



No Time to Lose

Executive Summary



Just Transition
Commission

2026

1. Scotland's approach to just transition

The practical implementation of a just transition in Scotland has so far emerged most strongly from the ground up. Communities, businesses and pioneering individuals have developed innovative projects and skilfully applied new technologies to meet local needs. Workers and their representatives have campaigned to defend and extend their rights to secure incomes, and a meaningful stake and say in how their work is reshaped through the transition.

The Commission's [showcase of just transition case studies](#) offers inspiration and encouragement that the upside of the low-carbon transition can still enrich Scotland's people and places. These projects are foundations to build from, especially if government can help create the conditions for innovative new approaches to deliver for people and planet at scale. For a just transition in Scotland, there is no time to lose.

What is a just transition?

Scotland's commitment to tackle climate change and reduce its greenhouse gas emissions to 'net-zero' by 2045 represents a transformation in the way we live, travel, and work. That brings both challenges and opportunities for workers, households, businesses and communities. This is especially true in terms of employment. Some industries and economic activities will grow into much more significant parts of our economy, bringing new jobs and requiring new skill-sets, while others will employ fewer people. It matters when, where and how these changes happen. Unless they take place fairly, with costs and benefits shared in an equitable way, the public and political mandate to do what is necessary for people and planet will be at risk.

Scotland's approach and the Just Transition Commission

As an early adopter of the just transition approach, Scotland now has experience of the practical challenges of embedding just transition principles across policy. Just transition plans for energy, land use and agriculture, and transport have been published for consultation. Pockets of just transition funding have been made available by the Scottish Government on a place-based basis, for example, £25 million for Grangemouth, £75 million for the North East and Moray, and most recently £9 million for Mossmorran. A nascent monitoring and evaluation (M&E) framework on just transition is in development, and the inclusion of an initial set of just transition indicators in the draft Climate Change Plan should see these reported on annually under the Climate Change (Scotland) Act 2009.



Commissioners at Queens Quay Energy Centre, Clydebank, in the shadow of the Titan Crane, once the largest crane of its kind in the world.”

Scotland became one of the first countries in the world to set up a Just Transition Commission in 2018. The multi-stakeholder model combined a consensus-building and expert advisory function. Members were appointed from industry, trade unions and environmental groups, and gave practical advice, agreed by consensus, to the Scottish Government on how to apply just transition principles.

In line with the Commission’s advice, the Scottish Government committed in 2021 to a national just transition planning framework, starting with plans covering core economic sectors: energy, transport, land use and agriculture, and the built environment and construction.

This second Commission has worked from 2022 to 2026, with a remit to:

- scrutinise the development of just transition plans led by the Scottish Government
- advise on the best approach to monitoring and evaluation of the just transition
- engage with people most likely to be impacted by the transition, hearing from a wide range of representative voices

In tackling our remit, the Commission has engaged far and wide across Scotland, meeting with over 900 people and all kinds of organisations, from crofters to global asset managers, oil majors to family-run fishing firms. We have organised events, roundtables, community visits, and in October 2025 hosted the first national Just Transition Summit in Edinburgh at which the First Minister announced that “the Scottish Government’s intention will be to renew the Commission for the next Parliamentary term”. We have published extensive scrutiny and advice, along with technical research, and a series of place-based reports recording insights, findings and recommendations for government. Recognising the complexity of the policy areas in scope, we have engaged with all levels of government, including the U.K Government, local authorities and the Scottish Government we are primarily tasked with advising. A just transition will require not only effective co-working and co-ordination across levels of government, but also the active participation of the private sector and civil society.

2. Progress assessment

The social license for climate action is under threat and needs to be renewed. This must mean a step-change from government towards delivery that measurably improves people's lives. Government must make maximum use of the levers it currently holds, requiring employers to act responsibly around conversion and closure, and empowering local authorities to act.

Sticking with the current business-as-usual scenario risks building a country where people continue to live in some of Europe's leakiest buildings, and endure high levels of fuel poverty, deepening job insecurity and in-work poverty, and the undermining of efforts to reduce child poverty. It risks worsening rural depopulation at precisely the moment that we need to ensure communities in rural and island areas have the services and support they need to deliver much of the infrastructure and new forms of economic activity that will underpin the transition and its economic upsides for all of Scotland.

