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Vattenfall Unlock Our Future Fund

Part 2 Consultation and Review



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**Produced by Dr Bea Jefferson on behalf of Foundation
Scotland and the Vattenfall Unlock our Future Fund Panel.**



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1. Introduction

The Vattenfall Unlock our Future Fund supports projects in Aberdeen and Aberdeenshire contributing towards a climate smart future.

The fund is provided by the European Offshore Wind Deployment Centre, which is owned and operated by Aberdeen Offshore Wind Farm Limited, a subsidiary of Vattenfall.

Vattenfall contributes £150,000 per year to the fund (as at 2019) rising in line with the Retail Price Index for the life of the wind farm, which is expected to be at least 20 years. Ten percent of the overall value of the fund (£15,000 in the first year) is set aside for project activity in line with the fund priorities in Blackdog, the community hosting the substation for the wind farm.

The Unlock our Future Fund panel makes decisions on grant awards and undertakes reviews of the Fund Strategy annually. The fund is administered by Foundation Scotland, an independent grant-making charity.

In late 2023, after five years of grant-making, the panel and Foundation Scotland commissioned an evaluation and review of the fund.

The objectives were to:

- Review the value and impact of projects funded to date in terms of climate and community benefits.
- Ascertain if the fund's priorities are still in line with the priorities of the communities and stakeholders in the area of benefit – and recommend any changes if they are found to be inadequate.
- Assess the effectiveness of delivery arrangements and, if these are still fit for purpose, make recommendations for improvements where possible.
- Assess the likelihood of the fund achieving a lasting legacy for the area and what changes might be required to better enable this.

The evaluation and review was carried out by Dr Bea Jefferson in early 2024.

The achievements of the fund to date are outlined in part one of the report. Part two considers how the context in which the fund operates has changed since its launch and sets out views expressed by communities and stakeholders on future priorities and delivery arrangements.

The report concludes with a series of recommendations arising from learning to date, the changing context and community and stakeholder views.



2. Context

2.1 The Changing Policy and Funding Landscape

Since the Unlock our Future Fund was launched, the policy and funding environment has changed considerably at national, regional and local levels. The Scottish Government is committed to reaching net zero by 2045¹ and has published a draft Energy Strategy and Just Transition Plan² providing a route map on how this is to be achieved.

A key feature of current national climate policy is the notion of a ‘just transition’ to net zero. The term ‘just transition’ has evolved over time and can be understood in different ways. It involves ensuring that both the benefits and costs of climate change are shared fairly to avoid future injustice and inequality due to an economic transition³.

The draft Energy Strategy and Just Transition Plan includes a number of elements contributing to a just transition including affordable energy, community participation, shared ownership of renewables and community benefit funds, employment in renewables in areas with a high dependence on fossil fuels, skills development and domestic supply chains.

The draft Energy Strategy and Just Transition plan recognises the unique opportunities and challenges faced by the north-east of Scotland in the energy transition in its role as a global centre of the energy industry⁴.

The Scottish Government committed £500million⁵ in funding over ten years to support projects contributing to the transition to net zero in Aberdeen, Aberdeenshire and Moray through the Just Transition Fund (JTF).

¹ <https://www.gov.scot/policies/climate-change/>

² <https://www.gov.scot/publications/draft-energy-strategy-transition-plan/>

³ Climate Change Committee (2022) The just transition and climate change adaptation. <https://www.theccc.org.uk/wp-content/uploads/2022/03/CCC-The-just-transition-and-climate-change-adaptation.pdf>

⁴ The evolution of the north-east as a centre of the energy industry is explored in detail in Shapovalova, D. et al. (2023) Just Transition for Workers and Communities in Aberdeen and Aberdeenshire: Rapid Evidence Review. University of Aberdeen <https://www.abdn.ac.uk/geosciences/documents/JT%20Aberdeen%20Aberdeenshire%20Phase%201.pdf>

⁵ However, the Scottish Government budget for 2024-5 reduced the commitment from £50m in 2023-4 to only £12m in 2024-5 – which raises questions over whether the full £500m commitment will be forthcoming <https://www.gov.scot/publications/scottish-budget-2024-25/pages/8/>

JFT projects funded to date include a Skills Hub, delivered in partnership between the Energy Transition Zone (ETZ) and North East Scotland College, and a pilot addressing energy transition skills delivered by the National Skills Accelerator. North East Climate Action Network (NESCOAN) was awarded funding to consider how communities can be involved in creating and delivering a just transition, and a participatory budgeting fund was established to support community projects contributing to a just transition⁶.

Other Scottish Government funded programmes contributing to addressing climate change and of relevance to future priorities of the Unlock our Future Fund include:

- Local Energy Scotland's 'Let's Do Net Zero' Community Buildings Fund⁷. This provides up to 80% of costs related to decarbonising community buildings, to a maximum of £80,000. It will fund heat pumps, connections to heat networks, solar panels, energy storage (such as batteries), insulation, secondary glazing, draught-proofing, LED lighting and smart controls. It will not fund 'intrusive' measures which include external wall insulation and internal wall insulation, which will require significant reinstatement works, or new double-glazing. The exclusion of intrusive measures can be a serious limitation to supporting retrofit projects in older community buildings.
- Business Energy Scotland's SME Loan Scheme⁸ which provides up to £100,000 loans for energy saving measures, with up to £30,000 available as a 'cashback grant'. This scheme is open to third sector organisations. The cashback grants can fund 75% of costs up to £20,000 for energy efficiency measures and 75% up to £10,000 for renewable heat measures. Business Energy Scotland also offer free energy efficiency assessments.

⁶ <https://www.gov.scot/publications/just-transition-fund/pages/year-one-projects/>

⁷ <https://localenergy.scot/funding/lets-do-net-zero-community-buildings-fund/lets-do-net-zero-community-buildings-fund-guidance/>

⁸ <https://businessenergyscotland.org/smeloan/>

- A number of Energy Savings Trust schemes were in place in 2023/4 to support low-carbon travel through grants and loans to purchase electric vehicles, e-bikes and to install charge points. However, as of March 2024, these schemes were closed, with some funds continuing to take expressions of interest should the fund reopen⁹. Some UK Government grants remain to support the purchase of low emission vehicles – these are claimed by the seller and provide a discount on the purchase price.
- Funding for the development of active travel infrastructure is available via Sustrans through its Places for Everyone programme. However, this is now only open to new applications from local authorities, transport partnerships and national park associations¹⁰, not third sector applicants.
- Scottish Enterprise offers free specialist advice, funding and tools for businesses to become more sustainable. This is geared more towards SMEs in the private sector, but third sector organisations with potential for generating economic growth could benefit.

At a local level, multiple strategies and plans influence the net zero policy environment, such as the Regional Economic Strategy¹¹, Net Zero Aberdeen Routemap 2022¹², Local Heat and Energy Efficiency Strategies¹³, Waste Strategies¹⁴ and Local Outcome Improvement Plans¹⁵. Other than in the Local Outcome Improvement Plan, little is said about the role of the third sector and communities in either developing or achieving the stated vision for Aberdeen and Aberdeenshire.

⁹ <https://energysavingtrust.org.uk/travel/financial-support/grants-and-loans/>

¹⁰ <https://www.showcase-sustrans.org.uk/places-for-everyone/>

¹¹ <https://committees.aberdeencity.gov.uk/documents/s144408/RES%20Appx1%20-%20RES%202035%20Final%20Draft.pdf>

¹² <https://www.aberdeencity.gov.uk/sites/default/files/2022-11/Net%20Zero%20Aberdeen%20v1.0.pdf>

¹³ <https://aberdeenshire.moderngov.co.uk/documents/s16958/Local%20Heat%20and%20Energy%20Efficiency%20Strategy.pdf>

¹⁴ <https://aberdeenshire.moderngov.co.uk/documents/s15956/13%20Waste%20Strategy%20Refresh.pdf>

¹⁵ <https://communityplanningaberdeen.org.uk/wp-content/uploads/2024/02/Consultation-Draft-Refreshed-LOIP-2016-2026.pdf>

Engagement and inclusion are vital aspects of a 'just' transition. And a perceived imbalance in current levels of participation was addressed in work done by the Universities of Aberdeen and Strathclyde in partnership with NESCAN¹⁶.

