



Glasgow City Region

Cabinet

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Item 10

11th August 2020

'Green Recovery' – Submission to the Scottish Parliament's Environment, Climate Change and Land Reform Committee

Purpose of Report:

The report invites the Cabinet to note the submission, developed by Climate Ready Clyde, on behalf of Glasgow City Region to the Scottish Parliament's Environment, Climate Change and Land Reform Committee, which has issued a call for evidence in relation to a 'Green Recovery'. The report was approved by the Regional Partnership on 30 July 2020 and was submitted to the consultation by the deadline on 7th August 2020.

Recommendations:

The Cabinet is invited to note the content of the report.

1. Purpose of Report

- 1.1 The report invites the Cabinet to note the submission, developed by Climate Ready Clyde, on behalf of Glasgow City Region to the Scottish Parliament's Environment, Climate Change and Land Reform Committee, which has issued a call for evidence in relation to a 'Green Recovery'. The report was approved by the Regional Partnership on 30 July 2020 and was submitted to the consultation by the deadline on 7th August 2020.

2. Background

- 2.1 The Scottish Parliament's Environment, Climate Change and Land Reform Committee issued a call for evidence on the 26th June as part of its *"inquiry to establish the principles that should underpin a green recovery, to identify key actions for change, immediate priorities, potential barriers to implementation and the governance arrangements needed to deliver this."*¹
- 2.2 The deadline for the submission of a response was the 7th August 2020.

3. Glasgow City Region Submission

- 3.1 The Regional Partnership was invited to consider and agree the submission of a joint response to the Committee on behalf of Glasgow City Region at the meeting on 30th July 2020.
- 3.2 The response was prepared by Climate Ready Clyde, in consultation with the Glasgow City Region Programme Management Office (PMO) and the Portfolio Lead for Land Use and Sustainability.
- 3.3 The content of the submission was approved by the Climate Ready Clyde Board on the 29th July and by the Regional Partnership on 30th July. The response is attached at Appendix 1.
- 3.4 The structure of the response reflects the key questions which the Committee has asked to be addressed.

4 Recommendations

- 4.1 The Cabinet is invited to note the content of the report.

¹ <https://www.parliament.scot/parliamentarybusiness/CurrentCommittees/115470.aspx>

The Environment, Climate Change and Land Reform Committee

Green recovery

Submission From: Glasgow City Region Regional Economic Partnership and Climate Ready Clyde

In most cases we will publish your written submission on the Scottish Parliament's website. What you send us may also be quoted in the Committee's report or in its Committee meetings. These are public meetings that are broadcast online.

Before making a submission, please read our [privacy notice](#) (section headed Parliamentary business – Committees) about submitting your views to a Committee. This tells you about how we process your personal data. If you are under 12 years of age, please read this 'Submitting Your Views to Committee: Young People' section.

The Committee would particularly welcome views on the following questions–

Do the principles of sustainable development (as set out in the annexe), and those for a resilient recovery, as proposed by the UK Committee on Climate Change, provide a comprehensive framework for guiding an effective green recovery in Scotland?

Summary

The global response to the COVID-19 public health crisis has seen the largest set of changes to our way of life in living memory. Efforts to minimise health impacts have required unprecedented Government and societal action to mobilise resources at the scale and pace appropriate to the threat, and to overcome the practical barriers to making it happen. Doing so has required unparalleled levels of collaboration – from the construction of NHS Nightingale Hospitals, through to the supply of millions of pieces of Personal Protective Equipment and the design and construction of thousands of ventilators. Whilst we have made strong progress, Scotland now faces a second challenge of addressing the economic impact. However, it also presents the opportunity to rebuild our economy in a way which contributes to the environmental and social sustainability of Scotland, leaving us in a better place than before.

Just like tackling the pandemic itself, delivering a green recovery will need a whole systems approach, connecting adaptation, mitigation, wellbeing, community, and development planning at local and region scale to enable the at-scale investment needed. If Scotland is to be successful in this endeavour of building back better, GCR and CRC are clear we need to adopt similar principles to that of managing the public health crisis, namely:

- Appropriate scale and pace,
- Identifying and overcoming barriers;
- Use of sound science; and
- Collaboration like never before.

The sustainable development principles and the Committee on Climate Change (CCC)'s principles provide a comprehensive outline for a green recovery. However, they are broad, and a strong focus will be needed on defining what these mean in practice to ensure effective and efficient public spend, excellent outcomes and job creation. We are already exploring these issues regionally, but a strong partnership between Scottish Government, regions and local places will be needed to enable to deliver it in practice.

