



OFFICIAL REPORT
AITHISG OIFIGEIL

Net Zero, Energy and Transport Committee

Tuesday 24 May 2022

Session 6



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Pàrlamaid na h-Alba

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NET ZERO, ENERGY AND TRANSPORT COMMITTEE
18th Meeting 2022, Session 6

CONVENER

*Dean Lockhart (Mid Scotland and Fife) (Con)

DEPUTY CONVENER

*Fiona Hyslop (Linlithgow) (SNP)

COMMITTEE MEMBERS

*Natalie Don (Renfrewshire North and West) (SNP)

*Jackie Dunbar (Aberdeen Donside) (SNP)

*Liam Kerr (North East Scotland) (Con)

*Monica Lennon (Central Scotland) (Lab)

*Mark Ruskell (Mid Scotland and Fife) (Green)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Stephanie Anderson (Scottish Power Energy Networks)

Randolph Brazier (Energy Networks Association)

Kevin Gibson (Scottish Government)

Jenny Gilruth (Minister for Transport)

David Hammond (North Ayrshire Council)

Bill Reeve (Transport Scotland)

David Rodger (Aberdeen Renewable Energy Group)

Morag Watson (Scottish Renewables)

CLERK TO THE COMMITTEE

Peter McGrath

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Net Zero, Energy and Transport Committee

Tuesday 24 May 2022

[The Convener opened the meeting at 09:32]

Decision on Taking Business in Private

The Convener (Dean Lockhart): Good morning, everyone, and welcome to the 18th meeting in 2022 of the Net Zero, Energy and Transport Committee.

Agenda item 1 is consideration of whether to take items 7, 8 and 9 in private. Item 7 is consideration of evidence that we will hear today on a legislative consent memorandum; item 8 is consideration of evidence on renewable energy; and item 9 is consideration of evidence that we have heard in our energy price rises inquiry. Do members agree to take items 7, 8 and 9 in private?

Members *indicated agreement.*

Subordinate Legislation

Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland) Order 2022 [Draft]

09:33

The Convener: The next item is to take evidence on the draft Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland) Order 2022. I welcome the Minister for Transport, Jenny Gilruth, who is joining us for consideration of this Scottish statutory instrument, and I thank her for taking time out to join the committee. The minister is joined by Kevin Gibson, who is a solicitor in the Scottish Government, and Bill Reeve, who is rail director at Transport Scotland. I thank them for being in front of the committee.

The order was laid under the affirmative procedure, which means that Parliament must approve it before it comes into force. Following this evidence session, the committee will be invited to consider a motion to approve the order under the next item.

Minister, I understand that you would like to make a short opening statement. If that is the case, I will hand over to you.

The Minister for Transport (Jenny Gilruth): Good morning. As committee members will be aware, ScotRail came under Scottish Government control on 1 April this year, and the Government-owned holding company Scottish Rail Holdings Ltd is overseeing and managing on behalf of the Scottish ministers the delivery of services by its wholly owned subsidiary, ScotRail Trains Ltd. Scottish Rail Holdings is a private limited company that was established under the Companies Act 2006 as an executive non-departmental public body. Scottish Rail Holdings and its subsidiary, ScotRail Trains Ltd, were established by Transport Scotland on behalf of ministers to further the discharge of their duties under section 30 of the Railways Act 1993, with effect from 1 April this year. The Scottish ministers are the sole shareholder of Scottish Rail Holdings.

As a matter of policy, Scottish Rail Holdings, as an executive non-departmental public body, would be expected to have an accountable officer as part of good governance. SRH is not part of the Scottish Administration under the Scotland Act 1998, which means that, for the purposes of the Public Finance and Accountability (Scotland) Act 2000, the permanent secretary as principal accountable officer is not automatically able to appoint an accountable officer to SRH through a

purely administrative exercise. To enable that to happen, we have to make an order under section 483 of the Companies Act 2006, requiring SRH accounts to be audited by the Auditor General for Scotland. That engages the relevant provisions of part 2 of the 2000 act, including the power to designate an accountable officer for SRH under section 15 of that act.

ScotRail Trains Ltd will have its accounts treated as part of the Scottish Rail Holdings group accounts, as it is a subsidiary company under section 479A of the Companies Act 2006.

As I outlined during an evidence session to the committee in March, we were, at that time, finalising the chief executive of SRH being designated as the accountable officer. I also confirmed that we were putting in place an interim arrangement whereby the Transport Scotland AO would remain as AO for SRH until an order under section 483 of the Companies Act 2006 was approved by Parliament. That was done to ensure that SRH was able to operate from 1 April. The section 483 order was laid before Parliament on 29 April and the contingency arrangement, which I have just outlined, will remain in place until the order is approved.

Audit Scotland was consulted during the preparation of the order. It has responded to confirm that the Auditor General is willing to assume the auditing role, and it has assisted with best timings for introduction of the order.

I seek the support of the committee in relation to the order, which is a necessary part of the governance process for SRH to fulfil its functions as an NDPB.

The Convener: As you have said, the instrument relates to the nationalisation of ScotRail and, when you appeared before the committee less than two months ago, you told us that the main reason for nationalisation was to increase accountability and ensure that

“ministers are held to account”—[*Official Report, Net Zero, Energy and Transport Committee*, 15 March 2022; c 26].

Given that that is the main reason for the nationalisation of ScotRail, do you accept responsibility for the significant service cuts in Scotland?

Jenny Gilruth: The current service cuts in Scotland relate to an industrial dispute between the Associated Society of Locomotive Engineers and Firemen—ASLEF, the train drivers union—and ScotRail, the employer. As you might know, convener, ASLEF train drivers are refusing to work on their rest days at the moment. As a result, ScotRail took the decision to reduce the number of services, because it does not have enough train drivers to fulfil the previous timetable. Therefore,

yesterday, a reduction in the timetable was introduced. However, that is not what the order relates to.

The Convener: My question is not directly relevant to the order, but it relates to the nationalisation of ScotRail, and the order relates to that. The Scottish ministers now own ScotRail 100 per cent, via a holding company, as you have said. Why are Scottish ministers not getting directly involved in the process to ensure that we do not see massive cuts to rail services in Scotland?

Jenny Gilruth: There are two points to make. That is not an accurate description of what has been happening in recent days. On Friday, I spent a considerable part of the day with ScotRail and, yesterday, along with Bill Reeve, I met representatives of ScotRail to discuss some of the challenges of the current situation. However, it is not the case that the Scottish ministers are in the room negotiating with ASLEF; as the employer, ScotRail is in the room. I understand that ASLEF and ScotRail are meeting today to move the talks forward.

It is essential that we restore the previous timetable. However, you will appreciate that ScotRail cannot fulfil the previous timetable, because it does not have enough drivers to do so. ScotRail, like many train operators across the United Kingdom, depends on drivers working on their rest days. Drivers working on their rest days is a historic thing that exists in the rail industry; it has not come into existence since nationalisation. It relies, primarily, on the good will of drivers.

I understand and respect that ASLEF is in dispute with ScotRail. It balloted its members on the pay offer, but this is a separate issue to do with drivers choosing not to work on their rest days. If drivers want to spend time with their families or take part in leisure pursuits, that is, of course, in their gift. However, it means that ScotRail cannot run as many trains as was the case under the previous timetable. That is why ScotRail took the difficult decision to reduce train allocation, hence the reduction in the current timetable.

As minister, I am committed to working with our trade union partners, with whom, as you know from the previous evidence session that I attended, I have spent a lot of time talking about nationalisation, what it means for them and whether they want to be part of the vision. I sincerely hope that they do—they campaigned for a long time for public ownership of Scotland's trains.

However, we need to get to a resolution of the dispute and we need to get to a better place with train drivers in terms of their availability to work and our ability to, ultimately, restore the timetable.

I am working closely with ScotRail to see where we might be able to bring about the restoration of a number of services over the coming weeks and months.

The Convener: I have a final question before I bring in other members. These rail cuts are costing Scotland's economy £80 million a day, which I am sure you will be concerned about. Do you have an idea of how long this dispute might last or a provisional timetable for when you would like it to be settled?

Jenny Gilruth: I would like it to be settled today, convener. However, as you will be aware, ASLEF is in dispute with ScotRail, the employer, at this time. We need to get to a resolution and I am committed to working with both parties to ensure that we get to a restoration of the previous timetable. However, that depends on both sides coming to a compromise in order to reach a settlement that will meet the needs of all passengers.

Liam Kerr (North East Scotland) (Con): I want to clarify something that I think you said, minister. As a point of genuine clarification, when you say that ScotRail is "the employer", is it ScotRail Trains Ltd that is the employing entity?

Jenny Gilruth: Yes.

Liam Kerr: Under this order, is it correct that the function of Audit Scotland means that it will audit Scottish Rail Holdings and ScotRail Trains Ltd as a part of that audit? That is, Audit Scotland has power over ScotRail Trains Ltd as well.

Jenny Gilruth: Yes, that is correct.

Liam Kerr: Grand.

I have only one substantive question. I sat on the Public Audit and Post-legislative Scrutiny Committee for a long time in the previous session. I think that it published a report at the end of the session that said that it was getting section 22 reports that were fairly blunt and challenging for the organisations that had been reviewed but that, those reports having been laid, very little was done. When, as seems inevitable, Audit Scotland lays a section 22 report on the nationalisation of ScotRail, will you help the committee to understand what you as a Scottish Government, and you as the minister, will do with that report and what action you will take in response to it?

Jenny Gilruth: I might bring in Kevin Gibson on the specifics of the legalities that are involved in that. However, it would of course be for the Scottish ministers to consider and scrutinise the publication of any material from the Auditor General to ensure that we have trains that are running at best value for money and meeting passengers' demands. It will be incumbent on ministers to scrutinise the detail of that

accountability through the reporting process, as happens across a number of different organisations in Government. I do not think that there is any difference in the way in which ScotRail Trains Ltd and Scottish Rail Holdings will be held to account via that process, if that answers the question.

I will bring in Kevin Gibson on the specifics of how it operates elsewhere.

Kevin Gibson (Scottish Government): I do not have a great deal to add to that. The reports are given to ministers and ministers are then obliged to lay them before Parliament. That is how the legislation operates.

Monica Lennon (Central Scotland) (Lab): Good morning to the minister and her officials. Thank you for your opening remarks, minister.

People who welcome the nationalisation of Scotland's rail services want to see improved accountability and clearer lines of responsibility. On a point of clarification, although I welcome your intention to have good relationships with the trade unions, I noticed that the National Union of Rail, Maritime and Transport Workers—the RMT—accused you in the press of lying, which was obviously not a good allegation to hear. It also said that "the buck stops" with you, minister. On that point of accountability, which is what we are here to look at today, how can the public be reassured that it will not be a case of officials and managers taking responsibility when things are going badly and ministers taking credit when things are going well? How can we be sure that the lines of responsibility are clear? How do we very quickly get to a place where trade unions, which I know you respect, have confidence in you and are not accusing you of lying, which was an unfortunate headline to see at this early stage of the project?