This JTF-supported project held a series of workshops with communities to develop a vision for a just transition and identify key priorities. These priorities are shown in figure 1 (see below). It is worth noting that 'green space' is identified as a priority for a just transition. Green space is rarely perceived as central to energy transition.

However, tensions in Aberdeen over the proposed development of part of a local park to build a facility forming part of the ETZ (which has been a recipient of JTF funding) have led to some community members questioning whether a transition can really be 'just' if it leads to the loss of a valued asset such as the park in a community with high deprivation¹⁷.

Local funding sources available to community-led projects addressing climate change include:

- JTF Participatory Budgeting Fund (see above). Two rounds of funding were distributed in 2022 and 2023. A further round is expected in 2024. Applications are limited to capital projects, and timescales have been tight, with projects awarded funding in November 2023 having until the 31st March 2024 to complete¹⁸.
- NESCAN Seed Fund. Awards of up to £500 are available to small groups in Aberdeen and Aberdeenshire (income under £50k) for community climate action.

¹⁶ Potts, T. and Ford, R. (2022) Leading from the front? Increasing Community Participation in a Just Transition to Net Zero in the North-East of Scotland. Project Report. Scottish Universities Insight Institute. https://www.abdn.ac.uk/geosciences/documents/SUII_Just_Transitions_Final_Report.pdf

¹⁷ <https://bellacaledonia.org.uk/2024/03/01/violence-and-propaganda-energy-transition-zone-in-st-fitticks-park/>

¹⁸ <https://www.jtpbfund.scot/>

In addition to these climate specific funds, there are a number of other local funds which support community initiatives and the development of community facilities more generally. Major sources include Place Based Investment Funds (managed by Local Authorities), UK Shared Prosperity Fund (managed by Local Authorities) and other windfarm community benefit funds.

The funding environment continues to change with both local and national funders developing new programmes, such as the National Lottery Community Fund’s Climate Action Fund launching in late March 2024 and a new community benefit fund for Torry and Cove supported by ETZ likely to launch in April or May 2024.

Figure 1. Community Priority Action Areas for a Just Transition (source: Potts and Ford (2022), p17.) (NO = Net Zero)



The changes to the policy and funding environment since the Unlock our Future Fund was established have a number of implications for fund priorities:

- The recognition of the importance of a **just** transition to net zero;
- The availability of multiple sources of funding for capital projects – but very little funding for revenue projects, particularly those which could provide support for the community-identified priority area of participation and empowerment; and
- That green space is a valued community facility – as well as buildings and transport, currently referenced in the fund priorities.

2.2 The Role of the Third Sector in Addressing Climate Change

A key assumption in the fund's theory of change (see section 2.4 of part 1) is that third sector organisations have a role in influencing other organisations and individuals as well as directly delivering projects which address aspects of climate change.

A number of researchers and commentators have suggested that delivering initiatives which directly reduce emissions is only a minor aspect in the role of third sector organisations.

In a piece for the Scottish Council for Voluntary Organisations (SCVO), Nick Addington, the Chief Executive of the William Grant Foundation, states '*Third sector organisations have a critical contribution to make in response to the climate emergency. But reducing their carbon footprints isn't it.*'¹⁹ In Nick Addington's article, four roles are set out:

- Mitigating emissions – this encompasses helping people and the community served in reducing emissions as well as the direct emissions of the organisation;
- Adaptation – preparing for the consequences of climate change which are likely to impact on those who are already poor, marginalised or disadvantaged;
- Engaging and campaigning – in particular, recognising that improving quality of life can go hand in hand with environmental improvement; and
- A just transition – recognising the risks and opportunities of the transition and the unequal experience of transition.

¹⁹ <https://scvo.scot/p/49564/2022/03/23/mission-critical-how-third-sector-organisations-can-play-to-their-strengths-in-responding-to-the-climate-emergency>

Another way of looking at the different roles that third sector organisations take in addressing climate change is set out by Kagan and Dodge²⁰ in a literature review which takes an international perspective. This sets out four roles:

- Public policy advocacy (international/national/regional/local)
- Advocacy for behaviour change (public)
- Participation in governance
- Direct interventions

However, the limited research about how, and to what extent, third sector organisations are really able to influence the climate change agenda shows the process is far from straightforward.

In a qualitative study of key institutional players in northern England, Dobson²¹ describes third sector visions of a low-carbon future being simultaneously 'embraced and excluded'. An initial apparent welcome of ideas hits the buffers when faced with mainstream decision-making and institutional priorities.

The complexity involved in the multiple roles of third sector organisations in addressing climate change creates challenges in developing appropriate support and advice for these organisations on what to prioritise. SCVO attempts to do this through its 'Growing Climate Confidence' initiative²². However, the majority of recommended action areas still relate to direct interventions such as efficiency improvements to buildings, how staff travel, minimising waste and purchasing behaviours; though justice and engagement are also put forward as action areas.

The role of the third sector in addressing climate change is clearly multifaceted and not limited to carbon reduction.

²⁰ Kagan, J. A., & Dodge, J. (2023). The Third Sector and Climate Change: A Literature Review and Agenda for Future Research and Action. *Nonprofit and Voluntary Sector Quarterly*, 52(4), 871-891.

<https://doi.org/10.1177/08997640221123587>

²¹ DOBSON, Julian (2020). A part and yet apart: how third sector visions of carbon reduction are both welcomed and marginalised. *Voluntary Sector Review*, 11 (2), 187-204. <http://shura.shu.ac.uk/27146/>

²² <https://climateconfident.scot/>

This suggests that the priorities for the Unlock our Future Fund should more fully embrace the wider role for the third sector in behaviour change, engagement and climate justice, as well as direct activity addressing mitigation and adaptation.

2.3 Fund Distribution Good Practice

In order to assess the effectiveness of delivery arrangements, it is useful to consider what constitutes good practice in fund distribution.

Foundation Scotland, the fund administrator, is an independent charity managing over 110 community benefit funds. The organisation is committed to understanding and developing good practice²³.

Foundation Scotland is formally committed to ‘Open and Trusting Grant-making’, as set out by IVAR²⁴. This encompasses eight aspects of good grant-making:

1. Don't waste time
2. Ask relevant questions
3. Accept risk
4. Act with urgency
5. Be open
6. Enable flexibility
7. Communicate with purpose
8. Be proportionate

Another of Foundation Scotland's formal commitments is the Funder Commitment on Climate Change²⁵. This includes a commitment to working with stakeholders to introduce climate smart objectives and being cognisant of climate impacts when assessing project applications.

²³ <https://www.foundationscotland.org.uk/about-us/our-news/community-benefit-funds-review-of-their-design-operation-and-governance>

²⁴ IVAR, Flexible Funders. <https://www.ivar.org.uk/flexible-funders/>

²⁵ Funder Commitment on Climate Change. <https://fundercommitmentclimatechange.org/>

Foundation Scotland has been working jointly with the Wellbeing Economy Alliance on a project looking at how to channel more funding towards activity that goes beyond short-term fixes and supports enduring, transformative change²⁶. This has led to a commitment to an ‘upstream’ approach which emphasises the need for preventative activities and changing systems, rather than short-term actions aimed at reducing immediate social and environmental harms.

Within the wider funding community there has been considerable debate in recent years about the benefits of awarding unrestricted funding. Traditionally funders have awarded restricted grants, which have to be used to deliver a project as outlined in a funding application. This is perceived as offering more accountability and ensuring that the fund is used in a way consistent with the fund objectives and compliant with the rules the funder has to follow (such as charitable registration)²⁷.

However, there are increasing calls from organisations such as IVAR for funders to be more open to awarding unrestricted grants. This is because the funded organisations (rather than the funder) have greater expertise and knowledge of the issues they are tackling ‘on the ground’, and so can make better strategic choices in how money is spent. It is also perceived as being more likely to promote creativity, innovation and build capacity in funded organisations. The funder still needs to offer some guidance on how awards can be used, but if beneficiary organisations have objectives which are consistent with the fund objectives, only light restrictions are needed to give an ‘envelope’ to how funds can be spent²⁸.

