

# Q+A: Glasgow leader Susan Aitken on Cop26, student housing, retrofitting and paying back female workers with property

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Head of city council reflects on the climate summit and how to keep its momentum going



Glasgow is no stranger to epic transformations. A commercial hub in the first half of the 20th century, the city went through rapid de-industrialisation in the 1960s and 70s and later reinvented itself as a cultural and [research capital](#). Now, Glasgow hopes to lead the way on the UK's race to net zero – its greatest transformation yet.

Fresh from [hosting city mayors from around the world at Cop26](#), *React News* caught up with Susan Aitken, SNP leader of Glasgow City Council, to discuss the challenge of retrofitting the city, applying for the government's Levelling Up Fund, and how she plans to build on the legacy of the summit.

## **What lessons are you taking away from Cop26? How are you taking this momentum forward?**

Our target is net zero in the city [by] 2030, and we are pressing ahead and showing leadership on it. We'd already committed to an ambitious climate action plan before we were named the host city of Cop26. But certainly, the momentum and the opportunity to accelerate that Cop26 has given us has been invaluable.

It is going to have to be a level of investment that we've never contemplated before. This is an unusual space for local government to be in, to be talking about the tens of billions. How [do] we use that, how [do] we use every single pound that we invest in decarbonising to also deliver benefits for citizens?

It's been very galvanising for Glasgow. The legacy of Cop26 has only just begun for us. There's now a world of cheerleaders and supporters for this city that we didn't have before, and that can only be a good thing.

Susan Aitken with city leaders at Cop26

## **In September you revealed your £30bn 'greenprint' plan for the next 10 years. Tell us a bit more about that.**

That's right. One of the big discussions at Cop26 was around finance. We wanted to be ready to say: "Here are some of those zero carbon interventions, which we have shaped into investible propositions." That's what our greenprint was designed to do, and the process of us doing that was a huge learning curve.

We realised quite early on that this was a new space for all of us, and we had a skills gap. So we recruited a green economy manager, and that really made a difference. It helped to bring together the range of skills that were already there around investment, but to understand how to do that in the context of decarbonisation.

The things we're talking about, like renewable source district heating networks across the city – these are huge interventions. Or the housing retrofit programme, which we're doing right across the metropolitan region – 430,000 homes; it will cost around £10bn.

*“If we work together – say Glasgow and Edinburgh combine our district heating plans – that is an investment of serious scale”*

We're still doing a lot of work to understand what the commercial returns would be on investments like this. It is very clear what they are on more traditional investments, like a hotel or an office building. But these big infrastructure interventions are in a different space. In some of them, the commercial return isn't quite as obvious, and it'll have to be worked through in partnership between investor and authority. The greenprint is the outcome of that thinking.

Other cities are looking to us and saying, “How do we collaborate? How do we scale up some of our investments by joining them together?”, because the traditional municipal investment, by and large, isn't big enough. Those discussions led to the establishment of the UK Cities Climate Investment Commission, which has moved rapidly.

Somebody, I can't remember who it was, said that where there is public-private investment, very little of it is with municipal governments. Because, by and large, we're just not looking for enough money overall. But if we work together – say, for sake of argument, Glasgow and Edinburgh combine both of our district heating plans – that is an investment of serious scale.

**Let's focus on retrofitting. Those numbers are staggering: £10bn, 430,000 homes.**

We've done a feasibility study through the city region and Grant Thornton, which undertook it for us, said the cost-benefit analysis was really striking.

Although the cost is obviously very significant, the returns you get on an investment like that – in terms of people having reduced fuel bills; reduced fuel poverty, which is a significant social justice issue in Glasgow; improved health, improved air quality – they were looking at 6:1 as a cost-benefit analysis. Every pound that we spend on this, we get six, in terms of either savings or benefits, in return.

So, while the numbers are, as you say, staggering, the gains you stand to make from that are also pretty staggering.

### **How do you begin to address a task of that scale?**

There's a range of interventions required, so it's absolutely not one size fits all. There are going to be a number of homes where the interventions required are not enormous. It's improved insulation. You're not going to have to spend huge amounts of money or time to get a result of significantly improved energy efficiency.

At the other end of the scale, though, we've got our pre-1919 tenement stock, which is the traditional vernacular housing style in Glasgow. I'm standing in one right now: sandstone, semi-detached and standalone villas.



Terraced sandstone houses in the West End of Glasgow

There are about 70,000 tenement homes in the city, and more in some of our adjoining local authorities. Those are where we've got a massive challenge. So, we're working with the University of Glasgow and one of our community-wide housing associations in the city. There was a tenement block, which had

six one-bedroom flats. We used our CPO powers as a council, so we were able to buy out the entire block.

Each of those six flats is being retrofitted to as close to Passive House standard as possible, using different technologies in each one. What we've been able to get from that is an understanding of how you would go about addressing that particularly challenging end of our housing stock, and which material you would use. The conclusion is that certainly, in a way that is scalable and practical, you can get you very close to passive. That, for leaky sandstone buildings, is transformational.

Then, you model from there as to how you deliver it throughout the entire stock. What's missing now and what we're actively seeking, is the resource.

### **How will you get that £30bn resource?**

We are actively looking for investment partners. That will be a combination of public and private money. Certainly, the UK government at the moment is not indicating that it's prepared to put what's necessary on the table. There is going to have to be private investment involved in this. Off the back of the greenprint, we are having some really encouraging early conversations. Within a day of the greenprint being published, I had a letter from a household name investor, saying, "This is brilliant, can we talk to you about the following projects?"