We would also caution that the CCC's principles are very investment-focused and sufficient attention should also be given to the wider job-creation, policy, capacity and finance aspects to turn this ambition into reality. Whilst a leader on mitigation, Scotland has historically underinvested in broader resilience and this should be addressed as part of the recovery planning. Doing so will mean the green recovery forms the early stages of a much wider macroeconomic restructure in service of creating a strong, healthy and just society.

For each of the principles of the CCC's framework, we have sought to highlight the issues associated with implementing them in practice them in more detail, with six overarching calls to action which will help make meaningful progress:

1. Climate investments should take a portfolio approach to maximise the economic, environmental and wider resilience wins.
2. The green recovery needs to be anchored in a consensual and inclusive decision-making process with the public and businesses and public sector.
3. Addressing the wider resilience deficit requires stronger regulation, and more holistic approaches to environmental challenges.
4. Focus investment on the people and places that are most vulnerable to climate change
5. Attach clear, transparent conditions to wider economic recovery support to avoid lock in, and secure wider sustainability gains
6. Review the Scottish Government's taxes, duties and levies to create a better environment for a green recovery.

Further detail

Further to our summary above, we have included more detail on each of these calls to action below.

- 1) *Ensure climate investments support the economic recovery and jobs.*

Our call to action: Climate investments should take a portfolio approach to maximise the economic, environmental and wider resilience wins.

We support the use of climate change mitigation and adaptation investments as part of the economic recovery. Much of the calls from coalitions (e.g. the Global Commission on Adaptation), institutions, academics, cities, and industry bodies for a green recovery has highlighted how investment in climate change mitigation and adaptation delivers a triple dividend. This means investments delivering greater economic stimulus and job creation, whilst reducing emissions and/or augmenting climate resilience. In turn these contribute to societal resilience against broader shocks and stresses. In some cases it can also deliver some of the other aspirations as set out in the report of the Scottish Government's Advisory Group on Economic Recovery– e.g. Community Wealth Building. For example, investments in area-based energy efficiency can reduce the energy bills of local communities, whilst recent reforms to Flood Re mean that

investment in property-level flood resilience will also translate through into reduced insurance premiums for local communities.

On their own, different individual measures may vary in their potential to deliver economic stimulus, resilience to COVID-19, other systemic shocks and emissions reduction / climate resilience potential. They may also have different barriers to delivery - e.g. whilst energy efficiency retrofit has high economic stimulus and job creation potential, it may require exemptions to the 1m rule. Other solutions such as peatland restoration or green roofs and walls are easier to deliver as they are mostly implemented outdoors but may be more limited in their employment potential.

2) Lead a shift towards positive long-term behaviours

Our call to action: The green recovery needs to be anchored in a consensual and inclusive decision-making process with the public and businesses and public sector.

Many of the changes brought about due to lockdown (such as increasing provision for pedestrians and cyclists in our town centres) have helped facilitate social distancing and also improved physical health whilst reducing emissions and improving air quality.

We agree there is a need to try and secure the environmental gains made from lockdown (e.g. through further investments in proper cycling or broadband infrastructure). However, much more wide-reaching and fundamental change is needed to deliver year on year emissions reduction targets and resilience as required by the Paris Agreement. Therefore, there is a need to ensure that a green recovery does not limit society's acceptance of broader change by being portrayed as having been implemented by stealth. To do this, we would suggest that the green recovery should be anchored in a consensual and inclusive decision-making process with the public and businesses and public sector.

3) Tackle the wider resilience deficit on climate change

Our call to action: Addressing the wider resilience deficit requires stronger regulation, and more holistic approaches to environmental challenges.

We agree there is a pressing need to address this wider deficit. For too long, there has been a focus on sectoral or thematic approaches to addressing environmental challenges such as mitigation or adaptation. Whilst this is important, new, holistic approaches which focus on whole systems or places offer the potential to create a joined up, more effective recovery.

The European Commission is advocating whole system approaches as a way of bridging the mitigation and adaptation gaps over the next decade. Glasgow City Region has already been selected as a 'Deep Demonstrator' of such approaches through its Clyde Re:Built project with Climate Ready Clyde, in partnership with EIT Climate-KIC and sustainability charity Sniffer.

