



OFFICIAL REPORT
AITHISG OIFIGEIL

Economy and Fair Work Committee

Monday 6 November 2023

Session 6



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ECONOMY AND FAIR WORK COMMITTEE

27th Meeting 2023, Session 6

CONVENER

*Claire Baker (Mid Scotland and Fife) (Lab)

DEPUTY CONVENER

Colin Beattie (Midlothian North and Musselburgh) (SNP)

COMMITTEE MEMBERS

- *Maggie Chapman (North East Scotland) (Green)
- *Murdo Fraser (Mid Scotland and Fife) (Con)
- *Gordon MacDonald (Edinburgh Pentlands) (SNP)
- *Colin Smyth (South Scotland) (Lab)
- *Kevin Stewart (Aberdeen Central) (SNP)
- *Brian Whittle (South Scotland) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

- Stuart Bews (Aberdeen City Council)
- Jim Grant (Moray Council)
- John Mason (Glasgow Shettleston) (SNP) (Committee Substitute)
- Alasdair Ross (Aberdeen Council of Voluntary Organisations)
- Alison Stuart (North East Scotland Climate Action Network)

CLERK TO THE COMMITTEE

Anne Peat

LOCATION

Aberdeen Town House

Scottish Parliament
Economy and Fair Work
Committee

Monday 6 November 2023

[The Convener opened the meeting at 14:30]

Decision on Taking Business in
Private

The Convener (Claire Baker): Good afternoon, and welcome to the 27th meeting in 2023 of the Economy and Fair Work Committee. This week, we are pleased to be meeting in Aberdeen. This is the first time that the committee has met outside Holyrood this session. I thank Aberdeen City Council very much for hosting us in this magnificent room.

Our first item of business is to decide whether to take agenda item 3 in private. Are members content to do so?

Members *indicated agreement.*

Just Transition (North-east and
Moray)

14:30

The Convener: Our next item of business is the first evidence session in our inquiry into a just transition for the north-east and Moray.

Industry is the second highest carbon-emitting sector in Scotland after transport, and there is currently a target of 2045 for Scotland to cut greenhouse gas emissions to net zero. The committee is interested in looking at how we can support, incentivise and de-risk that transition to benefit industry and the community.

I thank those who responded to our call for views as well as everyone who took part in our engagement workshop this morning. All the views expressed will be considered as part of our inquiry. I also thank the staff at Aberdeen south harbour for hosting a visit from us this morning.

We will now move to our evidence session. I welcome Stuart Bews, who is programme manager at Aberdeen City Council; Jim Grant, who is head of economic growth and development at Moray Council; Alasdair Ross, who is policy and consultations officer at Aberdeen Council of Voluntary Organisations and Aberdeenshire Voluntary Action; and Alison Stuart, who is hub manager for the North East Scotland Climate Action Network. Paul Macari from Aberdeenshire Council has, for understandable reasons, given his apologies.

I invite Maggie Chapman to declare an interest.

Maggie Chapman (North East Scotland) (Green): Thank you very much, convener. I put on the record that I am a member of the North East Scotland Climate Action Network board.

The Convener: Thank you.

If members and witnesses can keep their questions and answers as concise and direct as possible, that will mean that we can get more questions in.

I will start. This question reflects some of the discussions that we have already had today. How would the panel define a just transition? What would a just transition for the north-east and Moray look like? I will go to some of the people who helped us out this morning, as they have already had a go at answering that question.

Alison Stuart (North East Scotland Climate Action Network): First, we need a joint vision for the north-east of Scotland—Moray, Aberdeen City and Aberdeenshire—with all members of and parts of our society involved in its creation. In

NESCAN, we did quite a lot of visioning exercises for the 26th United Nations climate change conference of the parties—COP26—and after that, so I know the broad strokes of what the communities and people in them think that they want as a just transition. That focuses on holisticness and localism so that they can have everything that they want within walking or biking distance, the ability to grow food locally and local decision making. That is very clear. Green spaces and biodiversity are crucial.

When we are thinking about the drawing of a just transition, it is about green byways for walking and biking, localised industry, retrofitted, warm and cheap-to-run houses, renewables on buildings, justness in relation to equity, and healthiness that comes from having things locally and well thought out so that people can walk and cycle and access nature. Those things are crucial.

We might ask lots of people about that, and they will come up with that vision or a similar vision, but it is important that the details will change when it comes to implementing it in their community or environment. The vision is really quite place based.

The Convener: Thank you. I go to Jim Grant from Moray Council. What does Moray Council understand a just transition to be? How will we know when that has been achieved or delivered?

Jim Grant (Moray Council): With Government policies in the programme for government, national planning framework 4 and the national strategy for economic transformation, the Government has set out a vision and ambition for what a just transition should look like. However, there is still a huge challenge in how we will get there, particularly in respect of where investment goes when we are trying to address inequalities, including inequalities in the economy that have perhaps built up over decades.

Population decline is certainly a big issue in rural Scotland, and I can only see that getting worse with some of the elements of the transition, particularly relating to transport and how we ensure that that is just for both rural areas and city areas as we try to tackle carbon and climate change issues.

The Convener: I go to Stuart Bews from Aberdeen City Council. The challenges in Aberdeen City are quite different—or they might be the same. How does Aberdeen City Council define a just transition and what it is working towards?

Stuart Bews (Aberdeen City Council): Aberdeen City Council has a number of strategies and policies. I would not say that they are necessarily directly focused on a just transition. Typically in the area, we have had a focus on

climate change action plans, and we have looked at an energy transition. A just transition has been defined to some extent by the Scottish Government. The challenge that we as a local authority feel is how we move towards the idea of a just transition that is far more socially equitable.

One area in which there is perhaps currently a lack of clarity is the idea of what we are trying to do. We can see the logic in the objectives of the just transition fund. The difficulty is which organisations should take a lead on those and how they should do it. As a local authority, our commitment is to try to work with all our local stakeholders to support that, but I am not sure that it is something we would be able to do on our own.

Another question that you asked was how we would measure a just transition. That is an excellent question. I do not know the answer, but if we knew how we might measure it, that would help us to shape what we need to do to get to that point.

The Convener: We are interested in whether there is enough knowledge and data. If we are looking at a place-based just transition, what can we measure? Is there anything that is tangible that we could see within a local authority area?

Stuart Bews: Potentially. We have indicators such as the Scottish index of multiple deprivation indicators. We were actually having a conversation about them in the other room, where we were saying that the difficulty in using those as your basis is that the impacts that you may see through the just transition fund are not instantly recognisable, because they are achieved over such a long term. My feeling is that we would want to measure impacts far sooner than that.

We would be able to measure the immediate impact and outcome of those investments, but measuring what they do on a larger scale, in the context of the SIMD, is going to take much longer, and that will require taking into account factors other than what we are doing specifically to address a just transition.

The Convener: I do not know whether Stuart Bews and Jim Grant want to respond to this. You say that the Scottish Government has an understanding of what just transition is and what it is wanting to achieve, but you are probably some of the key delivery partners. Is there enough support or communication? Is there a shared understanding of what the Scottish Government is trying to deliver? Is that clear enough?

Stuart Bews: That is the challenge. We can see from the Scottish Government's publications what it intends the just transition to mean and the timescales associated with it.

As a local authority, we are recognising that some of the key sectors are not necessarily ones for which we have direct responsibility. There was a mention of transport and industry and the responsibility that they hold for emissions. There are policy drivers that we can put in place, but the financial investment that is needed to make changes goes beyond what we as a local authority would be able to achieve on our own, even with the national guidelines.

You mentioned the place-based approach, and that is something for which we have had support from the Scottish Government, through the place-based investment fund, which we continue to administer. That tends to fund more community-focused and smaller-scale initiatives. Within the context of the place-based investment fund, there is a clear strategy there that we are able to implement, because we have the responsibility for the place. That sits nicely with us. The just transition fund has a far broader remit, not all of which necessarily sits within the power of a local authority.

Jim Grant: We in Moray are fortunate that we work closely with partners, given the size or scale of the area. The council has an ambition to reach net zero by 2030. We have a climate assembly, which tsiMORAY operates, and in which the council participates along with the community and the private sector. We have good connections with the University of the Highland and Islands Moray college campus, which is delivering skills. Indeed, one of the university's early just transition projects is looking at the gap in green skills in the Moray area and what can be done about that.

