

Agenda Item	5
Report No	CCWG/9/20

## HIGHLAND COUNCIL

**Committee:** Climate Change Working Group

**Date:** 11<sup>th</sup> August 2020

**Report Title:** Just Transition Commission - Call for Evidence

**Report By:** Climate Change Officer

### 1. Purpose/Executive Summary

1.1 This report provides a summary of the Council's response to the recent Just Transition Commission call for evidence on the public sector's role in tackling the climate emergency.

### 2. Recommendations

2.1 Members are asked to note the contents of this report.

### 3. Implications

3.1 Resource – there are no resource implications arising from this report.

3.2 Legal – there are no legal implications arising from this report.

3.3 Community (Equality, Poverty and Rural) – there are no community implications arising from this report.

3.4 Climate Change/Carbon CLEVER – the Public Sector has a key role to play in supporting the just transition to a net zero future. The response to the call for evidence sets out some of the key challenges and opportunities which are likely to be faced by local authorities in supporting this agenda over the coming years.

3.5 Risk – there are no risk implications arising from this report.

3.6 Gaelic – There are no Gaelic implications arising from this report.

### 4. Background

4.1 The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 contains some of the most ambitious statutory emission reductions anywhere in the world, setting a target for Scotland to end its contribution to climate change no later than 2045. The transition required to meet these

targets will involve a number of long-term structural changes to the economy that will require a response and active management from the Scottish Government.

- 4.2 Against the backdrop of increasingly ambitious emission reduction targets, calls for fairness in climate action and securing a 'just transition' have emerged. The concept of just transition refers to the need for Governments to take action to reduce emissions in a way which is fair and leaves no-one behind.
- 4.3 To that end, the Scottish Government have established the Just Transition Commission, to provide Scottish Ministers with practical, realistic and affordable recommendations for action that will:
- Maximise the economic and social opportunities that the move to a net-zero economy by 2045 offers;
  - Build on Scotland's existing strengths and assets; and
  - Understand and mitigate risks that could arise in relation to regional cohesion, equalities, poverty (including fuel poverty), and a sustainable and inclusive labour market.
- 4.4 In February 2020, the Just Transition Commission launched a call for evidence to inform the development of the Commission's final recommendations, which will be reported in January 2021. This report provides a summary of the Council's submission, and a full copy of the response can be found at **Appendix 1**.

## 5. Call for Evidence – Key Issues

- 5.1 The Just Transition Commission have recognised that there are four key themes which need to be considered to ensure that the recommendations that are made to Scottish Ministers are adopted. These are:
- **Planning ahead** – clear transition plans need to be developed for individual sectors if Scotland is to capture the economic and social opportunities on offer from the move to a net-zero economy. This also requires a strategic national vision and a plan for how the opportunities and challenges of decarbonisation are going to be managed.
  - **Engagement** – there is a need for proactive and on-going dialogue to help understand society's expectations relating to the transition. This should include all corners of society that will be affected by the transition to net zero in order to achieve buy-in for the scale of change which will be required to meet net zero ambitions.
  - **Bringing equity to the heart of climate change policies** – there is a recognition by the Commission that action to tackle climate change has the potential to create both winners and losers. To avoid this, there is a need for the Government to design policies in ways which ensure the benefits of climate action are shared widely, while the costs do not unfairly burden those least able to pay or whose livelihoods are directly or indirectly at risk as the economy shifts and changes.
  - **Opportunities and the need for immediate action** – the scale of ambition in respect of ending Scotland's contribution to climate change necessitates immediate, decisive action, and meeting this target will require increased action from all sectors of the economy.
- 5.2 In many respects, the call for evidence in respect of the just transition asks questions which are equally pertinent to the recovery from COVID-19; many of the principles which underpin a just transition to a net zero economy align well with the immediate need to stimulate economic recovery following the pandemic. The Just Transition Commission's call for evidence closed on

30<sup>th</sup> June 2020, and the response submitted by officers can be found at **Appendix 1** to this report. However, the below provides a short summary of some of the key issues:

