**October meeting of the Just Transition Commission**

11 – 12 October 2022

Visit to Isle of Lewis, hybrid meetings\*, town hall event and location visits

**Commission attendees**

Jim Skea (Chair)

Richard Hardy (Prospect)

Nick Robins (Grantham Research Institute, LSE)

Rachel McEwen (SSE)

Ameena Camps (Net Zero Scotland)

Lang Banks (WWF)

Ann Pettifor (Economist, Policy Research in Macroeconomics)

Katie Gallogly-Swan (UN Conference on Trade and Development)

Satwat Rehman (One Parent Families Scotland)

\*Colette Cohen (Net Zero Technology Centre)

\*Elaine Dougall (Unite/STUC)

**Secretariat attendees**

Elliot Ross

Shona Ann Kinnear

***Apologies***

Ronne Quinn (NECCUS)

Mark Reed (SRUC)

Jake Molloy (RMT)

**Guest for agenda**

Donna Smith – Tighean Innse Gall (TIG)

Ian Graham - Tighean Innse Gall

Kirsty Macleod – Tighean Innse Gall

Charlie Healey – Tighean Innse Gall

\*Colin Gilmour – NHS Western Isles/(Community Planning Partnership – Anti Poverty Group

Cllr Angus McCormack – Chair Anti-Poverty Strategy Group

John Cunningham - Comhairle nan Eilean Siar – Lead Western Isles Energy Unit

Cllr Uisdean Robertson - Comhairle nan Eilean Siar – Chair Transportation and Infrastructure Committee

David McLeod - Comhairle nan Eilean Siar – Transport

Calum MacDonald – Point and Sandwick Trust - Director

Tony Robson – Wood Group

Kathleen MacDonald – Community Energy Scotland - Community Power Outer Hebrides Manager

David Maclennan – NatureScot - Head of Operations West

Finlay MacLennan – Community Land Outer Hebrides – Development manager

Donald MacKinnon – Carloway Estate Trust – Local Development Officer (Crofting)

Benjamin Inglis-Grant – Peatland ACTION – Project Officer

1. **Overview**

The Commission visited the Island of Lewis for a range of meetings and stakeholder engagement on the 11th and 12th October.

1. **Information Gathering Session I** – **Tighean Innse Gall (TIG)** (a housing and energy agency for the Western Isles)

The Chair welcomed everyone to the meeting, with round table introductions and discussed the structure of the meeting, to begin with presentations from Donna Smith, Ian Graham, Charlie Healey, Colin Gilmour and Cllr Angus McCormack followed by a Q&A session and open discussion. The hosts welcomed the Commission and guests and advised on general housekeeping.

Apologies were received from Mark Reed, Jake Molloy and Ronnie Quinn.

The Commission heard that 80% of those living on Lewis and wider islands are living in fuel poverty due to current energy prices, with very high rates of extreme fuel poverty. There was concern that this would worsen in the coming months due to the cost of living crisis. It was noted that households on the Western Islands have various heating systems with 54% reliant upon oil boilers, 36% electric and 8% gas central heating and a phased transition away from fossil fuels was viewed as favourable.

It was noted that there was poor housing stock on the islands and considerable difficulty insulating to new standards. Discussion of the impact of new PAS 2035 standards focused on the negative consequences for local employment and delivery of insulation services, including 14 redundancies. Also highlighted were issues around workforce training and availability of skills and training courses, with supply chain and labour challenges exacerbated by the remote rural island location

There was wider discussion on the paradox of the Western Isles being highly productive in regard to power generation, yet local consumers facing higher energy costs than those elsewhere in the UK due to existing grid arrangements.

Local circumstances were shown to require a place-based strategy tailored to local needs, challenges and opportunities rather than a “one size fits all” approach. The value of detailed engagement and consultation with communities in the development and rollout of decarbonisation policies more broadly was underlined as the best way to avoid unintended negative consequences and unjust outcomes.

1. **Information Gathering Session II -** **Comhairle nan Eilean Siar** (Western Isles local authority)

The Chair welcomed everyone to the meeting with round table introductions and reviewed the structure of the session.

**Local authority decarbonisation and economic development plans**

The Commission heard from John Cunningham, the Lead for the Local Authority Energy Unit on their proposals for economic development for Lewis. Background on current energy systems, windfarms and constraints with current infrastructure and the plans for future evolvement of the capacity for electricity generation.

This included discussion of the impact of the proposed Arnish-Beauly transmission link, the potential benefits of some Scotwind development to be routed through Lewis, and proposals for the development of green hydrogen at a Net Zero Hub to be sited at Arnish, with the prospect of bringing significant employment opportunities to the area.

Discussions also covered the potential for community production of green hydrogen for community benefit including helping to tackle fuel poverty and aid decarbonisation of housing stock as well as export.

**TRANSPORT**

The second briefing was delivered by Cllr Uisdean Robertson, Chair of the Transport and Infrastructure Committee of Comhairle nan Eilean Siar, on issues affecting the Western Isles transport system and infrastructure. There is concern that public transport modelling and policy has not taken into account specific needs of remote and rural island. The range of issues highlighted impact all forms of travel including bus services, ferries, air and active travel.