From a community planning perspective, we and our partners—Highland and Islands Enterprise, UHI Moray and the community—are well placed to work out what needs to be done, but we are reliant on the funding to enable that. Some of the delivery of the just transition fund perhaps has not been communicated as well as it could have been—or maybe I should say that it has not been planned as far in advance as it could be. It feels as though we have been a bit reactive, which is understandable for the first round of the fund, but longer-term planning over future years would help community groups in particular but also local authorities and UHI Moray in relation to how we move forward. The capacity within some of those bodies to develop projects is important.

The Convener: Thank you. Alasdair Ross, I come back to my initial question. Is there a shared understanding of what just transition means?

Alasdair Ross (Aberdeen Council of Voluntary Organisations): No. There is a disparity in how communities and the third sector are included in the discussions with the private sector and the public sector around that vision.

Communities do not tend to feel that they have the same level of influence when they are in discussions or in meetings, so it is important that communities are not just listened to. They need to have the power and, more important, the resources to make changes in their places. I would also say that communities are not just about places. They can be communities of people who have shared characteristics or shared interests, so it is not all about place.

In trying to make a just transition, we know that we are not including all parts of our communities that should have a voice. Those are communities of people rather than places. We in the third sector would say that that is an important consideration. At the moment, the transition in Aberdeen City and Aberdeenshire is being dominated by the energy perspective and the voices of big companies with deep pockets. The communities do not have that parity of voice.

The Convener: Before I come to Colin Smyth, I have another question. We have discussed how we measure a just transition. Would having a set of agreed measurable targets or indicators be helpful? We have set ambitions and targets, but how do we know whether we are delivering them? I am not asking you to comment on what the set might be, but would something like that be helpful? I put that to Jim Grant.

Jim Grant: Yes, having a set of measures is helpful. It helps to guide projects and to develop early on the baselines for those measures, whatever they may be, so that you can show change and benefit over the progress of those projects. The difficulty is having a set of measures that captures the full breadth of a just transition, because it ranges from significant transport projects down to small communities and how we address some of their issues and barriers.

Alasdair Ross: A very important aspect is how we measure the social impact. We can have X number of jobs or X projects, but how do you measure the wider social impact of providing a bus service to an isolated community? Therefore, rather than counting the number of journeys, the measure should be about what that service does for a community. In the same way, providing employment opportunities for people in new green industries has a much wider social benefit. How can that be measured? That is the “justness” of the transition, but it is not the easy bit to measure.

14:45

Alison Stuart: If we are talking about measurements, I would just point out that, first of all, you need a plan to measure against. You need the vision, then the plan, and from the plan, you get the key performance indicators.

Measurement, though, is very tricky, and as a regional hub we are trying to create indicators that can show the wider social impact. It is going to be very difficult, because it is long term and nebulous. How do you measure how much confidence or capacity has increased in a community? However, we need new thinking about monitoring, learning and evaluation that is not just about economic indicators and figures but which leads to a much deeper way of measuring change. That is what the transition is all about.

The Convener: I will let Alasdair Ross in briefly and then come to Colin Smyth.

Alasdair Ross: I understand the nature of the world that we work in, but short-term measures and quick wins are no use to communities. If you are looking to really change a community, what is needed is sustained investment in long-term funding and projects that are not over two, three or five years but over 10, 15 or 20 years.

Colin Smyth (South Scotland) (Lab): I just want to follow up on a point that Alasdair Ross touched on about community engagement. What struck me at this morning's excellent session with community groups was the huge amount of fantastic work that is taking place across communities, but you seem to be suggesting that communities do not feel sufficiently empowered to shape just transition in the north-east. Can you say a bit more about that? Are there any good examples of that empowerment that we can take away? What needs to be changed to involve communities better?

Alasdair Ross: I do not think that we have done these yet—Alison Stuart can perhaps confirm this—but there could be citizens assemblies covering a broad range of opinions and involving a range of different people from the community, with decision-making powers and some money behind them to do projects in their local areas. That has been successful in places.

The fact is that communities are hugely different. Some are full of very active people who have a whole range of skills; those areas, which tend to be wealthy anyway, can quite easily establish community projects or start up green businesses, and we have loads of such examples that we could share with you. However, that does not reflect the “just” part of the just transition; those communities can already do that sort of thing. The question is how we get the resources for and build the capacity in communities that do not have such skills or people—and definitely do not have the power or the resources to do that.

Colin Smyth: So what do we need to do to change that?

Alasdair Ross: It is about having very localised democracy, really. I know that there are

discussions being had on that in the Government and Parliament just now.

Alison Stuart: You have to think about how to build capacity. One-year funding and the things that you have to do as a result make things quite difficult, because for this to be successful, you have to put time in at the front end to build relationships and trust with the community and you have to know who to bring into communities to ensure that there is diversity of representation and that every bit of the community is represented. That sort of approach makes it much easier to get community buy-in.

Alongside that, there has to be education and capacity building in the community so that it can come up with a plan. As Alasdair Ross has said, there must be some support for the community in putting that plan in place, and there must be some community commissioning, too. That means that the money has to be there for those projects, and there must also be support from, say, NESCAN to empower those people to go in and do these things for themselves.

That sort of approach is quite resource intensive in terms of both finances and people, but the only way to build capacity is through people, time and energy.

Colin Smyth: My colleagues are going to ask some questions about how local authorities engage with the UK Government and the Scottish Government, but I want to talk about how councils engage with communities. Stuart Bews and Jim Grant, what changes have your local authorities made to the ways in which you engage with communities as we begin to address the need for a just transition?

I was at a table this morning with a group of people from Torry. I will not say which part, but I will say that there was a general feeling that communities do not feel that the local authority is engaging them enough to allow them to shape the transition at the local authority level. What sort of changes have local authorities made to try to engage people in that, or what do they plan to do in the future?

Stuart Bews: Aberdeen City Council has a local outcome improvement plan that brings together a range of local stakeholders who are shaping policy decisions. In all of the reports that we bring through committees, we have to address the local outcome improvement plan. Therefore, there is a commitment in everything that we do to try to have a positive impact on the plan, which is put together by the council along with other stakeholders.

However, the crux of your question is probably not about the strategic element; it is more about the practicalities. The challenge—not just for Aberdeen City Council, but for most local

authorities—is in understanding that what we are trying to achieve is communities working with us and not us working with them. The feeling is often, “Oh, here comes the local authority to tell us what we have to do or what it is going to do to us.” We are trying to change that by having early engagement with communities.

We often find that organisations such as ACVO, where Alasdair Ross is from, have a good relationship with community groups already, so the local authority needs to work with ACVO to ensure that the messages that are coming through from the community can tie in to the work of the council and that we have genuine consultation with the communities.

We do not want to be in a situation in which we think something is good because it fits on a strategic level and then understand that it is not actually what the community wants and that it feels as if something is being done to them rather than with them. That is why we want to engage early, before any plans or decisions are made.

That a very difficult conversation in the context of the just transition, because I do not think that we are clear about how we should measure a just transition, about what the conversations should be about or about how we can engage in a way that means that everyone is clear on what we are trying to do.

To pick up on what Alison Stuart said about the funding, one of the key challenges for us is that the just transition fund is a capital-only fund. In order to mobilise communities and groups and allow them to take forward ideas and initiatives, having revenue funding for that would be a huge boost.

Colin Smyth: Jim, you mentioned the citizens assembly that you have. How does that shape policy in your area, and how do you get to the harder-to-reach groups to ensure that you hear not only from the community groups that we all know about but from people outwith those groups to influence policies in your area?

Jim Grant: The climate assembly that I mentioned is run by tsiMORAY. It works on issues related to climate change, energy and renewable energy. It brings together communities with public sector and private sector organisations that are interested in addressing issues with renewable energies, in particular.

Moray Council already does extensive engagement on things such as local outcome improvement plans and on place plans for areas that are experiencing specific inequalities that we deal with. We have engagement on the planning for master plans, and all of our main town centres have recently had town centre improvement plans that involved significant community engagement.

Climate change, net zero and their implications have been part of the planning process for those plans.

We have looked at how communities need to change and at what can be built for active travel and so on, and we are currently going through a local development plan for 2027 and are engaging with communities about what that looks like and how we can bring NPF4 policies into it. All the ideas around just transition and climate change are built throughout those policies, so it is about starting the conversation with communities about what they want to see and what they think is important.

The difficulty in engaging directly on funding and getting communities excited about projects in their area and coming forward with more ideas is related to the long-term planning piece that I mentioned. If we had a profile of the just transition fund, even over the next five years, and we knew what its make-up would be, that would give communities something to say, and we could aim for that. With the right capacity funding to help a community to grow and develop a project, they would know that there was a pot of money that they could bid for, whereas, at the moment, there is uncertainty around whether it will be capital funding or Scottish National Investment Bank funding, which perhaps is not suitable for some community projects.