But whilst there are pockets of good practice, this hides a more systemic capacity issue. Glasgow City Region and CRC are working on the Regional Adaptation Strategy and local authorities are working on development and delivery of their own local strategies, but have limited capacity to progress these as a result of competing pressures inside Local Authorities. Scottish Government (SG) have a number of policy levers they could consider using to drive investment in mitigation and adaptation planning. For example, SG was already proposing changes to the Public Bodies duties which would make local authorities responsible for achieving net-zero in their entire area. There is also potential to strengthening the legislation in the Climate Change (Scotland) Act 2009 to require regional mitigation or adaptation planning, or mandate the production of local authority adaptation plans. This would create a more level playing field for climate issues amongst others by unlocking further local capacity.

Within this, we believe that greater emphasis is needed on adaptation as there is a bigger deficit in this area. Most adaptation planning work in local authorities and other public bodies are often still at early stages. There are also limited examples of comprehensive plans for local places to manage climate risks. Furthermore, the gap between climate risk and adaptation responses is widening.

4) Embed fairness as a core principle

Our call to action: Focus investment on the people and places that are most vulnerable to climate change

We strongly agree fairness should be a core principle to the recovery and this means providing specific support for young people and low-income groups as well as a voice for them in the decision-making process.

Climate change already threatens to have a disproportionate impact on young people. However, this is now being exacerbated by COVID-19 which will present a wide array of challenges and issues that have not been experienced by previous generations. These range from mental and physical health, to difficulties entering the job market and accessing social and cultural opportunities. Climate change has a similarly disproportionate impact on low income groups, who contribute the least to Greenhouse Gas (GHG) emissions, but are least able to prepare, respond and recover from its impacts.

Whilst the Just Transition Commission is helpful in highlighting mitigation issues, particularly related to job creation, more needs to be done to explore a targeted just transition for specific groups of people or local areas. This should focus on those that are considered most vulnerable to climate change and on creating opportunities for the under/unemployed in trades and professions that will be demand in a more sustainable economy .

Any investments made should target these groups and places and should be designed to best meet their needs. Past experience has shown they are often overlooked or not involved in responses to community need. Attention will be needed to develop and implement such approaches.

5) Ensure the recovery does not lock in greenhouse gas emissions or increased climate risk

Our call to action: Attach clear, transparent conditions to wider economic recovery support to avoid lock in, and secure wider sustainability gains

Wider economic support to business and industry from public investment and the Scottish National Investment Bank will likely be necessary throughout the recovery to mitigate widespread economic harm. Where this is the case, support should come with appropriate conditions which balance the need for support, with the contribution to a green recovery. These will need to be agreed on a case by case basis but should include activities such as assessing carbon intensity and climate risks of new investments, and requiring loans, guarantees or subsidies to be contingent upon emissions reduction or resilience building.

We would also urge Scottish Government to consider going beyond this and consider the requirement for any public support to meet at least 2 related objectives (e.g. health, amenity, biodiversity) to broaden investment. Wherever, these conditions should be transparent to give public confidence in this trajectory.

6) Strengthen incentives to reduce emissions when considering fiscal changes

Our call to action: Review the Scottish Government's taxes, duties and levies to create a better environment for a green recovery.

The Scottish Government has considerable fiscal powers relating to taxes, duties and levies which could be strengthened to support a green recovery. For example, the airport departure tax, levies on plastic bags, city-centre congestion charging. We would recommend these are reviewed, with a view to removing all adverse subsidies, and direct all their fiscal powers to minimising climate change and environmental harm and promoting environmental benefit, within a just transition framework.

We would also encourage the Scottish Government to meaningfully engage with UK Government to design the most effective package of tax policies which could further strengthen a green recovery.

What are the key barriers to delivering a green recovery (within your sector and / or community)?

At present, we would consider that the key barriers relate to the practicalities of designing and implementing a green recovery. These barriers include:

- **Practical challenges to collaborative working** – Delivering a green recovery will need collaboration like never before. The place principle sets the scene for that and many institutions have an appetite to work in this way, but too often deep collaboration is hindered by practical challenges and inflexibility, such as organisational siloes, short term thinking, procurement, and secondment agreements.
- **Understanding the scale challenge needed or possible** – At present Glasgow City Region has a broad understanding at a regional level of the economic downturn and regional potential job losses. However, there are no similar estimates of:
 - The job creation potential that could be derived from green investments;
 - How many skills are transferrable from sectors at risk; or
 - The number of jobs needed in the environmental goods and services sector to achieve net zero or climate resilience.