There are also problems with the fairness of concessionary fare schemes for rural areas and the view was shared that in order to benefit island communities, the scheme should be widened to incorporate ferry services.

Currently the local authority have a subsidised scheme with Loganair for patients and health board workers traveling to the mainland. They anticipate that maintaining the current annual payment of £660k per year is going to be difficult and there was potential uncertainty given news of Loganair’s change in ownership.

There was discussion on the ferries and upgrade of the fleet, currently reliant on highly polluting diesel. In future there could be opportunity to look at greener fuel supply, including the potential for hydrogen ferries supplied from sites such as Arnish.

It was noted that ongoing issues with travel delays, from both CalMac and Loganair have a detrimental impact on the islands economy and pose an ongoing threat, e.g. delay to shellfish export due to ferry cancellations and delays and there is also issues with capacity on the fleet in summer season for waste management services.

The Local Authority’s transport committee felt that too many of the decisions regarding islands and travel are taken in the central belt and highlighted the potential benefits of CalMac being headquartered within the islands they serve.

**4. Private Session**

The Commission reflected on their earlier information gathering sessions and ways that they could highlight the information that they had gathered. They discussed the format of their upcoming meeting with the Minister and the secretariat highlighted points to be considered for the following day’s private session on work plans and priorities.

**5. Hybrid Meeting with Richard Lochhead, Minster for Just Transition, Fair Work and Employment**

The Chair welcomed the Minister, who was joining remotely, for a wide-ranging roundtable discussion on a range of pressing issues related to just transition planning and delivery.

The Minister shared his hope that efforts would be made to respond formally to the Commission’s July report ahead of the publication of the Energy Strategy and Just Transition Plan, expected to launch in December 2022.

The Minister indicated he intends to accept most of the recommendations though noted some issues were challenging due to the nature of the devolved competencies of Scottish Government. Those were mainly associated with the energy market and others related to social infrastructure due to budget constraints.

The Chair stressed the value of clarity regarding reasons for any recommendations that will not be acted upon.

The Commission was keen to know how the Minister had viewed the report. Mr Lochhead noted the complexity of the report and recommendations and commented that a number of those were still under consideration by officials.

There was discussion on cross-portfolio recommendations and how they could be delivered if accepted. Mr Lochhead underlined the importance of just transition in Cabinet Secretary/Ministerial portfolio and bilateral meetings and that the just transition agenda is also proactively being built into other areas. There was agreement the Commission should engage across portfolios in sharing its scrutiny and advice.

The Commission enquired about place-based or regional/local approaches to the transition, if SG will adopt others out with Moray, North East and Grangemouth. The Minister commented that sectoral plans were the priority, however, SG are considering how best to harness local/regional momentum. It was thought more engagement with COSLA was required on this and SG is mindful that the transition must work for all areas of Scotland.

The Commission had mentioned viability of just transition and net zero targets due to current constrains with budgets, noting the money diverted from Scotwind to cost of living funding. The Minister reassured the Commission that these funds would be refunded as per the DFM statement.

Monitoring and evaluation was discussed and how SG was monitoring the impacts of any decisions being taken by other areas within government and their impact on transition.

There was wider discussion on skills and workforce development in relation to just transition planning.

Discussions followed in regard to agriculture and land use and the need to reform rural support schemes, with importance on providing support early to the sector for delivery of that just transition plan. The Commission enquired if plans are being discussed for other sectors, such as fishing/marine.

There was discussion on how best to utilise the Commission for advice and how it can best add value, including providing advice on longer-term challenges and horizon scanning work. The Commission recommended the need for their early engagement with just transition plans, to allow the Commission to deliver most effectively against its remit.

The session closed with the Minister and the Commission agreeing to meet periodically and explore involvement of other Cabinet Secretaries for relevant portfolios.

**6. Stornoway Town Hall**

A town hall event focused on local just transition challenges had been publicised in the weeks leading up to the Commission’s visit and Commissioners met with local citizens at Stornoway Town Hall, with discussions at three tables clustered around themes of Energy, Land Use and Agriculture and Heat and Buildings. Some of the key issues and themes raised are described below, however the nature of the meeting meant achieving a comprehensive record of these discussions has been challenging.

There was a broadly shared sense of frustration among attendees that community energy cannot be used directly to meet the needs of local people in fuel poverty with the supply vs cost scenario feeling particularly unjust, impacting people both in terms of domestic and business usage. There was concern and fear that the islands could be taken advantage of by large scale commercial renewable developments, and of the lack of high quality jobs for islanders driving depopulation.

Concerns were raised regarding lack of skilled workforce (and pipeline for development of skills/access to relevant training) on the islands to carry out any retrofitting and other work related to energy efficiency and sustainability. Many companies delivering such services are based in the Central Belt and accessing these services is challenging and incurs major additional expense for islanders. It was noted that although there is potential to develop skills on the islands, major planning and investment is required if local energy efficiency and retrofitting needs are to be met.