- **Economic opportunities and challenges** – there are a variety of excellent opportunities for Highland, particularly in respect of our capacity to deliver renewable energy (including hydrogen), our natural asset base including forestry and peatland, the public goods the region can offer both Scotland and the wider world, as well as the opportunity for Highland to become a truly green destination. However, it is also recognised that there are a variety of infrastructure as well as socio-economic challenges for the region – these include National Grid restrictions, the generally poor condition of much of our housing & building stock, declining numbers of economically active people as well as an aging population, and resistance from the agriculture sector.
- **Wider social opportunities & challenges** – for the Highland region, much of the focus in meeting the 2045 net zero target must be on land use; in particular, local food growing, forestry and peatland preservation and restoration. All of this has the potential to create local jobs and improve health outcomes. In addition, support for “grow your own” initiatives provides opportunities for localised resilience to future extreme weather events whilst also improving the “liveability” of our communities. One of the key challenges remains communication around the climate emergency agenda – COVID-19 has provided an excellent example of how the public can engage with and understand a pressing emergency, and there is a need to build on this model to communicate better around our collective responsibilities in response to climate change.
- **Vision for successful transition to net zero for Highland** – there are a number of positive outcomes which could flow from a successful transition to net zero, including: smarter, more flexible working, significant connectivity improvements, renewable energy generation at home and in the workplace, an increase in locally grown food and less carbon-intensive diets, expansion of natural asset bases such as forestry and high-quality peatland, and a shift to active travel or zero carbon transport where travel is still essential. In addition, there is a recognition that success would also involve partnership work with other areas around the world which are likely to be impacted more negatively than Highland to ensure we assist these regions as best we can, whilst also learning from them.

## 6. Economic Recovery in Highland

- 6.1 The COVID-19 pandemic has had an enormous impact on the Highland economy, and there is now a pressing need for the Council to work alongside partners in order to support business and economic recovery in the region. However, as detailed above, this also provides an opportunity to ensure that the principles which underpin a just transition, are incorporated at an early stage into recovery plans and actions.
- 6.2 With oversight from the Recovery Board, officers are now in the process of developing an economic recovery action plan which will have a focus on three key areas: Low Carbon, Digital and Partnerships. It is anticipated that the package of economic recovery projects that emerge from this work will provide short term action, which will also directly feed in to the medium and longer term plans for the future that are being articulated through other Council Strategies – for example, the Net Zero Plan for Highland, Local Development Plans, input to the National Planning Framework, and Transport Strategies, among others.
- 6.3 It is proposed that an update on work to develop the economic recovery action plan, and in particular the Low Carbon theme, be presented to Members of the Climate Change Working Group at its next meeting on 17<sup>th</sup> September 2020.

**Designation: Climate Change Officer**

**Date: 23<sup>rd</sup> July 2020**

**Author: Keith Masson**

### Just Transition Commission – Call for Evidence

#### Consultation Response – The Highland Council

#### Questions

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

##### **Please explain your view.:**

Opportunities: Renewable energy potential of the Highland region is enormous, not just in respect of reducing our regional and national emissions but also from an economic, job-creation perspective. Renewable energy now dominates new power generation across the world, and is comfortably the most competitive way to produce energy.

Similarly, although embryonic, the hydrogen economy will be crucial to meeting national net zero targets, particularly in areas such as Highland which have massively constrained wind generation due to deficiencies with the national grid. Hydrogen provides an opportunity to decarbonise and decentralise the energy market, but national policy is required to scale up demand for clean hydrogen and provide support for appropriate infrastructure to get hydrogen to where there is likely to be a high demand over the coming years and decades.

Forestry & peatland preservation / restoration will be critical in meeting 2045 ambition, and if scaled up as required, will create significant opportunities for new jobs and / or to transfer economic opportunities over from traditional Highland crofting / agriculture.

It is important to stress the public goods that Highland can provide locally, nationally and internationally. The region's land assets provide us with a huge advantage over other areas to capitalise on the transition to net zero, and it would be worth the Scottish Government considering giving the region special status in recognition of this.

Scotland (and in particular Highland) are bright prospects for wave energy. There are a variety of maps which demonstrate the areas which are most conducive to wave energy, many in Highland, where there is a high likelihood of making good return on investment.

There is also an opportunity for Highland to become a green destination, both for tourism and inward investment, and a leading local authority region where there is a commitment to net zero - we need to positively market ourselves accordingly. The region is already recognised as a great place to live and work, but we need to utilise

the transition to net zero to further attract investment in our green, dynamic economy.

Procurement – there is a need to better examine our purchasing and supplies and where they come from, with a view to reducing the length of supply chains to aid future resilience and create local circular economic opportunities. It will be impossible to meet net zero targets if we don't begin to quantify existing carbon cost and embedded emissions through our procurement practices, and look for opportunities to reduce these as far as possible.

Challenges: National Grid inflexibility, poor building fabric, shift in agriculture practices (entrenched opinions and ways of working), challenging procurement legislation and processes limit ability of public sector to drive necessary change.

The aging population and declining numbers of economically active people will have significant impact on the public sector's ability to continue to drive climate change agenda in the long term, as focus will inevitably shift more towards health and social care priorities (based on continued real-terms decrease in budgets). There is therefore a need and an opportunity to retain (and attract back) young people by giving them the opportunities to have fair work linked to the low carbon economy, to have a home which is either low carbon or net zero and to build a future for themselves here in Highland.