09:45

Jenny Gilruth: In recent days, as you might understand, I have read some press reports and I have participated in numerous media appearances on this matter. I must say that, when we talk about having a respectful tone between Government and trade unions, I do not find the use of that word to be particularly respectful. I do not think that it is accurate, either. As you know, at the start of my appointment, I spent a great deal of time with our trade union partners to try to bring them into the conversation about the future of Scotland's trains. The unions must be part of that to make it a success. We are not in private ownership any more—this is public ownership—and the Government is, of course, accountable to all of Scotland, not just ScotRail trains or Scottish Rail Holdings.

With regard to my accountability, I am the Minister for Transport, so I accept responsibility. However, we have an industrial dispute, and it would not be appropriate—it does not happen in any other part of Government—for ministers to be in the room taking part in those negotiations. ScotRail is the employer. I am committed to working with ScotRail to ensure that the process works and that we get a quick resolution. That is what passengers want to see. I have got to say that, as somebody who takes the Edinburgh to Fife line pretty much every day to come to Parliament, I want to see that as well. Therefore, these are challenging times.

It is important to say that this is not happening only in Scotland. There are other parts of the Great Britain rail network that are impacted by driver shortages at the moment as a result of industrial disputes. Of course, later today, we will hear the result of the ballot of Network Rail staff by the RMT, which affects a number of train operators. Therefore, I recognise that there are challenging times ahead for the rail network—not just in Scotland but everywhere in the UK.

The UK Government can take a view on how it wants to engage with the trade unions. I heard some of that reported in the press over the weekend. I am committed to working with our trade union partners in a respectful dialogue with an understanding that ministers cannot be in the room. Equally, I will work with ScotRail to ensure that we get a resolution that leads us to restore services as soon as possible, which takes me back to the convener's point. We must restore services to allow passengers to get to their places of work or go to late-night concerts, wherever they might be in the country.

I recognise that, right now, passengers are scunnered—I said that yesterday. The services that passengers are experiencing are not good enough, and we need to restore services. However, it is also true to say that we will not get to a restoration of services until we get a resolution between ScotRail and ASLEF, the train drivers union. I am committed to ensuring that we get to that place as quickly as possible to give passengers the reassurance that they need to ensure that nationalisation is working.

Monica Lennon: Thank you, minister. I am sure that we all agree that we need to see that dialogue happening—

Jenny Gilruth: We need a respectful tone in that dialogue as well.

Monica Lennon: We want the dialogue to be respectful. We want services to be restored. You made a distinction between the Scottish Government's approach and what happens elsewhere in the United Kingdom. The Scottish

Government is very committed to fair work, and I know that you have a good relationship with the trade unions on that matter. You mentioned rest days. The public want services restored for everyone's convenience, but we need those services to be safe. Therefore, what is the position on rest days? You said that it is a historic practice that happens elsewhere. However, in your mind, is it good practice for workers to feel under pressure to work on rest days?

Jenny Gilruth: No. I agree with the sentiment of Ms Lennon's question. No worker should feel under pressure to work on their rest days. However, I go back to my initial point to the convener: rest-day working is not something that suddenly occurred as of 1 April 2022. It has existed for a number of years, and it is how trains right across Great Britain, not just in Scotland, operate. The service depends on drivers volunteering to work on their rest days. On whether it should be phased out, it is a historic practice and I am perfectly committed to working with the trade unions to have those discussions in future, as we move forward. However, that practice has historically been part of how train drivers work and operate. Bill Reeve will correct me if I am wrong, but I think that drivers are compensated for working on their rest days.

Bill Reeve (Transport Scotland): Yes, they are. It might also be worth adding that the level of rest-day working that has been required of drivers recently has been complicated by absences due to Covid-related sickness and the fact that, although 134 drivers are currently in training with ScotRail, their training programme has been delayed by restrictions. It takes about a year to train a driver, and their training programme has been delayed by restrictions caused by Covid. A train cab is a confined space, so, as you can imagine, there have been periods when putting a trainee alongside an experienced driver has just not been possible. Therefore, there is a lot of work needed to recover that situation, but the past year or so has not helped matters.

Monica Lennon: I imagine that we do not have much more time for this agenda item, but I wonder what advice was given to ministers on those issues, ahead of 1 April 2022. Did anyone foresee what would happen—that services would be reduced by one third a month after the move into public ownership?

Jenny Gilruth: No. I do not think that anyone foresaw that that would happen a month after public ownership. As I outlined to you, the convener and the committee in March, I spent a lot of my time during February and March meeting trade union representatives and listening to them to ensure that they were part of our vision going forward. I am still committed to working with them

on a number of areas. For example, we have heard from the trade unions that they have concerns about the safety of their staff on our trains. There are also concerns about women's safety on our trains and concerns about the vision for Scotland's trains. I want the trade unions to be part of that and to feel as though they are part of it. I am quite clear that they did not feel as though they were part of it under the Abellio franchise.

To answer your point, Ms Lennon, we need to get to a resolution. I do not think that we could have foreseen the situation on 1 April. There might have been rumblings, but I worked very hard to build relationships with our trade unions, so I am quite disappointed by some of the most recent press reports that we are hearing. Ultimately, however, we need to get a resolution between ScotRail, the employer, and ASLEF, the train drivers union, to allow for the restoration of services. I am committed to working with both parties on that to ensure that we get to that point.

The Convener: There are no more questions. The next item is formal consideration of motion S6M-04466, calling for the committee to recommend approval of the order. I invite the minister to move the motion.

Motion moved,

That the Net Zero, Energy and Transport Committee recommends that the Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland) Order 2022 [draft] be approved.—[*Jenny Gilruth*]

Motion agreed to.

The Convener: The committee will now report on the outcome of the order in due course. I invite the committee to delegate the authority to me as convener to approve a draft of the report for publication.

Members indicated agreement.

High Speed Rail (Crewe-Manchester) Bill

09:51

The Convener: For the next item, we have the same panel as we had for the previous items. The next item is consideration of a legislative consent memorandum on the High Speed Rail (Crewe-Manchester) Bill. The committee put out a targeted call for views on the LCM, which attracted just one response. It is likely that this will be the committee's only evidence session on the LCM before reporting to Parliament.

Minister, I understand that you would like to make a short opening statement.

Jenny Gilruth: I will be brief, convener. The Scottish Government has consistently supported high-speed rail, but not just to Birmingham, Manchester and Leeds. To realise its full benefit, high-speed rail infrastructure needs to be extended further and faster to reach Scotland. Notwithstanding that, we welcome the proposal to locate one of the HS2 train stabling and light maintenance depots in Annandale, near Gretna, and the highly skilled jobs that doing so should create. Scotland will also benefit immediately from faster train services upon completion of phase 1 of the HS infrastructure.

Although our position is one of support for the bill overall, and for the depot, it is right that we take the time required to scrutinise the implications of legislative consent. That is why the Cabinet Secretary for Net Zero, Energy and Transport, Michael Matheson, recommended that the Scottish Parliament consent only to some clauses in the bill while we work through the other issues with our UK Government counterparts. Along with my officials, I will be happy to cover the detail of those clauses in answering the committee's questions.

The Convener: Thank you, minister. We now move to questions.

Liam Kerr: Minister, the cabinet secretary has said that we support high-speed rail but that we do not want to recommend supporting five clauses, or elements, of the bill. How have the UK and Scottish Governments come to such different views on the extent to which the provisions in the bill require the legislative consent of the Scottish Parliament?

Jenny Gilruth: I might bring in Kevin Gibson on the technicalities, but I should say that the bill is a hybrid bill, so there is time left in 2022, and potentially into 2023, to resolve some of the issues. As Mr Kerr has outlined, we are in agreement with the UK Government on a number

of the clauses that require the legislative consent of the Scottish Parliament, but the Scottish Government has identified nine relevant clauses in total, in addition to those on which the UK Government has asked the Scottish Parliament for legislative consent.

My officials, supported by legal advice, met the UK Government team to discuss that point after the bill was presented, and the view of the Scottish Government is that the Scottish schedules in the nine clauses that I have mentioned relate to matters that would alter devolved legislative controls and that have a devolved purpose. For example, they might affect the water environment, building standards or planning. In line with section 28(8) of the Scotland Act 1998 and devolution guidance note 10, the Scottish Government's view is that those clauses require the Scottish Parliament's consent. Many of the clauses relate to land-use planning. Planning permission is required, and the development of land is regulated for planning purposes, regardless of the nature of the underlying project.

In summary, both Governments have different interpretations of the Sewel convention. The practical implications of the bill are not yet clear. However, as I mentioned, we are working through those issues. This is a hybrid bill so, over the coming months, and potentially into 2023, officials will be working very closely to try to get to a resolution on some of the issues. We support the overall purpose of the bill, but we have reservations about some of the specifics, as I have outlined.

Kevin Gibson, would you like to say more?

Kevin Gibson: I do not have anything specific to add.

Liam Kerr: What are the practical implications of the Scottish Government taking that different view? I presume that people who are watching will say that everyone seems to support high-speed rail, but there is a potential conflict on a matter of interpretation. Notwithstanding that you have said that there is time, there could be a delay to something that everyone seems to want to happen.

Jenny Gilruth: I hope that there will not be a delay, but it is for the UK Government to state its position directly to the committee. The position that it has taken in discussions with the Scottish Government and its officials is that, because the additional clauses relate directly to the authorisation of a high-speed rail project—a reserved matter—legislative consent is not needed. The UK Government has quite a pure interpretation of that. It considers that any impact on devolved matters will be entirely incidental. Our view is that that is too narrow an interpretation of

legislative consent, given the potentially significant impact on devolved matters.

I do not want us to get into conflict. There are months, if not years, to resolve the issues, because it is a hybrid bill. Ahead of the meeting, I discussed that with Kevin Gibson. We are not yet clear from the UK Government what the associated final timescales will be, because it is a hybrid bill, which is quite an unusual legislative feature. Kevin Gibson can say more about that, because he is a lawyer.

I do not want to get us into conflict. The associated timescales are in the UK Government's gift, but Scottish Government officials will work very closely with UK Government officials to get to a resolution, because we all want this to work.

Liam Kerr: People who are watching might be thinking, "Well, it's not really in the UK Government's gift, is it?" The UK Government has set out its position, and it has presented the bill. It appears that it is the Scottish Government that disagrees with that interpretation, so it is not really about the UK Government, or is it? What am I missing, minister?

Jenny Gilruth: We disagree with the UK Government's interpretation of the legislation, because it overcuts devolved competence. We can go into some of the specifics of that later. However, we want high-speed rail to work, and we want officials to work together to make sure that it is a success. That should not come at the cost of devolution being eroded, Mr Kerr. I am sure that, as a member of the Parliament, you would agree with that.

Liam Kerr: The minister is suggesting that devolution would be eroded, but that is, of course, the Scottish Government's interpretation. I think that that is clear, is it not?

The Convener: Natalie Don, who joins us remotely, will ask the next question.

Natalie Don (Renfrewshire North and West) (SNP): Good morning, minister. I am looking for clarification on where we are with the discussions that either you or your officials have had with your UK Government counterparts to resolve the concerns that we have highlighted in relation to the LCM. How far along are we? Has there been any progress?

Jenny Gilruth: Officials have been working closely with their counterparts in the Department for Transport and the UK Government. Most recently, they met on 19 May, I think. There has been good collaborative working. Good progress has been made on the provisions relating to the Crown estate and Crown lands, and I am grateful to all who were involved with that. I hope to be in a position to write to the committee fairly soon—I

hope that that will be later this week—about the matter. Detailed discussions about the water and building regulations and some road aspects will follow.