Discussion on retrofitting of housing stock and the difficulties to bring up to relevant standards prevented access to funding for energy efficiencies such as heat pump installation. It was felt previous schemes run by island organisations such as TIG had served local communities better in the past than those currently on offer at national level.

Other issues discussed included the specific challenge of fuel poverty affecting vulnerable groups and hard-to-treat homes, difficulties experienced with reliable and affordable transportation, the experience of local crofters and the benefits of equitable and sustainable land use ownership and practices, the risk of further energy price rises for homes and businesses, the opportunities to maximise the scale of community renewable generation and associated benefit for local people, as well as the limitations imposed by the unique historic environment in parts of Lewis.

**Wednesday 12th October 2022**

**7. Information Gathering Session IIII – Community Energy**

Venue: Point and Sandwick Trust windfarm site and HQ.

The Commission visited the community-owned windfarm of Point and Sandwick Trust where they received a tour and briefing from Calum MacDonald of PST and Tony Robson from the Wood Group. The Commission was given an overview of the end to end process for development of the site including financing, community engagement, build and delivery challenges encountered.

The Commission learned of the generation capacity for the site and the model by which funds raised via electricity generation are re-invested in schemes benefitting the local community.

The Commission moved onto Point and Sandwick HQ where they were presented with further information from Calum MacDonald and Kathleen MacDonald from Community Energy Scotland.

There was extensive discussion on benefits of community owned power. It was observed that there was a “credibility gap” within public and private sector in Scotland preventing investment, and that finance required to be “unlocked” to maximise potential of community owned energy.

The potential capacity for on-shore wind generation in Scotland was discussed. Scottish Government are the largest land owners via the Forestry Commission and could maximise benefit to communities and the general population via maximising the potential for community energy development.

**8. Information gathering session IV– Land Use – Point and Sandwick Trust**

Themes: Adaptation; Community Land; Crofting; Peatland Restoration

Venue: Point and Sandwick Trust; Loch Orasay

Presentations were given to the Commission on various land use issues in relation to the islands, David MacLennan presented on Adaptation, Finlay MacLennan on the work of Community Land Outer Hebrides, Donald MacKinnon on crofting followed by a Q&A session.

The Commission heard that action was taken by NatureScot following the declaration of the climate emergency to convening a working group, including key stakeholders to work towards identifying and meeting adaptation requirements for the Western Isles. Adaptation planning is a key priority for the islands. Within the isles South Uist is at highest risk to sea level rises, with recent storm surges causing loss of life.

Information was presented on the structure of Community Land Outer Hebridies and land ownership on the islands. 60% of land is community owned with 75% of the population living on this land. “Green Lairds” are not as prevalent as they are on the mainland, partly due to the distinct local history of the area.

Other issues highlighted included fuel poverty, challenges in accessing good affordable housing and high quality employment, as well as issues with the preponderance of second home/holiday lets and attempts to support a settled community of permanent residents within the islands.

The specific challenges and benefits of crofting were set out, including maintaining local population, grow high quality food, protection of wildlife, habitats and biodiversity; active land management presence; carbon management; coastal defences; broaden access to land; husbandry of broadleaf forestry.

Crofters have tenanted rights and responsibility for the land under the Crofting Act. Some crofters are permitted to purchase crofts usually at 15x annual rent, though on the Western Isles there is not a lot of uptake and leases are held in perpetuity and hereditary or until sold. Values of crofts could range from few thousand, to 5 acres usually valued around £20,000, some 10 acre crofts value has been in excess of £200,000. The Commission heard of the financial barriers in crofting, banks do not facilitate loan agreements, many are unable to progress in the industry as a result.

The Commission heard crofters were “at risk” of disengaging from policy discourse on decarbonisation because of perceptions of being “blamed” for emissions without recognition of positive contributions to meeting net zero. There was agreement that the new Agriculture Bill should recognise the specific needs of the crofting communities on the islands.

The Commission then went on to discuss Peatland, which incorporated the visit to Loch Orasay to view restoration works that had been completed and another proposed site. Peatland restoration at Loch Orasay is part of broader effort to turn degraded peatlands from carbon sources to carbon sinks. 50-80% of Scotland’s peat is degraded. The current project requires sustained co-operation between Peatland Action, Scottish Water and local grazing committees.

Peatland ACTION support communities in obtaining funding for restoration work. Local civil engineering firms are contracted for peatland restoration, creating jobs for the communities.

The Commission were informed of the challenges involved in restoration projects, with limited time to undertake survey and restoration work arranged around bird breeding season September through March.

A report has been undertaken by NatureScot to look at capital funding and the costs associated with the full restoration of Scottish peatland is estimated to be 4-6 Billion pounds.

**9. Private Session - Reflection**

The Commission returned to Point and Sandwick Trust HQ to review the visit, key themes emerging and major insights. The session on strategy originally slated for the meeting was postponed to a later date.

**Meeting Ends**

Action 1: Secretariat to gather slides and brief packs from meeting for commissioners

Action 2: Secretariat and Commission to discuss and agree strategic approach at future meeting.

Action 3: Secretariat to share detailed ‘Readout’ of the visit with Commissioners.

Action 4: Secretariat to draft paper on strategic working and work plan for 2023.