Colin Smyth: You will be pleased to know that there will be lots of questions on the fund shortly.

Maggie Chapman: Good afternoon to the panel. I will start with Stuart Bews. You referred to genuine consultation and early engagement, and I am interested in how you understand broader community empowerment principles and how you understand those as being different to co-production.

Stuart Bews: That is probably the phrase that I was looking for. We feel that ideas exist in the community, and part of the role of the local authority is to support those ideas to come forward. We work with organisations in doing that, and some of them are here today.

On the just transition aspect, we want to be clear that there are local, regional and national policies and strategies in place, and we are looking to pull together the ideas within communities that help to demonstrate that strategic fit. We have become aware that there are good ideas that are not quite linked up with other good ideas. That is a key issue, and we, as a local authority, feel that we can help. That is where we want to engage and consult. We are having a number of conversations, but we cannot have everyone around every table, because it becomes counterproductive. It is about how to link up the

right organisations and the right ideas so that they can maximise the benefit of those ideas.

Maggie Chapman: That is helpful. Is that work happening? Are you supporting communities to bring their expertise forward? We are talking about bringing expertise and experience together in different ways. What structures are preventing you from doing that? We have heard about funding, and I know that there will be other questions about funding. What structures are preventing you from doing that in an effective way? If we dealt with those issues, would we be able to get that cross-community collaboration and, rather than genuine consultation, genuine co-production of a long-term strategy for the just transition?

Stuart Bews: Our big challenge is around expectation management. We would love to be able to go out and say, “Have these conversations,” from round 1, but we still do not know when round 2 will be or how it will look. We administer other funds as a local authority, and we have had a bit of clarity around what those will be, year on year. For example, it was four or five years for the place-based investment fund, which allowed us to go out and promote that.

A strong number of local initiatives have come forward and have been delivered successfully. The challenge there is that we do not want to raise expectations and encourage groups to take forward initiatives and ideas and then find that there is no means to deliver them. Addressing that key issue would allow us to really go and push this.

One thing that has perhaps not been addressed—I appreciate that there will be questions on the fund later—is that the fund comes out and is then open for everybody: it has a very broad remit. The role of the local authority in promoting that is difficult, because we have so many questions from so many different sectors about how they can access the fund and we do not always have a huge amount of information on that. More knowledge and a better indication of those timescales would be key in allowing us to have those conversations.

Maggie Chapman: There is something in there about how the Scottish Government and others who support that fund communicate. There is an information issue there, never mind the strategic work that needs to happen.

Jim Grant, I will ask you a similar question. Where are the barriers to co-production and seeing the creativity, skills and expertise of local community groups come to fruition in a planned and strategic way?

15:00

Jim Grant: I will pick up on Alasdair Ross’s point that that happens in some communities because they have capability. A community has perhaps benefited for a number of years from wind farm community benefit and, therefore, the structures within that community enable people to come together and push things forward.

Other communities have not had that community benefit. They perhaps do not have the same capacity, and the only way that you get into them and build capacity is by organisations such as Alasdair Ross’s and Alison Stuart’s or council staff going into the areas and providing support. Our limiting capacity is the staff to do that. It comes down to local government funding and the choices that councils have to make.

Maggie Chapman: I have a related question on a specific issue. I would ask this of Aberdeenshire Council colleagues as well, but they are not able to be here. My question is about large infrastructure projects that are seen to be needed. I am talking about some of the Scottish and Southern Electricity Networks work on grid and infrastructure upgrading. Given that the imperative goes beyond your remit and the Scottish Government’s remit—it is a UK-wide imperative—how do we ensure, or how can you ensure, that the voices of communities that are directly affected, particularly in rural areas, are heard meaningfully?

Jim Grant: All those upgrades will be consulted on through the standard planning consultation process, and anybody can submit a representation to the energy consents unit. Therefore, I suppose that communities can have their say in the formal process.

SSEN recently consulted on the potential for community benefit from grid infrastructure upgrade and substations. The United Kingdom Government consulted on that earlier in the year, and I think that it still has to produce findings from that.

Policy 11(c) in NPF4 says that we should maximise economic impact from all energy developments. That includes grid infrastructure and substations. At the moment, that policy does not have any guidance behind it, so local authorities cannot suggest conditions for meeting socioeconomic benefits, particularly local ones. We could improve on that if we had specific guidance on policy 11(c). That would bring it more into the formal process.

Maggie Chapman: Is there something in that space that Moray Council could determine, given that you are probably better placed to understand what happens in your communities than an external agency coming in from outside would be?

Jim Grant: Not just Moray Council but the community itself can do that. However, at the moment, we lack the powers to make it happen.

Maggie Chapman: So, it comes back to the decision-making power.

I am interested in exploring questions of accountability as well. Local authority folk might want to come in on this, but I will direct the question to Alasdair Ross and Alison Stuart.

How would you like questions around community empowerment and the accountability for decisions to be determined? At whatever level decisions are made—whether local government, the Scottish Government or community councils—how would you like accountability to be embedded in our understanding of the decision-making processes?

Alasdair Ross: That is an interesting question. I should say that we are looking forward to the Community Empowerment (Scotland) Act 2015 review.

Maggie Chapman: That is a good answer.

Alasdair Ross: There is a big issue with communities—I mean communities of place and of people—constantly being asked about things but never feeling that they have been listened to. That also involves the third sector. People feel that, when they are consulted, the outcome is predetermined, and it is rare that the outcome is changed because of what the community has fed back after the fact when a development or something has been presented. I am happy to be corrected on that, but I would think that that happens on a very small percentage of occasions. That means that it becomes a slog for communities to take part in consultations and the decision-making process at any level.

It would be nice to have local democracy—I should declare that I am a community councillor—but that might not be the right model. I know that we are all looking at this at the moment. There needs to be a change, because, although local authorities and communities work together, there is a disconnect, especially when we are talking about big areas in Moray and Aberdeenshire, where villages and towns have their own distinct identities and do things in their own ways. That does not always reflect the way in which things are done on a more regional basis.

Maggie Chapman: Alison, do you want to come in here?

Alison Stuart: There is a power imbalance and we have to correct that, otherwise the communities are not going to be listened to.

I completely agree with Alasdair Ross and what he said about localisation. It seems that the more

local we make decision-making, the more accountability there actually is.

There are also an awful lot of consultations about the same thing; I know that our members are getting weary of putting the same information into the same kinds of consultations and never understanding where it is going. If people are to put information out, they need to understand what will happen with that information. From an accountability perspective, I would like, when we put what we think into a consultation, to get a response saying how it will be taken forward, or not, and why.

For example, a number of our community groups responded to the consultation on national planning framework 4 and, in the first iteration, it seemed as though a lot of what the third sector and community had proposed was going through. Then the corporate interests came in and what they proposed was what went forward, which was very different. Where do communities have actual power in that? We can look at local place-based plans, but communities have no actual power to make decisions on where those plans are at: when they have no actual power, they become disconnected and disenfranchised. There has to be real accountability—a “You said, we did” kind of thing.

What is the outcome when nothing happens? In our current democratic system, there is no real accountability; we do not have a real democracy, in that sense. I think you have to make the process more democratic on the ground, then follow that through the various systems to the top.

Maggie Chapman: I want to unpick that a little bit more and perhaps think about the consequences if and when it goes wrong. In your membership and in the conversations that you have with communities, is there trust in the just transition agenda?

Alison Stuart: No, there is not. There is hope and desire, but there is not trust. If I can put it this way, the just transition fund was created very quickly off the back of some of Ian Wood’s conversations, and so on. When we were engaged at the start, there was an expectation that communities would get resources and money so that they could access the main part of the fund. We had seven applications from NESCAN members to the main bit of the fund. It took a lot of capacity for us to support those applications and for the communities to do that. They were up against organisations that have huge resources and understanding. Funding applications are quite complicated.

None of those applications was successful, apart from the NESCAN hubs one, which applied not for support from the main bit of the fund but for

the resourcing money. The understanding was that NESCAN would get money to help communities to build the capacity that would enable them to bid for the next part of the fund in the next year. Because in the first year, the fund was for capital, multiyear bids were put in by bigger organisations, which swept up the capital aspect of the just transition fund for year 2, leaving only financial instruments that were, to a large extent, inaccessible to community groups.

The other little bit of money went to the energy transition zone to put into existing oil and gas companies, as opposed to innovations. In effect, community groups are unable to access the main chunk of the just transition fund.