As I mentioned to Mr Kerr, this is a hybrid bill, so there is enough time available in 2022, and potentially into next year, to work carefully through some of the issues and concerns. Discussions are on-going between Scottish Government officials and those in the UK Government.

10:00

Mark Ruskell (Mid Scotland and Fife) (Green): I will ask about two aspects of the bill that are a bit contentious. One is about the water environment: in effect, the controlled activities regulations are not being applied through the bill, which seems a bit odd. Surely there are not lots of rivers passing through what is quite a small site. The other aspect that I want to ask about is building standards. Are there any risks to the environment or to building users as a result of not adopting those regulations through the bill?

Jenny Gilruth: Although it might be normal practice in England to disapply environmental regulations for major construction projects, that is not the policy in Scotland, as Mr Ruskell knows. The Scottish Government's position is that anything that could impact on the water environment must be authorised by the Scottish Environment Protection Agency and carried out in such a way as to protect our water environment to the extent that is reasonable. In other Scottish infrastructure projects, the controlled activities regulations requirements have not been disapplied. For example, the Waverley Railway (Scotland) Act 2006 and the Forth Crossing Act 2011 were hybrid bills, passed by the Scottish Parliament, that gave the Government the powers to construct the Borders railway and the Queensferry crossing respectively.

The overarching aim of the Building (Scotland) Act 2003 and building regulations is to secure the health, safety and welfare of building occupants. Therefore, further details about the depot are needed to evaluate how the proposals would impact on the building standards that would normally apply. Again, that will be discussed in detail by the relevant teams, and a new position will be reached with the relevant ministers, including, in this instance, my colleague Patrick Harvie, given his responsibilities in that area.

Mark Ruskell: I presume that these would be fairly simple matters, given the size of the site and the nature of the project. For example, would the requirement for the project developer to speak to SEPA really require a huge amount of work to be done?

Jenny Gilruth: I might bring in Kevin Gibson on the specifics, but I think that the assumption that the regulations should be disapplied is fundamentally wrong. We have not done that in the past, and we see no reason for that to be done in this case. As I said, we have not yet seen the details with regard to the building regulations and the depot in Annandale. Those details need to be forthcoming in order for us to reach a clear view on that, but Kevin Gibson might be able to provide more detail.

Kevin Gibson: A feature of the discussions at official level is exactly that question: what would the practical implications be of the disapplication of the regulations? The bill takes a blanket approach to these matters, as it does for works in England and Wales, which are far more extensive, obviously. We need to get to the bottom of what the practical impact would be on, for example, the water environment were the regulations to be disapplied. Another set of provisions that will be disapplied in Scotland are the protections for historic buildings. Ministers have been able to recommend consent for that, because we have been able to confirm with the Department for Transport that no historic buildings will be affected by the works in Scotland. Those are the sorts of discussions that are taking place.

Fiona Hyslop (Linlithgow) (SNP): Acts passed by the Scottish Parliament authorising new rail lines, such as the Waverley Railway (Scotland) Act 2006, gave project promoters wide-ranging powers to build a great deal of the necessary infrastructure without the need for further authorisation from other public authorities. On the LCM, you have recommended that Parliament should not give consent to provisions that would allow the Annandale rail depot to be built, as part of HS2, without building standards and controlled activities consent. Is that consistent with previous practice? If not, why have you chosen to pursue that approach?

Jenny Gilruth: The approach that has been taken to similar projects authorised by acts of Parliament has been that building standards and the CAR requirements continue to apply. As I mentioned in my response to Mr Ruskell, both the Waverley Railway (Scotland) Act 2006 and the Forth Crossing Act 2011 conferred broad powers on the promoter to construct the works but did not disapply CAR or building standards requirements. Given those precedents, we are not currently in a position to recommend that Parliament consents to the disapplication of those regulatory requirements in Scotland.

However, the hybrid bill process in the UK Parliament is a lengthy one, as I have mentioned in response to other committee members. Therefore, we are continuing to discuss those

issues with the UK Government, and I am happy to keep the committee updated on the progress of those discussions.

Fiona Hyslop: Is it your view that it would be preferable for you to be able to come back with an LCM approving consent, should those discussions over the next—

Jenny Gilruth: Yes, that would be preferable—absolutely.

The Convener: That is great. There are no more questions. I thank the minister and her officials for taking part in the meeting and for providing us with the background for a report on the LCM, which the committee will publish before the summer recess.

I will briefly suspend the meeting in order to set up the room for the next witnesses.

10:04

Meeting suspended.

10:10

On resuming—

Role of Local Government in Delivering Net Zero

The Convener: Welcome back. Our next item is an evidence session in our inquiry into the role of local government and its cross-sectoral partners in financing and delivering a net zero Scotland. Today we will focus on local government's role in expanding the renewable energy sector in Scotland and we have five panellists.

Three of our guests are in the committee room: Stephanie Anderson, head of regulation for Scottish Power Energy Networks; Randolph Brazier, director of innovation and electricity systems for the Energy Networks Association; and Morag Watson, director of policy for Scottish Renewables. Joining us remotely are David Hammond, head of sustainability for corporate property and transport at North Ayrshire Council; and David Rodger, chief executive officer for the Aberdeen Renewable Energy Group.

Good morning, everyone, and thank you for joining the committee. Your attendance is very much appreciated. We have allocated up to 75 minutes for this session and we will move straight to questions. Given the size of the panel, we will direct questions to particular panel members. I am not sure that we will be able to address every question with every panel member. We will try to keep our questions succinct and it would be great if we can have fairly succinct answers so that we can cover all the topics.

My first question is a general one to set the scene. What are the main challenges that you face when dealing with local authorities delivering net zero targets in your areas of responsibility, and what do you think can be done to address those issues to help local authorities and your own organisations to deliver net zero targets for your organisations and more generally?

Morag Watson (Scottish Renewables): Good morning—it is lovely to be here. The challenges facing Scottish Renewables in the work that we do with local authorities fall into two main areas.

The first is around planning. We need to double, or perhaps even triple, the amount of renewable energy that we generate in Scotland by 2045 if we are to meet our net zero targets. None of those projects can be built without planning consent. We have seen the number of planners in local authorities go down by 20 per cent in the past 10 years, just as the level of planning applications around net zero is about to ramp up.

We are seeing long delays in the planning system simply because of lack of capacity. I defer to my colleagues in the Royal Town Planning Institute, who are doing detailed work on a development strategy for planning, about what needs to be done on that, but it is a key issue for us.

We are also seeing a particular challenge for onshore wind. We have about 8GW of onshore wind at the moment. To keep us on track for net zero we will need 20GW by 2030. That is just eight years away, so it is a very challenging target to hit but it can be done. However, at the moment, planning applications are taking seven years, so those two things are just not going to match up.

One of the key issues is that, although every time we do independent research we have found that onshore wind has an approval rating of about 80 per cent, with only about 4 to 5 per cent of the population objecting to it, if an onshore wind application is rejected, it is almost always on the basis of visual impact, on the understanding that people do not like how it looks, but that is not what comes through in the independent research. There is a real dichotomy there and we are wrestling with how we can reach the levels of deployment that we need when we keep hitting that barrier of visual impact, which is not supported by the independent research into people's attitudes to those things.

I will not go on any further on planning. I was before the committee on 1 February when we said a great deal more about it and the committee has had detailed briefings, so I will not dwell on it.

The other issue that will be a key barrier for us is just starting to kick in. It is around the decarbonisation of heat. Heat makes up more than 50 per cent of our energy use in Scotland and, in the next 23 years, we will need to decarbonise our 2.4 million homes and 230,000 non-domestic buildings. Just looking at the homes, any of you who are fast on the maths will see that that means that we will need to decarbonise 285 homes a day every day, 365 days a year for the next 23 years, to hit that target. It is a huge challenge.

10:15

One of the ways in which we are looking to do that is through local authorities leading on local heat and energy efficiency strategies, which have been piloted in all 32 local authorities. That is a very useful approach, which is working, but there are some major challenges for local authorities. The first relates to resourcing. Local authorities simply do not have staff with the capacity or specialist expertise to do that work. The expertise that is particularly needed is in data collection and analysis in relation to heat use, building types,

efficiency standards and so on. That is a huge challenge.

I will give you an idea of what happens. If a local authority commissions an external organisation—for example, the Energy Systems Catapult—to produce an LHEES-style report for it, that costs in the ballpark of £0.25 million, so we can understand the capacity challenge for local authorities.

There is also not a statutory requirement in that regard. At a time of great challenge for local authorities, when minds are focused on the huge challenge of decarbonising our buildings and on the current cost of living crisis, with energy and, in particular, heating costs rising, local authorities are not required to do that work. They have to prioritise, and it is very difficult for them to prioritise that.

Local authorities need specialist support, because we are talking about a new area of work for them. There needs to be professional development and external support. In particular, local authorities need to be supported to work with stakeholders. Again, I defer to my colleagues in the energy networks on the grid reinforcements that will be needed as part of all this work.

I will strike a note of optimism: there is a capacity hump. Once a local authority has the staff in place and is able to get an LHEES or something like it in place, industry will be able to invest. We can look at the example of what has happened in Bristol with the development of its city leap strategy. It looked to industry for concessions to do heat decarbonisation, and Vattenfall won the concession for 20 years. That company will invest £200 million in heat networks and heat decarbonisation in Bristol in the next five years. Therefore, once we get plans in place and a local authority is able to connect with someone so that it can begin to engage with stakeholders and industry, we will unlock private sector investment and bring in the money that we will need to achieve the targets.

The Convener: I am sure that members will want to explore a number of the issues that you have raised.

Randolph Brazier (Energy Networks Association): Thank you for having me here today. It is good to be here. For those of you who do not know the ENA, we are the trade association for all the gas and electricity networks in the United Kingdom and Ireland, including those represented by my colleagues here.

I will raise three quick points. I will try not to repeat what Morag Watson said, but I agree with quite a few of her points, particularly on planning.

One of the key challenges that energy networks see is siloed thinking. Historically, in relation to local authorities and planning in general, sectors such as transport, heat, buildings, waste and agriculture have largely been treated independently and separately. However, when we plan energy networks, we need to take all those things into account. We do not build an electricity network just for electric vehicles or electrified heating, for example; we build it for all sectors. It is key that we take a whole-systems approach that takes into account all the different sectors and ensures that we consider all the users of energy systems when we do planning. We consider what users need now and what they will need in the future. That is a key focus for us, and it needs to be a key focus for local authorities, because they have a good view of all those sectors when they do planning. That is the first point.

Secondly, there needs to be engagement with energy networks. Although such engagement is improving across local authorities, how good the engagement is and how early it takes place is very different across the country. There are many examples of energy networks finding out about new housing blocks or developments only at the 11th hour. In those cases, those dealing with water and telecommunications have already been engaged with, so we need to dig up the road for a second time, six months later. That is not acceptable, and it goes back to the need for a whole-systems approach. Engagement with local authorities is key.