They realise that it's public and private sector moving closer to each other. What we're seeing now is a new generation of activist investor, who is saying, "We want to be associated with investments that we can be proud of, that we can see are making a real difference to planning and to places, and indeed, to people's lives as well."

The difficult bit comes with understanding how we, from our end, finance the investment over the long-term. That's where government is crucial. Perhaps the most helpful intervention that national governments can make is to stand behind cities and say, 'While these huge interventions are being funded and delivered, public services will be protected; it's not going to be at the expense of the other things that people rely on every day.' There needs to be a local authority-investor relationship which puts up a protective ring around those public services.

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What government needs to do is give local authorities and cities the assurance and the confidence to deliver net zero. The targets they’ve set are not going to be delivered if cities aren’t able to deliver on our targets, so it’s in their interest to support cities.

**It was announced in October that Glasgow would receive money from the first tranche of the UK government’s Levelling Up Fund. Has the money arrived yet?**

I don’t think it’s in the bank account yet, but we’re assuming that they’re good for it. We’re in discussions now, as are local authorities across the UK, about the second tranche, and our bids for that.

**There is a significant shortage of housing for students in Glasgow. What can be done to tackle this?**

We have a lot of development going on in the city just now. There are several built-to-rents under construction and more in the pipeline. We have a new student accommodation planning policy, which is particularly focused on quality. We’re conscious that some of the developments that went up in the past have not stood the test of time, in terms of both the quality of the accommodation, but also their contribution to place. It’s sometimes been to the detriment of permanent residents.

But yes, there’s no doubt that there’s a pressure point just now, and there’s a number of factors playing into that. Both the University of Strathclyde, but particularly the University of Glasgow, have some older accommodation, which has got to the point where it’s probably not fit for purpose. It hasn’t yet been replaced, so there’s a crunch point where we’ve got a lot in the pipeline, but not quite there yet. We’re working closely with the universities on this.

The University of Glasgow is midway through a £1bn campus development

There was a bit of a hiatus as well where there was uncertainty around Brexit. What was the impact going to be on the number of overseas students coming into the city? The universities didn't know. [But] it doesn't seem to have happened. Student numbers are as high as ever and continuing to rise.

We're very aware of the need to ensure that there is that continuing pipeline of high-quality accommodation that is suitable for students, that students can access, afford, and hopefully, settle themselves down for however long they choose to be here.

### **In 2019 Glasgow City Council part-settled with 13,000 female employees over an historic equal pay dispute at a cost of £505m. Can you unpack this?**

A pay grading system was put in place back in 2006, which was discriminatory in the way that it applied to female-dominated staff groups in comparison to male-dominated staff groups. It wasn't a straightforward case of women being paid less than men, it was sneakier than that. It was more about additional payments for shift working and things like that. Female-dominated staff groups, primarily home carer, cleaners and catering staff, were disadvantaged as a result of that.

So there were a large number of historic claims. Those have all been settled. Now we're currently back in negotiations with the claimant representatives to settle for new claimants which have come in since that settlement. We are also

going through a job evaluation process to replace the old pay grading system.

*“It wasn’t a straightforward case of women being paid less than men, it was sneakier than that”*

The discriminatory pay grading system is still in place. It’s not something you can just turn off overnight and replace. Because we employ so many people, it is a huge job. We’re going to use the system that every other local authority in Scotland uses, but it must be adapted specifically for Glasgow. We were hoping to have that in place for the next financial year, but Covid has intervened, so it’s probably going to be 2023 or 2024.

We also have another negotiation to do then, on what we call the gap period. That will be for compensation for women who are continuing to be paid under the discriminatory scheme, between the point up until which we settled (2018) and when the new pay grading system comes in (likely 2023).

### **Did you have to sell any of your property portfolio to be able to pay this compensation?**

We didn’t sell anything. We did use our built assets, and we are lucky as a city that we have a real wealth of built assets. We already had City Property, which oversees our property assets. So we refinanced the original deal which had set up that City Property arm, and raised the resource with that.



The Armadillo exhibition centre was acquired by City Property and leased back to the council in June 2019

The other part of it was the buildings which weren't in the City Property portfolio, which were revenue raising assets – those went into the City Property portfolio. We mortgaged those buildings and sold them to ourselves, so they remain city assets. Those were the two aspects that we used to raise the finance, and to get the investment in.

Part of the learning from that has helped us to understand how we go about doing it for our green investments.

### **What are your goals for 2022? I understand there are elections coming up.**

We have achieved a lot in the past four and a half years, but there's a lot more that we want to do. Although hosting Cop26 was an enormous opportunity in and of itself, it's what Cop26 was a springboard for that was crucial.

I'd like to go on doing that, to make progress towards that net zero target of 2030. But, in doing so, also address some of the challenges Glasgow has faced for a long time. Whether it's transforming vacant and derelict land, which we have more of than any other city in the UK. Whether it's continuing the housing transformation that the city has seen over the past 20 years.

In comparison to my colleagues in cities in England, we're in a privileged position of being well resourced by the Scottish government to deliver affordable homes. We are going to be building them at an incredible pace over the coming years. Our plans are big and ambitious, but I think they're realistic.