

COVID-19 – IMPACT ON SCOTLAND'S BUSINESSES, WORKERS AND THE ECONOMY

Evidence paper to EEFW Committee

Monday 29 June 2020

We are pleased to submit our comments for the Economy, Energy and Fair Work Committee's inquiry into the impact of COVID-19 on businesses, workers and the economy in Scotland.

Transform Scotland advocates for a transport system which will benefit a sustainable economy, improve the nation's health, reduce emissions, and be accessible and affordable for all; a prosperous, fair and responsible transport system.

We have previously published recommendations for measures the Scottish Government should prioritise as it assembles its recovery plans for transport.¹ Our comments in this paper pertain to issues specifically within the remit of the Economy, Energy and Fair Work Committee, focusing on prioritising a 'green recovery' and embedding and facilitating remote working for an increased number of Scottish workers.²

The economic damage of the Corona Crisis has increased calls for public spending on large infrastructure projects in order to provide an economic stimulus. Given the ongoing Climate Emergency, all new capital expenditure should be:

- **Zero-carbon.** In the field of transport, Transport Scotland has pursued a systematic bias towards high-carbon capex over the past decade.³ This high-carbon bias must now be urgently reversed.
- **Scottish.** To maximise multiplier effect benefits for the Scottish economy, priority should be given to capital expenditure projects which have greater potential to be carried out by Scottish companies and by Local Authorities.⁴

The recent publication of Scotland's climate emissions for 2018 demonstrated the failure to significantly reduce transport emissions over the past three decades. This trend has to be corrected in the decisions that are taken now to tackle the economic effects of the Corona Crisis. The coronavirus recovery measures must address this failure by prioritising a 'green recovery' instead of worsening the Climate Crisis by further spending on high-carbon infrastructure. An indiscriminate 'build more of everything' approach would further lock Scotland into a carbon-dependent transport system for decades to come.

In addition to supporting the shift to a low-carbon transport system through investment in sustainable transport, supporting the avoidance of unnecessary travel will be another key factor in reducing transport emissions in line with Scotland's emissions reduction goals. **The rapid uptake of homeworking and videoconferencing during the lockdown demonstrates that avoiding travel is feasible for many people.** There may be a medium-term bounce back to face-to-face meetings, but efforts should be made to reinforce homeworking and videoconferencing options. **Our 'Connected Recovery' report**, which we are submitting with these comments, details our

recommendations to encourage and enable more people in Scotland to avoid unnecessary travel for work purposes.⁵

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¹ <http://transformscotland.org.uk/blog/2020/04/27/coronavirus-impacts-the-priorities-for-recovery/>

² We have published a series of reports during June 2020 addressing social justice, active travel, digital connectivity, and public transport. These are available at <http://transformscotland.org.uk/corona-recovery-series/>

³ SPICE 'Scottish Government infrastructure investment' briefing, 15/01/19. Figure 13 demonstrates the systematic bias in Scottish Government capital expenditure towards high-carbon transport. <https://sp-bpr-en-prod-cdn.azureedge.net/published/2019/1/15/Scottish-Government-infrastructure-investment/SB%2019-02.pdf>

⁴ This is likely to require capacity building and skills training in low-carbon infrastructure at Transport Scotland and Local Authorities. A major capacity transformation was already overdue.

⁵ Also available at <http://transformscotland.org.uk/blog/2020/06/18/new-report-connected-recovery-enabling-the-digital-commute/>

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We campaign for walking, cycling and public transport to be the easiest and most affordable options for everyone. Our diverse membership brings together public, private and third sector organisations from across Scotland. We are a registered Scottish charity (SC041516).



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CONNECTED RECOVERY

ENABLING THE
DIGITAL COMMUTE

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FOREWORD



Brendan Dick,
Board Chair,
Openreach Scotland

COVID-19 has brought sharply into focus how digital connectivity matters in everything we do. And we need to use it more than ever as we emerge from this crisis.

In many ways the lockdown has shown us how far we've come as a digital nation. We're doing things online we didn't contemplate before and innovation is happening across the whole country much faster than it might typically do.

Today, 94 per cent of Scottish households and businesses can connect to a superfast broadband service, and around 50 per cent can access ultrafast services. Eleven per cent now have access to gigabit-capable full fibre.

While the last few years have seen dramatic improvements in connectivity, there are still small gaps in infrastructure. These will be addressed through a combination of public intervention, commercial investment and community partnerships.