Leading on from that, when we work with local authorities, we often find that, from an energy perspective, they have varying levels of skills and abilities, which Morag Watson touched on. We think that they need to be adequately resourced from an energy perspective so that they understand energy and their needs. There are a number of ways in which that could be done—there could be Government support, and, in our business plans for the next five years, all the networks, particularly those in Scotland, have put in dedicated local authority support. There is a range of different techniques for doing that. Some of them are thinking about seconding energy experts into those companies; in other cases, it might involve having dedicated workshops and support people, which I am sure Stephanie Anderson will talk more about. That will be critical going forward. Local authorities need the skills in-house, either from their own internal organisations or from networks.

I will not repeat too much of what Morag said, but my final point is about planning. It is critical that we speed up the networks planning process. New overhead lines, cables and substations can often take years, so we need to speed up that process.

Stephanie Anderson (Scottish Power Energy Networks): I am entirely supportive of what Morag and Randolph said, but I will add a couple of points.

The planning regime for energy networks is the key barrier to meeting the 2030 targets. I will provide a couple of SP Energy Networks examples. The Beaully-Denny project was a high-profile example of the consenting stage taking longer than either the development stage or the construction stage. A recent example is SPEN's application for consent under section 37 for the Kendoon to Tongland reinforcement, which will enable 1.2GW of renewable generation. It is currently going through a public inquiry, and once we take into consideration the two to three years of work that we did at the start of that stage and then add the planning process, by the time we get to the end, we expect it to have taken seven years. With that in mind, in order to meet the 2030 targets, we are keen to work alongside our colleagues to accelerate the planning process.

We also see resource as a key barrier. We work closely with local authorities, and there is clear ambition there, specifically in relation to the local heat and energy efficiency strategies. They definitely feel empowered to move forward with the strategies, but we have seen a lack of technical expertise and resources, as Morag and Randolph touched on.

We go through five-year cycles with the Office of Gas and Electricity Markets, and we negotiate what investments will come forward in that period. We are currently going through those discussions with Ofgem and have proposed having what we call strategic optimisers, who are effectively account managers who work with local authorities. We offer up our technical expertise that local authorities often do not have. An example of where that expertise has shown real value for customers and local authorities is our work with Transport Scotland and North and South Lanarkshire Councils in rolling out project PACE. The project involves using our dedicated teams of expertise to look at where charging points would be most optimally placed in those council areas where the market might not deliver. As a result of providing that additional support to local authorities, we have saved them £45,000 per electricity grid connection, which equates to £2 million of savings just for those two authorities. If we rolled that out across Scotland, the savings would equate to around £26 million. Working with the local authorities to complement their expertise would be a good manoeuvre going forward.

The Convener: Thank you, Stephanie. It is not the first time that we have heard about a seven-year timeline for project completion, which is obviously a big concern. I will bring in David

Rodger, who is joining us online, on the same question.

David Rodger (Aberdeen Renewable Energy Group): Good morning, and thank you for having me again. I will say a bit about Aberdeen Renewable Energy Group, for those of you who do not know about it. We are in our 20th year as a not-for-profit association. We have more than 230 members and are probably best known for our work on Aberdeen bay wind farm, which we worked with Vattenfall to deliver.

Over the years, we have been involved in promoting Aberdeen and the whole of the north of Scotland from an energy capital perspective, with many engagements including the All-Energy show. We are there to support all forms of renewable energy, from wind, solar, biomass, wave, and tidal. Interest in primary energy as well as community and household energy is widening, which reflects the broad interest in the energy transition.

AREG is a great example of an organisation that has worked well with local authorities—in this case, Aberdeen City Council and Aberdeenshire Council—during the past 20 years. We have supported various initiatives, from heating developments to new transportation initiatives. Aberdeen City Council is well known for its progress on the hydrogen bus fleet and other incoming technologies.

I will address the point about creating a space for associations such as AREG, the industry and local and wider government organisations to work together on key areas. Some of the key issues facing the industry include investments, grid connection and meeting future demand, and public acceptance. I will add a fourth issue, which is skills and getting a diverse and inclusive workforce into the industry as we progress the various projects in the energy transition.

I will leave it at that, because I know that there will be other questions, and that there are other speakers to follow.

The Convener: Liam Kerr has a brief supplementary question.

Liam Kerr: I will follow up on Morag Watson's opening remarks. You said that we need 20GW by 2030. Last week, the cabinet secretary wound back on the ScotWind commitment, by saying—and I have the *Official Report* here—that reaching our targets on ScotWind is contingent on the national grid, which sounds to me rather like getting the excuses in early. What is your view? Can we achieve that, or has the cabinet secretary been making promises that cannot be delivered?

Morag Watson: I will separate out the issues slightly. The 20GW that I referred to is 20GW of onshore wind. When we consider the phasing of

the capacity that we need to bring that on to the system in the coming years, we need to focus on solar and onshore wind, because those can build out the fastest. The ScotWind projects will start to kick in as we go into the 2030s.

The cabinet secretary is absolutely right: the grid is critical, and I will defer to my grid colleagues on that subject. At the moment, for onshore, we are dealing with a UK grid planning regime for which the rules were set 30 years ago in an entirely different situation, and with entirely different goals that were not designed for net zero. That is a big challenge, and we have put that to the Westminster Government and to Ofgem on many occasions.

The other issue on ScotWind specifically is that there is no national grid in the North Sea; that has to be built as we go. We need to consider how we make the most efficient use of the offshore grid, how we make sure that every wind farm does not have to build their own grid connection, and how we get a much more integrated and co-ordinated system. Those wind farms are building out to different timelines, which means that trying to get everything to match up is a challenge.

Can it be done? Yes, absolutely. Can it be done at the pace that change is happening at the moment? No, it cannot. Our major challenge to Ofgem and the Westminster Government would be that the pace of regulation and change on grid needs to pick up exponentially, if we are to hit our targets. For the projects that we need to be bringing online for ScotWind, it usually takes nine years to build the grid. Essentially, we need to start building that grid next year in order to be able to bring those projects online. We have some big challenges.

Randolph Brazier: I will say a couple of things. Morag Watson is 100 per cent right that it can be done, but the challenge is the pace. That is spot on. It takes a long time, particularly when we are talking about transmission grids and high voltages, to build out the grid. We need to be able to invest ahead of need, and now, to start getting the grid in place for those big projects. We also need to speed up the planning, because it is a case not only of building the grid out, but of getting the planning rights, the right routes, the wayleaves, the land ownership rights and so on.

10:30

There are also other things that we can do as networks to help to get things connected more quickly and cheaply. For example, flexibility is a key focus of ours, when it comes to both transmission and distribution. Flexibility involves us saying, "We want to connect you so that you have full capacity in the future but, for now, we can

connect you for 95 per cent of the time. Five per cent of the time, you might need to ramp down your capacity by half, during really peak periods. If you can do that, we can connect you now quicker and cheaper.” In relation to the 5 per cent of the time when they might have to ramp down, they might be able to pair the wind farm with a battery to cover that. That will buy us time to build out the grid. That is one option that we can use—that is called a flexible connection.

Another option, which we are doing especially at distribution voltages, is that we are running flexibility markets. We do that in areas where we have a grid constraint. We say to the market, “We have a constraint in this area during peak hours in winter. Can you provide us with capacity during that period? Can you provide a service to us? If you can provide it to us cheaper than the cost of us building out the grid, we’ll pay you to deliver that service for us.” That could involve the use of a battery to inject power back into the grid or it could involve demand-side response. We are technology agnostic. Again, that will buy us time, because we can run that market while we are getting the planning and consenting right and building the grid out.

Planning and building ahead of need are key, but we have tools and techniques that we can use to buy us time to get the grid ready.

The Convener: I think that Jackie Dunbar has a supplementary in this area.

Jackie Dunbar (Aberdeen Donside) (SNP): It is not in this area. I am sorry—there was a miscommunication.

The Convener: Do you want to come in later on?

Jackie Dunbar: Yes, please. I am sorry that I did not communicate that.

The Convener: That is fine.

I thank the panel members for those comprehensive opening remarks. I have a brief second question. The committee has heard evidence that there is a lack of strategic alignment and dialogue between local authorities and the Scottish Government in relation to policy and agreeing specific actions to implement the net zero targets. The targets have been set and the destination has been identified, but there is not a road map of precise actions that need to be taken to meet the targets for 2030 and 2045.

I will bring in David Hammond, whom I did not bring in on the first question, followed by Morag Watson.

David Hammond (North Ayrshire Council): Good morning, and thank you for having me here. I am happy to address that question.

I have listened with interest to what colleagues have said, and it is enlightening to hear the different perspectives. I hope to be able to offer the committee a practical perspective from a local authority at the coalface. A huge part of the net zero journey of North Ayrshire Council involves our renewable energy programme. We are seeking to deliver a pipeline of projects to help us to meet not only the Scottish Government’s net zero targets, but our local policy objectives.

I am strongly of the view that the public sector—local government in particular—has a huge role to play in renewable energy generation and in reaching net zero. That is the case for a number of reasons, one of which is the land assets that we hold that could be suitable for renewable energy generation development. In addition, the lens of the public sector is different from that of the private sector but complementary to it. That means that we can look at projects quite differently, from the point of view not only of their financial return—which is important to us, because we are accountable for how we spend the public pound—but of the non-financial benefits that they might be able to bring. Those benefits could include carbon reduction, and there could be benefits for the local economy through job creation in construction or other areas. There could also be potential benefits to do with biodiversity, depending on the nature of the project.

In North Ayrshire Council, we are seeking to build two solar farms, which are at the leading edge of the renewable energy programme that I mentioned, on two former landfill sites that have closed. We are looking to bring sterilised land back into use. I echo the comments that have been made by colleagues about some of the challenges with that. For those two particular projects, which are not contentious, the challenges have been not so much to do with planning as to do with grid connection and grid capacity.

SP Energy Networks is the distribution network operator for the area that we occupy in mainland North Ayrshire. SPEN has been extremely welcoming to our approaches and has worked with us constructively. However, I underline the point that has been made by colleagues that further work needs to be done on engagement between local authorities and grid network operators in order to develop a mutual understanding. Those in local government need help to understand the complexities around the delivery of grid improvements and reinforcements, including the timescales and the resources that are required.

Similarly, grid network operators need to understand the challenges that local authorities face, such as skills gaps, which have been mentioned. Admittedly, we are operating in an area in which we have limited experience and that

is somewhat uncharted territory for us. There is scope for further mutual understanding, and some practical suggestions for how that might be achieved have been shared by colleagues in the meeting. The timescales—how quickly we can realise those projects and those policy objectives—for the delivery of our grid connections are a concern for us.

The other point that I will make quickly is about the other side of the renewable energy equation, which is the sale of energy. That is not traditionally an area in which local authorities have operated, and we have a resource and knowledge gap there. That said, we tend to address knowledge gaps in local government by procuring the technical expertise when it is required, which is an option that is available to us and that we have taken advantage of. The complexity of the energy market and getting a route for our projects to sell the energy—whether that is through a traditional power purchase agreement or through more creative means such as sleeving, which we are talking to Scottish Government colleagues elsewhere about—is definitely a nut that local government needs to crack, so that we can understand the business case landscape more fully. That will help us to deliver renewable energy projects.

I hope that that gives a bit of insight into some of the practical challenges on the ground from a local authority perspective. I will stop there.