'Our assessment is that progress has fallen short of what is needed. Unless we renew our ambition and redouble our efforts, the enormous opportunity – both for meaningful climate action and for building a fairer and more prosperous country – will be lost.

Markers of progress

Scotland has put in place many of the right building blocks for a just transition and has led the way in bringing people together around a shared approach. Since the beginning of the last parliament, Scotland has developed a stronger analysis, evidence base and understanding of the scope of issues for a just transition approach to confront. A number of ongoing initiatives continue to make steady contributions to the agenda, for example, the Home Energy Loan scheme, removal of peak fares on Scotrail trains, or gains secured in attracting new green manufacturing. The draft Climate Change Plan has the potential to be the strongest such plan the Scottish Government has so far produced.

A reactive rather than strategic approach

However, rather than planning for success, we are increasingly falling into patterns of delaying delivery and then reacting to crises. We have seen a pattern of setbacks to climate action, including scrapping the target to reduce car use by 20 per cent by 2030, and the delaying of the phase-out date for gas boilers.

Critical plans and strategies, including the energy strategy, have not been finalised. The absence of key delivery plans for sectors has left uncertainty in its place. Nowhere is this clearer than for major industrial sites, where closures have been met with reactive funding

announcements from government and efforts to provide a measure of support to workers, whilst seeking to attract new commercial operations. As well as making it harder for workers and communities to plan their futures, this reactive approach harms business and investor confidence, with significant knock-on impacts for the resilience of the economy, along with Scotland's overall competitiveness and investment prospects.

Our current trajectory exposes us to further repeats of these unplanned-for closures and risks eroding the industrial base it is essential we sustain. There is no just path to Net Zero through deindustrialisation. Our current path risks an economy with minimal manufacturing, an overreliance on imports, and the further dwindling of the already diminished industrial base and skilled workforce we need to deliver a prosperous transition.

A reactive approach risks an unjust transition not only in prominent energy industries, but also in crofting, forestry, fishing, transport and housing. The current trajectory of a largely market-led transition risks failing households across the country.



School pupils from the North East share their perspectives with the Commission in Tillydrone, Aberdeen.

3. Next steps for a just transition in Scotland

Addressing this trajectory requires sustained and courageous action. It requires more planning and less reacting from government – starting with Scottish Government completing its sector planning phase and moving ahead quickly with ambitious place-based planning and delivery (see Chapter 2 of this report). But, in parallel, it requires real deliverable changes which can be taken immediately across a number of priority areas, including retrofitting our existing homes and buildings, skills development, land, transport, and resilience (Chapter 3), along with an increased strategic focus on investment and market shaping financial leadership (Chapter 4), further action to empower communities (Chapter 5), and a delivery-focussed monitoring and evaluation approach (Chapter 6). Our key messages and recommendations for government have been agreed by consensus and reflect the cumulative work the Commission has undertaken in information-gathering, engagement and deliberation over the past four years. They are as follows.

Key messages

- 1. The agenda is still failing to deliver.** Instead of planning for success, we are reacting to crises.
- 2. Deliver anticipatory place-based planning for at-risk sites and regions** and progress sectoral plans. There is no just path to Net Zero through deindustrialisation.
- 3. A just transition is still possible but requires courageous action across sectors. To maintain the social license for climate action,** the Scottish Government must now use all levers at its disposal.
- 4. Investment for the just transition must be mobilised** through financial leadership and market-shaping interventions. This includes incentive structures, conditionalities and community wealth building measures.
- 5. Communities and local authorities need capacity and resource** to keep pace with developments, shape the transition and influence major decisions affecting their area.
- 6. Improve delivery with more meticulous monitoring and evaluation,** applying data effectively in partnerships at local and regional level.

Table of Recommendations

Key message: **deliver anticipatory place-based planning for at-risk sites and regions** and progress sectoral plans. There is no just path to Net Zero through deindustrialisation.

