



GROUP 11 – EXPLANATORY NOTE AND JAMBOARDS

1. Explanatory note on Group 11's topic

EXPLANATORY NOTE FOR GROUP 11

What topic will we discuss?

This group is invited to consider recommendations on:

- a) an aspect of vision element H relating to incentivising businesses to adopt green values, and
- b) broader aspects of sustainability that were supported by a majority of members in weekend 6 and have been discussed throughout the Assembly, but do not form part of the consensus vision and may not be a focus for other groups.

The topic is therefore a broad consideration of sustainability including the following issues:

- **How we balance our environmental, economic and social impact for the benefit of the country, its citizens and future generations as a sustainable society.**
- **Provision of environmentally sustainable housing for everyone**
- **Incentives to companies to adopt green values**

Groups 9 and 10 will consider other aspects of vision element H relating to tax simplification and fairness, and transparency.

What is the task and process we will go through?

Notes 1 and 2 explain how recommendations will be prepared and provide a worked example. You will review the summary of evidence in the explanatory note and the weekend 6 jam boards and identify the 2-3 areas you want to focus on to develop recommendations. You will then prepare the text of draft recommendations and accompanying information to be included in the final report.

Recommendations should be about either:

- Remit Q 2: how we overcome the challenges facing Scotland and the world
- Remit Q 3: what further information citizens need to take informed decisions

And they should also be supported by evidence: And they should also be supported by evidence:

- Given by or discussed with experts
- From the Assembly process and the experience of participation
- From 'lived experience' of members, shared and discussed over the course of the Assembly



Summary of the Assembly evidence on the issue

1. In Weekend 1, Professor Nicola McEwen discussed Scotland's spending powers and how we can raise revenues such as through taxation.
2. When looking at sustainability in weekend 3 you heard about inequality, wealth distribution and how different economic models can serve social and environmental goals. You heard a range of ideas about how we could build a sustainable Scotland. This included the importance of energy efficient homes and buildings and using the tax system to incentivise businesses to take positive actions for jobs, wages and the environment.
3. In weekend 4, you learned about government expenditure and revenue, public borrowing and debt, and the different powers of the Scottish and UK Governments to raise money. You also heard how taxation might be raised or used differently in the future, which included ideas on how taxes could be used to incentivise businesses to adopt greener and fairer work practices.
4. Across weekends 3 and 4, you worked hard to develop priority areas for action and consider the hard trade-offs and choices. You developed ideas about fairer and more transparent taxation (which other groups are considering), however many priorities for action related to measures to build a greener Scotland. These are listed below and summarised in the annex:
 - Every business needs to comply with new eco-laws which serve the need of citizens first and foremost and that include free, accessible public transport, an affective environmental tax system and the requirement for all new homes to be eco homes that are accessible via a government issued eco mortgage issued at a preferential rate to support access to the housing ladder
 - Affordable and improved state owned public transport that is a joined up, country-wide policy
 - Fairer use of personal and corporate tax to redistribute wealth and using tax as an incentive and disincentive for environment sustainability
 - That every citizen must be better educated and informed about why their actions are essential to maintain our beautiful, green country
 - A 30 year National Plan which politicians from every party signs up to. The plan will deliver a sustainable country balancing environment, economic and social impact for the good of the country and its citizens. There will be specific milestones and targets for politicians at all levels from national down to local authorities
 - That the tax system should be overhauled to pursue a fair and zero carbon economy
5. Finally, in weekend 5 you considered evidence on COVID, which noted concerns that economic pressures will divert critical resources away from addressing the climate crisis to dealing with the coronavirus outbreak over the longer term. You also heard about some ideas on how we can respond to the pandemic such as the opportunity for a 'green recovery' from the pandemic.



Constitutional implications

You learned in Weekend 3 and 4 that some important powers, such as climate change policy and many elements of wider environmental policy and regulation are devolved and other important powers, such as energy policy and regulation, are reserved. You learned that there are devolved powers, for example, over Business Rates, which can be used to encourage businesses to be greener. You heard about the importance of international collaboration, including EU activity, to tackle climate change.

In weekend 4, you learned that tax powers on land, resources and property are devolved, and taxes on incomes, expenditure and profits, including National Insurance, VAT, corporation and inheritance tax are reserved.

The Scottish Government and Parliament could take action in this area where any proposed arrangements applied to devolved matters. Should any recommendations cover reserved matters you may wish to consider whether the evidence supports any constitutional change. For further detail on reserved and devolved matters, please see Professor Nicola McEwen's factsheet [here](#)

Action in hand

The Scottish Government's Programme for Government 2020-21 states that:

- delivering a green recovery is at the heart of Scotland's response to the pandemic
- the Scottish Government is seeking a wide range of views on how Scotland's devolved taxes and the Fiscal Framework can be used to help our economic recovery from COVID-19.
- Scotland's Climate Assembly will be learning about, discussing and making recommendations on how we can best tackle climate change.