The Convener: Thank you, David, for that valuable perspective. I will bring in Morag Watson to address the concern that national targets have been set but there is no particular road map for getting to the 2030 and 2045 targets.

Morag Watson: You have hit the nail on the head, convener. We lack those plans at the moment, but work is on-going to put them in place.

I have already spoken about the LHEES, which is the mechanism by which we will start to develop those road maps of how we are going to meet the targets for heat decarbonisation and energy efficiency, and we are beginning to see policy emerging. For example, the Scottish Government is working on the onshore wind policy statement, which will set out a route map of how we will get to those targets. The ScotWind announcement is new and fresh, and, again, there will need to be a road map for how we achieve that project. We also know that the Scottish Government is just starting to look at a solar energy strategy, which will be needed.

To pick up on a point that Randolph Brazier made, our big concern is that that work will end up being done in silos. We are moving from a space in which we had three separate energy systems for electricity, transport and heating into a space in

which those are all converging into one system. However, we still tend to look at them as three separate systems. We are looking for the Scottish Government's energy strategy to begin to address that.

In parallel with that, and picking up on something that colleagues have said, we need a road map not just for the infrastructure and the plans, but for skills and jobs. As an industry, we know that the 12GW of onshore wind that we are looking to build will support 17,000 jobs for the 20 years after the infrastructure is built. We need people coming forward with the skills to take advantage of those opportunities, but we also need a flexible workforce that can move between onshore wind, offshore wind and solar, and we need the heating people to move around as well.

Those are big challenges, and I agree that this is very much needed. We are beginning to see the green shoots of that work, but I reiterate a point that will be made again and again: speed is of the essence. We cannot take two or three years to develop those things, because we do not have those timescales any more.

The Convener: I will bring in other members to explore those issues. Fiona Hyslop is first up.

Fiona Hyslop: On a positive note, the LHEES became a statutory requirement at the weekend, under a statutory instrument that the committee passed. That is a good news item.

The challenges that our distribution network operations face are less positive, and I am concerned about the preparation for those. A significant increase in electricity will be required for renewable heat and electric vehicle charging. If there are challenges now for grid connections and capacity, what on earth does that mean for the scale that we will need in the future? What is preventing the advance preparation of networks, and how does it get fixed? I ask Randolph Brazier to reply first.

Randolph Brazier: Ultimately, what was preventing it was the fact that networks were not allowed to invest ahead of need—in effect, we invested as and when it was required. This is a bit crude, but they were treated like a television: when the TV breaks, you go and get a new one; you do not think about it or plan ahead. You cannot really do that with networks, for all the reasons around planning timelines that we have described.

However, the mindset has shifted and the Climate Change Committee, for example, now says that we need strategic investment. It says that, in order to get to net zero, we need to build it once and build it right, and we endorse that view. The six distribution networks in Great Britain have proposed £24 billion of baseline investment in the

distribution networks over the five years from 2023 to 2028.

We believe that that will very much be the foundation for reaching net zero, and we have planned that investment on the basis of reaching net zero. We need the regulators to approve that strategic investment ahead of need. Once we have approval for it, we need the planning to be sped up and to be agile enough to allow us to do the work in time. It takes time to build out the networks, as they are big, heavy infrastructure. That is where we will employ the techniques that I talked about earlier around using flexibility to buy us time while we build them out.

Ultimately, we need support from the regulator and to be allowed to invest ahead of need.

Fiona Hyslop: What is preventing that?

Randolph Brazier: Ultimately, it is up to the regulator to approve it. It will not necessarily prevent the investment, but we are waiting for the final approvals in July. We hope that the regulator will approve the investment for the next five years. If it does, we will crack on and do the work.

Fiona Hyslop: There is criticism that your plans will disadvantage Scotland yet again. Do you have any views on that?

Randolph Brazier: I do not have a specific view on that. I look to my colleague to talk about Scotland-specific issues. That £24 billion is for the whole of Great Britain.

Fiona Hyslop: Stephanie Anderson, what stage are you at in planning and upgrading the distribution network? What role has Ofgem played in approving and regulating your business plan? What are the challenges, and what would ensure that you can provide the capacity and network capability that we require in advance of need?

10:45

Stephanie Anderson: As Randolph Brazier has said, there are price control processes that we go through.

Just last December, we submitted a business plan to the regulator, Ofgem, that proposes £1.6 billion of expenditure for the central and southern Scotland region. However, as you have rightly recognised, the network is really agile and moves at pace, especially at the low-voltage end of things, with the direct connections to customers' homes. Therefore, we have also proposed to Ofgem, as part of that package, flexible mechanisms through which additional investment will be granted to us as it is required. As long as those mechanisms and that £1.6 billion are approved by Ofgem, we very much stand ready to

deliver the distribution networks from a low-voltage perspective.

There is another angle, from the transmission network side, that Mr Kerr picked up on earlier. To enable us to connect directly to our customers' homes and to enable these heat pumps, electric vehicles and so on, we need the transmission network—the artery of the system—to transport energy flows from the north to the south. As a result, significant work will be required at the distribution and transmission levels.

From the transmission perspective, the planning regime will be a key enabler for us. For projects to help to meet the 2030 targets, they will need to be shovel ready by no later than 2025, which puts things into perspective. We need the regulatory and planning approvals to be given imminently to enable that to happen, but we stand ready to deliver. As I have said, it is all down to regulatory and planning approvals.

Fiona Hyslop: I have heard the basic criticism that your organisation might not have enough wayleave officers to deal with the planning process. How are you gearing up to deliver this?

Stephanie Anderson: As part of the business plan process, we will be looking at reorganising how we are set up for net zero, depending on our Ofgem funding. As Randolph Brazier has said, a draft of that plan will be released at the end of June or the start of July, at which point we will look at how our organisation is structured to meet the targets.

Fiona Hyslop: Will Ofgem be ambitious and fast enough to deliver what you need?

Stephanie Anderson: We certainly hope so. We will see at the end of June or in July. If that is not the case, we will, at that point, engage very closely with our colleagues.

Fiona Hyslop: David, what are the implications for communities, local authorities and public agencies of improving distribution networks? What needs to happen not only to minimise risk and disruption but to keep up the pace and ambition that we have heard about?

David Hammond: Thank you for the question. The implications for communities are severalfold. This is all about unlocking the potential that I talked about in my previous comments on the role that the public sector can play in municipal energy generation.

There are indirect benefits for communities through the potential of that renewable energy generation to help to meet our net zero aspirations. However, as I indicated in my previous comments, there might also be direct benefits from the different lens through which local authorities could look at such projects. For

example, they could work in partnership with communities to deliver community renewable energy generation projects, income from which could be recycled back into those local communities, and community organisations could co-own or own outright their own renewable energy generation infrastructure. That sort of thing is very much aligned with a number of areas of Scottish Government energy policy as well as with local policy objectives. As I have said, the implication of that investment for communities is the potential for those direct and indirect benefits to be unlocked.

The point about risk is key to the public sector's role in providing renewable energy generation. As a sector, we are very risk aware, given our democratic accountability and our auditing and scrutiny of the public pound. If we can do more to de-risk projects and understand how they can be delivered with risk being minimised, that will be beneficial.

With regard to North Ayrshire Council's renewable energy programme pipeline, at the top of all the risk registers is grid connection in relation to capacity, cost and timescale. The investment that colleagues have outlined this morning will absolutely be welcomed by local authorities—certainly by North Ayrshire Council—as it will help us to realise and deliver more quickly our own specific renewable energy projects.

Fiona Hyslop: The theme of de-risking is coming across loud and clear throughout our inquiry.

I will move on to the issue of leveraging support and private finance. Morag Watson, with your overview, you might be able to comment on how well you think the public sector currently leverages in support and finance from the private sector to deliver net zero. What are the barriers to that, and how can those be overcome? Do we need to use existing vehicles to bring that finance together and de-risk the investment? In the light of some of the comments that we have just heard, are city region deals or other mechanisms needed, not only to de-risk the process but to generate the huge amount of finance that is required? It is clear that the public sector alone cannot deliver that.

Morag Watson: When it comes to leveraging in private sector finance, we see a mixed picture across local authorities. As Stephanie Anderson touched on, we often find that there may not be the capacity and the skill set within local authorities to do that. We are moving into very new areas of expertise and responsibility, and it takes time for the capacity to catch up. Where that capacity exists, however, we see a really good connection happening.

A key point is that we are in a very unusual situation. I come from a climate change background where there was never enough money to do anything, but we are now in a situation where there is a lot of finance looking for investment opportunities. There is more money than there are opportunities to invest it. We are, therefore, seeing that the investment community's attitude to risk is more positive and that it is prepared to take on riskier propositions than it would have taken on previously.

Earlier, I gave the example of Vattenfall's investment in Bristol. The local authority was able to leverage in £200 million over the short term, and many more millions over the long term, because it was able to bring in the skill set and it had a clear plan that reduced the anxiety that any investor would have. That became an investable opportunity, and in came the money.

We have seen that happen with onshore and offshore wind, we are seeing it happening in solar energy and it can happen in heat and energy efficiency, too. It comes down to the need to have somebody in the local authority who has the responsibility, as well as the skill set and the capacity, to go out and start engaging with stakeholders. Once that engagement starts, it unlocks many things.

I have huge sympathy for my local authority colleagues. If we, in the climate change sector, ever thought that we were trying to do too much with not enough resource, that is even more true of our local authority colleagues. That is where, again, we find ourselves on the horns of a dilemma. We need authorities to have more capacity in order that they can unlock the investment, but, until they can do that, it is very hard for them to find the capacity. We find ourselves in a catch-22 situation.

Fiona Hyslop: That is very well put.

David Rodger, from your perspective, how do you see the relationship between the public sector and the private sector playing out with regard to leveraging the necessary support and finance to deliver net zero?

David Rodger: That is important territory, and it is important to look at attracting the right levels of investment and the right projects for Scotland. We are going to see an exciting period for Scotland in terms of wind and hydrogen, and the broader societal energy transition. I have been fortunate to work with companies such as Vattenfall and to see the difference that such projects can make—for example, in Aberdeen, where there was a £230 million investment in the Aberdeen offshore wind farm.

Alongside that—I know that this is not a material consideration for the planning process—there is a

very good annual fund that the public can bid for called the unlock our future fund, which is funding a whole series of community projects and other things that may or may not have taken place yet. I have seen that happening on the island of Skye and with some of the onshore wind farms across Scotland. The story of the benefits of wind farms and the transaction with the public is one that has not been fully told.

I will take a step back and look at the process of bringing through such projects. The planning process is extremely important, both for the grid and for the projects themselves. Renewable energy projects, whether onshore or in the marine environment, should have the same scrutiny of their impact on the environment as any other project. That was something that I experienced on the Aberdeen bay project, when I saw the level of detail that many disciplines need to go into. Many studies have to be carried out and there is much analysis of data. A big piece will need to happen as the ScotWind projects go through the planning and consenting process.

With a successful ScotWind round, we will end up with a series of world-class projects in Scottish waters. There is some fantastic floating offshore wind engineering ahead. The key thing is that, if we have those world-class projects in Scottish waters, there also needs to be a world-class approach to our grid system and infrastructure, and to how we deliver those as a combined force.