Such figures would be immensely helpful in the design and development of green reskilling packages that will be needed to successfully deliver on the green recovery

- **Transparency and communication on the recovery process** – City Regions should be actively engaged by government in the process of developing national and UK level recovery planning to maximise its effectiveness and help align and accelerate their own work. In order to achieve the most effective economic recovery plans, the UK and Scottish Governments should work collaboratively, setting out a clear process with timescales, key contacts and detail on how cities and regions can input. This would allow City Regions to align and mobilise their own resources in support.
- **Lack of capacity and maturity of business cases and delivery plans for a green recovery** – Whilst many traditional infrastructure projects are 'shovel ready' and able to be delivered quickly, many 'green' projects will need technical assistance to bring their business cases up to the standard of similar 'traditional' ones. For adaptation investments there are additional challenges in the use of discount rates. Traditional use of discount rates fails to reflect the full value of climate change adaptation investments since climate change risk increases over time.

- **Low revenue returns for adaptation projects** – Whilst COVID-19 has created the need for short term economic stimulus, many low carbon investments can be justified as good public investments because of the potential long term return to the public purse such as through lower energy bills, or higher macroeconomic spending. For adaptation, the financing is much harder – in part because of a lack of a steady revenue streams or direct benefits to the state, despite reducing large one-off costs to the public sector from extreme weather or flooding from other large shocks or stresses. Evidence from Climate Ready Clyde's Climate Risk and Opportunity Assessment found that four extreme weather events between 2012 and 2017 cost the region £43m. This suggests that in considering the overall spread of green recovery funding a greater proportion of direct public grant should be given to adaptation than to mitigation.
- **Practical delivery issues associated with social distancing** – Here, clear guidance is needed on the ability (or not) to deliver certain types of projects, with a clear focus on prioritising public health and safety.

What key policies, actions and immediate priorities are needed to deliver a green recovery (within your sector and / or community)?

- **Developing mechanisms that enable collaborative working** – Effective planning and delivery will require us to operationalise many of the aspects of the Place principle. Scottish Government should review and identify mechanism to increase flexibility and progress, such as templates for setting up new governance mechanisms or partnerships, processes for seconding staff between public, private and third sectors, arrangements for sharing information and data, or procurement of advice and support.
- **Technical Assistance to build capacity and support development of projects and institutions** – We urge both UK Parliament and the Scottish Government to consider a short-term package of support for public bodies to develop their mitigation and adaptation business cases to a level where there is a clear delivery route to support the green recovery. This could benefit by Scottish Government providing a standardised framework for appraisal and typology of investments for a green recovery. It should also extend more widely to support key processes in resilience building, such as the development of whole area net zero plans or climate change risk assessments and adaptation plans.
- **Use of regional governance mechanisms to support Green Recovery Planning** Mechanisms such as Glasgow City Region are trusted delivery mechanisms for projects and investments, having successfully passed the first Gateway review of the £1.1bn Glasgow City Region City Deal. They are also able to recognise and address the differing needs of local areas – providing Government with an effective mechanism to deliver investment.
- **Improved knowledge sharing, creation and coordination** – much work is already underway across Scotland at local, regional and national levels, with Edinburgh and Glasgow city Region (through Climate Ready Clyde), both producing green recovery plans. We would support the short-term facilitation of a network and funding for green recovery planning to co-ordinate work, avoid duplication of effort, innovate for delivery and maximise effectiveness.
- **Alignment and support through the National Planning Framework 4** – Aligning the forthcoming National Planning Framework 4 to the green recovery aspirations will be key to sustaining the recovery into the longer term, and to enable the infrastructure changes to be mandated and implemented. For example, housing or building construction or planning policy should have mandatory climate change measures (mitigation, adaptation

and sustainability) mainstreamed to facilitate a quicker response to the obvious effects of climate change. The use of the Community Infrastructure Levy would also better enable place-based solutions to be implemented.

How should the 2021/22 Budget support a green and sustainable recovery and avoid locking in carbon; and what funding is needed in the ECCLR portfolio to deliver a green and sustainable recovery?

The 2021/22 budget should look to try and build upon the green recovery planning work to ensure that it captures and maintains the momentum built in the early stages. Therefore, we suggest there needs to be continued investment and support in the climate change mitigation and adaptation, with a strong focus on better enabling adaptation and mitigation planning for public bodies. In the Glasgow City Region we are currently preparing local climate change mitigation strategies as well as a Regional Adaptation Strategy, and these are being reviewed and revised in light of the current crisis. We would therefore also request the ECCLR portfolio take account of these needs in considering spending allocations, as well as the potential to lower the barrier to entry of funding many climate investments, to better reflect the current lack of capacity on mitigation and adaptation.

We would also suggest the ECCLR and wider Government spending should strengthen economic development approaches, to ensure that they are ready to support the transition to a net zero, and to a climate ready society through better defining future job requirements and developing skills packages that match the scale of investments required.