The Unlock our Future Fund is principally distributed through an open grant-making process with decisions being made by a panel drawn from the community. Other decision-making approaches are available, with participatory budgeting being one which has received considerable attention in the fund area due to its use in distributing part of the JTF.

²⁶ Foundation Scotland, Raising our Gaze, September 2022. <https://www.foundationscotland.org.uk/sites/default/files/2023-02/Raising%20our%20Gaze%20September%202022.pdf>

²⁷ IVAR, Evidence Review: why restrict grants? 2023. <https://www.ivar.org.uk/publication/evidence-review-why-restrict-grants/>

²⁸ IVAR, The holy grail of funding, 2021. <https://www.ivar.org.uk/publication/the-holy-grail-of-funding/>

Evaluations carried out of participatory budgeting²⁹ highlight that it can increase public accountability, but it comes with risks such as difficulties ensuring that it is inclusive. Participatory Budgeting was raised in the course of stakeholder consultations. In the main, consultees did not see participatory budgeting as an option which should be pursued for the fund.

A number of options could be considered by the Unlock our Future Panel to further embed good practice as outlined above in the approach taken to distributing the fund.

The IVAR commitment to ‘not waste time’ includes a call for funders to clearly explain funding priorities. The overarching priorities for the fund could be rewritten in language which is simpler and sets out more clearly what the fund can support, avoiding jargon and ill-defined terms such as ‘climate smart’. Clarity was also requested by consultees (see [3.2.2.](#)).

The IVAR commitment also requires that funders make decisions as quickly as possible. The two-stage system for large awards adds several weeks to the decision-making process. This approach was introduced in the first year of the fund as a practical way of dealing with the fund being heavily oversubscribed and a proportion of the applications being clearly not in line with the fund priorities – hence, it made sense to screen these out before conducting full assessments on applications.

In the view of the Foundation Scotland Fund Adviser, by year five of the fund far fewer applications were being received which did not fit fund objectives. Therefore, there is less justification for this additional screening stage. A single-stage process could be piloted in year six to assess whether any time savings outweigh the additional time spent assessing all applications.

²⁹ Scottish Government, Evaluation of Participatory Budgeting activity in Scotland 2016 -2018. <https://www.gov.scot/publications/evaluation-participatory-budgeting-activity-scotland-2016-2018-2/pages/1/>

The Funder Commitment on Climate Change is clearly already firmly embedded in the fund priorities. So much so that the fund has been used as an example by Foundation Scotland at conferences and events when talking about how community benefit funds can address climate change³⁰, and many of the projects supported by the funds have been highlighted as case studies in Foundation Scotland guidance on designing projects for people and planet³¹.

Upstream thinking and systems change is inherently linked to the notion of climate justice and a just transition. The extent to which the fund could support a just transition is considered further in section [3.2.1](#).

The possibility of making awards of unrestricted funds is most relevant to the ring-fenced amount for the Blackdog community. This is considered further in section [3.3](#).

2.4 Impact Monitoring Good Practice

A number of monitoring and evaluation guides and toolkits can be used by individual organisations to better understand their own impact³². However, the multiple ways in which third sector organisations address climate change outlined in section [2.2](#) make it highly problematic to develop a simple and usable set of metrics which can be aggregated to capture the totality of the fund's achievements going forward.

In the past, funding programmes with a low-carbon focus have often attempted to capture consistent data from projects on measures relating to carbon saving and behavioural change. However, research conducted by SCVO and SENS Scot³³ indicates that third sector organisations find monitoring measures such as carbon savings very difficult in practice, and the problems are made worse by funders insisting on their own metrics.

³⁰ See, for example <https://www.youtube.com/watch?v=mW0QXZUhvZA>

³¹ <https://www.foundationscotland.org.uk/apply-for-funding/help-for-applicants/projects-for-people-and-planet>

³² See, for example <https://evaluationsupportscotland.org.uk/resources/> for a selection

³³ SCVO and SENS Scot (2021) Third Sector and Net Zero: Results and Analysis. <https://senscot.net/wp-content/uploads/2021/09/SenscotSCVONetZeroSurvey.pdf>

An in-depth study of how people working in community environmental initiatives in Wales experienced the monitoring process when overly simplistic and fixed outcome measures were used concluded that funders need to move beyond 'utilitarian reductionist approaches' and instead move towards seeing monitoring and evaluation as part of an ongoing learning process³⁴.

Despite the difficulties involved, there are continuing attempts to capture the multiple dimensions of the impact of community-based climate change initiatives, including a project completed by a master's degree student using the Unlock our Future Fund as a case study.

Anrijs Forsts, a student at the University of Aberdeen, developed an approach to understanding the impacts of a sample of previously funded projects for their effect on social capital; human capital; natural capital; manufactured capital; institutional environment; economic, social and institutional actors; regional and extra regional assets; and market creation. Contributions to each dimension in the model he developed were represented on spider diagrams. The approach was an interesting one which positioned the fund in terms of its role in shifting the 'path dependence' of the region. However, the assessment of the dimensions of impact identified in the research would have been too complex to implement in practice.

Creative Carbon Scotland are currently working on a collaborative PhD project developing tools for capturing the wider value of creative projects in the field of climate change. The final outputs of the study are expected to be published in summer of 2024. Initial indications are that the approach developed will be very flexible and most appropriately applied at an individual project level. It is unlikely that metrics which can be aggregated at a programme level will be recommended³⁵.

Reviewing current monitoring and evaluation practice in community-led climate action programmes suggests that it is a problematic area with no simple solutions.

³⁴ Dunkley, R. and Franklin, A. (2017) Failing Better: The stochastic art of evaluating community-led environmental action programmes. *Evaluation and Program Planning* 60, 112-122
https://www.researchgate.net/publication/309887939_Failing_better_The_stochastic_art_of_evaluating_community-led_environmental_action_programs

³⁵ Interview with Emma Hall, January 2024

The Foundation Scotland Impact Framework has flaws, which are discussed in section 3.5 of part 1. However, there does not appear to be a practical alternative in use elsewhere which would give relevant, easily understandable and accurate measures of impact without imposing onerous bureaucracy on grant recipients.

3. Consultation Findings

3.1 Online Survey

An invitation to take part in an online survey on fund priorities and satisfaction with application processes was sent out to all 2023 applicants (successful and unsuccessful) as part of the evaluation. Twelve responses were received (43% response rate). Year one to four applicants had an opportunity to make comments about fund priorities on the online impact survey (see part 1 section 3.2). However, this was limited to a single question as years one to four applicants had previously been asked about their views on fund priorities and satisfaction with processes in surveys at the end of years two and four.

When asked about fund priorities, support from 2023 applicants was strongest for investing in community facilities (100% stating this was very important) and ensuring a legacy and lasting impact (82% stating this was very important). The lowest level of support was for creative solutions (18% stating this was very important). This is the same pattern as seen in surveys conducted at the end of years two and four (though in year two, the wording referred to 'innovative' rather than 'creative' solutions).

When asked about other priorities which should be included, respondents mentioned health, benefiting the whole community, education on environmental issues, access to nature, and retention and recruitment of volunteers.

In previous surveys, other priorities mentioned have included core funding/staff costs, maintenance costs, youth projects, well-being, poverty, resilience and recovery from the pandemic, participatory research and climate justice.

When asked about the fund's additional criteria, strongest support from 2023 applicants was for community impacts (82% stating this was very important) and lowest support was for making good use of other funding sources (27% stating that this was very important). In previous years, the equivalent of these 'additional criteria' were named 'cross-cutting themes'. The surveys showed broadly similar views, with 'leverage or match funding' being the least supported theme.

Few comments were added about the additional criteria, other than that the 'energy hierarchy' could be expanded to encompass other areas, such as waste and transport hierarchies.

Previous surveys on the 'cross-cutting themes' included a plea to simplify and make clearer the language used. This was a priority for the panel in the wording of the revised 'additional criteria'.

In the 2023 applicants survey, 73% of those responding felt that the maximum award was appropriate, with the remainder fairly evenly split between preferring a higher maximum and a lower maximum. This result is very similar to that seen in the previous two surveys.

In all three surveys, there has been strong support for simplification of application processes, particularly for small awards, and that there should be flexibility over eligibility – such as allowing unconstituted groups which don't have their own bank account to apply.