Maggie Chapman: Therefore, there is quite a lot of work that we and partners in local government need to do to build trust. I was going to say “rebuild” trust, but that would imply that trust existed to begin with. Are there particular things that we need to focus on as we do that, or does it come back to what you were saying earlier about the fact that we need to invest in people, time and capacity?

Alison Stuart: On the just transition communities projects that we are doing, what we see is that, when you start co-creating plans with communities and other actors, communities are then responsible for creating those plans: they are passionate about where they live and have a really good idea of what needs to occur. Therefore, in those conversations, projects do not need to be called “just transition projects”. In fact, you should not do that. Instead, you should just ask, “Where would you like to see your community going?”, and the plans will end up being just transition plans.

If communities are resourced properly—if they are provided with capacity-building skills development for those involved; if commissioning is within the community, so that there is community wealth building; and if there is a stakeholder group made up of the local authority, business and community members, as has already been done in some parts of Scotland—you will get that building up, then you will have a plan and that plan can be financed. If you finance that plan, you will get the results that you want, then you have to keep redoing that.

Maggie Chapman: May I have one more question on planning?

The Convener: I will come back to you on planning. I am going to let Murdo Fraser in, as he has questions on the fund, and then I will come back to you.

Maggie Chapman: That makes sense.

Murdo Fraser (Mid Scotland and Fife) (Con): I have a couple of questions on the just transition

fund. I will ask them together because they overlap. The first question is very general. To what extent, do you think, is the just transition fund being used effectively, and what could be done to make it more effective?

Secondly, and slightly more specifically, I was looking at some parliamentary answers that my colleague Liam Kerr got just last week about the just transition fund in year 1. Of the £20 million that was available for 2022-23, £10 million of capital grant allocation was spent, £0.5 million in financial transactions was allocated to Social Investment Scotland’s social enterprise just transition fund, and the balance of £9.5 million for financial transactions was unallocated. For 2023-24, the fund’s entire financial transactions allocation of £25 million has been allocated to the Scottish National Investment Bank.

In our informal evidence session this morning, we heard concerns from some stakeholders about the role of the Scottish National Investment Bank and how effective it is in liaising with communities. Therefore, my second question is this: is it right that the Scottish National Investment Bank is in charge of that money, and how effectively is it engaging with you?

Alison Stuart: It is difficult to measure the impact of the first year of the fund because we have not had any real communication about what has happened as a result of the first year’s funding. It is not clear what has happened to the money that was given out. I will say that there is a very scattergun approach. In a business, you would never start doing something without a plan of where you wanted to get to. If you do not know where you want to get to, how can you measure effectiveness?

There is not a vision for the fund. I discussed that at the time and it was said that we would have a regional vision for the just transition plan and that local stakeholders would create that. That did not occur in year 1; it has not occurred yet. Giving money willy-nilly does not really produce an effect. You need to think about why you are doing it and what outcome you want to achieve. That is very important. The fund is ineffective for communities, because they can access only a very small percentage of it.

On the Scottish National Investment Bank, I do not know enough to comment much. However, I will say that financial instruments will not be effective for communities, the third sector and small and medium-sized enterprises, because only the big boys and girls can do financial transactions. Therefore, giving it all to the bank is, in effect, denying access to the fund for those who do not have the financial resources to enable that.

It is always about horse trading. We need to think about why we have the just transition fund and what we want from it, then put the right financing into that. It is not just about the amount, it is about how it is allocated—is it revenue, is it capital, is it done through financial instruments? It is important to recognise who you are excluding by your choices.

15:15

Alasdair Ross: I also cannot comment on the Scottish National Investment Bank, as I do not know enough about it, but the first part of your question was on the effectiveness of the fund, and I can say that what Alison Stuart said about having the vision for what the fund is trying to achieve is important.

The information that you heard this morning in my colleague Dan Shaw's presentation showed the type of projects that have been successful in receiving money from the participatory budgeting part of the just transition fund, on which we work with NESCAN and other partners. The number of projects around business and the economy was much lower than the number of projects around the environment and community and place. That is because the latter projects involve the things that communities have the skills and the capacity to deliver at the moment.

Third sector interfaces do not have the necessary resources to help communities to set up new businesses in order to change the economic outlook of their places. Furthermore, there is a very short time period in which money from the fund must be spent, and projects involving the environment and community and place are the types of projects that can be delivered in that short space of time. We can build something or plant something in a community quickly within a short space of time, but we cannot develop a new business with just capital funding in three or four months.

Murdo Fraser: Before I bring in the others, Alasdair, I want to follow up on something that came up in this morning's session. We heard that having the funding restricted to capital funding was a barrier to many groups and that it would be better if it were also—[*Inaudible.*]—revenue funding. Do you agree with that?

Alasdair Ross: Yes, I think that the three TSIs in the north-east would support that, because it is all very well having the money to buy equipment, but if you cannot pay someone to use it or get staff to run a place, you fail before you have started. Also, if there is no revenue funding, there is no long-term ability to maintain a project. The third sector is quite clear that we need fairer funding, longer-term funding, more flexible funding and

more funding that is easy to apply for, report on and evaluate the outcomes of.

Murdo Fraser: I apologise; obviously, I am having microphone problems.

Stuart Bews, could you answer my initial question, please?

Stuart Bews: On the first round and its efficiency, it is too early to say in terms of the projects themselves, but I can comment on the process by which the projects were chosen. It was not clear what the fund was seeking to achieve, and there was huge breadth in the applications that came forward. The lack of knowledge about what the fund is intended to do and the fact that it covers so many areas makes assessment really challenging for Scottish Government officials.

The other thing that we feel is that there is duplication in relation to some other Scottish Government funds. The question that we might ask is this: what do you want the fund to do that cannot already be funded?

We said in our consultation response that local authorities and other local stakeholders are well placed to support the Scottish Government in assessment of applications. We have a number of on-going local and regional initiatives; we could provide some input that would be helpful for Scottish Government colleagues, in relation to what is already happening locally and regionally. That would help to ensure that there is complementarity rather than duplication within those ideas.

On the allocation of funding to the SNIB, I am not 100 per cent sure whether that is intended to be for the remainder of the programme or was just an initial allocation. The participatory budgeting piece has been considered to be around £1 million per year, but the allocation that we are seeing going through SNIB is significantly higher, and we struggle to understand why that is the case. I have not seen evidence of why that figure is what it is, so that is probably the question that we would ask.

The point that Alison Stuart made earlier about the plan is important. What do we want to achieve with the fund and how will we achieve it? It seems to me that, compared with an allocation of £1 million a year through a participatory budgeting route primarily for the third sector, an allocation of roughly £25 million a year through SNIB is on a very different scale. Alison Stuart and Alasdair Ross have said that the sort of investment that you will see through SNIB is not really something that is likely to allow access for community groups and/or the third sector in general.

I think that there are elements of the fund that require a bit of clarification. If that could be achieved before future rounds are called, that

would help stakeholders such as the organisations that are represented on the panel today to support other groups to bring forward proposals that would have a really strong local impact, as well as supporting the Scottish Government's intended outcome of a just transition.

Jim Grant: I agree with my colleagues that capacity funding, particularly for community groups, is key, because without that funding such groups cannot even deliver a bid for a building project, never mind have the confidence to take forward a project if a bid is successful.

You might find this strange, but the same applies to local authorities. In Moray Council, our economic development team is quite small. We deliver as much as we can with the funding that is available. However, when we get reasonably short notice to pull together bids for funding from, for example, the just transition fund, that has a real impact on capacity. Capacity funding and having the knowledge to be able to plan for what will be coming in the longer term—the next five years—can make a real difference to the quality of the bids and projects that are produced.

In the first round, all our bids were for feasibility projects that involved putting in place the strategic elements for future bids. That was similar to what University of the Highlands and Islands Moray college did in relation to the green skills gap. It did the work to find the evidence base and thought about where it needed to intervene to make a difference in future rounds. That is what happened in the first round.

The SNIB has certainly been in contact with the council. I am not aware of it being in contact with community groups, but that does not mean that it has not. As others have said, it is very difficult for communities to get involved in the fund, and I am not sure how much value is added, because people could access similar funding that was already available through the SNIB for that purpose.

Murdo Fraser: I want to follow up with those of you who have a local authority perspective. Earlier, Alison Stuart said that the SNIB funding is for the "big boys and girls". I think that that was the phrase that was used. Perhaps that is the intention, but we might need clarity from the SNIB in that regard. What engagement have your local authorities had with the SNIB on how you point people in its direction and access funding?

Stuart Bews: There might have been engagement with Aberdeen City Council, but there has not been engagement with me. I cannot say certainly whether the SNIB has been in touch, but I assume that it has been. Given my role, if conversations with funding bodies are taking

place, I probably ought to have been made aware of them, but so far I have not.