But Scotland has yet to fully exploit the digital capabilities it already has, so a key question must be: *How do we make the most of our digital capacity beyond lockdown?*

Public spending must support recovery from the crisis and redirect investment to areas that have the greatest social and economic impact for the country. There are growing calls for Government to prioritise investment in the provision and, crucially, exploitation of digital infrastructure ahead of such things as new, high-carbon road construction.

How to deliver vital virtual public services without excluding anyone – in health and education for starters – is a challenge the nation must crack.

The use of fast, reliable connectivity is not just crucial to Scotland's economic recovery from Covid-19. It will help us tackle some of our greatest challenges – climate change, brain drain and population flow from rural areas – and relieve pressure on transport and housing in cities.

This report explores what actions are needed to ensure digital connectivity can fully support our journey to recovery and beyond.



1

BENEFITS OF DISTRIBUTED WORKING

In the hierarchy of sustainable transport, the most efficient and effective action is to avoid unnecessary travel. From a business perspective, this falls into two main categories: using audio or video conference for meetings where it is not necessary to be together in person; and allowing employees to work from home for some or all days of the week. There are companies of all sizes that have set themselves up from the beginning as 'distributed workplaces'.¹ In these cases, there is no 'local' and 'remote' working – employees are located across the world, and regardless of location, "everyone is on an equal playing field."² Although not possible for all types of business, a distributed workforce tackles both the meeting and commute issues, as online communication is the default interaction.

The restrictions that have been imposed to stop the spread of the Coronavirus pandemic have forced almost all companies to introduce at least some amount of remote or distributed working, and for most businesses this has been on a large scale, applying to almost all of their workforce. Organisations have essentially been forced to avoid travel, whether they were interested in doing so before or not. This has involved putting in place the necessary technology and services and also adapting management and procedures to support distributed working.

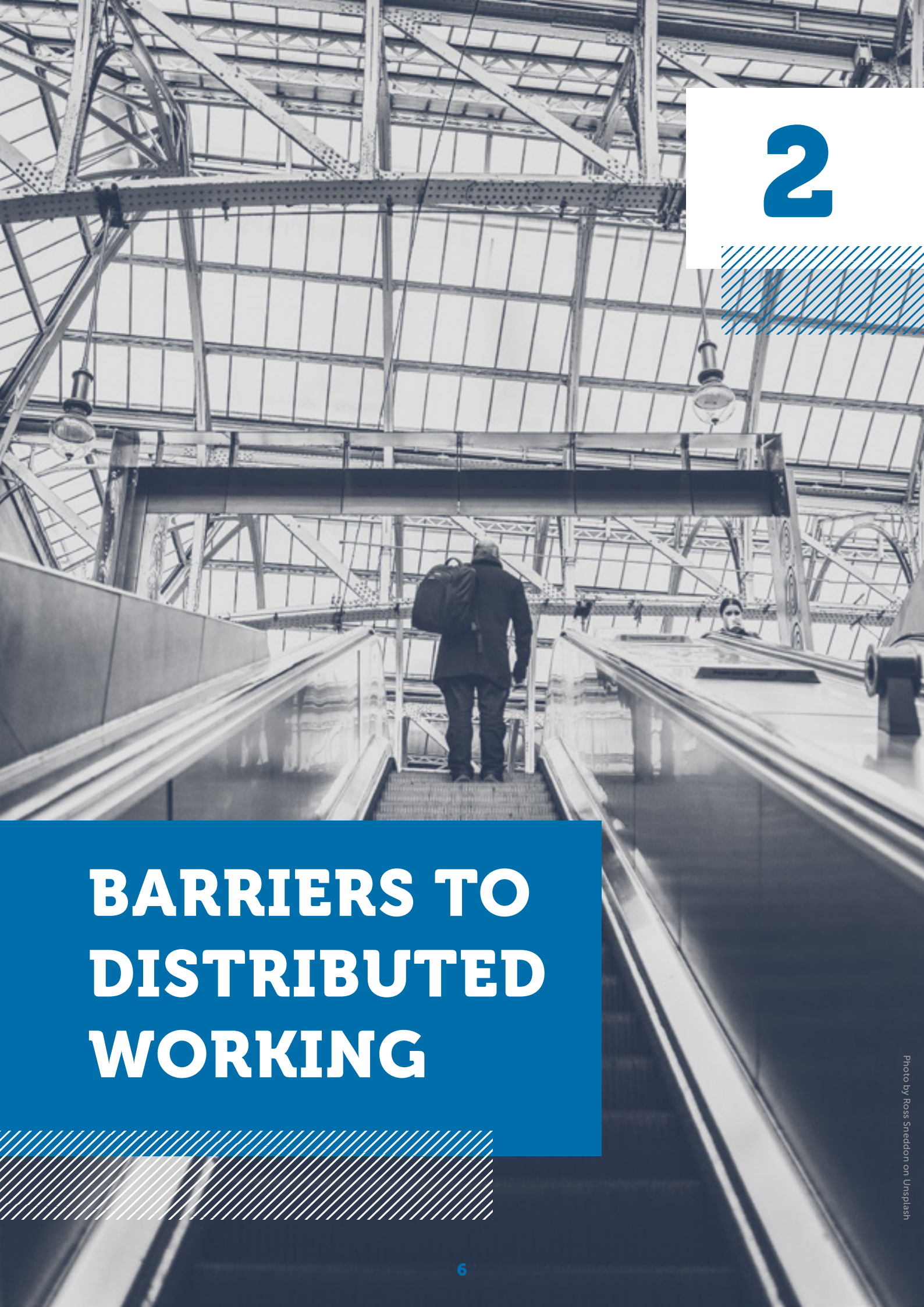
Normalising working from home and online meetings in a world without travel restrictions will provide many more opportunities to avoid travel. This has environmental benefits, most obviously in reducing air pollution and carbon emissions. Even working from home for part of the week could have significant benefits. It has been estimated that the US could reduce greenhouse gases by 49 million tonnes if appropriate employees worked from home half the time (this only considers employees who want to work from home and are in jobs that are compatible with distributed working). This would be equivalent to taking almost 10 million cars off the road for a year.³