Of the 2023 applicants responding to the survey, 64% received support from attending drop-ins, the online information seminar or from the Foundation Scotland Fund Adviser. Of these, 87% found the support helpful in their application. This was marginally higher than reported in the year two survey and lower than the year four survey.

Comments on the support received included a request that feedback on unsuccessful applications is more detailed, since only saying that it was a poor fit with fund priorities or that the fund was oversubscribed tells the applicant very little.

When asked about how the applicant found out about the fund, Foundation Scotland website/email bulletins/social media was the most often cited source, with the second most cited sources being word of mouth and having previously applied scoring equally.

3.2 Consultations and Stakeholder Interviews

Interviews on fund priorities and delivery arrangements were conducted with key stakeholders and a sample of previous applicants (combined with case study interviews). An online seminar was held in partnership with NESCAN to obtain wider community views, and face-to-face meetings were held with representatives from the Blackdog and Torry communities. Torry was selected as the location of a face-to-face meeting as it is a deprived community with a very active and knowledgeable group working on addressing climate issues. As part of a community facing multiple challenges, representatives were able to articulate the views of people who feel that they are being marginalised and unlikely to benefit from a 'just' transition to net zero.

The key messages emerging from the consultation are set out below, grouped under themes.

Contributors to the consultation are listed in the annex.

3.2.1 Fund Priorities

Overall scope of fund priorities

Several consultees interpreted the current fund priorities as very narrowly focused on energy and carbon emissions, which was considered too restrictive. This contrasts with the panel's understanding of the fund priorities, as outlined in the theory of change (see section 2.4 of part 1), which takes a broader view. This suggests that the way the priorities are written needs to better encapsulate the panel's vision for the fund.

Many mentioned that the environment couldn't be thought about in isolation, and that mental and physical health, poverty and well-being are intrinsically linked to environmental conditions. The fund's priorities should reflect these interdependencies if possible.

It was felt that the fund should support the unique strengths of the third sector, focusing on what it can do which the public and private sectors can't. These strengths include the development of social enterprise and the possibilities offered by a circular economy. They also include supporting individuals and communities in dealing with growing threats brought about by climate change.

Most saw the overarching priority of the fund in contributing to a 'climate smart' future as important. However, a minority expressed frustration that the fund area appeared to be 'awash' with funding for low-carbon/net zero projects when many community groups are struggling to 'keep the doors open' in the face of unprecedented demand for their services. Consultees from the two local Third Sector Interface organisations reported far greater demand for advice and support regarding funding for core costs than climate action/net zero initiatives.

Workforce skills

There was strong support from consultees for the inclusion of workforce skills development in the fund's priorities. The reasons for this were cited as:

1. Allowing individuals to access opportunities brought about by the transition to net zero, particularly those facing disadvantage and those currently in roles dependent on the oil and gas sector.
2. Contributing to addressing major supply chain bottlenecks which had been experienced by consultees when planning or delivering projects, particularly those involving energy efficiency in community buildings.

However, there were differences in the views expressed as to the sectors which should be prioritised in skills development.

Consultees based in community organisations saw the skills needed to retrofit community buildings and residential buildings as crucial. This would include planning, design and assessment; insulation; installation of heat pumps, PV and batteries. There was a perception among some consultees that major investments made by the JTF in skills were prioritising the needs of large energy companies over community needs and energy generation over energy efficiency.

It is the case that improved fabrication and welding facilities are a core aspect of ETZ's planned (JTF-supported) skills hub, and this is likely to be of most benefit to the offshore wind industry and decommissioning activities. However, ETZ is working in partnership with the National Energy Skills Accelerator (NESA), which is a collaboration between Robert Gordon University, University of Aberdeen and North East Scotland College, to understand the broad extent of future skills needs in more detail.

NESA carried out consultation and a pilot programme of skills delivery in 2023-4. The resulting Future Energy Skills 2023-2030 report³⁶ primarily focuses on opportunities for offshore wind, hydrogen, geothermal and carbon capture and storage. However, it does acknowledge the need to also develop skills required in the effective usage of low-carbon energy including EV maintenance, and installation of heat pumps and solar panels.

Despite the differences in views on which sector skills should be prioritised, there was agreement that key barriers to accessing training included cost, particularly for those not eligible for funding support. The NESA pilot included over 600 course places with fee waivers which were heavily oversubscribed, and making training accessible is a key priority for future work.

Mechanisms by which the fund could support skills development are discussed further below in the section on bursaries.

Volunteer capacity and knowledge/skills

Building the capacity and knowledge of volunteers was suggested as a priority for the fund.

Many organisations which are current recipients of awards (and potential future applicants too) are heavily reliant on volunteers. Across Scotland, third sector organisations report issues with insufficient volunteer capacity which seems to have become more severe since the onset of the covid pandemic³⁷.

³⁶ <https://s3.eu-west-2.amazonaws.com/nesa-assets/images/Future-Energy-Skills-2023-2030-Final-compressed.pdf>

³⁷ See, for example SCVO's third sector tracker surveys https://files.scvo.scot/2024/03/Scottish-Third-Sector-Tracker-Wave-1-6-report-draft_final.pdf

Consultees raised volunteer capacity and knowledge as major barriers to developing and managing projects – particularly around the energy efficiency of community buildings, which can be very unfamiliar to voluntary groups managing these facilities. These projects are seen as potentially complex, usually involving multiple funding sources, and requiring some awareness of the options available. Several of the interviewees for the case studies in this report mentioned the interest they had received from other community groups keen to find out more about their experience when improving the energy efficiency of community venues.

Capacity was also highlighted as an issue early in the process of communities joining together to address climate change. For example, lots of great ideas had emerged from the community assemblies supported by NESCAN³⁸, but translating these ideas into action requires support.

Suggestions were put forward as to how this capacity issue could be addressed by the fund. These included:

- Supporting initiatives such as Community Energy Scotland’s Community Energy Futures programme (see case study in part 1);
- Supporting the employment of development officers who can give ‘hands on’ practical support to key projects;
- Drawing on resources such as Aberdeen’s university students to provide both added capacity to third sector organisations and experience for the students; and
- Making better use of the highly skilled population of the fund area who are currently not active volunteers through activities which overcome barriers to volunteering, such as knowing about opportunities and allowing employees time to volunteer.

Some support is already in place, such as Local Energy Scotland’s local development officer and NESCAN’s team of four development officers. However, there is the perception that more support is needed.

³⁸ <https://www.nescan.org/community-assemblies>

Community buildings

Consultees agreed that community buildings continued to be important, and that energy efficiency of community buildings was even more critical than when the fund priorities were initially developed due to increased energy costs putting growing strain on the viability of buildings.

Even though community groups prefer not to have strict match funding requirements, there was an acceptance that groups should use the support from other funds such as 'Let's do Net Zero' if it was available. Groups embarking on projects to upgrade buildings usually have to juggle multiple funding sources all with different requirements – so any flexibility that Unlock our Future can offer in terms of timing, budget variations and reporting was appreciated by awardees.

There is increasing recognition of the importance of community buildings in community resilience (such as being safe, warm spaces) and the importance of community buildings being resilient (such as designing drainage to cope with heavy rain). Though in practice, it can be challenging to maximise both resilience and carbon savings. For example, in the event of a failure of electricity supply, keeping air source heat pumps running for a prolonged period would soon deplete battery storage, so a community may prefer to see a diesel generator available to provide emergency power.

Concerns were expressed over Business Energy Scotland's (BES) building assessments and the expectation that these are done when Unlock our Future Fund applications relate to the energy efficiency of buildings. Some consultees felt that these assessments were a good starting point for groups with limited knowledge of possible options, but they tended to be less useful for more complex situations and the perception was that the quality of recommendations was variable.

In 2023, mwclubb Architectural Design was commissioned by Aberdeenshire Council to produce retrofit plans for 25 community buildings. These retrofit plans could provide useful evidence for future applications to the fund. The plans are more ambitious than most BES assessments, taking a 'fabric first' approach which places emphasis on reducing demand ahead of installing renewables.

In some cases, it is very clear that the measure applied for will be beneficial without a building assessment – for example, installing LED lighting or adding insulation to a building with no or inadequate insulation. In these cases, a BES assessment was felt to have little value.