There was the announcement that the funding was to be rerouted through the SNIB. As Jim Grant said, there were already funds available from the SNIB for a very similar purpose. I can see a degree of sense in making use of the SNIB, because it does those types of transactions already. My questions around the SNIB's involvement are more to do with where the figure for how much should be provided came from and whether there is any evidence of demand for that. However, given the type of funding that the SNIB offers, I do not disagree with making use of it.

Jim Grant: The SNIB contacted me within the council, and we had a conversation about what the fund could do and how it would operate. There has been contact. It is now about identifying the types of projects that would be suitable for a bid and which organisations might be suitable for doing that.

Murdo Fraser: Has the SNIB given you guidance on that last point?

Jim Grant: It has not. Nothing has come to me directly on that.

Murdo Fraser: Thank you.

The Convener: I will bring in Gordon MacDonald, who also has questions about the fund.

Gordon MacDonald (Edinburgh Pentlands) (SNP): Good afternoon. We have touched on participatory budgeting. I was interested to hear a comment that Jim Grant made earlier. You said that you already do extensive engagement with the community, and you gave a long list of examples. What impact has the £1 million that has gone into participatory budgeting had?

Jim Grant: Participatory budgeting has been led by tsiMORAY, which has very much welcomed it, given the impact that that organisation can then have across communities through its engagement. Participatory budgeting provides an opportunity not just for individual projects in communities, but to share ideas across communities. It is a very useful mechanism that communities are quite used to now, because, over the years, several different funding mechanisms have been delivered in that way through tsiMORAY and Money for Moray. Participatory budgeting is well recognised and is supported and welcomed by communities as a way of accessing funding.

Gordon MacDonald: Would you support that element of the just transition fund increasing over the 10 years in which the fund will be in place?

Jim Grant: Absolutely.

Gordon MacDonald: Alasdair Ross, is voting for projects and so on the most effective way to allocate funds?

Alasdair Ross: It is certainly the most effective way to ensure that communities feel that they have had their say. It means that communities are enlivened and animated in relation to their particular projects, so more people become involved and there is an increased level of engagement at the community level. That is probably better than people sitting in a closed room making decisions. It is certainly a more open and transparent process.

We, too, would take as much money from the fund as we could get our hands on to give out in that way.

Gordon MacDonald: Alison Stuart, in the presentation that you gave this morning you highlighted that there was an increase in participation from year 1 to year 2 of, I think, 62 per cent, if I picked that up correctly.

Alison Stuart: Yes, I think that Dan Shaw said that. Money for Moray and tsiMORAY have been doing participatory budgeting for a long time in Moray, so the communities understand much more about what a just transition is and what participatory budgeting is. It is quite a new concept here; the council has done it, but only in specific communities, so there has to be more familiarisation. As the communities in the region become more aware of participatory budgeting, there is more buy-in and, as the organisations that support it get more understanding of how we can do it better, that increases buy-in, as well. Given that support, groups will build their capacity to really get publicity going and to ensure that we have the right structures and criteria, which will all make a difference.

Participatory budgeting has had an impact on communities, and it is good. As you heard this morning, there have been a huge number of different kinds of community projects. It is really important that variety exists among the smaller projects rather than among the ones that receive big amounts. The big amounts will go towards retrofitting, vehicles and things such as that, but it is important for communities to get some funding, and it is amazing what it can do. It has to go alongside revenue funding, and we have had some revenue funding this year. However, if we had the revenue funding as part of the actual amount that we bid for, that would be a lot better.

On the question whether it should be purely PB, the best way ahead for giving community projects money would be to provide not just PB but straightforward funding as well. If we want to ensure that we cover all bases, that would be a good way to do so.

As Alasdair Ross said, it really helps to communicate the just transition more widely: it is beneficial. The just transition participatory budgeting fund has multiple purposes: it is developing climate literacy; it enables us to go into community groups and help them to recognise that their projects are community climate-action projects; it enables them to think more widely and to get different funding; and it sets them on the next step towards becoming more climate active in a way that suits them and their communities.

15:30

Gordon MacDonald: It was great to see the 62 per cent increase in the number of people taking part. However, if you look at the age profile, you see that the under-25s were a very small proportion of the total number. How will you improve the engagement process for the under-25s?

Alison Stuart: We wanted to build in Young Scot this year, but we did not have the time. This is the issue with one-year funding: by the time we get it, establish the criteria, learn the lessons and put things in place, we have very little time to run the fund itself. The groups get the money, but it has to go out the door and be spent by 31 March so, as you can imagine, it is all very tight.

What happens then is that the only time that we have is during the summer, when the schools are out. We will just not be able to access young people in a really effective way if we continue to have the same time constraints. We would therefore like to work with the Montgomery development education centre and other partners to do more work in schools—we have the ability and partners to do that—and we would like to use the Young Scot platform, which is very effective and much more engaging for young people and has a voting aspect. There are different ways and mechanisms, but what we really want is not to have to do the work over the summer; it needs to happen before or after summer. I should point out that community groups lack capacity over the summer, too, because people are away on their holidays.

Engagement needs to take place throughout the year. If we were not stuck with the one-year model and with having to spend the money by 31 March, our approach would be much more effective.

Gordon MacDonald: I have a final question, which is for Jim Grant. Moray Council's written submission says:

"Projects funded which have a region wide remit are perhaps finding it difficult to engage with areas such as Moray with which they have had no previous connections for delivery of services meaning the benefit may be concentrated in Aberdeen."

Can you elaborate on that?

Jim Grant: Yes. This brings us back to something that Alison Stuart said earlier. We had very good bids coming in from some Aberdeen organisations, not just educational organisations but some of the local agencies. They bid for region-wide projects, but although they touched base with us, the lack of relationship in that respect meant that it was difficult for them to deliver region-wide. They are very Aberdeen based.

Gordon MacDonald: How did you resolve that issue?

Jim Grant: It would have to be done through great communication. However, I did not know the agencies, or what capacity they had to do what was set out in their bids.

Gordon MacDonald: Thank you very much.

The Convener: I will bring in Maggie Chapman with questions on planning, to be followed by Brian Whittle.

Maggie Chapman: I just want to come back on what Jim Grant and Stuart Bews, in particular, have said. We have talked about some of the issues that you and community groups have with regard to broader planning strategies, and you have mentioned the planning process, consultations and community engagement in that respect. Is there any more that we can do to reach people who cannot engage—or who might not know how to engage? After all, a consultation is only as good as the framework that sets it up and, indeed, the responses that it gets back. If we are not reaching the right people, we are going to miss folk. Can you comment on that, particularly with regard to the spatial planning aspect?

Jim Grant: In Moray, our engagement on planning master plans and the local development plan process involves the schools. We are trying to get in there and reach as many young people as possible, given that they are, ultimately, the people whom the local development plan is for and who will benefit from it. Not only do we do a lot of work with schools, but we go to the communities themselves with the usual displays, workshops and drop-in sessions. We also try to contact communities of interest, particularly on accessibility issues and so on, to get as much input as we can.

However, it can be difficult. You can go to a community, but there will always be individuals who will not come to a drop-in session and might not be involved in a community of interest. However, because we do a lot online and through social media, we are able to capture some of that information from people who might not otherwise engage in a face-to-face session.

Maggie Chapman: Stuart Bews, I put a similar question to you. How can we make sure that we actually capture all community voices, and not just a few?

Stuart Bews: The work that Jim Grant is describing happens in most local authorities. We get a lot of feedback, and I would probably say that, when we engage, we need to be clearer and understand what questions we are asking. It is very easy to ask a range of broad questions and get broad responses. Sometimes, we need to understand the subject matter better and ask much more direct questions, which give us much more direct feedback that we can actually do something with.

Before we seek views, we probably need to engage a bit more closely with stakeholders, who are often closer to the communities themselves or certain sectors, as part of that design piece. If we do that, we will get a steer on what those questions should look like and we will avoid going out with general questions that do not give us real input. On the point that Alasdair Ross made earlier, many communities, people and places may feel that they have been a bit ignored. Part of that is because, sometimes, we are asking the wrong questions. We are being very generic and vague in those. As we said earlier, there is a bit of a lack of a plan with regard to the just transition.