Remote working also cuts down on the amount of resources an employee uses on average. When working from home, people are likely to print far fewer documents, typically creating "less waste during their workday preferring to use email and digital tools for messaging, taking notes and sending files."⁴ They are also less likely to require disposable items like takeaway coffee cups, food containers, cutlery, and straws.⁵

From a business perspective, flexible working with the option of at least some remote working is popular with employees and helps to attract and retain staff, potentially reducing turnover by 12%.⁶

Studies have shown that remote working increases productivity from 13%–40%, improves the quality of work, and can reduce absenteeism by 41%.^{7,8} Furthermore, the use of online meetings, where possible and appropriate, cuts down on the amount of travel that employees must undertake. Travelling by car is 'dead' time that a business must in most cases pay for, but in which the employee can't carry out any work. Taken together, providing remote working as an option where possible and making use of online meetings can be a meaningful way to increase profit for an organisation.

A final benefit of distributed working is that it helps to reduce inequalities. From a geographic perspective, an increase in distributed working means that people in remote and other areas can have access to good work opportunities without moving to a major town or city. This reduces the chance that people of working age will feel they must leave places with more limited 'in person' job opportunities. As well as being a benefit to the individual, they can continue to spend at local businesses, maintaining or boosting the local economy. From a social perspective, remote working allows a degree of flexibility which can help with arranging childcare. This helps "attract more experienced members of staff who have family commitments, and women who often bear the brunt of juggling work and family."⁹ There may also be greater opportunities for people with certain disabilities to access jobs.



2

BARRIERS TO DISTRIBUTED WORKING

COMMUNICATION AND COLLABORATION

The biggest potential issue with distributed working is ensuring effective communication and collaboration. To work effectively as a team, it's important for people to get to know each other and be able to communicate effectively. Using the wide array of online tools available for distributed working (e.g. chat, team workspaces, video calls, document collaboration), this is possible to do with remote workers, but organisations are often not used to this way of working, or lack the specific management skills. To ensure effective collaboration, it is important to develop ways of working that fully include any remote workers and allow people not in the same location the opportunity to have less formal chats and social interactions.

Particular focus must be paid to communication and ensuring that staff have a variety of ways to communicate to suit varying levels of interaction. In particular, email is a necessary tool but organisations must ensure this is not the only method of electronic communication. Up to 60% of communication is non-verbal, so access to video chat and meetings are vital, particularly around more emotional issues and when supporting team cohesion.¹⁰ Using video as much as possible is also an important way of picking up on small problems that might not be explicitly stated, as it allows a manager or colleague to notice non-verbal cues and make time to follow up with the individual to check everything is ok.¹¹ Less formal chat-based interaction is also important to allow people to quickly discuss issues that arise, and also have the opportunity for social interaction.

