Draft Scottish Policy Forum – climate change

# Headline responses

* The Co-operative Party believes that there should be a net zero target of 2030 – the Climate Change (Emissions Reductions Targets) (Scotland) Act 2019 is not ambitious enough and should be amended to bring the date forward to reflect the emergency facing our climate.
* Co-operative growth should be at the heart of policies to tackle climate change – because they improve productivity, rebalance the economy and ensure the new green economy is designed to our collective benefit.
* The Co-operative Party supports a Future Generations Act for every part of the UK, drawing on the best practice in Wales.
* Community energy should be at the heart of the transition to renewable and low carbon generation. This should include incentives and subsidies, as well as capital investment and match funding in lower income communities.

# Consultation questions

**The Green Industrial Revolution and similar Green New Deal plans have attracted widespread support. How can we implement these plans using devolved powers and generate the necessary investment and manufacturing jobs in Scotland?**

The Just Transition Commission should include co-operatives as a key sector when developing sectoral plans – either as a stand-alone sector, or with co-operative growth specified within key growth sectors.

The consultation includes:

“We can also use the Scottish Investment Bank to introduce a Worker's Ownership Fund to enhance support for cooperative and employee-owned businesses. Increase investment in research and development as well as investing in skills and training. A regeneration fund could be used to breathe life back into our high streets, supporting Community Wealth Building to generate sustainable jobs locally.”

The Scottish Co-operative Party is very supportive of this for a number of reasons.

1. Productivity - When workers have a stake and a say in their workplaces, productivity improves. This isn’t just a positive result for that industry and the country’s economy – it is also key to tackling climate change. Combined with an increased resource efficiency, this supports manufacturing effectiveness by lowering inputs while improving the quality and/or quantity of output.
2. Rebalancing the economy – a dual focus of productivity and resource efficiency will contribute to rebalancing regional economies - manufacturing makes up 15-20% of the economy in lagging regions, and parts of the country with a larger manufacturing industry also have lower overall productivity – raising the performance of manufacturing will have bigger benefits in lagging regions.
3. Collective benefit – at the heart of any just transition must be practical policy which ensures the transition to a low carbon economy benefits everyone fairly. The UK’s transition should be to our collective benefit, rather than captured by a small number of private companies. The UK’s old industrial paradigm was dominated by private interests, whose short-term profit motives offer little incentive to divest from the carbon-intensive technologies and fuels which are damaging our environment and future. Instead, collective ownership and participation ensures the transition is in the interests of today’s workers and communities, as well as future generations. Everyone should have a stake in the success of the transition, and as democratic organisations run by the workers and communities who own them, co-operatives are the best form to ensure this.

**How can we ensure that the appropriate skills strategy is developed across all sectors – initial, transferable and lifelong?**

This should mean that a strategy to grow green skills should include learning about co-operatives and the skills needed to be a co-operative business worker-owner or a shareholder in a community energy scheme.

The co-operative movement seeks to promote lifelong learning, providing education, training and information to its members and communities. Scotmid Co-operative, for example, has an academy for their staff, ensuring access to ongoing training and development in the workplace. The Co-operative Party believes education should be accessible and affordable to people at every stage of their life.

**What further actions can we take, primarily using devolved powers, to reduce transport emissions more quickly and build a sustainable, affordable, accessible and integrated transport system?**

The consultation references the opportunity to bring ScotRail into public ownership when its franchise expires in 2022. The Scottish Co-operative Party believes public ownership should be democratic, with workers, passengers and communities represented in decision-making.

We think that a rapid expansion of bus networks and public transport is not possible when the main motivations are profit rather than community and climate. By contrast, community transport providers offer public transport options in communities that have been left behind by commercial operators. The People’s Bus campaign calls for greater support for community transport, as well as re-regulation of buses so that there are better terms and conditions for workers, greater influence over the system for councils, bus users are empowered to have more say over where their buses go and when they go there, and action to halt fare increases.

**How can we fund an upgrade of Scotland’s 2.6 million homes to the highest energy standards to reduce fuel poverty and cut emissions?**

Energy efficiency as a top national infrastructure priority, which deserves a long-term revenue stream and appropriate incentives for homes and businesses to retrofit their buildings.