- 1** Predict and pre-empt critical risks. Drawing lessons from the Grangemouth refinery closure as well as Mossmorran, Port Talbot and Ratcliffe-on-Soar, our national and local governments must **prioritise anticipatory site and region-based planning and delivery of targeted investment for high-emitting sites as well as detailed plans for supporting those currently working in at-risk roles.**
- 2** **Develop and deliver a credible joint Scottish and UK Government plan for the North Sea workforce.** Currently, workers fear a “cliff edge” transition, and significant redundancies are already underway. The plan must build on the new UK Clean Energy Jobs Plan and include meaningful support through the transition not only for those in operational roles, but also support staff such as catering crews.
- 3** **Complete the sectoral planning phase in a way that delivers maximum clarity and impact across sectors, whilst enabling delivery at regional and site scale.** Clarify the status of the committed Just Transition sector plans on energy, transport, built environment, and land and agriculture and how the engagement, analysis and policy development work undertaken to date will support delivery. Businesses, workers and public sector bodies (particularly our colleges and local authorities) require clarity, stability and confidence in the medium-to-long-term policy picture to unlock investment, deliver the required infrastructure and help plan for how to transition their activities away from high emission operations.

Key message: **unlocking progress toward a just transition requires courageous and scalable action across sectors. To maintain the social license for climate action, the Scottish Government must now use all levers at its disposal.**

- 4** **An updated and enhanced skills strategy for the transition is now acutely needed** to allow proactive skills planning and delivery in every region of Scotland as the transformation in workforce needs accelerates. Emphasis should be placed on Scottish Government and its agencies to better inform and support direct collaboration between employers and education providers at local scales, as well developing an effective way of engaging self-employed workers. Skills development and delivery for the transition must **better engage those who are currently underrepresented in our workforce**, particularly in those sectors seeing the greatest demand but where representation rates for women, ethnic minorities and the disabled remain low.
- 5** **Colleges should be at the heart of an enhanced skills strategy with their funding made commensurate with the sector’s strategic importance** nationally.

6	<p>Communities should have a stake and say as Scotland ramps up tree-planting to ensure proper custodianship of land. Policy opportunities exist and could include the introduction of community woodland grants supplements to increase support for community woodland creation and community woodland management, as well as more robust accountability mechanisms to ensure transparent reporting and oversight of factors such as environmental impact, biodiversity, public access, and the creation of sustainable local jobs through active management practices.</p>
7	<p>Ensure that forestry grants support native woodland restoration and expansion, including through measures like sustainable herbivore management to support woodland restoration and resilience and increase scrutiny of impact, including cumulative impact, on local landscapes through improved community engagement and consultation.</p>
8	<p>Secure substantial flows of investment towards biodiversity outcomes by ensuring biodiversity legislation set out in NPF4 is applied consistently, including for large scale energy infrastructure developments. Consideration should be given to raising the current peatland restoration 1:10 ratio (peat damaged; peat restored) to achieve additional restoration and develop a clear just transition framework to produce a more equitable sharing of the costs of this work.</p>
9	<p>Provide transformational leadership and ensure clear policy objectives for building up Scotland’s retrofit workforce are in place, focussed on maximising this economic opportunity for every region of Scotland. This includes ensuring options to finance retrofit and heat decarbonisation at scale are progressed and that public procurement ensures adequate weight is given to social value and moves beyond the “cheapest wins” approach.</p>
10	<p>Deliver on the intention set out in the Green Industrial Strategy to explore the greater adoption of modern methods of construction for housing delivery. By collaborating across the housing system to aggregate demand, this sets the conditions to unlock value in delivery. The use of Modern Methods of Construction (MMC) – such as offsite manufacturing – to build high-quality, affordable homes faster, with less waste, lower cost, lower carbon and less time on site, can empower communities to shape housing that meets local needs and supports just transition outcomes.</p>
11	<p>The Scottish Government should assess how insurance coverage and non-renewal rates are changing spatially, and how this overlaps with indices of multiple deprivation and changing climate risks.</p>
12	<p>Any future Just Transition Commission should have adaptation and resilience made explicit within its remit; enabling improved scrutiny and advice on just resilience as a core element of realising a just transition for everyone in Scotland.</p>