Green space, biodiversity and nature-based solutions³⁹

There was a feeling among some consultees that greater emphasis should be placed on the provision of green space, encouraging biodiversity and nature-based solutions to climate change in the fund priorities.

For this type of project, it is often hard to establish direct carbon savings, but they can have multiple added benefits in terms of the health and well-being of communities.

Consultees gave examples of how biodiversity could be enhanced by simple and low or no cost measures, such as allowing verges to grow and planting on unused areas.

Increased biodiversity was also recognised as an important impact of the fund in the theory of change developed by the panel (see section 2.4 of the part 1 report).

Community-owned energy generation, local heat networks and local energy systems

A small number of consultees mentioned community-owned energy generation as a potential fund priority. This was seen as having multiple benefits for communities which include reduced carbon emissions and generation of income for communities. However, there are currently major barriers to development, particularly relating to finance and the limited capacity of the grid in Aberdeen and Aberdeenshire which creates an issue where there are no large local users for the energy generated⁴⁰.

³⁹ NatureScot define this as ‘...the use of nature and natural environments to help tackle socio-environmental challenges, providing benefits to people and nature.’

⁴⁰ For more on challenges and opportunities see Community Energy Scotland’s 2023 conference report <https://communityenergyscotland.org.uk/wp-content/uploads/2023/12/CES-Conference-2023-Report.pdf>

The development of local heat networks could increase with the requirement on local authorities to produce local heat and energy efficiency strategies and identify potential opportunities for heat networks⁴¹.

Community Energy Scotland reported that its focus has shifted from supporting community energy generation to supporting communities with energy efficiency and transport, as the environment for community generation has become more difficult.

However, this is an area where there is still potential for community-led action, which is very much in tune with a Community Wealth Building approach, which is gaining traction among local stakeholders⁴².

Environmental education

Several consultees commented on the importance of educating and inspiring young people. This was raised in the context of general awareness of climate change, outdoor education and in relation to young people being aware of opportunities in the labour market created by the transition to net zero. ETZ and NESAs are actively involved in work with schools, raising awareness of careers in low-carbon energy.

Education was not seen as limited to young people. It is relevant to all ages, and intergenerational initiatives were seen as potentially very positive. The feeling was expressed by one consultee that the fund guidance should not specifically exclude activities such as beach cleans.

Even though these don't have any significant impact on carbon emissions, they do serve a role in engaging communities with environmental issues, particularly young people. It is an activity where volunteers can see the results of their work immediately, in contrast to some other types of environmental action, where impacts can seem uncertain and remote.

⁴¹ <https://engage.aberdeenshire.gov.uk/30985/widgets/89341/documents/55995>

⁴² See for example, <https://acvo.org.uk/policy/community-wealth-building/>

Low-carbon transport and active travel

Very few consultees made any mention of low-carbon transport or active travel. This is perhaps surprising given that this has been an area where the fund has supported a significant number of projects to date (see section 2.5.3 of the part 1 report).

Applications to this fund and other funds, such as JTF Participatory Budgeting, suggest that there is still a demand for funding for electric vehicles from community organisations.

Active travel infrastructure, such as paths and cycleways, were discussed briefly in the online seminar held in conjunction with NESCAN for this review. One of those attending was of the opinion that there was enough funding available from other sources for paths. Others suggested how the impact of paths could be enhanced, such as by incorporating planting alongside paths to encourage biodiversity.

Creative solutions

Funding 'creative' or 'innovative' solutions has consistently received the least support when surveys have been carried out on the fund priorities (see [3.1](#)). Consultees expressed mixed views on this priority.

Those against including this as a priority generally felt that it was more important to fund things which are known to work and there was little point in 'reinventing the wheel'. One consultee felt strongly that, in an environment where many third sector organisations are under pressure, asking them to 'jump through hoops' and come up with something new in order to access funding was unfair. One consultee made the point that people need time and 'headspace' to innovate, which is in short supply in the current environment for many groups.

Others thought that creativity and innovation should be encouraged, and fund priorities should be wide enough to accommodate new ideas which don't quite 'fit'.

Climate justice and a 'just' transition

The notion of a 'just transition' was raised by several consultees. The issue was central to discussions with the Torry community where it was clear that tensions had arisen over different visions of a 'just' transition.

There was a feeling that this deprived community had become 'invisible' to Aberdeen and had no voice in decisions such as ETZ's proposed development of part of St Fittick's Park. It was felt that the community was very unlikely to benefit in any way from developments in the city.

The capacity of the community to bring about change was thought to be highly constrained by a lack of volunteer capacity. It was felt that volunteers quickly felt burned out and disillusioned by having to fight one battle after another. The most recent blow to the area is houses being found to have been constructed using reinforced autoclaved aerated concrete (RAAC), which will lead to a large number being demolished and a proportion of the community displaced⁴³.

However, projects are being developed by community members, such as an outdoor classroom, and members of the community are involved in establishing the North East Scotland Retrofit Hub, a community-led retrofit cooperative⁴⁴.

There was a strong feeling that paid staff would be essential to bring about meaningful change for the area. However, support doesn't just need to be about delivering climate change projects, it needs to recognise the interrelated nature of poverty, poor housing, poor health and the environment.

Funding for feasibility studies was felt to be important as a first step in bringing about change. The perception was that funders were sometimes reluctant to fund these as it was uncertain if they would ultimately lead to anything (which is the whole point of carrying out a feasibility study!).

⁴³ <https://www.bbc.co.uk/news/uk-scotland-68435223>

⁴⁴ <https://nesfit.org/>

Community-owned energy generation was considered to be one potential way of turning the community around and providing long-term income for community building activities, even though there are considerable barriers to the development of these projects in practice, as noted above.

Housing quality in Torry is a major issue, as it is in many deprived communities. Retrofitting housing has significant benefits in terms of energy usage, alleviating poverty, improved health and well-being and brings the potential of local job creation.

The perception among community representatives in Torry is that the notion of a 'just' transition has been, to an extent, hijacked by big energy generators and institutional players in a way which supports 'business as usual' in focusing on decarbonising generation and labour force skills relevant to offshore wind, hydrogen and carbon capture. In their view, a genuinely 'just' transition would focus on community-owned energy, reducing energy demand in a way which enhances quality of life (such as through insulating houses), creates local jobs, keeps money in communities, and gives communities a voice in decision-making.

The concern over what constitutes a 'just' transition was most vocally expressed by the Torry community, but it was raised by others, particularly in the context of skills (see above). This issue was also explored in detail in the consultations undertaken by NESCAN and the Universities of Aberdeen and Strathclyde referred to above⁴⁵. It was not raised in Blackdog (see section 3.3) where the community had experienced some of the costs of the energy transition in the disruption resulting from the building of the substation; but had also seen benefits in terms of ring-fenced funding. However, Blackdog doesn't have the high level of deprivation seen in Torry.

⁴⁵ Potts, T. and Ford, R. (2022) Leading from the front? Increasing Community Participation in a Just Transition to Net Zero in the North-East of Scotland. Project Report. Scottish Universities Insight Institute. https://www.abdn.ac.uk/geosciences/documents/SUII_Just_Transitions_Final_Report.pdf

This is clearly a contentious area. The proposed changes to the fund priorities outlined in section 4 include a reference to a just transition, as this is a key concern in an area where the impacts of the transition will probably be greater than anywhere else in Scotland. However, the tensions inherent in the concept need to be recognised.

Including reference to a just transition in fund priorities is likely to strengthen the case for prioritising projects which address disadvantage brought about by the energy transition, spread the benefits more equitably or empower communities and give them a greater voice.

Core funding and staff costs

The majority of consultees who expressed a view on the matter thought that the fund should be open to funding an organisation's core costs and ongoing staff costs, as this is an area which is essential to continuing operations, but funders appear reluctant to offer this support, preferring to support new projects.

'Pump priming' the core costs of new organisations which have the capacity to be financially self-sustaining in the medium term was cited as an example where initial investment could pay long-term dividends in developing sustainable social and community enterprises which have the capacity to create jobs and build community wealth.

Even if the panel prefers not to support core costs directly, it was felt to be important that fund guidance is clear that full cost recovery⁴⁶ is acceptable when developing project budgets.