Consumer, local government, community and employee ownership models have been shown to offer behavioural benefits, as people who are more involved think about their energy use. As a trusted intermediary it has shown to be much more effective at getting buy-in to changes, be they energy audits or smart meters, than the commercial players. They also offer economic benefits, with returns remaining in the locality to be reinvested in energy efficiency or for other social impact.

We want to see individuals, communities and the co‑operative sector able to have tangible impact on improving energy efficiency and reducing bills. Similar to the incentives that the renewable energy Feed-in Tariff and Renewable Heat Incentive created for the installation of low carbon generation, we suggest a Feed-in Tariff for energy efficiency could be developed to incentivise domestic and business consumers to retrofit homes and businesses and replace inefficient appliances.

The Scottish Government’s Home Energy Efficiency Programmes for Scotland (HEEPS) which are designed to leverage ECO funding with public money to improve energy efficiency should be reformed to put a community based approach at the heart of the drive to tackle energy efficiency.

**How can we protect and strengthen environmental standards?**

Co-operative models in agriculture help farmers to mitigate risk, achieve economies of scale and invest collectively in innovation and efficiencies. Working together helps farmers to act more sustainably and to collectively push for higher standards.

Some of the funds currently spent on direct payments to landowners should be put into an agricultural co-operative development fund, which would provide loans and grant funding for existing co-operatives to grow and new co-operatives to start up.

The remaining agricultural subsidies should be reformed too—gradually and collaboratively with the industry to enable farmers to plan ahead and phase in any changes. A new subsidy regime should mean an end to payments based on landownership— this currently just reinforces wealth inequality and vested interests, and results in the inflation of land prices while failing to reward labour inputs, innovation or good environmental stewardship.

Instead, Norway’s model of supporting diverse ownership and small- and medium-sized farms, accompanied by payments which reward public good such as boosting natural capital would make an appropriate starting point for a new direct payment regime. This would incentivise higher environmental standards and support small and lower income farmers to work together to be able to take action.

**How can we make it easier for organisations and individuals to act sustainably and support those on low incomes to act?**

The Co-operative Party’s “co-operative green new deal” sets out as a key principle that the most sustainable choice should always be the easiest and most affordable choice, so that social and environmental considerations aren’t the preserve of the better off.

Community energy gives everyone a say and a stake in the energy system, and to be part of transition to renewable energy. It should be easier to start up and deliver community energy projects – whether this is reinstating subsidies or implementing business rates relief for rooftop schemes. A national community-owned renewable energy fund for Scotland could offer seed-funding and start-up loans to grow the sector, as well as match funding targeted to low income neighbourhoods so that community share ownership is affordable for everyone.

**How can we finance additional investment in the low-carbon transition and ensure our financial system plays a constructive role?**

The financial sector is unaccountable and distant from the needs of communities and the environment. Regional banks with co-operative forms of ownership would ensure their investments reflect the priorities of the communities that rely on them – not shareholders. This means they can invest in both local and Scotland-wide low carbon solutions and a new green economy, reflecting local needs and priorities.

**What levy mechanisms would be most effective in achieving our climate change actions and what should they be used for?**

The toolkit to tackle climate change needs to include fiscal tools – a range of taxation and pricing measures which can potentially raise income and increase resource efficiency and fairness, while helping to meet environmental goals. In short, this means carbon taxes, cap and trade schemes and/or natural resourcing pricing measures.

Taxes and levies alone, however, risk the rate of change being too marginal. Relying purely on the market has not delivered the pace of change needed to prevent climate emergency.

Any levies should be carefully designed, along the principle of polluter pays but ensuring that they avoid disproportionately disadvantaging those least able to pay. Levies which redistribute a “carbon dividend” should be explored as part of this, reinvesting tax revenue from big polluters into the communities most disadvantaged by their actions, by the impact of climate change and environmental degradation, and who feel most distant from the policies designed to tackle climate change. This can help to ensure that communities feeling left behind by the impacts of climate change and climate change policy have the chance to benefit.

**Should we develop a Future Generations Bill to commit to intergenerational equity?**

Yes! The Well-being of Future Generations Act (Wales) 2015 requires Welsh public bodies to consider the long-term impact of decisions and created a new Future Generations Commissioner, who acts as a guardian for future generations. This is particularly important when the impact of the biggest decisions facing policymakers today will be felt long into the future. The rest of the UK should learn from Welsh best practice with the establishment of commissioners in England, Scotland and Northern Ireland to ensure the interests of young people and future generations have a statutory consideration in future decision-making.