13	<p>Develop a clear plan for jobs and skills in the transport sector. This will need new and additional interventions (e.g. conditionalities) which ensure Scotland’s low carbon transport system – including buses, rail, ferries – creates and retains high value jobs in domestic manufacturing and supply chains. The plan should also develop credible transition pathways for workers, including a well-sequenced package of training and reskilling for roles within and outwith the sector (e.g. electrification and digital infrastructure).</p>
14	<p>Develop a practical strategy to deliver a high-quality bus network that connects guaranteed minimum services for communities into the regional and national public transport network. We have heard from communities around the country about the effects of cuts to bus services in worsening transport poverty, inequality and social isolation, and limiting economic opportunities. A co-ordinated plan is needed to restore and enhance service provision, improve standards in information-sharing, ensure fair pricing and ticketing, safety on board and accessibility, and foster greater democratisation of bus services so that communities are better served. This should build on the extensive published work on this topic, including the Fair Fares Review, and add value by explaining how the positive priority objectives set out in this work will be delivered.</p>
15	<p>Make EV uptake fairer to avoid a scenario where the transition mainly benefits wealthier households with driveways. By implementing more targeted assistance for low-to-middle-income households, Scotland can build on its current approach (interest free loans for consumers) by developing an equivalent to France’s social leasing scheme. This scheme offers low-to-middle-income households affordable, subsidised monthly rentals for electric cars, typically for three years or more, with low or no upfront costs. The leases can be tiered by income and proof can be also used to tie these leases to long commutes (>15 miles).</p>
16	<p>High-emitters should pay more to tackle carbon inequality from both ends. This means requiring those responsible for the highest emissions pay a proportionately larger amount for the costs of the transition, including through aviation and use of luxury high emitting vehicles. The current draft plan for a just transition in transport helpfully identifies carbon inequality as a core problem for the sector. In translating this into strategic delivery, it should further develop the Scottish Transport Planning and Appraisal Guidance (STAG) so as to clearly define what thresholds of affordability, accessibility and safety will guide strategic interventions, investment and monitoring.</p>
17	<p>Establish clear and consistent mechanisms to ensure that just transition is appropriately mainstreamed across the Scottish Government. New mechanisms now need to be developed to ensure robust application of just transition principles across portfolios, including, for example, establishing a just transition responsibility within the remit of each Scottish Government Director General.</p>

Key message: **investment for the just transition must be mobilised** through financial leadership and market-shaping intervention. This includes incentive structures, conditionalities and community wealth building measures.

- 18 **Bring forward new market-shaping solutions to increase the quantity and quality of investment across Scotland.** This should include going further to identify devolved levers to boost competitiveness and mobilise finance, identifying opportunities to coherently attach just transition conditionalities to public funding, and pursuing ambitious community wealth building measures to ensure benefits of investment are shared as equitably as possible. Begin this work with a focus on market-shaping solutions to rapidly scale up Scotland's green supply chain and manufacturing capacity, learning lessons from recent major industrial investments, and identifying critical levers to be best leveraged to maximise benefits to people across Scotland.
- 19 Provide transformational leadership by **setting and sticking to clear dates for the phasing out of high emitting systems and technologies and clear targets for nature restoration.** This will help unlock private investment by providing certainty to industry and financial institutions around the sequencing of market changes.
- 20 **Address the investment gap in long-lasting public goods that are sub-commercial in nature,** which are harder for the private sector to invest in, such as community energy and nature restoration. The Scottish Government should help to co-ordinate efforts among relevant organisations such as SNIB and Social Investment Scotland, to improve access to finance and a common resource of technical and legal expertise to facilitate smaller scale projects and initiatives in addition to large developments. This could include further evolving the Scottish National Investment Bank's approach now that it is established, or tasking another body with this role.
- 21 **Ensure the Just Transition Fund is fully capitalised with the necessary trajectory to meet the £500 million commitment,** and deployed with **robust just transition conditionalities and multi-year funding** to increase effectiveness and ambition.
- 22 **Work to connect the drive for place-based investments by pension funds and other financial institutions with Scotland's just transition,** Here, SNIB can usefully fulfil the just transition commitment in its mandate by developing market-shaping frameworks (for example, with the new Transition Finance Scotland alliance), and using its capital base to further champion companies with business models that accelerate just transition outcomes.
- 23 **Apply just transition conditionalities** to support a coherent and systematic application of market-shaping conditions attached to Scottish Government levers (grants, tax incentives, loans, leasing and other mechanisms set out in the Commission's research report on the topic). This innovation enjoys a remarkable degree of consensus support across stakeholder groups including business and industry.