My final point goes back to consultation. We must take the public with us on the various journeys. We have to join the dots and synthesise so much information and so many activities that are happening around Scotland in relation to net zero, renewables, low carbon and transport. I could reel off a list of about 20 activities from my home area. We have to make sense of that for the public, to help them to understand the changes that lie ahead in primary energy and in the impacts on everyday life that are coming soon.

Jackie Dunbar: I will follow on from what David Rodger and David Hammond said about the consultation process. On the positive side, recent evidence suggests that communities are more motivated than ever to make changes to their lifestyle as we move towards net zero, but I am also conscious that communities have a bit of consultation process fatigue, if you do not mind me saying so. They are consulted on many things, but they rarely see the outcomes.

How can local authorities ensure that they take local communities with them, rather than getting the reaction, "Not another consultation!"? Perhaps David Hammond could answer first, then David Rodger.

David Hammond: The issue that you raise is a perennial one, particularly for local government, given the breadth of services that we provide and the increase in community participation and empowerment that has rightly taken place in recent years. We have a desire to understand more clearly how our communities want services to be designed and delivered. You are absolutely right to raise the question—albeit that it is a difficult one to answer—of how we do that in the most effective way without introducing consultation fatigue.

There are mechanisms open to local government. For example, in North Ayrshire, we have locality partnerships, which involve a combination of local democratic representatives—local elected ward members—and representatives from the local community. They meet regularly to discuss issues of local concern, to hear proposals and to undertake an element of participatory budgeting. Communities are engaging with that sort of decentralised democracy, and the fact that younger members of our community, in particular, are doing so is a positive thing that we very much welcome.

11:00

You asked about how we design consultation as part of our journey to net zero. We are pushing at an open door because of people's emerging and increasing understanding of the climate change emergency that we face. We have had a number of successful area-wide events in North Ayrshire that have achieved massive engagement and feedback through people not only sharing their views but getting involved directly. As part of our journey to net zero, we have a tree planting programme to help with carbon absorption for any residual emissions. People from across the spectrum have been willing to get engaged with us and to speak to us about that, and people have then volunteered to get involved directly.

Ms Dunbar has raised the perennial question and challenge of how we engage. We have the advantage now that, because the climate change emergency is affecting everybody across communities and because the cost of living crisis is placing pressure on people's energy bills, people's attention is even more on our energy landscape and what we are doing about that nationally. That means that a willingness exists.

The practical drivers around consultation and approaches to consultation must come into play. We must make it easy to consult people by using online and digital platforms as far as possible; we have been doing that through and as a result of the pandemic. We are also providing feedback on the points and concerns that are raised with us, by

describing the action that we are taking. Closing the feedback loop is important.

Jackie Dunbar: Would David Rodger like to add anything? Your remit is slightly different from David Hammond's, but I am interested in your take on things.

David Rodger: I very much agree on the point about design and using technology. I am a veteran of maybe 60, 70 or 80 consultation events from my involvement in renewables over the years. It is interesting to see how the visualisation technology has changed, which affects how developers take proposals to the public so that things can be seen in different ways and challenged as necessary with information and evidence; that also allows developers to present a project's environmental implications.

The consultation events that I have been involved in have created healthy debate about the merits and demerits of one proposal or another. It comes down to developers, planning authorities and councils to find the right technologies and the right locations. That is a challenge for onshore projects, and the issue of finding the right locations is not dissimilar for offshore projects.

The public consultation piece is important to get right. The public and statutory consultees need to give their views on incoming projects for wind power, hydrogen power, local area heating systems and transport systems, for example. The public must be kept on side with the timing and the implications. Visibility of cost is really important, too. I will leave it at that.

Jackie Dunbar: I am sure that I have mentioned that I am a former councillor, which is why I am aware of consultation fatigue.

I will move on to the three other panellists. Will you tell us a bit more about your involvement with local authorities and other public agencies? What have been the barriers to delivering renewables projects? You have all mentioned planning and a lack of planners, but will you delve into the issue a bit more? The lack of planners has been well documented in the evidence that we have been given, but I am interested to find out about other barriers. What have been the positives? What have you got out of such involvement? If the witnesses do not mind, I will start with Morag Watson and move along the row.

Morag Watson: I might defer to my colleagues on the question. As the trade body, we represent 300 organisations, which engage in 300 ways, so it is hard to pull out a hard-and-fast rule.

I have spoken many times about planning, but I have one last point to make about it. One thing that would be very helpful to my members, but which does not happen at the moment, is pre-

application engagement, whereby you speak to the local authority and the statutory consultees as you develop your design and your projects. It means that if any issues come up at that point, the design can be adjusted.

Going back to my previous answers to Ms Hyslop, I think that this is where we find ourselves in a catch-22 situation. Officers are so busy dealing with what is already in the system that they cannot find the time to do the non-statutory pre-engagement. Things come into the system, changes are asked for and then they go back out again, and you can find yourself going round and round in a loop of having to iterate the design to meet everyone's requirements.

Something that has worked very well for colleagues at Scottish Power Renewables is bringing together all the statutory consultees—NatureScot, SEPA, Historic Environment Scotland and so on—in a group workshop to get all their feedback in one go. If we had that kind of workshop with local authority officers, so that they could work through any concerns that they might have with a scheme and we could incorporate all of those before it hit the design stage, that would really help to unblock quite a lot of capacity.

However, as I have said, that is where we find ourselves in a capacity dilemma. You need capacity to do the initial work in order to reduce the capacity that you need later, but finding that initial boost of capacity is a very trying issue for a lot of local authorities.

Jackie Dunbar: I had not thought of that point, so thank you for sharing it with us.

Randolph, do you want to add anything?

Randolph Brazier: Yes. I have a couple of points to make. As a trade organisation, we do not plan directly with local authorities, but we run some dedicated support sessions for them. One of the challenges that often comes up is that they do not even know who the networks are or where to start. Where do they go to engage? Who do they engage with? How do they engage with them?

As a result, we run some dedicated forums—the community energy forums—where we welcome community energy groups, local authorities and local area planning authorities. Basically, we educate them on who the networks are, what they do, what the grid is, how you get a grid connection and what the timelines, the processes et cetera are. Recently, we ran a big workshop with, I think, more than 100 local authorities from across GB to understand what a whole-systems planning process would look like across different energy vectors, including gas, electricity, heat, transport and so on. As a result of running that workshop, we are producing what is in effect a whole-systems planning tool that people and local

authorities can use alongside networks to understand how the whole-system planning process could work.

That takes us back to the whole-systems thinking piece that I talked about earlier. We cannot think about gas, electricity, heat and transport separately; instead, we have to bring them all together and understand how we plan for all the options. When we make a decision on something, we have to consider what the best solution is. Do we look at electrification, some sort of green gas, district heating networks or something else? What process would you go through in making such a decision? That is the tool that we are working on at the moment. Indeed, it is part of our open networks project, which, in effect, looks at how to roll out the smart grid across the country.

Jackie Dunbar: Are you getting buy-in from all the local authorities, or are they saying, "That won't work for us," for various reasons? Is there a joining together?

Randolph Brazier: We had more than 100 local authorities at the workshop, which is pretty good buy-in, but that is only about a quarter of them. What we sometimes find is that they do not even know about ENA; however, they know about other local authorities, and once they find out that we are running forums or hear from other people that we are doing something, they will often talk to other local authorities and get us involved. Once they know about us and get involved, we are finding the engagement to be good, but sometimes it is difficult to take that first step.

Jackie Dunbar: Do you have anything to add, Stephanie?

Stephanie Anderson: I will add an example. Across the board, we have very good engagement, but it is fair to say that levels of engagement differ, depending on resources—that goes back to an earlier point. We have had many extremely successful projects, such as project PACE on electric vehicle charging points, which I mentioned earlier. That generated £2 million-worth of savings simply through people working together. Recently, we had a project in which we helped the City of Edinburgh Council to install a micro hydro plant at Saughton park. As a result, we are now saving it around £15,000 to £18,000 per year in energy costs. We do a lot of smaller projects that do not make the headlines, and we could replicate those examples with various councils.

Those smaller things should not be lost, but we look forward to engaging on the LHEES, now that that is a statutory requirement.

Jackie Dunbar: Thank you very much. I have no further questions.

Liam Kerr: Good morning, panel. I will direct my question to David Hammond, but if anyone else is interested in coming in, they should just indicate that to me, please.

I want to develop Morag Watson's earlier comments, which I found particularly interesting. The committee has heard that the general long-term underfunding of councils, and specifically a lack of funding to deliver net zero, could really hinder progress in this space. Could having more resources alone solve that concern? In any event, what would it cost for North Ayrshire Council—and, if you are able to speak to it, the rest of the Scottish local authorities—to be in a place where they have enough resources to meet the net zero challenge?

David Hammond: I absolutely agree with the challenges that have been presented and articulated by my colleagues on the panel, particularly those on underfunding of local government, and especially on net zero, the resource pressures and how we must prioritise our attention.

On your specific question about whether more resources alone would be sufficient, my answer is no. Additional resources are required, but they must go hand in hand with skills. We must ask how we can work with education institutions and the private sector and how we could develop a pipeline of individuals to move into the space, including in the public sector. Resourcing and skills development absolutely need to go hand in hand.

I will use the term "whole-systems approach", but in a different context from that used earlier in the meeting, because it is relevant to your question. In taking such an approach to the net zero issue, resources is one part of the equation and skills is another. If we can meet those requirements within the local government family, other parts of the system still need to be addressed. They have been well rehearsed in our discussion this morning and include the planning system, grid connection, grid capacity, grid connection timescales and the like. We must take a whole-systems view of the challenge and consider how we might engineer the resources that are available across all the sectors, stakeholders and actors at play.

On your specific question on costs and the resources that North Ayrshire would need, I would like to reflect on that and feed back to the committee. It is a helpful question, but the answer will be multifaceted, as it will involve revenue funding, capital funding and grant funding for specific projects that we want to deliver to support the net zero agenda. We will need time to reflect on that if we are to provide a coherent response, but I hope that what I have said is helpful.

Liam Kerr: Thank you for that response. It is very helpful.

Morag Watson, would you mind answering that question?

Morag Watson: Of course. I will add one point to what David Hammond has said. An overlooked aspect of local authorities' work is that officers often do not get the opportunity to network and speak to each other—there are not always mechanisms for them to do so.

We can look at the example of the Sustainable Scotland Network. When the best duty for sustainable development came in, that was a new area for councils and they were looking to upskill. Having a networked body, funded by the Scottish Government, that enabled the sharing of knowledge and expertise among officers across local authorities who were performing similar roles really helped to leverage up what was possible.

Looking at what has come out of the LHEES pilots and picking up what Randolph Brazier said, we know that once someone in a local authority finds that something exists and works, they tend to be extremely generous with their knowledge and expertise and wish to share it with their colleagues but do not always have the mechanisms to do so. Therefore, we do not simply need additional people. People also need capacity building and the opportunity to communicate with each other. That does not happen spontaneously; you need to put in place a structure to enable it to happen to share the learning.

11:15

Liam Kerr: I will direct my second question to David Rodger, but other panel members can indicate if they are interested in responding.

The answers that we just heard were useful. This was not mentioned, but the committee has previously heard that a dedicated net zero resource or person within a local authority might be key. From your experience, particularly your interactions with Aberdeen and the shire councils, do you agree with that? Are there any policy levers that local authorities do not have that they usefully could have?