Annex: Relevant priorities for action/findings from Weekend 3 and 4

Weekend 3

Priority area of action	Every business needs to comply with new eco-laws which serve the need of citizens first and foremost and that include free, accessible public transport, an affective environmental tax system and the requirement for all new homes to be eco homes that are accessible via a government issued eco mortgage issued at a preferential rate to support access to the housing ladder
Positive impact this would make	Communities thinking locally affects global thinking <ul style="list-style-type: none"> • Could create new jobs, training opportunities, college places • In the long run make housing more affordable • Reduce inequalities and break the poverty cycle • Increases longevity, life expectancy, mental health
Hard choices and trade-offs	<ul style="list-style-type: none"> • Getting people to get on board with change



	<ul style="list-style-type: none"> • More tax - shift in attitude on what tax is for (pros and cons)
Priority area of action	Affordable and improved state owned public transport that is a joined up, country-wide policy
Positive impact this would make	<p>Opens up the community and opportunity and jobs</p> <ul style="list-style-type: none"> • Gets people out of cars • Emissions are down • Gets people active/healthier • Breaks down 'car first' attitude • Less isolated - people will interact more • Cheaper for households
Hard choices and trade-offs	<p>Giving up the car attitude needs to be convincing, this is the hardest challenge</p> <ul style="list-style-type: none"> • Rural areas need more focus • Initial upfront investment will be expensive • Impact on green space in development? • Really affordable
Priority area of action	Fairer use of personal and corporate tax to redistribute wealth and using tax as an incentive and disincentive for environment sustainability
Positive impact this would make	<ul style="list-style-type: none"> • Impact on poverty, education, health and carbon emissions through a fairer tax system • Improved environment from tax incentives and disincentives
Hard choices and trade-offs	<p>Impact on lifestyles - car use, homes, taxes on plastic</p> <ul style="list-style-type: none"> • Higher personal and corporate taxation • Challenge of changing attitudes • Learn from Scandinavian countries
Priority area of action	That every citizen must be better educated and informed about why their actions are essential to maintain our beautiful, green country
Positive impact this would make	<p>We would have a better quality of life</p> <ul style="list-style-type: none"> • Savings could be spent on other priorities/things • We would be more energy efficient • People would be more likely to take action if they understood why it's important and saw the local results and benefits of action
Hard choices and trade-offs	<p>We need to incentivise people to take action but know when to introduce penalties if they don't. For example, we should encourage bigger companies to use recycling materials so it makes it easier for individuals to take action and change what they do. If companies don't, penalties will apply</p>



Priority area of action	A 30 year National Plan which politicians from every party signs up to. The plan will deliver a sustainable country balancing environment, economic and social impact for the good of the country and its citizens. There will be specific milestones and targets for politicians at all levels from national down to local authorities
Positive impact this would make	Encourage politicians to work together, pledge to commit to plan <ul style="list-style-type: none"> • Accountable politicians – encourage joint working • Build on National Performance Framework
Hard choices and trade-offs	<ul style="list-style-type: none"> • Environmental changes, rebalance budgets/change priorities • Measurable – may be difficult environment for politicians • Citizen's Assembly locally – feedback loop
Weekend 4	
The finding that we agree is important in considering Scotland's finances and tax choices is....	That the tax system should be overhauled to pursue a fair and zero carbon economy
Reasons	<ol style="list-style-type: none"> 1. Too many people avoid paying their fair share especially the extra wealthy avoiding tax 2. We need to encourage people and businesses to make the right choices through taxation 3. The current tax system does not reflect today's changed world for example



2. Jamboards from Weekend 6 on the topic being considered by Group 2

(H) Scotland should be a country where all taxes are simplified and made more proportionate so that everyone is taxed accordingly; taxation is transparent and understandable; measures are introduced to minimise tax avoidance: and companies are incentivised to adopt green values (from area of consensus: A fairer tax system)



What is at the heart of it? What are you really trying to say to Scotland your vision for the country is?

Everyone should be contributing something

Help people to understand what tax is used for so they feel better about paying it

Review/update Council tax

Simplification: helps understanding

It should be progressive, e.g. for a pensioner with only one source of income relying on state pension the tax burden is big compared to others

Incentivise companies to be green

Tax burden should be changed to get more people at the lower end out of taxation altogether (maybe by raising threshold)

Proportionate

Central review of local authority spend: accountability

Transparency

Working class people just above threshold for benefit eligibility can be worse off and this needs to be addressed

There should not be any loopholes

Recommendations as to how companies can be incentivised to adopt green values

Green values: green energy, solar panels, electric car. Reduction in council tax relates to property becoming greener. Making aspect of your life greener should be rewarded. Return on what you give

Other

Companies incentivised to adopt green values. They have to have mindset of wanting to do it. Many don't want tax changes and have to move whole operation/company

Government grants for fully electric cars

Benefit for using greener energy in taxes and through government investment