ISOLATION AND LONELINESS

Employees working from home can feel isolated from their colleagues and out of the loop.¹² In an office, it can be possible to stop by someone's desk to chat through an issue, or bump into someone in common areas and end up in a useful or enlightening discussion. Whilst the lack of these distractions when home working contributes to higher productivity, they can also lead to people feeling cut off. In many ways, the solution to these issues is the same as discussed above. However, it is important that managers are particularly aware of this issue and ensure that teams are run in a way that ensures remote workers are fully included and supported. Using video conferencing to include remote workers in meetings, ensuring that discussions are primarily held over the team chat app, and making use of regular one-to-one meetings to build a relationship with remote workers are all important. Teams and ways of working should be structured so that those people who are not physically present in an office are not second-class citizens.

CONNECTIVITY

Clearly, a prerequisite for using these online communication tools (particularly video chat and meetings) is good connectivity. All remote or distributed workers will need a solid high-speed internet connection. To a lesser extent, mobile phone coverage is also important, though it can be possible to overcome poor mobile reception, using the audio chat feature of many online collaboration tools. Recognising this, the Committee on Climate Change has recommended that to ensure remote working is a widespread option, the Scottish Government should prioritise higher investment in Scotland's fibre and 5G networks over spending on the road network.¹³ The importance of this was underscored by figures from Openreach which show that internet traffic on their Scottish network has increased by 70% during the lockdown.¹⁴

The Digital Scotland Superfast Broadband project funded by the UK & Scottish Governments has resulted in the majority of Scotland having access to a fibre-backed internet connection capable of 30+ Mbps speeds. However, 6% (around 180,000) of premises are stuck on slower speeds, due to being located in areas that are harder to reach with the fibre backbone. And approximately 30,000 premises cannot get broadband service that even delivers the slower broadband speed of at least 10 Mbps.¹⁵ The Scottish Government created the R100 programme to address this and provide 'superfast' internet to the remaining premises. Though the programme delivery has encountered some delays and will not be complete until 2023, alternative options will be made available for any properties that will not have a superfast connection by the end of 2021.^{16,17}

In terms of mobile coverage, the UK Government has reached an agreement with the four main mobile network operators for the Shared Rural Network, which will see 4G coverage extended to 95% of the UK by 2025.¹⁸ And the Scottish Government has developed the Scottish 4G Infill programme, which will see "future-proofed mobile infrastructure and services" installed by 2022 in 50–60 areas that currently have no mobile signal.¹⁹

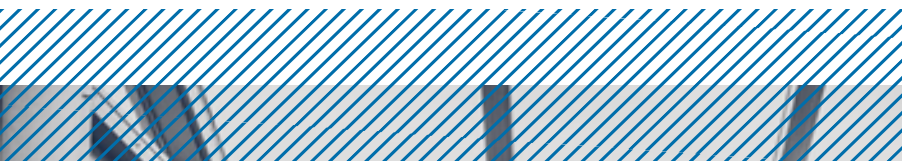


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ENABLING THE DIGITAL COMMUTE

MAKING DISTRIBUTED WORKING THE NORM

To support travel reduction once the Coronavirus pandemic comes to an end, it is vital that the most is made of organisations' current experiences with remote working. These recommendations seek to help remote and distributed working, where possible, come to be seen as normal ways of working, not a second-best option.

LEAD BY EXAMPLE

The Cabinet Secretary for Transport, Michael Matheson MSP, has urged businesses to "adapt to a new environment which has flexible and remote working at its core."²⁰ This high-level support is welcome, and it needs to be backed up with practical action. Both national and local governments must lead the way by:

- **Making remote working a standard option for jobs that don't require an employee to be physically present in a specific location all of the time.**
- **Providing an online participation option as standard for meetings, both for internal meetings and meetings involving external participants.**

IMPROVE CONNECTIVITY

The current gaps in superfast broadband in Scotland risks leaving behind the very people for whom remote working provides a significant opportunity. Those in remote areas are also most likely to require a car to commute to jobs, so remote working in these locations is particularly important in cutting down on car journeys. Recognising

this, the Committee on Climate Change has recommended that to ensure remote working is a widespread option, the Scottish Government should prioritise higher investment in Scotland's fibre and 5G networks over spending on the road network.²¹ The importance of this was underscored by figures from Openreach which show that internet traffic on their Scottish network has increased by 70% during the lockdown.²²

It should be noted that the Scottish Government's existing commitment to 100% access to superfast broadband of 30+ Mbps is unmatched in the UK.²³ Given the complexity of providing infrastructure to Scotland's most remote regions, it is understandable that there have been initial delays to the R100 programme and it is unfortunate that a legal challenge has led to an ongoing and unknown delay to the bulk of the programme (the "North Lot").