David Rodger: [*Inaudible.*]—contacts at Aberdeen City Council and Aberdeenshire Council positively, so there are certainly teams and people. Given the growth that we talked about, those teams will grow over time and more people and different skill sets will be called in to manage the traffic.

I will reflect briefly on consultation. In a way, it is a lever. I have been thinking about that as we have gone through the evidence session. When developers and councils consult the public,

whether it is for onshore or offshore projects, there is an opportunity to include a reference to the overall 2045 net zero target and give a sense of how that sum total of initiative adds up. That would provide a context for the project. Perhaps it is a grid connection consultation if the project is a new piece of wire or line. Joining the dots in that way is important.

I am not in a council organisation as such but, on the levers, particularly considering the public dimension, the question is almost: where is an individual council's information centre for its net zero ambitions? Is it the web portal? Is it an individual personal contact? There are ways of being pretty organised about the information flow. That goes for everything from web-based information to social media and the broader media, which are really important.

If we can get the communications with the public right, we will take them with us on the journey. Considering the changes that we are asking the public to accept in the years that will follow, clarity of dialogue and information will help to take some of the fear away. Ultimately, that links to the just transition—we have not heard that phrase this morning. The information flow, the understanding and getting commitment from the public and the business and council communities are really important.

Randolph Brazier: On top of the dedicated net zero resource, which councils will need, they will probably need dedicated network resource. The networks are really willing and keen to get involved more deeply with local authorities, which is why all of them have built that into their business plans for the next five years. We urge the regulator to approve that because it will be critical to get the networks' knowledge into councils as well. There is a range of different options but, ultimately, it all comes back to working closely with the local authority to ensure that the energy networks are ready to provide the energy that it needs to carry out its net zero plans and achieve its targets.

Liam Kerr: David Hammond, do you have any comments on the policy levers that might be useful for local authorities to have?

David Hammond: I will come in on the valuable point that Morag Watson made about networking. There are a couple of networks that could usefully be further leveraged. They are likely to mature as time goes on and as we move further into the net zero journey that we are embarking on.

There is a Scottish energy officers network within the local government family. There is no particular focus on renewable energy, but members of that SEON group are actively looking at that so that they can develop a picture of

renewable energy generation and the pipeline of projects in the public sector, which could help with some of the conversations that need to be had between local government, distribution network operators and National Grid, as has already been suggested.

The Sustainable Scotland Network is a public sector organisation that I am sure committee members and other attendees will be familiar with. I will be attending SSN's national conference tomorrow.

I definitely support Morag Watson's point that more needs to be done to formalise the engagement structures that we have within local government. When we have engaged with other Scottish local authorities and English local authorities on our own particular renewable energy projects, they have been—as we have—forthcoming with information and knowledge, by sharing copies of business cases, for example. We do not have the issues of commercial confidentiality that exist in similar fora in the private sector.

You asked about policy levers. There have been a number of national consultations as the Scottish Government has developed its energy policy. We in North Ayrshire have been very keen to engage with, respond to and influence those, where possible.

The requirement for every local authority to prepare a LHEES is welcome. If I am not mistaken, there has been an indication that there will be some specific resource on offer from the Scottish Government to local authorities to help with the preparation of those LHEES documents. That will be much welcomed. The preparation of those LHEES will help local government colleagues to articulate their responses to the question about which additional policy levers would help with the journey to net zero.

Liam Kerr: I am grateful to you all and have no further questions.

Mark Ruskell: We have taken evidence on the national planning framework, and there is a major tilt towards the climate and nature emergencies at that high level. I am thinking about how that translates into local development plans, which already exist and will go through a period of review and updating. How fit for purpose are the 32 local development plans across Scotland? Is there enough space and enough policy within those plans to facilitate 12GW of onshore wind or 4GW of solar energy? Are the plans fit for purpose? Is there a gap between what NPF4 says and what is actually in the 32 LDPs?

I ask Morag Watson to start. If you have examples of LDPs that are particularly facilitative of renewable energy, or of ones on which you

think there is not enough action, that would be useful.

Morag Watson: The local development plans are a really mixed bag. We are still under the national planning framework 3 regime. We have seen quite a difference between what is in national policy and what comes through in local development plans.

From a map of where onshore wind developments have been built, it is clear to see where local development plans are not supportive. Aberdeenshire Council's area has little onshore wind, and its local development plans have historically not been supportive, whereas North Lanarkshire Council has been extremely supportive and now has £900,000 in community benefit payments coming into the local authority.

In theory, national planning framework 4 will start to address such anomalies and create consistency across the piece. A key planning issue is that two similar planning applications can be submitted in adjacent local authority areas and get two different results. We have always asked for consistency in the planning system. Please set rules, which we will follow, but we need the rules to be applied consistently and clearly so that everyone understands where they stand.

I have said before in evidence to the committee that, as drafted, NPF4 will not achieve consistency—it will bring more ambiguity and uncertainty. The top-level principles that have been put into it are good and we fully support them, but the detail is not provided underneath that to bring to the system the clarity and certainty that we need.

Mark Ruskell: Is some of the inconsistency down to the interpretation of policy or to politics? Do elected members on some councils dislike onshore wind farms and reject them in the knowledge that the Scottish Government might pick up and reconsider an application on appeal?

Morag Watson: It is hard to get specific data, but quite a degree of politics goes on. The question is interesting for us and our sister organisation, RenewableUK, which operates from London. In the run-up to the local authority elections, research was done to understand whether candidates' support for onshore wind impacts on how people vote and who they support in local elections. We found no evidence of such an impact, but elected local authority members still seem deeply concerned that onshore wind does not have public support and that, if councillors proceed with it, that will somehow affect public support, which will be reflected at the ballot box.

As an industry body, we really need to understand what the public think about what we do. That is why we always use independent

research—not research by industry or ourselves—to understand how people view us. We keep getting a consistent pattern of very high levels of public support for what we do, but the dichotomy is that the planning system does not reflect that. That is an on-going puzzle and dilemma for us as an industry.

Mark Ruskell: I will not ask David Hammond about the politics of his council but, given the aspirations that we now have for renewables, is your LDP fit for purpose? Will the LDP need to go through further revision to create a space for renewables projects? Is it already forward thinking about the targets that have been set and where the council wants to get to?

David Hammond: Our local development plan was adopted in 2019, so we are reviewing it. National planning framework 4 will play heavily into the policy context that we set in the revised local development plan.

The council's feedback is that NPF4 needs to have teeth. To put that less crudely, we need a robust policy framework. Things start to fall down if local development plans do not have such backing—if we get into an appeals process for a renewable energy project, for example, and there is no robust policy framework to defend the planning application decision. Talking about the technicalities of an appeal is as far as I am prepared to go in making a statement on local politics.

If NPF4 sets a robust policy framework, local development plans can certainly do more with it. I repeat the point that we need to have resourcing for that.

Lastly, I think that the local development plan and the national planning framework need to be integrated with building regulations. If we are looking at using net zero-friendly technologies in properties and buildings, I think that, where a building warrant is involved, there needs to be a tie-in with planning policy, building standards policy and building regulations. That would be helpful.

11:30

Mark Ruskell: David Rodger, Aberdeenshire has already been mentioned. Do you have anything to add on your local experience of working with members in LDPs and councils?

David Rodger: With regard to onshore wind, attitudes are changing, broadly because of increased awareness of the impacts and symptoms of climate change. There are certain historical views that we probably need to re-engage with as far as potential developments are concerned—and when I talk about developments,

I do not necessarily mean large-scale onshore wind. Even community-based wind farm operations are very beneficial to smaller groups of people in smaller communities, and they should not be disregarded.

With planning, there is a short-term view and a long-term view, and I wanted to flag up Nestrans's 20-year view of regional transport and its strategy in that respect. I can share a link to that document after this evidence session as additional information for our submission. The fact is that these issues will face the generations ahead of us and the generations ahead of them, so we need to think about the long term as the landscape in front of us right now.

At last year's United Nations 26th conference of the parties—COP26—John Kerry talked about the need for unparalleled investment and collaboration if we are to have any chance of abating the impacts and symptoms of climate change. That is very true. Our plans and intentions with regard to delivering on a net zero future have, as their starting point, a planetary objective, and we can look forward to our custodianship of this planet after these targets have been achieved in order to meet the longer-term ambition of having a more sustainable planet. If we can bring people and technology together to make some of these things work faster, it will have societal, environmental and economic benefits all round.

Mark Ruskell: I suppose, though, that it is about finding that route to market for individual projects.

Turning to Stephanie Anderson and Randolph Brazier and the subject of energy networks, I presume that some of your projects will go nowhere near local authorities; instead, they will come under section 37 of the Electricity Act 1989 and therefore go straight to ministers for approval. Where do you see local development plans and that local planning role coming in?

Stephanie Anderson: I do not think that I can add anything beyond what Ms Watson has already said with regard to alignment with NPF4 and the wider duties. I am not sure whether Randolph Brazier has anything to add.

Randolph Brazier: The only thing that I would say is that Morag Watson was spot on. From what I have seen, it is a completely mixed bag, but I am not really sure what the reasons for that are. The level of network engagement in those plans is mixed, too, and we would very much advocate for network involvement in that respect.

It makes sense to have more detail on the overarching national framework, but you need to allow for local nuance. With heating, for example, you will again have a mixed bag; some places are electrified, some have district heating networks

and others that might be near a hydrogen cluster might end up with hydrogen heating. As I have said, we need more detail in the overarching framework in order to drive consistency, but we also need to allow for enough local nuance.

Mark Ruskell: Finally, on the national public energy agency, it is still very early days, but one might imagine that, with the development of LHEES and the co-ordination and support that will be needed across the public and private sectors, it will have a role to play in that respect. Have there been any early indications of or discussions about the role that the agency will play? Morag, do you want to take that question?

Morag Watson: The most precise thing that we could say about it at the moment is that it is an emerging picture. That is reflected across the whole of heat, energy efficiency and decarbonisation policy. Our view as a trade body is that there are some gaps that need to be joined together. We are considering the gap analysis and speaking with our members.

We expect the agency to be part of the picture and to be one of the key pieces in the jigsaw but precisely what form that will take is an emerging picture, so it is hard to say with any certainty.

Randolph Brazier: I have a similar view to Morag Watson's, to be honest. The scope of the agency needs to be well defined. It is critical to understand its scope versus that of Ofgem, Government departments and the future system operator, which was announced in the Queen's speech.

Monica Lennon: There are no questions left. It has been a long and interesting discussion.

I thank the witnesses for their contributions. In their opening remarks, Morag Watson and Stephanie Anderson talked about planning as a barrier to development and described a process that can be long and slow. To put that into context, do you have any up-to-date figures on how many applications are successful? The impression that I have is that we still have a pro-development culture in Scotland and the majority of applications are approved. Is that fair to say?

Morag Watson: It is a bit of a mixed picture. If we speak with our members who work internationally, we find that Scotland is seen as one of the best places in the world to develop onshore wind. It is well acknowledged that the Scottish Government is very supportive of achieving net zero and that there is cross-party support for that in the Parliament. We were also the first country in the world to declare a climate emergency. That makes Scotland an attractive place.

