



Introduction

UNISON is Scotland's largest trade union with more than 150,000 members across the public, private and voluntary sectors. We have a large membership in the gas and electricity sector, across health and local government, with members deliver housing and care in councils and housing associations. We have members also in NDPBs, including the Scottish Environment Protection Agency. More than three quarters of our membership are women. We welcome the opportunity to respond to the Scottish Government consultation on its Heat in Buildings Bill.¹

We are members of the Stop Climate Chaos Scotland coalition (SCCS) and support the SCCS response², as well as some of the response from the Existing Homes Alliance³, whose energy efficiency work we have regularly supported.

Background

At a time when there is a housing emergency and a cost-of-living emergency, it is crucial to understand that the solutions necessary for tackling climate change provide many 'win win' opportunities in building back better from the pandemic.

Heat in buildings is a large proportion of annual climate emissions. As the SCCS response says:

"This requires us to move to a widespread use of electric heat pumps and heat networks, powered by Scotland's abundant renewables, cutting carbon emissions but also lowering household energy bills – helping us to tackle the climate and cost of living crises together.

"However, it is essential that we accelerate the pace of action: today only 11% of Scotland's 2.5m homes have low carbon heating and around half are below recommended standards of energy efficiency. As energy prices have risen, this has contributed to the unprecedented rise in fuel poverty, which now affects around 35% of households."

UNISON has called for many years for investment in energy efficiency including through massive municipal retrofit programmes alongside the switch to renewables. We want a fast and just transition, transforming current polluting fossil fuel based heating systems to new clean energy for a fairer, healthier future for everyone, on a liveable planet. We referred to the urgency of the climate crisis and to some of the

¹ <https://consult.gov.scot/energy-and-climate-change-directorate/proposals-for-a-heat-in-buildings-bill/>

² <https://www.stopclimatechaos.scot/wp-content/uploads/2024/03/Delivering-net-zero-for-Scotlands-buildings-Heat-in-Buildings-Bill-response-from-SCCS-.pdf>

³ <https://existinghomesalliancescotland.co.uk/news/eha-position-on-proposals-for-a-heat-in-buildings-bill/>

problems and solutions in our response last year to the consultation on the Scottish Government's draft Energy Strategy and Just Transition Plan.⁴

In that we called for municipal energy generation, along with major retrofit programmes delivered by in-house council teams.

There will soon be consultation on a draft Just Transition Plan for the Built Environment and Construction sector. Some overlaps are likely and we hope there will be clarity about 'joining up' thinking and action across these and other key related areas, particularly in addressing skills gaps and training needs.

The Scottish Government consulted in 2022 on a public energy agency to co-ordinate work on heat decarbonisation. This is currently operating within government as 'Heat and Energy Efficiency Scotland'.⁵ In our consultation response⁶ we highlighted the key role of the public sector and the need for investment to meet the ambitious and challenging timescales.

We said, re the agency: "...its effectiveness will depend upon the actions of the Scottish Government in working with the UK Govt to establish a UK-wide regulatory framework and in providing adequate public funding for the national agency and local government to deliver decarbonisation." And we recommended, re retrofit and related work, the STUC Green jobs report⁷, which estimated this could create up to 108,000 jobs, recommending that to achieve the necessary pace, local and inclusive job creation and fair work, this is best coordinated and delivered by local authorities.

We welcome the insights and findings in the Just Transition Commission's 2023 report Scotland's Retrofit Workforce: A Briefing on the Built Environment and Construction, including:

"Local authorities need to be supported and empowered to deliver retrofit and heat decarbonisation at scale, including the upskilling of workers currently within the industry, which cannot be left to small companies, however well intentioned. Scotland's strategy should be centred on expanding the capacity of direct labour organisations, giving them greater responsibility and capacity, as is common across continental Europe. We should use the small capacity we currently have and expand it rapidly."⁸

The report also said:

"Industrial policy will be required in order to make the transition affordable and just. A plan is required that sets out the suite of tools, including consideration of regulatory tools and subsidies, that will be applied to deliver the required investment for the decarbonisation of buildings, provision of housing (a key cross-cutting theme underpinning the success of the transition across all economic sectors) and local supply chains."

