waste, land use, residential housing and healthcare. Just transition principles must be at the core of building and consolidating this foundation economy.¹³

The economic recovery demands a pipeline of 'shovel ready' tasks ready to receive government funding. Local authorities and their partners can provide these and ensure quality training and apprenticeships, targeting employment opportunities at the most vulnerable people: delivering energy efficiency schemes, building cycle paths; planting trees, developing green open spaces in urban areas; the list is endless.

⁹ <https://www.northerngasnetworks.co.uk/event/h21-launches-national/>

¹⁰ ¹⁰ <https://www.parliament.uk/business/committees/committees-a-z/commons-select/environmental-audit-committee/news-parliament-2017/green-finance-report-published-17-19/>

¹¹ <https://www.climateemergency.uk/blog/list-of-councils/>

¹² 17 out of 32. Across the UK 67% of local authorities have declared an emergency.

¹³ <https://foundationaleconomycom.files.wordpress.com/2017/01/wp131.pdf>

Implementation: For this to be effective, national sectoral planning with targets and timescales (described above) must map onto local government climate change strategies and link to local strategies and plans for the economy, transport, housing etc, with targets and timescales attached.

Planning & infrastructure: all local authority planning decisions **must** contribute to emission reduction targets and climate change resilience. Reduction targets and Just Transition principles should be a condition for all supported projects under City Region and Growth Deals, and clear requirements placed on these. This must include standards for job quality and participation in training initiatives and a requirement that the majority of jobs created should be in local supply chains.

Community wealth building: To reduce emissions, the procurement activities of local authorities, health boards and other anchor institutions should seek to maximise spend amongst locally owned and controlled SMEs. This can only be achieved by direction, involving a detailed analysis of supply chains as North Ayrshire and Glasgow City Councils have undertaken. This must be complemented by measures to develop local businesses to fill the gaps where none currently exist, helping to create jobs. As part of this, councils should develop strategies to promote a strengthened and growing mutual and cooperative sector in their areas directed at achieving social as well as economic and environmental aims.

Transport: the radical improvement of public transport is an urgent priority. It requires action by local authorities individually, and through their role in regional transport authorities and City Regions. Municipally owned bus companies similar to those in Europe could, within a re-regulated system, develop new income streams for Councils and funds for re-investment by saving money currently siphoned off to shareholders.

Parks and green spaces: in its advice on post-Covid recovery, the Committee on Climate Change¹⁴ emphasised the importance of parks, trees and other green space for mental wellbeing during the lockdown. However these are in decline both in area and quality after a decade of squeezed council budgets. These must be given higher priority in a Just Transition, and recognised as such in national budget decisions. Besides improved health, the environmental benefits derived from open green spaces bring savings which more than cover maintenance costs.

Energy: Public services are significant users of energy and fossil fuels. There is a need for a public sector plan to de-carbonise. UNISON is commissioning research into this. Scotland could be a world leader if the actions recommended in this response are implemented. **However there is a need for investment in this to allow the public sector to progress within the necessary timescales.**

Incentives must be available to local authorities to support the transition to green energy through the creation of municipal energy companies e.g. Fairerpower Red Rose (Preston and East Lancashire Councils), the development of district heating systems (e.g. Glasgow's Commonwealth Village), and community energy schemes.

Energy efficient housing: A common standard for energy efficiency should be applied **across** housing tenures. It is unjust to place the costs of improving energy efficiency onto local authority landlords, while applying *lower* energy efficiency standards to properties within the Private Rented Sector. The most likely outcome will be rent increases for social tenants. A publicly funded programme is the fairest and

¹⁴ <https://www.theccc.org.uk/2020/05/06/take-urgent-action-on-six-key-principles-for-a-resilient-recovery/>

most effective solution to this challenge. Scotland should follow the example of Germany, whose substantial energy efficiency programme required significant public funding, but where the public purse ended up being a net beneficiary.¹⁵

Getting every home up to the required energy rating should be a public sector led employment creation and training programme. It will involve the training and organisation of thousands of workers Scotland-wide to assess, organise and deliver the home improvements needed to address decarbonisation, from basic insulation to smart meters and solar panels. Delivering a programme of this scale is unlikely to be achieved quickly based on existing local supply chains. It must be used as an opportunity to generate local employment and apprenticeships, ensuring the quality of the jobs created by ensuring these are in line with the Fair Work Framework, while supporting the development of cooperatively owned community companies and social enterprises to carry out the work.

5. Are there specific groups or communities that may be, or feel that they may be, adversely affected by a transition to a net-zero carbon economy? What steps can be taken to address their concerns?

Many groups and communities from the offshore industries-reliant North East, to the remoter West Coast and Northern Isles, will be left behind without the type of approach set out here, and expanded upon by statements by the Just Transition Partnership. Preventing this requires planning and careful implementation at national, sectoral and local levels. The 2019 Sea Change – Climate Emergency, Jobs and Managing the Phase-out of UK Oil and Gas Extraction report provides a good foundation for this process.¹⁶

6. Please provide here any other information, evidence, or research you consider relevant to the work of the Commission.

Climate change risks to public and private sector infrastructure are not assessed in the Interim Report. Net zero emissions are a means to mitigate catastrophic climate change impacts this century not a nice to have. Short, medium and long term climate change impacts upon a range of public infrastructure needs to be quantified at local, regional and national levels in parallel to the just transition to a net zero carbon emissions Scotland.

The Just Transition Commission should be established as a Scottish Government department to deliver the Scottish Climate Act, with a clear reporting mandate to the Scottish Parliament and the Citizens Assembly.

¹⁵ STE Research Report 2011– Impact on public budgets of the KfW promotional programmes. Forschungszentrum Julich.

¹⁶ <https://foe.scot/resource/sea-change-climate-report/>