From a transport perspective, many communities in rural Highland will be unable to take part in the EV revolution, as the local grid cannot accommodate charging infrastructure. Therefore, consideration needs to be given in respect of how these communities may be able to benefit from renewable "off-grid" solutions, or become more self-sufficient in respect of their energy needs.

Housing stock – extremely challenging to decarbonise housing stock in Highland due to latent issues of quality, inability for approximately 2/3rds of households to access the mains gas grid etc therefore if gas grid decarbonised through provision of hydrogen, most will not benefit. Therefore, focus necessarily needs to be on improving efficiency and thermal comfort in the first instance through insulation measures, with an acceptance that achieving net zero in many remote rural parts of the region is going to be close to impossible.

Connected to the above is a need to ensure that low income families and individuals are supported and prioritised through the transition to net zero; there are significant levels of in-work and travel poverty in Highland, which can in many respects be addressed by ensuring fair and equal access to subsidised low carbon travel and supporting re-training initiatives to provide the workforce with access to good jobs linked to the low carbon economy.

Adaptation – meeting Scotland's net zero targets is one thing, and is clearly an admirable aim, but doing so does not prevent us from feeling the impacts of climate

change which are already locked in due to historical global emissions. It would therefore be prudent to address both mitigation and adaptation considerations as part of the Just transition work, given that many communities across Scotland and the Highlands more specifically are likely to be disproportionately impacted by the changing climate, rising sea levels etc. In addition, early action to address adaptation considerations will reduce the burden on the public sector and wider Scottish economy in the future.

Agriculture is also a challenge - attitudes to environmentalism amongst crofters and farmers are not universally positive, and there is therefore a need to try to support and encourage behaviour change through positive agri-environment schemes. There is an understanding across the agriculture sector that the success or otherwise of any agri-environment schemes will be a function of what financial resource is on offer – historically, agriculture will do whatever it takes to bring in the most money, and future policy must be cognisant of this.

## **2 What do you think are the wider social (health, community, etc.) opportunities and challenges associated with meeting Scotland’s climate change targets?**

### **Please explain your view.:**

For the Highland region, much of the focus around meeting Scotland’s net zero targets will be around land use; in particular, local food growing, forestry and peatland preservation / restoration – all of this has potential to create local jobs and improve health outcomes. This could provide opportunities to enhance access to high quality land and environments, recreation & tourism opportunities as well as supporting community cohesion.

Especially in light of the COVID-19 pandemic, there is a pressing need to support community resilience in respect of “grow your own” initiatives; these schemes don’t just build community cohesion, they encourage healthier diets and lifestyles whilst enhancing the attractiveness of cities, towns and villages and reducing the need for residents to travel as frequently. This is especially important from an adaptation perspective too in terms of building in localised resilience for future extreme weather events, which may see many Highland communities cut off / isolated for a period of time.

Air quality improvements – bad air quality can and does have a negative (and disproportionate) impact on multiple areas of society; therefore, meeting emissions reduction targets, especially from transport, can result in hugely positive health outcomes.

Liveable communities – move away from using cars towards “claiming back” the street, supporting café culture, active travel – all of these things will help bring people together and increase community cohesion, making our places more appealing for

local residents as well as tourists. There are a variety of mental health benefits which will flow from this too.

Opportunity and challenge: Public attitudes – David Attenborough had an enormous impact on use of single use plastics following his BBC documentary Blue Planet 2, the result of which has been a seismic shift in public attitudes which has been reflected in corporate policies too. There is therefore an opportunity to change attitudes to climate crisis by reflecting on the phraseology / language / mechanisms to engage that we use – we need to better reflect the size and scale of the climate and ecological emergency.

Anecdotally, it is interesting to note how much people have engaged with and accepted CV19 daily updates, have largely taken on board public health information, have learned vocabulary relevant to pandemic, seen how Government have responded to and forged their policy around an important agenda - is there therefore an opportunity to do something similar around the climate emergency to upskill and raise levels of awareness within the public? Whilst COVID-19 came out of the blue, climate change didn't, and it will be with us very much longer – it would therefore be prudent to help people get used to the messaging and policy shifts which will be required through regular (perhaps weekly or monthly) briefings, which will help with media traction too.

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

#### **Please explain your view.:**

This is a difficult question given the size and scale of the Highland region and the immensely varied nature of the services the Highland Council provides. However, a few key thoughts are noted below:

- Much more focus on smart working; no travel for face to face meetings, majority of business conducted electronically and from home / shared “hubs”. This is predicated on significant investment in broadband and mobile telephony infrastructure across the region to ensure that all Highland residents have access to high quality connectivity.
- Where staff are encouraged to work from home, they are incentivised to invest in energy efficiency measures for their homes, renewable technology for their power / heating needs – could this be delivered through tax incentives either for homeowners or landlords?
- For the buildings which are retained /consolidated by the Council, opportunities are taken to deploy renewable power / heat not just for the benefit of the Council, but for local residents & businesses too (may be a requirement to set up a Council ESCO). Fuel poverty a major issue throughout the region.