I mentioned our concerns around expectation management. I have a concern about what our going out and engaging on the just transition fund would do with regard to people's expectations. We have no means by which to combat people's expectations. We have ideas about what positive engagement would look like, but just now we are a bit in limbo. We could create all that expectation, but huge amounts of time, effort and money are spent on pulling together good funding applications, and we know, from the experience of round 1, that there is a reasonable expectation that applications will not get through. We know that, if the participatory budget element remains at around £1 million per year, and we create an expectation and support groups to develop more, many of them are going to be disappointed. Of course, then the whole process will feel like a case of "Well we told them, and they didn't listen." As I said, before we engage, we probably need to do some work around that wider plan first.

Maggie Chapman: Do you see that linking to other regional strategic work, such as the work that is happening within the regional economic partnerships? Specifically with regard to the just transition fund, have you had those kinds of conversations at the regional economic partnership level?

Stuart Bews: To some extent. Often, I feel like there is a lack of an understanding around the just

transition fund that means that, when we are talking at a regional economic partnership level about the regional economic strategy, somebody may say, "Could we seek support through the just transition fund?" We would say, "I'm not sure—maybe." Then there is the matter of expectation management: there is an expectation that we should be able to access it because something feels like it is a good fit with the fund. It is a real struggle, and I know that some of our regional economic partners fed that back through the consultation in a few of their responses.

Generally, the view across Aberdeen, which is all that I can talk to at the moment, is, "There is huge opportunity but what can we actually do?" If that is not defined well enough, I will feel really sorry for the Scottish Government officials, who will be bombarded with a host of really good ideas but unable to support all of them, because we have not got a clear definition of what the priority is.

The Convener: I will bring in Brian Whittle, who has questions on the planning system.

Brian Whittle (South Scotland) (Con): Good afternoon. I appreciate your being here.

I am interested in how planning has come up in discussions this morning. It was mentioned that communities feel removed from decision making and are actually disengaging. The words "onshore wind" and "solar" came up.

Do you consider that the current planning regulations are fit for purpose, especially when it comes to spatial planning and the presumption in favour of planning permission? I am a South Scotland MSP, and my mailbag is full of letters from people saying, "We said no, but the Scottish Government said yes, so why did you bother asking us?" Alison Stuart, is that part of the problem?

Alison Stuart: It is a huge problem. Communities have no power in planning and the presumption needs to change from a presumption in favour of development to a presumption against development except in cases in which it is sustainable development. Communities need to have more of a say in what goes in the community, but that comes with responsibility. It should not simply be a "Not in our back yard" approach; with power comes responsibility.

In my view, the local place-based plans are quite ineffectual because they do not have any legal authority. In addition, I think that there are a lot of people in local authority planning departments who would want to say no to unsustainable development more, but who are not empowered to do so because the presumption in favour of development means that the reporter will come back and reject the council's decision not to

give permission to such a development. There is a lot that we could be doing in relation to giving planning permission that could really enable a just transition. Some local authorities in England have guidance along those lines, about exactly what people can do. We must take a holistic approach to active transport, health and growing spaces such as green byways and blue byways that provide connectivity between communities.

In short, communities need to have more say. If we bring them in properly, the responsibility will come with that.

Brian Whittle: I would like to build on that with Alasdair Ross. I will play devil's advocate. You would suggest that many communities would say, "Yes, we think that it's really important for the transition that we have onshore wind and solar, but we don't want it over here." How do we cross that boundary and bring communities with us to make sure that they are properly recompensed for any development that takes place around them?

Alasdair Ross: As a representative of a TSI, it is not really my place to comment on planning per se, but I would say that the communities that are successful in getting a meaningful community benefit from a development such as a wind farm are communities that are already upskilled and have the structures in place to enable them to do that. Therefore, again it is about capacity building in communities to enable them to take advantage of what is available, but also to give them the skills to enable them to oppose a development that they do not want. Those skills do not exist everywhere.

I make that point from a community-group perspective. There are places that have very knowledgeable and well-resourced people who are able to mount campaigns for or against certain developments, but that is not the case everywhere. When it comes to, say, taking a community benefit from a wind farm, there are places that have very good structures that are getting great benefits throughout Aberdeenshire and Moray. That is perhaps not so much the case in the city, where there is no onshore wind.

Those skills are already there, but what we do not have is a way of empowering communities to learn those skills in order to be able to do those things.

Brian Whittle: I turn to Jim Grant. From a council perspective, does the planning system frustrate you?

Jim Grant: If we look back over the past 10 years, we can see that we have a planning system that never stops being reviewed. A third-party right of appeal is always part of such reviews. It never makes it into the final version because of the difficulties that having a third-party right of appeal

would cause—it would, in effect, delay development in the long term.

Communities must engage at the local development plan evidence stage, which is what we are going through in Moray just now. As with NPF4, they have to influence what goes into the policy. Once those policies are there, it is very difficult for communities to influence something that they do not like if planning policy supports it. With NPF4—this is quite rightly the case, because we need to tackle climate change—we have a policy document that is exceptionally supportive of renewable energy developments, including onshore wind.

15:45

Policy 11 of NPF4 recognises that some types of renewable energy developments have significant adverse landscape and visual impacts but that developments with those impacts can still be acceptable.

There is a balance: NPF4 says that we will support those developments only where we maximise economic impact and where there are local and community socioeconomic benefits. That is what I referred to previously. At the moment, there is a lack of guidance in that regard. If members wish to do so, they can look at the most recent reporters' decisions on those cases. In relation to policy 11(c), they are effectively saying that they cannot make a decision because of the lack of guidance.

The policy is delivering renewable energy, but communities, particularly in rural areas, are missing out on the socioeconomic benefits because they are not being maximised. That issue needs to be addressed.

Brian Whittle: I will leave it there, convener.

Kevin Stewart (Aberdeen Central) (SNP): It is great to be in the wonderful north-east of Scotland and in this great city of Aberdeen. Last night, I was boring some colleagues to death about the 1952 Aberdeen local plan, which was set out in a visionary document. We have talked about vision today. In some regards, from my perspective, that vision should be from the grass roots up, rather than top down from the Government.

Today, we have heard quite a lot about NPF4, for which I am partly responsible, and a lot about local development plans. Local place plans have been touched on but no more than that. One of the great things that came from this city was the "planning for real" approach, which covered community planning and spatial planning, and was prevalent in the north-east but has disappeared. The local place plans were supposed to bring together community planning and spatial planning,

leading to much greater understanding by communities of what the ambition is and what their vision is for their area.

My initial question is for Jim Grant and Stuart Bews. I recognise that we have had the Covid years and the rest of it. What have your local authorities done to help communities to formulate local place plans? Has community planning been linked with that, to get the best possible solution and vision of those communities?

Jim Grant: That is a good question on local place plans. As an authority, we carried out the "planning for real" approach with a number of communities. You are right: it was not just spatial planning that was looked at. In fact, the majority of issues that communities wanted to be dealt with were not planning issues; they were much more functional, and were about how the town worked, about potholes and parks, and about different things that they wanted to see in their area.

We have to produce the next local development plan by 2027. We have gone out to communities with a call for responses from those who are interested in developing local place plans. We have had a number of responses from different places that are looking at doing that, and I have noted their interest. Through the process of developing the LDP, we will engage with those communities to see what we can do to guide and help them with the production of that plan. Only once those local place plans are produced can we take account of them, to build them into the LDP.

Kevin Stewart: You have said that you will have a look-see at those plans as you build the LDP. That is fair enough in some regards. I would be interested in knowing what you are doing to help poorer communities to get the expertise to develop local place plans.

You missed out the "planning for real" element—that is, the community planning aspect. In terms of the formulation of local place plans, are you as an authority bringing together the community planning aspect of the "planning for real" approach in order to get this right not just for the LDP but to create the vision for the future for individual communities across Moray?

Jim Grant: It is not just the planners who are engaging with the community on local place plans; we work closely with our community support unit, which works across community planning and with communities. That unit effectively led most of the "planning for real" work, and our approach to the local place plans is similar.

Kevin Stewart: Okay. So, if I come back to communities in Moray, which I quite often do, and ask folk in Buckie, Fochabers, Forres or wherever it may be, "How did that linkage between community planning and spatial planning work?"

Did it work for your area?" they will turn round to me and say, "Yeah, Moray did it right."

Jim Grant: I hope so because, unless community planning starts considering place—I do not just mean local place plans—and unless the partners involved in community planning start doing that, not just in relation to spatial planning but in relation to service delivery, how will we all work collaboratively in considering where we invest and where we have to cut services? That has to be done in a collaborative way across partners if we are to have sustainable places in future.

Kevin Stewart: Stuart Bews, can we have the Aberdeen perspective?

Stuart Bews: Unfortunately, I would have to consult my colleagues in strategic place planning. That is not my area of work.

Kevin Stewart: It would be interesting to hear from planning colleagues—community planning and spatial planning colleagues—in Aberdeen on that.