⁴ <https://unison-scotland.org/draft-energy-strategy-and-just-transition-plan-consultation-response/>

⁵ <https://www.mygov.scot/organisations/heat-energy-efficiency>

⁶ <https://unison-scotland.org/wp-content/uploads/UNISON-Scotland-Public-Energy-Agency-Feb-2022.pdf>

⁷ https://stuc.org.uk/files/Policy/STUC_Green_Jobs.pdf

⁸ <https://www.justtransition.scot/wp-content/uploads/2023/09/Scotlands-Retrofit-Workforce-A-Briefing-on-the-Built-Environment-and-Construction-Accessible.pdf>

The focus for this consultation is of course how we transform heat in buildings. But it is important to consider that as part of a wider picture which would ensure that the Scottish Government's developing Green Industrial Strategy would include plans for delivering on heat in buildings and retrofit work at scale – ensuring a skilled workforce and good quality jobs, including in council direct works departments.

Major public investment is needed, as flagged up by UNISON in our Getting to Net Zero in UK Public Services report⁹, published when COP26 was taking place in Glasgow. UNISON, along with SCCS, has proposed in the SCCS Climate Manifesto, the urgent need for increased support to public bodies to decarbonise.¹⁰ We said:

“Without significant and immediate government funding, public services that are still suffering from a decade of austerity will struggle to decarbonise. The sooner we begin, the sooner we make savings and lower costs.

“The UK Government must commit sufficient funds to bring forward action. The Scottish Government should, in assessing and providing the funds required, immediately establish large scale public sector climate action accelerator funds for public bodies to deliver on specified targets this decade. These could initially be starter funds to pump prime ideas and trials, with further funding following to support positive ideas and successful trials. Good practice should be shared, with action tied also into apprenticeships and upskilling/training, for example, on installation of heat pumps or maintenance of electric vehicles.”

A Just Transition is essential to making sure there is public support and uptake for cleaner heating and transport, among other key changes. We need to make the change in a way that is fair for workers and their families, for the general public to understand and support what is required. This cannot be a case of those with least being asked to pay for a crisis not of their making. The changes can be done in such a way that creates jobs and ensures people have better homes, better air quality, better transport etc. This requires public sector leadership and investment and delivering on promised climate targets and the claimed benefits such as jobs, reductions in fuel poverty etc. Failing on this leads to cynicism about the whole climate agenda, which is not in anyone's interests.

On energy efficiency and fuel poverty, we note that the Existing Homes Alliance says, in introducing the consultation proposals:¹¹

“It is anticipated a Bill will be introduced later in 2024 that would:

- Prohibit the use of polluting heating from 2045;
- Require owner-occupied homes (including short-term lets and empty homes) to meet a minimum energy efficiency standard by the end of 2033;
- Require private landlords to meet a minimum energy efficiency standard by the end of 2028.

⁹ <https://unison-scotland.org/wp-content/uploads/Getting-to-net-zero-in-UK-public-services.pdf>

¹⁰ <https://www.stopclimatechaos.scot/manifesto/policy/decarbonise-the-public-sector/>

¹¹ <https://existinghomesalliancescotland.co.uk/wp-content/uploads/2024/02/Summary-of-EHA-response-to-HiBB-Consultation-Feb-24-FINAL.pdf>

“The EHA has long campaigned for the introduction of these kind of regulations, and we think they are a step in the right direction, with scope for improvement. Tackling fuel poverty must also be at the heart of the transition to clean heating and we believe there needs to be an explicit commitment to this in the Bill.”

We support having an explicit commitment to tackling fuel poverty in the Bill.

Part of the necessary public investment to ensure the changes happen at scale, will be proper funding to ensure grants will cover costs for those on the lowest incomes to switch to heat pumps or district heating schemes, where available.

A new IPPR report¹² last month warned that targets are at risk without proper funding support.¹³ Instead of the climate denialist negativity and organised disinformation¹⁴ disparaging heat pumps, this report is from a widely respected think tank. It recommends:

- The Scottish government should provide grants to those transitioning to clean heat systems throughout the transition as demand grows
- People should be asked to contribute based on their income, not on whether they live in homes that are expensive or cheap to retrofit
- Grants should fully fund the costs for low-income families
- Support for people living in social housing should match the support extended to owner-occupiers and private renters.

The report, published by IPPR Scotland, in partnership with Oxfam Scotland and the Scottish Federation for Housing Associations, said that it was proposing “a fair and sustainable funding option by creating a new system of grants that reduces existing inequalities.”