One of the unique ways in which onshore wind in particular is treated in the planning system relates to public local inquiries. Going to a public local inquiry on a planning application is very unusual but it is very common if it is a renewable energy onshore wind application. Anything from one third to two thirds of them can go to public local inquiries, which are long processes. We have a real question mark about that as an industry and are starting to talk to other stakeholders about it. The process is long and expensive and is demanding on all parties involved. Is there a way that we can stop ourselves constantly ending up in those long legal processes?

Yes, our planning regime is good and is supportive but it has some anomalies that we could iron out. However, planning should always be a test. There is a series of tests that an application must pass. If those tests are clear and the application can pass them, it should get consent. However, one of the problems is that the tests are not always clear. Sometimes, they are open to interpretation and, when you think that you have passed all the tests but it is interpreted that you have not, we end up in long-winded processes, which get difficult. Clarity is the key point.

Monica Lennon: Are you saying that a disproportionate number of wind farm applications end up in public local inquiries compared to other developments?

Morag Watson: Compared to developments of a similar scale for similar kinds of infrastructure, there are certainly more public local inquiries for onshore wind. When speaking to our legal members about that, we find that onshore wind is unique in infrastructure in our country. As the person I spoke to said, it is big and it moves. There is nothing else in planning of a similar scale that also moves. It either moves and is smaller or it is big and static.

It is interesting how our planning system deals with that kind of infrastructure. It seems to deal with it differently from how we deal with other things.

Monica Lennon: Over the past decade or so, there have been reforms to the planning system. We have seen that in primary legislation. There has been an emphasis on front loading so that there is lots of dialogue with applicants, developers, communities and planning authorities at the early stage. That is supposed to be the place where some of the detail can be thrashed out to ensure that the information is robust and reliable for everyone involved.

Is that part of the process working as well as it should? As an industry, are you reflecting on what more you could do to build confidence at the start

of it? We know that planning has a difficult job to do in taking into account all sorts of competing interests. We also know that studies on, for example, biodiversity or flooding are expensive and take time. Could more be done to front load planning, and could you guys contribute to that?

Morag Watson: Picking up on my earlier answer to Ms Dunbar, the pre-application consultation is really valuable. The consultation process in Scotland—and the public engagement aspects, in particular—is much admired around the world and people look to us to learn from what we do. For example, we are in dialogue with our colleagues south of the border, who are looking at our guidelines and good practice guidance. As we have seen, the processes work, but when people become constrained for time they will begin to retrench into what they are required to do. Pre-consultation engagement is not a requirement, but it is very helpful. Again, saying that is not about apportioning blame. People have found themselves in very constrained circumstances—we had a financial crisis and then we were hit by a global pandemic—and the situation has been challenging for everyone. The processes work very well, but finding the capacity to carry them out can be a challenge.

Monica Lennon: You made an important point about time constraints. Perhaps I could come to David Hammond about those in a second. First, though, Morag Watson, you spoke earlier about community benefit funding, and you gave an example involving £900,000 of funds. Do you agree that there is an opportunity for such funding to increase? Could it perhaps plug some of the gaps that we see—for example, by facilitating capacity building and engagement both in communities and with public sector partners, not just planning authorities? As the committee has seen and heard during this inquiry, in the contexts of the role of local government on the journey to net zero, and of financing, we seem to need a cross-sectoral approach. Could more be done to make community benefit funding a bit more generous?

Morag Watson: A blend of things will happen in that space in the future. Although the Scottish Government is considering a target for onshore wind of between 8GW and 12GW, our industry advocates for 12GW, which is in line with advice from the Committee on Climate Change. The Scottish Government is also considering doing a sector deal, so we would expect forward thinking about community benefit to go into discussions on that. The current guidance stands, and everyone works to it. Another target for the Scottish Government, which the industry fully supports, is that in future at least 50 per cent of new onshore wind developments should include an offer of shared ownership with the community. For

projects that have emerged recently, that figure is actually 59 per cent.

The message about capacity is beginning to become rather a familiar one from me. Although developers can offer opportunities, communities' capacity to engage in them can involve a big ask of them. That is particularly the case when, for example, a community is trying to engage in discussions on an onshore wind development that can go on over several years—often with people doing so in their spare time or in a voluntary capacity. Community Energy Scotland plays an important role in helping communities to take advantage of such engagement.

However, as we have already heard from other people on the panel—particularly those from local authorities, such as David Hammond—as we move forward there are starting to be different ways for communities to get involved. Those include not just their voluntary contributions in terms of finances; they are beginning to be able to have shared ownership. They can look at the capacity that developers can bring to them—their expertise and the help that they can give communities to realise their aspirations. They can consider whether the money that comes via developers can then be channelled into other net zero projects such as the one that we have seen in Fintry, where they did a huge amount of work on energy efficiency.

As an industry, we are keen that there should always be flexibility for the community—that proposals should be about a community's aspirations with regard to what it wants to do and the capacity that we can bring to that. There is always a balancing act between having guidelines and guidance—so that everybody understands the rules of the game and there is consistent good practice—and leaving the freedom for things to be done in different ways, depending on what best suits that community.

11:45

Monica Lennon: In this inquiry, we have had a lot of discussion about skills, expertise and capacity in local government, and there is lots of good practice to celebrate. However, I want to pick up on the point that Morag Watson made about time constraints. My question is for David Hammond, although I see David Rodger on my screen.

David Hammond, you work in North Ayrshire Council. Clearly, demands are high on the time of officers across the council. In order to have the networking and engagement that we have heard about, how do we free up the time of local government officers so that they can engage in that work in a meaningful way, and how do we get

to a place in which we pockets of best practice are not thought of as the exception—how do we cascade those practices across local government and the public sector, so that we can learn from the best and can improve?

David Hammond: You have hit the nail on the head in your summary of the challenges that local government officers face. Sadly, there is no easy answer to that dilemma. It is a question of prioritisation and resource.

I will not repeat what has already been said about the challenges of resourcing. We have already discussed some of the options and opportunities for addressing that.

When it comes to prioritisation, net zero and the sustainability agenda are increasingly coming to the fore within local authorities. That is to be welcomed, and it aligns with national and emerging local policy objectives.

I will underline that with an example from my home authority. We have just had a reshuffle of chief officer remits to include sustainability in my own chief officer portfolio for the first time, to give it that profile and level of attention and to help divert to it what available resource there is. We need to see more of that across the local government landscape, with the support of elected members, who have an opportunity to do that, given that new administrations have come into play over the past couple of weeks, following the local government elections.

You also raised a point about best practice, which is important—Morag Watson has also mentioned it—and about how better to share that experience and understanding, so that other authorities and colleagues do not need to do the same legwork, for want of a better term.

For example, I mentioned two solar farms that we are quite advanced with in relation to things such as planning consent, our grid connection application and our procurement process and specification. In that area, we are probably at the leading edge of the Scottish local authorities that we have spoken to, and we have had been approached by several local authorities, when that information is out in the local government domain, with requests to share our experience and help other councils to develop similar projects. We have had several of those conversations, but it might be easier to have just one, in the proper forum, in order to share that experience.

That comes back to Morag Watson's point about what infrastructure we can put in place to do that, and to make it easier for local government officers to find that platform in order to share information and to receive feedback. That would also help to address your point about efficiency and about making the best use of hard-pressed officers' time

by enabling such conversations and helping them to happen once.

That is certainly a suggestion that I will pick up. I mentioned my attendance at the SSN conference tomorrow. We have a few plenary sessions, and I will pose that question to some of my colleagues.

I hope that that is helpful.

Monica Lennon: That is helpful, thank you. As you spoke, I was wondering what morale is like in local government across the board. We hear that planning is a constraint and a barrier, which I suppose is quite demoralising for people who feel that they are working hard and trying to be helpful.

How do we attract people into local government? In the inquiry, we have had good discussions about the opportunities in local government and the contribution that people who work in local government can make to delivering important national priorities. The issue is not just about school leavers and people who leave education at a younger age. How can we attract people who have experience from other jobs and industries? How important is the link between industry, our education partners and local government, to ensure that people know about the opportunities and the exciting jobs?

A debate on solar energy will take place in the Parliament tomorrow, when I hope that the work that is being done on solar farms in North Ayrshire will come up. We do not want that to be a secret for those who are in the know—we must make it more widely known about, so that people feel that local government is an attractive and dynamic place to work in. How do we get more people into local government?

David Hammond: The question is really welcome, and you will know that it is close to my heart, as a fellow town planner by background. My observation is that I do not think that the public sector—particularly local government—is necessarily an employer of choice for graduates and people who are working their way through higher education when they are looking to move into different spheres.

The exchange between the public and private sectors can be one way. After making the leap from the private sector to the public sector, I had my eyes opened to the criticisms that I levelled at local government when I worked in the private sector. I found myself with different views after experiencing the pressures and challenges that public sector officers face.

As you suggested, there is a body of work to do in the education sector to educate people on the roles that are available in local government and on what local government offers in terms of alignment with people's values through being a public

servant and contributing to meeting issues and challenges that society faces, such as net zero. People who work in local government can play an important and direct role in addressing such challenges.

Such a narrative is not yet as prevalent as we would like in the education sphere; collectively, we will want to look at that and at how we get across the message to promote local government as an attractive place to work in, which it very much is. Despite the issues that we face, which have been articulated this morning, the colleagues who I work with are very much up for and thirsty for the challenge and are very much putting their hands to the plough to address it.

The criticisms that are levelled at local government across the piece have an impact on officers, but we develop a thick skin, as you know, and we are resilient to that. You make an important point about how we flip and reframe the position to more positive messaging about being part of the solution.

Monica Lennon: That is helpful—thank you.

The Convener: Natalie Don has confirmed that her questions have been addressed, so that brings us to the end of our allocated time for the witnesses. I thank them for their patience and for taking part. I am sorry that the session overran slightly, but we covered a number of valuable issues. Thank you for your insight.

I briefly suspend the meeting to allow our panel to leave. Thank you and have a good day.

11:54

Meeting suspended.

12:02

On resuming—

United Kingdom Internal Market Act 2020

United Kingdom Internal Market Act 2020 (Exclusions from Market Access Principles) Regulations 2022

The Convener: Our last item in public is consideration of a consent notification for a UK statutory instrument that has not yet been laid. The Scottish Government proposes to consent to this instrument, which, as the clerk's paper explains, would facilitate its new legal regime to ban most single-use plastics.

A protocol has been agreed between the Scottish Government and the Scottish Parliament to address situations in which the Scottish Government proposes to consent to certain types of secondary legislation being made by the UK Government. The protocol sets out how the Scottish Parliament may scrutinise such decisions.

It is a statutory requirement that the Scottish Government's consent must be sought for this proposed instrument. I refer members to paper 6. I move to the substantive question on this item. Is the committee content that the provision that is set out in the notification should be made in the proposed UK SI?

Members indicated agreement.

The Convener: Thank you. We will write to the Scottish Government to that effect. Does the committee agree to seek further information, by that letter, to clarify certain issues, and to delegate authority to me to sign off today a letter to inform the Scottish Government of our decision?

Members indicated agreement.

The Convener: I close the public part of the meeting.

12:03

Meeting continued in private until 12:43.

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Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

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