I see that Alison Stuart wants to come in.

Alison Stuart: NESCAN has been helping Aberdeen City Council and Aberdeenshire Council to try to do exactly that. I said that we had community assemblies in Tillydrone, Woodside, Linksfield and Torry. We have been working with community planning and others to ensure that those assemblies are pushed into the local outcomes improvement plan and priority neighbourhood planning processes. The work that we have been doing can form the basis of local place-based plans. We are going into year 2 of the communities project in Aberdeenshire. We are working with local authority colleagues in Inverurie and in other areas in Aberdeenshire to ensure that the plans that we are creating through those deliberative democratic processes actually become the local place-based plans, and that they bring in community planning as well.

Kevin Stewart: My next question is probably for you, Alison, and for Alasdair Ross. This morning, we heard from folks from across the north-east of Scotland who very definitely have a vision for their places—there was absolutely no doubt about that. Are local authorities, the Scottish Government and other public bodies listening to the degree that they should when it comes to that vision? Do you share my view that we should use that bottom-up vision rather than a top-down one to ensure that we get the just transition absolutely right?

Alison Stuart: Yes. To briefly answer your earlier question, unfortunately, in Aberdeen city, a lot of the work is going to community councils, which do not have the capacity to do local place-based plans. Communities need to be given the

capacity to create those plans—they are really labour intensive—and the skills to develop them.

I totally agree with you that the approach needs to be bottom up because, when you take a co-creation approach, you get the right plan. You get all the knots pulled apart at the beginning and then everyone is on the same wavelength going through the process. Although it can take some time to co-create a plan, it goes much faster after that point.

If we go into a community and say, "Right, we are going to put in segregated bike paths along this road and that road.", it would not work as well as if we went in and said, "Okay, would you like these, where should we put them and where will you use them?" You will then get the right things, and the money will not be wasted, so that is definitely the case.

However, at the moment, a lot of people think that co-creation wastes time. They think that they do not have the time, because they want to do whatever they are doing as fast as possible, and they do not trust the community. That is what we are getting, which means that we get misspent money on things that do not work.

Kevin Stewart: From a personal point of view, I have found that the best policy and decision making happens when we listen to the voices of those with lived experience as we formulate the policy, which is basically what you are arguing for.

Alison Stuart: Yep.

Kevin Stewart: Alasdair Ross, do you share that view? I am sure that you do, but let us hear from you on that front.

Alasdair Ross: Yes, absolutely. A collaborative approach is needed, but parity of esteem between the third sector and other partners is not always there. The experts of lived experience—people who actually know what is going on—are not always taken seriously, and their opinions are not always given the same weight as those of others, and that is an issue.

If local place plans were designed to implement the wishes of communities, they would have some statutory weight to them, but they do not.

Kevin Stewart: There does not necessarily need to be statutory weight, but there have to be parameters that are set by all sides. Communities understand that. They understood it during the "planning for real" process, which took place here many moons ago. They realised that a swimming pool could be on three adjacent streets, for example, and folk also realised that we would need X amount of housing for the school to continue to have a roll of the same size. Therefore, none of the problems is insurmountable.

My final question is about communication. This morning, we heard from a lot of people about various things, and they had questions about aspects of how the just transition fund is working, because the reasoning for certain things in relation to it was never explained to them. Does that communication need to be improved? You can give a yes or no answer to that.

Jim Grant: Yes, I would say so. For the first round, communication was very good over that short period of time, in order to pull things together, but it has been very quiet since, so I think that it can be improved.

Stuart Bews: I echo what Jim said. If we could get more than a year-by-year approach in the communication, that would also be hugely beneficial.

Alasdair Ross: Yes, it is very rushed, and that is the main issue to overcome.

Alison Stuart: Yes, but there is a severe lack of capacity in the climate change division team; there are not enough people to do it.

Kevin Stewart: I have just one more question. We could probably spend hours on this, to be honest, and it still would not make a lot of sense. Financial transactions confuse a lot of folk. I think that we need to look at them a bit more closely, because I get the impression from community groups that it would be almost impossible for them to access FT money. However, it has been done previously in the form of charitable bonds for houses, and community groups might want to explore that. Has the information that you have had on FT been helpful or has it not helped at all? Has it been a hindrance to FT usage instead?

Alison Stuart: Financial transactions are a very difficult concept to put across to people. I do not think that charitable bonds are right for community groups, although they might work for bigger charities. The only thing that will work for community groups is funding and revenue capital combined.

Alasdair Ross: I agree. You would need more capacity in community groups to be able to handle such things. Yes, there needs to be money, but it needs to be longer term or given in a more sustainable and fairer way.

Kevin Stewart: I suppose that it would be difficult for community groups to handle that because they are voluntary.

Alasdair Ross: Exactly.

Kevin Stewart: Grand. Thank you, convener.

The Convener: Before we move to questions from Brian Whittle, I want to stay with the planning issue. Jim Grant, you answered the first question, which was about whether the planning system

enables a just transition. We have to achieve our climate targets at pace. Does the current planning system recognise that, or is it presenting difficulties with or barriers to achieving change at the pace that we need to see?

16:00

Jim Grant: The NPF4 document has absolutely created ambition around getting that done from the perspectives of both climate change and biodiversity, so a positive message has come out of it. At the moment, the system lacks guidance that would allow planning authorities to really enforce that ambition and deliver on it. Both developers and planning authorities are uncertain about what some planning policies mean.

It is still early days for NPF4, but if guidance is not put in place we will miss out on opportunities. It is fantastic to see community wealth building policy mentioned in NPF4, but it lacks any bite. The framework simply says that if something has a community wealth building aspect we will support it, but it does not say what we will do if it does not have that.

Those elements could be improved but, as a document, NPF4 certainly clearly sets the ambition and pace that the sector has been looking for.

The Convener: Thank you. Brian Whittle, did you want to ask a couple of other questions?

Brian Whittle: Yes, convener. I will be brief, given the time. I wanted to have a wee look at the relationship between the policies of the UK Government and those of the Scottish Government. You might be aware that they disagree on the odd occasion. Does the UK Government policy provide enough clarity and certainty on the transition to net zero? I put that to Stuart Bews first.

Stuart Bews: That is quite the question. I am not deliberately sitting on the fence but, to some extent, both Governments find it difficult to interpret the difference between a just transition and an energy transition. We have so many transitions that to fully understand what one is over another is really difficult. In the funding landscape, too, we see a lot of terminology that might suggest that something is about energy transition whereas the intent behind it might be the achievement of a just transition. As a local authority, we are fortunate that we have the capacity, knowledge, resource and experience of such things to pick up the difference. However, I suspect that smaller organisations will struggle to recognise it. The aim should be to make such policies as efficient as possible.

In my current role, I engage regularly with Scottish and UK Government officials jointly. That been a positive experience, because they are able to understand the challenges that we face in delivering policies that, in many cases, are intended to deliver similar things but, because they are worded differently, have the potential to clash. Do I think that the two Governments are on the same page? Possibly not, but they are not a million miles apart.

Brian Whittle: If you agree with that, Jim, what would be your asks for each Government?

Jim Grant: I do agree with that. The Scottish Government set out its ambition on just transition more clearly. The UK Government very much recognises the challenge of energy infrastructure and its impact on the regions that host it, hence its consultation on community benefit that it held earlier in the year.

I am not sure that a voluntary community benefit system is necessarily what we need. Whether we can deliver a just transition with a purely voluntary system is the question that I would ask. Should it be addressed through planning measures such as NPF4 policy 11?

Brian Whittle: If we add in all the layers of government, is there enough policy coherence between them to allow you to develop a strategic plan? Stop hiding, Stuart. [*Laughter.*]

Stuart Bews: We have lots of policies. Increasingly, we find that when a new policy is developed, we need to take account of many existing ones. The difficulty is that if existing policy is to be changed in any way, shape or form it will have an impact on the new one. From the wider community's point of view, that is too much. We must ask ourselves, "What are we trying to do? What is the latest policy?" In funding applications we see mention of strategic fit. Where do you want to start on that? We could link that to almost any strategy or policy.

It would be useful to know what the key underpinning policy is for a just transition fund. Its scope would be relatively well defined. At the moment, the challenge is that we have is lots of policies, targets and objectives, which can be—and are—routinely reviewed and amended. From a funding perspective, trying to get the longer-term focus that we have all spoken about is so difficult when there is such a lot of what we might call—I do not know whether "adapting" is the right word here—emerging policy and strategy.