UNISON believes these types of proposals, supported by general taxation, are the best way to accelerate the switch to clean energy. There need to be safeguards in place to regulate providers to ensure quality systems are fitted.

As noted in the SCCS response (our emphasis):

“...it is important to ensure that the transition is fair and does not unjustly disadvantage those unable to comply from their own resources. This means that appropriate grants and loans must be made available. **This includes full grant funding and expanded energy cost protection for low income and vulnerable households. Appropriate long-term grants should also be made available across the income spectrum, reflecting both the different cost of retrofit for different homes, and the income level of the receiving household.**

“SCCS recognises, as per recent research from IPPR Scotland, that this will require significantly increased investment from the government. However, sharing the cost of transition via grants across the income spectrum, backed up by progressive taxes,

¹² <https://www.ippr.org/articles/no-home-left-behind>

¹³ <https://news.stv.tv/scotland/ministers-told-to-massively-accelerate-move-away-from-oil-and-gas-boilers>

¹⁴ <https://www.desmog.com/2024/03/07/uk-government-holds-its-nerve-on-heat-pumps-as-clean-heat-policy-confirmed/>

drives a fairer outcome for all. In short, households paying taxes is a fairer solution than households going into debt. And without such funding, the overall objectives (which are currently widely supported) will lose support.”

To those with concerns about timescales and practicalities, it is important to be realistic and to be ambitious, with accelerated action everywhere that it can be done.

We would argue, as we have done for many years, that the costs of the transition to net zero are less the earlier action is taken. The example of the pandemic is a good one for showing that major public health and safety decisions can be taken and implemented at scale and fast when the political will is there. The pandemic response also shows that public funding is essential. It is important too to protect against private sector profiteering, and potential abuse by ‘rogue traders’ with proper oversight, legislation and regulation.

Consultation questions

On the specific consultation questions, we largely agree with the SCCS responses and reasoning¹⁵, so we are not copying those here, except for the two questions addressing public sector buildings.

We note that the SCCS responses address areas of potential concern such as fairness and providing grants, protection for tenants (we would argue as well that the Scottish Government should specifically consult organisations such as Living Rent) and related issues.

We stress of course that we want to see proper funding being planned and announced to deliver these proposals. The public sector, including the NHS and local government, is under immense financial pressure and requires support for decarbonisation – as do families for converting their homes to clean energy. We would not support these proposals without a fair grant system.

Question 24

To what extent do you support our proposal to require all buildings owned by a Scottish public authority to be using clean heating systems by 2038?

We strongly support this. We have always argued that the public sector should lead by example. Our 2021 report examined the costs of public sector decarbonisation.¹⁶ We agree with the SCCS response:

“Public buildings can play an important role in the heat transition by providing anchor heat loads for early heat network development, helping to de-risk these projects and accelerate deployment, as well as providing leadership as early adopters. If public buildings (especially those under the ownership/management of Scottish Ministers or Scottish Government agencies were not subject to such a

¹⁵ <https://www.stopclimatechaos.scot/wp-content/uploads/2024/03/Delivering-net-zero-for-Scotlands-buildings-Heat-in-Buildings-Bill-response-from-SCCS-.pdf>

¹⁶ <https://unison-scotland.org/wp-content/uploads/Getting-to-net-zero-in-UK-public-services.pdf>

requirement, the effect would be the opposite of the leadership mentioned above – it would generate accusations of ‘hypocrisy’ and undermine all the efforts and ambitions of these proposals.”

In addition, we argue there are cost savings to be had from more efficient and cleaner energy systems but public bodies will need help with upfront costs.

Question 25

We are considering the following further duties on public sector organisations to support planning for the transition by 2038:

Placing a new duty on public sector organisations which would, from 2025, prevent them from replacing a polluting heating system with another (unless impractical)

Yes, to the above – although government funding must be available to support this.

Creating a new duty for each public body to develop and implement a plan to decarbonise their buildings

Placing a new statutory reporting duty on public sector organisations to demonstrate progress towards their 2038 objective (with the potential for the 2038 then to be non-statutory)

The proposed duties above may be helpful but the existing Public Bodies Climate Duties should see many already working towards clean heating – it might be worth considering if those reporting templates could be used also for this IF that would work well and be preferable.

UNISON Scotland, March 2024

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