The Scottish Government has recognised the vital importance of superfast broadband and so has expanded the voucher scheme of R100 to cover properties that will be impacted by these delays, even if they will eventually have superfast (or better) connections. This voucher scheme will allow eligible properties (both non-domestic and domestic) to receive a grant to help pay for an alternative internet connection (e.g. satellite). However, the details of the voucher scheme will be crucial. It must be:

- **Well publicised within the affected communities.**
- **Easy to access.**
- **Does not introduce unnecessary delays in getting a connection set up.**

On the mobile side of the connectivity issue, the UK government should work with the mobile network operators to see if it is possible to speed up the infill of 4G services to rural communities without sufficient coverage.

- **The implementation deadline of 2025 for the UK's Shared Rural Network must be brought forward as much as possible.**

IMPROVE AND INTRODUCE FLEXIBLE SEASON TICKETS FOR PUBLIC TRANSPORT

Allowing employees to work remotely can represent a savings on the cost of commuting, which effectively increases their take home pay.²⁴ However, it also means that standard season tickets for public transport are not an option for employees that are going into the office only part of the week. To make flexible working more attractive and encourage use of public transport, a consistent flexible season ticket should be available on rail and bus in Scotland.

ScotRail currently offers a Flexipass ticket, which provides a 10% discount when buying 10 journeys at a time. However, the journeys must be used within a month, so will not be suitable for some remote workers, as having even a single journey expire before use wipes out any savings. Furthermore, bus operators generally do not offer a flexible 'season ticket' option, yet they provide the majority of public transport commuting in Scotland. The Scottish Government and local authorities should work together to:

- **Extend the validity of ScotRail's Flexipass tickets to three months and ensure they allow travel on Avanti West Coast & LNER services within Scotland (as they currently do with CrossCountry and TransPennine Express).**
- **Ensure bus operators offer a Flexipass similar to ScotRail's.**
- **Publicise the Flexipass as a product available on rail and bus for flexible workers.**

PROMOTE WORKING PRACTICES THAT SUPPORT AND INCLUDE REMOTE WORKERS

It is important that organisations adapt their ways of working and managing people to take account of remote or distributed working. This will involve setting up guidelines and training managers. Businesses need to ensure managers are trained to deal with distributed working and that teams are run to ensure remote workers are fully included. A number of broad principles are discussed above, and things like the importance of regular one-to-ones, regular use of video calls, and having time for small talk and chat are all important for building personal and team morale.^{25,26} The Local Government Association (LGA) in England has produced a good set of five [Top Tips on adapting to remote working](#) during the Coronavirus pandemic.

As recommended above, the Scottish Government and local authorities should lead by example in normalising and supporting remote and distributed working. This will require developing appropriate practices.

- **The Scottish Government should work with COSLA to develop best-practice guidelines and HR policies as part of normalising remote working, and make these available to all employers under the [Open Government Licence](#).**

RECOMMENDATIONS



1

The Scottish Government, Scottish Public Bodies & the Scottish Parliament should demonstrate their own commitment to distributed working. They must: (i) **make remote working a standard option** for jobs that don't require an employee to be physically present in a specific location all of the time; and (ii) **provide an online participation option as standard**, for both internal meetings and those involving external participants.

2

The Scottish & UK governments should prioritise investment in digital infrastructure ahead of new, high-carbon road construction. As part of closing the broadband and mobile connectivity gaps, (i) the Scottish Government must ensure their support of **alternative internet provision in remote areas** is well-publicised and easy to access; (ii) the UK Government should **speed up the infill of the mobile network** in rural areas.

3

Public transport operators should **provide flexible season tickets** for public transport to address increasingly flexible working patterns by (i) extending the validity of ScotRail's Flexipass tickets to 3 months and ensure they allow travel on Anglo-Scottish rail services within Scotland; (ii) offering a Flexipass similar to ScotRail's on bus and light rail networks.

4

The Scottish Government should work with COSLA to **develop best-practice guidelines and HR policies** as part of normalising remote working, and make these available to all employers under the Open Government Licence.

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This report has been published as part of Transform's *Corona Crisis Recovery Series*.



Transform Scotland is the national alliance for sustainable transport, bringing together organisations from the private, public and voluntary sectors.

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