Local authorities have set out a clear vision for how we will deal with the more regular and localised policy, which takes us up to 2045. It is harder because with the changes that are specific to here, such as the transition from oil and gas towards net zero, many things could happen at

pace. In the context of a long-term strategy we will need to be able to take account of that. What challenges us is that national Governments then develop national policies and frameworks and we have to ensure that our long-term strategies still fit into those. That is all fine, and we can probably just about do it. However, from a community perspective, we need to think about how we get people engaged and not disengaged. If there are too many policies and procedures that just puts out such a confusing message.

Kevin Stewart mentioned improving communications. It would be fantastic if we could talk about a just transition in a single message that captured the national policy and strategy side as well as the regional, local and community levels. We want to see the ideas that could come from communities understanding the key policy and strategy drivers that they are looking to support the implementation of.

Brian Whittle: I will leave it there, convener.

The Convener: John Mason, do you wish to ask any questions?

John Mason (Glasgow Shettleston) (SNP): We have covered quite a lot of ground, and some of the issues that I planned to mention have been touched on already. Much of our focus has been on how communities can feed in to the process. Local authorities' written input has been about how the councils—three, in this case—rather than central Government could perhaps be more in control of the whole fund. Earlier it was suggested that central Government rules are making it very difficult to put such an approach into practice. Should the whole fund have been more under the control of local authorities, or should it now be?

Jim Grant: That is a good question. Local authorities are certainly more than capable of that. One of the good things about the announcement of the just transition fund is that it brought the three local authorities together in that partnership and they are working together much more actively than previously. Moray sits within Highlands and Islands regional economic partnership. Although our members have always had good relationships with one another, we have only ever come together when it has made sense to do so. From that point of view, the local authorities could do that.

Should they be the ones in control? I am not sure that I would go that far. There are local authorities, then there are communities and there is also the business group. Perhaps we should look at how we bring them all together, as a regional board, to have more say and more involvement rather than just leaving matters to local authorities.

John Mason: One aspect that has been specifically referred to is the one-year window: we must have a consultation, make decisions and spend the money all within a year. Of course, to some extent, local authorities also have that problem. I know that they are always complaining that they want multiyear funding. If local authorities were running matters with this fund for 10 years, would you be better able to deal with that and give community groups more of a spread of time? Mr Bews, please answer that if you want to.

Stuart Bews: The short answer is yes. To pick up on your original question, we would probably want to make a distinction here. We are not necessarily suggesting that local authorities have control over the fund but rather that they could be used as a means of administering it.

I am mindful that colleagues in the Scottish Government are being asked to take a lot of decisions that will have a local impact without necessarily having the local knowledge that local stakeholders would have. I think that Jim Grant is suggesting that it could be worth exploring potentially creating a board or something similar.

We recently had a conversation about where the third sector has been asked to administer the participatory budget. I know that successful projects were announced in early November. Those projects have until the end of March to spend the money. As far as I understand, third sector bodies have not received funding from the Scottish Government to be able to pay it out.

If we had a longer-term agreement with the Government, local authorities might be able to support and try to accelerate some of those processes. We administer shared prosperity funds on behalf of the UK Government and place-based investment funds on behalf of the Scottish Government, and we regularly take calls about applications throughout the year. The flexibility that we can offer to do that while still reporting back to the Scottish Government on an annual basis within the financial year can be achieved. That might be a way of trying to address some of the concerns about the single-year rush to get projects in, out for consultation, approved and spent on within a relatively short period of time.

John Mason: I will stick with the two local authorities for the moment and let the others comment afterwards. Do local authorities have the capacity to take on more of the running of that? I know that you are all strapped, as well.

Jim Grant: That is very challenging, given local government finances. Given where Moray Council is at the moment, I think that there would need to be capacity funding to enable some of that to happen.

Stuart Bews: I echo that. The level of capacity funding there is probably not much different from the resource that the Scottish Government already has to put into that. The difference is that the just transition fund is a bit closer to where it is intended to have an impact. Ultimately, whether one local authority has responsibility or two or three local authorities have responsibility, they will be accountable to the Scottish Government. I think that that could be achieved.

John Mason: I think that Aberdeenshire Council raised the idea that the just transition fund should be aligned with other economic plans, such as the regional economic strategy. I realise that that council is not here today, so maybe you can comment on that. We have heard a bit about duplication, but are those things currently aligned or could they be better aligned? Is that a problem or is it not a problem?

Stuart Bews: There is some alignment, but not complete alignment. I would not expect the just transition fund to fully align with the regional economic strategy. The rationale of that comment probably stems from a number of areas. Parts of the regional economic strategy that relate to innovation, communities and culture, so there is scope for some alignment there.

However, I would refer back to something that I said earlier. We have talked about community plans and locality plans and how they fit. When we look at all the different spheres of governance, we see that it is quite a stretch to link something that is very localised and community led into a national policy. Things at the regional level tend to have been developed with regional partners, and they are probably more suited to plans that are in place at the regional level.

Jim Grant: I agree. That comment probably relates to some of the successful projects in the first round that perhaps did not align with the regional plans for Aberdeenshire, particularly around transport links. More cognisance of the strategies and what an area is already trying to achieve in considering bids should be considered.

John Mason: As people know, I am a committee substitute, so I am not quite as familiar with some of the issues as colleagues are. Coming in from the outside, my feeling was that the idea of a just transition fund should be quite clear cut and in a space that nothing else is in. However, I have heard this morning about things such as planting trees or getting an electric vehicle in order to get money quickly and spend it. I would have thought that both of those things could have happened elsewhere and that a just transition fund was not needed to make them happen. Maybe I am being slightly cynical, but is it simply about more money for things that we are already trying to do, or is there a specific space for that fund?

Jim Grant: It comes down to the definition of what a just transition is. I will talk about the Highlands and Islands regional economic partnership. There are difficulties for islands and remote rural areas. There are the usual things that we have always done in relation to population challenge, housing, transport links, skills and digital connectivity. Those issues, and the inequalities around them, are the big issues that lots of rural communities—and urban centres—are facing.

16:15

“Just transition” can mean lots of things, depending on the intervention that you are looking for. From my point of view, the issue is where the balance of investment goes. Urban areas in particular can have overheated economies. Equally, there are rural areas with significant depopulation issues where we cannot get employees for the hospitality sector or the care sector. However, if we concentrate all our investment in one place, that will not result in a just transition. It is a question of how we address some of those inequalities, in urban areas and in rural areas, in order to allow a just transition.

John Mason: I realise that my questions have been mainly for the local authorities, so I will give Mr Ross and Ms Stuart the opportunity to answer. Do you have any thoughts? Should we have more decision-making power at local authority level, or should we forget central Government and local authorities and focus entirely on communities?

Alison Stuart: I have always felt that we need not just a just transition fund plan but a regional plan that includes everybody in the region. There should not be a disconnect between all the different plans. The regional economic strategy should also be a just transition strategy, and it should include communities, as well as the third sector and everyone involved in it, so that the usual industry or other vested interests do not dictate the direction that our region goes in. I feel that very strongly, and I feel that there should be a body that takes forward the plan for putting the vision into action and has responsibility for the accountability aspect of that. There should be reporting to that body, which should be a regional body with representatives from different areas of our society. The just transition fund should be linked into the plans that the people come up with through that body.

John Mason: Perhaps the process could be led by the three local authorities.

Alison Stuart: If that were the case, there would be a lot of politics involved. There are already many pre-existing vested interests, and I think that an out-of-region or out-of-local-authority

approach would be positive. That way, there could be newness that would break up some of the vested interests.

I do not understand why there has not already been huge collaboration on a regional vision for a just transition. That comes down to the fact that politics is involved. Therefore, I wonder how effective that would be for new ways of doing things and new ways of thinking. However, I have not given the issue any further thought than that.

John Mason: Would you like to add anything, Mr Ross?

Alasdair Ross: I had not thought about the issue beforehand, but I agree that the fact that the funds come from the Scottish Government feels more neutral than perhaps would be the case if they came from local authorities. Having said that, the closer the money is to the people, the better, so I will need to have a think about that.

From a third sector perspective, if we were involved in some regional plan, we would want to have an equal seat at the table. At the moment, we do not have an equal seat at the table when it comes to economic strategy, economic planning and so on. Despite its size economically and in terms of the number of people involved and its social impact, the third sector does not have the status of an equal partner.

John Mason: Although you are not actually elected, are you?

Alasdair Ross: No.

John Mason: I will leave it at that, convener.

The Convener: Thank you. That brings us to the end of this afternoon’s session. I thank all the witnesses for the time that they have given us this afternoon. We now move into private session.

16:18

Meeting continued in private until 16:47.

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