3.2.2 Delivery Arrangements

Geographical distribution

As noted in section 2.5.2 of the part 1 report, levels of applications from Banff and Buchan have been lower than for other parts of the fund area.

This pattern does not appear to be unique to the Unlock our Future Fund.

⁴⁶ i.e. including the total costs to the organisation of delivering a project, including a contribution to management costs, administration and overheads

Consultees from Aberdeenshire Voluntary Action (AVA) reported low application numbers to the JTF Participatory Budgeting Fund from Banff and Buchan and numbers of NESCAN members in the area are comparatively low when compared to the rest of Aberdeenshire. Neither AVA nor NESCAN could pinpoint why engagement with climate issues in the area appears to be unusually low. One suggestion made was that the lack of applications may be because there are a number of other local funds available in the area – however, this would not explain the difficulty NESCAN have had in attracting members in the locality. AVA report that their data on community groups suggests that there's no shortage of groups in the area.

Ideas for increasing applications from Banff and Buchan suggested by consultees included:

- Engaging with Aberdeenshire Council, which runs a number of grant-funding schemes in the area⁴⁷ to see if it can send information to applicants to its funds who are developing projects which could be relevant.
- Engaging with NESCAN's newly appointed Community Development Officer for Banff and Buchan.
- Considering face-to-face promotion events in the area, potentially alongside NESCAN.
- Providing information to community councils and elected members for the area.

Also noted in section 2.5.2 of the part 1 report was a lack of successful applications from Torry and Cove. One stakeholder (not connected to Torry) expressed the view that deprived areas such as Torry should have priority for funding due to their level of disadvantage. However, this consultee remarked that there were many different funds targeted at deprived areas and that the funders should do more to work together and make things simple for applicants. It was suggested that this could include developing co-financed 'pots' of funding where only one application is required to access multiple funders.

⁴⁷ <https://www.aberdeenshire.gov.uk/communities-and-events/funding/banff-and-buchan/>

There is a long history in the field of local economic development of attempting to align and simplify funding from local government, national government and Europe into 'single pot' funds⁴⁸. Some attempts have also been made to align government and private sector investment funds⁴⁹. Community benefit funds from different developers have been combined to have a common application process and single decision panel⁵⁰. However, there don't appear to be any models of community benefit funds being combined into single pots with local and national government funds (which form the majority of available schemes in Torry). Considerable barriers exist to this happening in terms of differing objectives, monitoring requirements, accounting rules and the charitable nature of community benefit funds.

Small grants

The consultation showed strong support for small grants which were easily accessible, possibly open to non-constituted groups and available as a rolling programme.

Currently the fund has a faster decision-making process for small grants, but otherwise the application process is the same for large awards and eligibility is limited to constituted groups with a bank account.

A number of Foundation Scotland community benefit funds have established 'microgrant' schemes which allow non-constituted groups and individuals to access funding as long as the funds are to support activities which are charitable in nature and benefit the community. Foundation Scotland microgrant funds are typically administered by community councils and have simple application processes.

The panel may want to consider if a microgrant scheme would be practical for the Unlock our Future Fund. It would not be viable to administer via community councils as there are too many in the fund area. However, other support organisations such as NESCAN, AVA or ACVO could be willing to administer such a fund.

⁴⁸ For example, ESF co-financing, ERDF + single pot funds administered by English Regional Development Agencies.

⁴⁹ For example, the British Business Bank <https://www.british-business-bank.co.uk/>

⁵⁰ For example, Strathnairn Community Benefit Fund <https://strathnairncbf.com/>

However, NESCAN's seed fund, which allows unconstituted groups to apply, is not oversubscribed, which suggests demand for such a fund may not be high. Another option which was raised by a consultee for small grants was having a small grant fund for a specific purpose, which would make the process simpler for applicants. The example put forward of where this had worked well was defibrillator funds. Funds set up to fund defibrillators require little information from applicants other than where it is going to be located and who is going to look after it. A fixed amount is usually offered as the costs are known.

The activities funded by the Unlock our Future Fund are clearly more complex and context specific than defibrillators. However, if the panel identified a type of intervention which is applicable to a range of potential applicants, a similar approach could be followed. For example, funding for retrofit plans for community buildings with a fixed grant per plan.

Bursaries

A number of Foundation Scotland community benefit funds have sums ring-fenced for education and training. These provide bursaries to help with costs of course fees and other costs of accessing education, such as transport and IT equipment. These funds generally support people undertaking a wide range of courses, with some prioritising courses relevant to energy and renewables⁵¹. There is clearly demand for assistance with training costs, as evidenced by NESAs skills accelerator pilot (see section [3.2.1](#)).

However, Foundation Scotland's education and training funds have, to date, been offered in areas with far smaller populations than Aberdeen and Aberdeenshire. To be a realistic and affordable option for the Unlock our Future Fund, any training bursaries would have to be very closely targeted, or 'closed' funds only available to those applying for specific courses, to avoid being overwhelmed by demand.

The panel may wish to consider further work with skills providers to determine what could be realistic and appropriate.

⁵¹ See, for example <https://www.foundationscotland.org.uk/corriemoillie-education-training>

Maximum award and length of funding

The majority of consultees felt that the current maximum award was appropriate.

Currently, the fund allows awards of up to three years. Initially, in the early funding guidance there was a set sum allocated to each year (year 1: £15,000; year 2: £10,000; year 3: £5,000), but this was dropped from the guidance to offer more flexibility. To date, only two projects have been awarded multi-year funding.

Several consultees stressed the importance of multi-year commitments when funding revenue projects, particularly staff posts, as this gave a degree of stability.

To date, longer term commitments have rarely been requested by applicants and most applications have been for capital costs. However, if fund priorities change to be more encouraging of projects requiring revenue funds, applications for multi-year funding should be encouraged.

Language and clarity

Several applicants remarked on the importance of clear language. Consultees from community groups wanted to see what a fund would support very clearly laid out in the 'headline' priorities rather than in guidance notes. Many applicants are volunteers who are pushed for time and want to know in the first few lines of a webpage or entry on a funding database if a fund is relevant.

The current four headline priorities of the Unlock our Future Fund are very broad, other than highlighting community facilities and transport. They contain terms such as 'climate smart', which doesn't have a clearly defined meaning⁵² and 'creative' which can be understood in many different ways.

The current fund headline priorities have the advantage of allowing room for broad interpretation which gives the fund flexibility; but given the IVAR commitment not to waste applicants' time, a clearer statement of what the fund can support would be welcomed by consultees.

⁵² This term is most typically used when referring to 'climate smart' agriculture rather than community initiatives

Fund awareness and publicity

Mixed views were expressed on current awareness levels of the fund amongst potential applicants. With some feeling that the fund could do more in terms of publicity via newspapers, elected members and community councils to reach potential applicants.

However, as this review was in the main consulting with those who were already engaged and aware of the fund, it is difficult to ascertain whether there is an issue with some organisations remaining unaware of the fund, even though they are developing projects which are a good fit with the fund priorities.

Future activity to increase awareness of the fund needs to ensure that the fund's priorities are very clear in all publicity to avoid a situation where numbers of applications increase from projects which are not a good fit with fund priorities, as this would waste the time of both the applicants and panel members.

Fund panel and decision-making

Within the panel there was a consensus that the decision-making process worked well, with panel members bringing a diversity of skills and experience when considering projects.

The one issue raised in the consultation was whether young people could be represented in some way on the panel.

Several models have been used locally and further afield for increasing the role of young people in decision-making. For example:

- Aberdeen's Youth Climate Change Group was established with the support of Aberdeen City Council and has a role in feeding into the development of policy. The group president and a team of vice presidents represent young people at the Council's committees and working groups⁵³.

⁵³ <https://www.aberdeencity.gov.uk/news/cults-academy-pupil-named-youth-climate-change-president>

- Aberdeenshire Council has run a participatory budgeting fund in schools which has funded climate change projects, with pupils voting for preferred projects⁵⁴.
- Under the European Programme of LEADER funding in Scotland several areas, including the Cairngorm National Park⁵⁵, Borders⁵⁶ and Shetland,⁵⁷ set up youth Local Action Groups with their own dedicated allocation of funding to distribute.