- There would be a universal understanding of the benefits of shifting to a low carbon diet, with a significant drop-off in red meat / dairy consumption and a similar increase in locally grown, plant-based diets. This will be supported through local government interventions in promoting and developing community food growing schemes and through changes to school meals provision.
- The natural assets and associated economic sectors which the region possesses (e.g. forestry, peatland, agriculture, tourism etc) will have grown and expanded significantly.
- The entire Council fleet will be decarbonised; where there are opportunities to create local “smart grids” and “smart utilisation” between fleet vehicles and buildings, these are undertaken, whilst the shift towards EV and hydrogen vehicles by the public sector has led to a robust network of charging and refuelling stations throughout the region. There will also be a focus by large-scale energy producers on hydrogen production as a key component of their business models. Following on from the above, there will have been a recognition that private vehicle ownership is no longer a desirable nor economically advantageous option for the people of Highland; the majority of residents will travel actively or in zero carbon shared-asset vehicles such as car clubs (where travel is essential), or by electric / hydrogen bus.
- In addition, there will be more focus on partnership working and sharing of assets across Council boundaries to maximise utilisation of assets and derive maximum benefit from investment.
- All procurement decisions made by the public sector takes cognisance of the need for the requirement to be zero or low carbon. These factors will need to become as important as price / quality in order to sufficiently move markets towards a net zero future.
- There will be heightened awareness amongst Council staff and throughout Highland communities around what we’re doing to support climate emergency action. In addition, the need to secure positive behaviour changes across business, communities and individuals will have been recognised and addressed – people will need to be incentivised, educated and encouraged (both positively and negatively) to achieve national net zero targets.
- Throughout Scotland, Highland will be seen as doing all the right things around the shift to a net zero future, will share its knowledge with local and national partners and will lead by example. The correct climate and environmental principles will sit behind all policy and programmes.
- It is recognised that climate change is not just a regional crisis, but a global one, so success for Highland would also involve having partnerships with countries / regions which may lie thousands of miles away but who undertake similar actions, support each other and learn from pertinent local examples. It is recognised that many parts

of the world are going to be significantly more negatively impacted by climate change than Highland, and there is therefore an opportunity and an obligation for us to assist some of these regions as and where we can.

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

**Please explain your view.:**

The Scottish Government needs to recognise (and the Just Transition Commission seems to understand) that there isn't a 'one size fits all' approach to the Just Transition; each region, not to mention the countless communities within them, all have their own unique opportunities and challenges when facing a net zero future. Therefore, the most critical thing to achieve buy-in, as well as to generate ideas, is to actively consult and engage. A top-down approach to this agenda, whilst absolutely necessary in respect of, for example, infrastructure issues such as the National Grid, will not work in terms of bringing people along on this journey.

There is a need to secure and redirect investment into low carbon – this will require financial support from the Scottish Government to ensure a number of large scale projects (including net zero housing, active travel and energy) are undertaken to support local low carbon supply chains and provide confidence to the market that this is the long-term direction of travel. There is a need to develop local networks to demonstrate to communities, visitors, businesses and investors that the Scottish Government, the Highland Council and the wider public sector are taking this issue with the utmost seriousness and putting sufficient financial clout behind it to effect long term change.

From a Highland perspective, there is a pressing need to support the forestry industry; not only as a carbon-negative land use, but by providing a zero-carbon material suitable for both manufacture and energy generation as a key step to decarbonise many other sectors.

It is also vital for the Scottish Government to explain sufficiently well why all decisions are made and that they are fundamentally led by science - policies need to be backed up by appropriate evidence and scientific consensus, whilst regular briefings exclusively focussed on climate change action will help raise awareness and understanding amongst the public.

#### **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?**

**Please explain your view.:**

Homeowners and tenants in difficult to treat buildings (the majority of Highland) are at risk of being adversely impacted; unless mechanisms are employed to assist them in reducing the environmental impact of their property or moving to a low carbon heating source, they may be disproportionately impacted economically.

Agricultural communities are already under siege on number of fronts – their first thought is that anything to do with climate change is bad for them, and this requires careful policy shifts as well as robust engagement if the sector is going to be able to contribute to net zero ambition.

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

**Please explain your view.:**

There is a recognition that carbon sequestration is relatively poorly understood and doesn't get much of a look-in (unless we talk about tree planting), but the sequestration possibilities and opportunities offered by peatland is fundamental to this agenda. People often misunderstand what forestry can realistically deliver from a sequestration perspective – there is therefore a pressing requirement to look at sequestration in the round and what long term implications and opportunities are. The development of local land use partnerships may provide a positive mechanism to raise awareness and focus attention on this issue.