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Prioritise development of **new financing models across a host of hard-to-treat issues** to deliver equitable outcomes, including across low carbon heating (e.g. Green Heat Finance Taskforce), retrofit, modal shift in transport, uptake of electric vehicles (see Recommendation 15), nature restoration (e.g. the Ecosystem Restoration Code) and peatland restoration. This can build on the growing work in the impact investment community to direct capital to deliver climate and justice outcomes.

Key message: **communities and local authorities need capacity and resource** to keep pace with developments, shape the transition and influence major decisions affecting their area.

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To accelerate new community wealth building measures, **a community right to shared ownership of renewable energy developments should be established**, enabled by new measures to (1) enhance the capacity of local authorities and communities to take advantage of renewable developments (for example through centralised provision of legal and technical support), and (2) unlock access to finance for local authorities and communities, and (3) reserving grid access for community energy projects. Mandating community benefits and shared ownership are reserved matters, but the Scottish Government can lead on the issue by developing a clear strategy for success as the area of the UK with the most extensive experience of onshore wind.

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Encourage the U.K. Government to mandate community benefit, whether from energy, forestry or other economic activity. This should include putting in place stronger and more consistent governance arrangements as well as clear steps to assess and mitigate the risk of a “postcode lottery” effect, which poses a risk to equity and regional cohesion since the costs and benefits accruing from the climate transition are not distributed evenly in geographical terms. Community benefit funds should be deployed strategically to support the principal goal of building up capacity for community wealth building success and thriving communities across Scotland.

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Quantify, map, and assess critical pressure points on social infrastructure arising from the transition and ensure place-based transition plans explicitly address social infrastructure capacity and resilience. This will include considering the impact of both emerging forms of economic activity and anticipated phase-downs and closures, particularly in rural, island, and industrial transition areas, and setting out how identified risks and pressures will be addressed over time. Planning should enable early action to ensure that care, health (physical and mental), education, housing, and related services are able to support communities experiencing economic change, particularly in areas such as the North East and Grangemouth, where employment trajectories are currently shaped by volatile commodity markets and private sector decision-making rather than coordinated public planning.

Key message: **improve delivery with more ambitious monitoring and evaluation**, applying data effectively in partnerships at local and regional level.

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Publish a **national just transition monitoring and evaluation framework** with core indicators, with a commitment to publicly reporting annually, along with a set out process for reviewing and enhancing indicators. This should be accompanied by the establishment of clear response mechanisms, for example, a formal requirement for ministers to report on an annual basis to parliament using just transition indicators, and set out the government's planned response to areas of concern.

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Put this framework into action at a local and regional scale through a new programme of work in which, as at Grangemouth via the Future Industries Board, Scottish Government leads and co-ordinates planning and delivery by bringing together local authorities, public bodies, third sector, business and industry. This could begin by prioritising 'hotspot' areas such as Mossmorran, Sullom Voe/ Shetland, Aberdeen and the North East and Dumfries and Galloway. Regional and site plans must be a critical vehicle for establishing roles and responsibilities, as well as capturing metrics and indicators to assess performance, which in combination will provide a far clearer picture of progress at the national scale to inform the further development of just transition strategy and delivery.

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Embed independent scrutiny. There is clear scope for a future Just Transition Commission or equivalent body established on a permanent basis to add value to Scotland's medium-to-long-term just transition process, combining multistakeholder engagement and consensus-building with subject expertise and analytic capacity to deliver robust, independent monitoring, evaluation and development of the overall approach to just transition planning and delivery.