If youth representation is a priority for the panel it could explore further how best to achieve this in the context of the fund.

3.3 Blackdog

Priorities for the fund and distribution approaches were discussed with representatives of the Blackdog Residents' Association.

The priorities identified by the Residents' Association for the area were:

- A new community centre. The village currently has no community facilities, despite the fact that it is growing rapidly due to a new housing development. A site has been identified and funding is likely to be forthcoming from the housing developer. Aberdeenshire Council is currently taking a lead on the development of proposals and would initially own the centre with a view to transferring it to the community at a later date. Ownership by the local authority could create a barrier to the fund supporting elements of the build due to restrictions on funding statutory undertakings.
- Maintenance and upkeep of the village. This could include the purchase of small items of equipment (such as strimmers) and an ongoing budget. Volunteers from the Residents' Association could carry out the work. In the past, the Residents' Association has been told this would not be eligible for support from the fund.

⁵⁴ <https://online.aberdeenshire.gov.uk/apps/news/release.aspx?newsID=9077>

⁵⁵ <https://cairngormstrust.org.uk/about-us/cairngorms-youth-lag/>

⁵⁶ <https://youthborders.org.uk/borders-youth-lag-fund/>

⁵⁷ <https://www.facebook.com/ShetlandYLAG/>

- Playground and new play equipment. There is currently a playground in the village which has been adopted by the Council for maintenance. New pieces of equipment are needed. There could be options for making these more environmentally friendly, such as using wood and recycled materials, to make them a better fit with current fund priorities.
- Development support. The Residents' Association has limited volunteer capacity. A paid part-time development officer would make a big difference in getting projects delivered. The Residents' Association currently wouldn't have capacity to act as an employer, but there may be other organisations which could host the role, or a postholder could be shared with adjacent areas. The Belhelvie Community Trust, which includes Blackdog in its operational area, has a paid staff member, but not the capacity to develop new projects in Blackdog.
- Bridge to access beach. Plans have now been developed with a revised more stable location proposed. More funding may be required to complete the build over the £30k recently awarded from the fund. However, the cost is far less than early estimates.
- Community garden/allotments. This could include raised beds to make it more accessible to people of all abilities.
- Dune management and stabilisation, incorporating improved access.

When asked about fund distribution, feedback from the Residents' Association was that it had been unclear in the past whether projects had to be an exact match with the overarching fund priorities or whether priorities identified by the community which were not a strong fit could be considered.

The Residents' Association's preference would be that there is a clear statement in the Fund Strategy which indicates that the priorities as identified above are fundable as long as there is no conflict with specific fund exclusions, such as funding statutory undertakings, and that the projects are delivered in a way which maximises their positive environmental benefits (for example, in the selection of materials, and electric- rather than petrol-powered equipment).

Other feedback was that the current requirement to provide three quotations for expenditure over £3,000 could be difficult and cause delays.

The possibility of having a more flexible funding mechanism was discussed. For example, the Residents' Association having a small percentage of the Blackdog allocation as a pot of unrestricted funding it could use as it wished, and reporting annually on what it has done with the fund and its plans for the next year. This would most likely be used on maintenance and upkeep activities.

The current low level of allocation in Blackdog was not felt to be due to a lack of need in the community. It was more to do with limited capacity among volunteers to develop applications and uncertainties of how the fund could be used. This had not been helped by some changes in the make-up of the committee of the Residents' Association.

4. Recommendations

	Proposals	Rationale	Panel Response
Fund Priorities			
1	<p>That the overarching priorities of the fund are extended and reworded.</p> <p>Suggested wording for the panel to consider:</p> <p><i>The purpose of the Vattenfall Unlock our Future fund is to support communities in Aberdeen City and Shire addressing the climate emergency through:</i></p> <ul style="list-style-type: none"> - <i>Energy efficiency of community buildings and facilities</i> - <i>Low-carbon transport and active travel</i> - <i>Greenspace, biodiversity and nature-based solutions</i> 	<p>The suggested rewording attempts to provide greater clarity as to what the fund will support as headline priorities. It removes the reference to ‘charitable’, as potential applicants in the past have assumed charitable status is required and been put off at an early stage. ‘Climate smart’ is avoided, as its meaning is unclear.</p> <p>Priorities are taken from those identified in the consultation. ‘Community-led’ is added to the priority on skills to differentiate this from skills development being led by organisations such as ETZ.</p> <p>Creative and innovative solutions are encouraged, but are not a priority in themselves responding to feedback from consultees.</p>	<p>The panel preferred to retain the current broad four priorities, with a requirement that three out of four criteria be met.</p> <p>However, in the interests of clarity for applicants, examples such as those listed in the proposed revised purposes can be incorporated where relevant.</p> <p>The ‘creative solutions’ criterion should be retained – but it is accepted that this can just be something which is new for an applicant organisation. The guidance in the application form should ask applicants to explain how the proposed project is new for the applicant.</p>

	<ul style="list-style-type: none"> - <i>Community-owned energy generation, local heat networks and local energy systems</i> - <i>Community-led skills development</i> - <i>Social enterprise and the circular economy</i> - <i>Building capacity and empowering and inspiring communities and individuals to take action</i> - <i>Education and awareness raising</i> - <i>Resilience to the impacts of climate change</i> <p><i>The fund panel is happy to consider creative and innovative responses to climate change which fall outside the above priorities.</i></p>	<p>It should be noted that the current wording of fund priorities is embedded in Foundation Scotland’s agreement with Vattenfall and the Panel’s MoU and ToR. If the panel decide to amend the wording, advice will need to be sought from Vattenfall as to whether they consider the reworded priorities consistent with the previous priorities and whether a contract amendment is required.</p>	
<p>2</p>	<p>The additional criteria are amended and reordered so that:</p> <p>Community impacts is top of the list and adds ‘Community Wealth Building’ and as a possible impact.</p>	<p>Reordering is suggested to avoid readers being presented with the most technically complex piece of guidance on energy hierarchies first. Instead, ‘community impacts’ will be understood by all.</p>	<p>The panel did not wish to use the terms ‘just transition’ and ‘community wealth building’ as these are current policy ‘buzzwords’ which are not</p>

<p>‘Supports a just transition’ is added with a brief explanation of what constitutes a just transition, drawing on the Scottish Govt or Climate Change Committee definition.</p> <p>‘Creating a legacy and lasting impact’ is added with explanatory text, including that a lasting impact can take the form of creating systemic change and capacity building as well as investing in capital assets.</p> <p>‘Sharing knowledge and experience’ adds a reference to intergenerational knowledge sharing.</p> <p>‘Taking a holistic approach’ is at the bottom of the list and refers to the waste hierarchy and transport hierarchy, as well as the energy hierarchy. Consider simplifying the wording to ‘Takes an approach</p>	<p>Including Community Wealth Building chimes with current policy and priorities expressed by consultees.</p> <p>Adding a specific reference to a ‘just transition’ reflects the context of the local area which retains a high degree of economic dependency on fossil fuels. Inclusion would strengthen the case for supporting activities which spread benefits of the transition to disadvantaged communities and individuals or mitigate harms of a potentially unjust transition.</p> <p>In recommendation 1. ‘Legacy and lasting impact’ has been removed from the reworded headline priorities, so is included here.</p> <p>Reference to intergenerational knowledge sharing is added in response to consultee comments.</p>	<p>necessarily widely understood and may not have longevity.</p> <p>The energy hierarchy should continue to be reflected in guidance. However, it was decided that the waste and transport hierarchies are not relevant to the fund, which should remain largely focused on energy.</p>
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	<p>consistent with energy, waste and transport hierarchies’. Explanations of each of these hierarchies will need to be incorporated.</p> <p>Retain ‘making good use of other funding sources’ and ‘organisational impacts’ as per current Fund Strategy.</p>	<p>Waste and transport hierarchies are added for consistency and in response to consultee comments. Reference to a ‘holistic’ approach is removed as the meaning is not completely clear.</p> <p>‘Making good use of other funding’ is retained despite low support from consultees, as this is an important aspect of making best use of the fund.</p>	
3	<p>Wording of additional guidance on what the panel will not support is amended so that:</p> <p>The bullet point on not contributing to general refurbishment costs refers to ‘energy efficiency or resilience’ rather than ‘climate smart’.</p> <p>The bullet point on carbon impacts only excludes projects which increase carbon emissions and avoids reference to litter picks, beach cleans and park improvements.</p>	<p>The suggested amendments respond to consultation feedback and review of the literature on the role of the third sector suggesting that carbon impacts are not the primary role of the third sector in addressing climate change.</p> <p>Other points are directly responding to concerns raised by consultees.</p>	<p>It was felt appropriate to retain ‘climate smart’ wording, which reflects Vattenfall Priorities.</p> <p>The panel felt that carbon savings were fundamental to the fund and emphasis on carbon saving should be retained.</p> <p>Where feasible, applicants should be encouraged to think about how to quantify carbon savings at the application stage and offered tools such as calculators to assist with this.</p>

<p>The bullet point on salaries of core staff is either deleted or makes clear that a proportion related to the project can be met through full cost recovery.</p> <p>The bullet point on professional advice relating to building energy efficiency improvement is made more flexible to include sources other than BES, and makes clear that this isn't required for stand-alone improvements such as LED lighting or adding insulation to a poorly insulated building, where benefits are clear.</p>		<p>This should improve reporting of carbon savings for successful projects.</p> <p>The option of a student project to assess carbon savings in case study projects was considered and will be revisited.</p> <p>The panel wished to retain the current exclusion of core costs and staffing costs, unless directly contributing to delivering a project. However, it was acknowledged that capacity can be an issue, and many groups would benefit from support. NESCAN's team of development workers will be one source of support as well as Local Energy Scotland's development officer and TSIs – the fund guidance should signpost to these sources of support.</p>
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Delivery Arrangements			
4	It is not recommended to introduce microgrants in 2024. However, the panel should continue to assess the likely demand for microgrants available to unconstituted organisations and potential partners for administering microgrants.	Consultees have expressed the view that easily accessible small grants available to unconstituted organisations would be welcome. However, NESCAN’s seed fund is not oversubscribed, suggesting demand may be limited and a microgrant fund could be seen as duplicating NESCAN’s fund.	Agreed.
5	The panel may wish to consider setting aside a small portion of the fund to support bursaries for individuals undertaking relevant education and training. Further exploratory work would need to be done with stakeholder organisations to identify the most appropriate opportunities.	Training and skills development are clearly priorities among consultees. An open bursary fund is unlikely to be workable in an area as large as Aberdeen and Aberdeenshire. However, the panel could decide to fund a set number of bursaries in partnership with a training or educational establishment. A call could be issued for expressions of interest alongside the 2024 fund launch, or providers could be approached directly.	Vattenfall do not wish the fund to be used to support individuals. The panel agreed that the fund should not support bursaries. However, if a community apply to fund a project offering training to the wider community, this could potentially be supported.

6	<p>The fund should be actively promoted in Banff and Buchan through a face-to-face event to publicise the 2024 fund launch and working collaboratively with the NESCAN development officer and local authority contacts for local grant schemes. The number of applications from the area should be reviewed when applications close to see if this makes a difference, and alternative approaches such as commissioning considered in 2025 if applications don't increase.</p>	<p>It is not clear why there have been so few applications and awards in the north of the fund area. Targeting publicity on Banff and Buchan in 2024 will test whether this is just down to a lack of awareness of the fund. If there is no increase in application levels, it suggests there is a deeper issue with awareness of climate issues or a lack of capacity. This could be addressed through commissioning targeted activities to raise awareness and build capacity.</p>	<p>Agreed. Foundation Scotland have made contact with NESCAN and appropriate council staff. Vattenfall are happy to be involved in local activities.</p>
7	<p>The panel should consider developing a policy on when project funding extensions are acceptable and for how long extensions should be given before an award is withdrawn.</p>	<p>Many projects face delays outside their control, and the panel needs to be sufficiently flexible to accommodate these. However, as the fund guidance states that projects should be able to start within twelve months, it would not be appropriate to give unlimited extensions. Projects need to be given sufficient warning that an award could be withdrawn if they are not able to commence by a certain date.</p>	<p>The panel were happy to retain the current guidance whereby projects have to apply for a variation if they are unable to draw down grants within 12 months.</p>

8	If the priorities are expanded as proposed in recommendation 1, the Foundation Scotland full set of outcome and impact indicators should be reviewed and categories added to reflect the broader scope of the fund.	Currently only three sets of outcomes are selected for the fund. More being added will give more flexibility (however, see point below)	Foundation Scotland are currently prioritising revising the impact monitoring system to improve its effectiveness.
9	Foundation Scotland should continue to review the reporting of outcome and indicator metrics to assess the quality of the information given and identify how grantees can best be supported in reporting impact and learning.	Reviewing the data reported by projects using the new impact indicators to date revealed issues in how requirements had been interpreted. Foundation Scotland is aware of this and working on revising and reducing metrics and the support given to grantees.	See above. The Fund Advisor will also work with applicants to ensure they select appropriate indicators and understand reporting requirements.
10	The panel trials a single stage assessment process for all applications in 2024 and assesses whether this saves time for applicants, Foundation Scotland and panel members.	The two-stage process was introduced early in the fund when there were a significant number of applications with a poor fit with fund priorities. This appears to be less of a problem now and could be changed.	The panel preferred to retain the current two stage process. The 'traffic light' system on the panel portal may help when dealing with large numbers of applications.

11	That the panel considers if they would like to develop a mechanism for engaging young people in decision-making and reviews the options available for doing this.	There are a number of ways that young people could be brought into the decision-making process if this is a panel priority. Further work would need to be done with youth organisations locally to develop an appropriate model.	This will be considered when new panel members are recruited at the end of this year.
	No recommendation was made on increasing the maximum award		The panel agreed that the maximum award should be increased to reflect inflation. The maximum in any one year would be increased to £20k, with a total maximum over all years to be £40k. The exact wording on the guidance would be drafted by Foundation Scotland and agreed by the panel, addressing the complexities involved in transitional arrangements.

Blackdog			
12	The revised Fund Strategy should make clear what can be funded in Blackdog, based on the priorities identified by the community, providing that these don't go against the overall objectives of the fund or specific fund exclusions.	<p>There has been confusion in the past about what can be funded. None of the proposals made by the community would be inconsistent with the overall fund objectives.</p> <p>The committee of the Residents' Association has recently changed, making clarity for the new committee all the more important.</p>	<p>The panel and Vattenfall accepted that there is more flexibility in what can be funded in Blackdog, as long as it is reasonably consistent with the objectives of the fund.</p> <p>It was agreed that Vattenfall and Foundation Scotland should meet with Blackdog Residents Association to consider their priorities further and what can be funded. It was clarified that Blackdog could apply for the non-ringfenced fund.</p>
13	The panel should consider whether a proportion of the Blackdog allocation could be given to the Residents' Association as unrestricted funds to support activities in the village such as maintenance and upkeep activities.	The Residents' Association members have limited capacity and find making applications to the fund challenging, particularly aspects such as obtaining quotes. Having a small flexible fund would be welcomed.	The option of unrestricted funding would be considered further once the meeting with Vattenfall and Foundation Scotland has taken place.

General			
14	A publicity plan should be developed jointly between the panel, FS communities team, FS communications team and Vattenfall which incorporates the 2024 fund being open, new priorities (if the panel decides these should be changed) and the impacts of the first five years.	Foundation Scotland’s communications team will be assisting with preparing a final version of this report for public release (for example, commissioning professional photography). They are also keen to follow up video outputs. However, this needs to integrate with the 2024 fund launch – so there are likely to be a number of different outputs to different audiences. Further planning is required to ensure that the right messages reach the right audiences at the right time.	The priority will be getting the fund open for 2024. Following this, further work would be done with Foundation Scotland Communications Team and Vattenfall on publicising the successes of the fund in the first five years.

Annex: Consultees

With thanks to the following people and organisations who contributed to the evaluation and review:

Alasdair Ross, Claire Shaw, Sarah Irvine, ACVO

Amy Gray, Scottish Enterprise

Andrew McCartney, Tony Denison, Meldrum Amenities Improvement Group

Bridget Scott, Bettridge Centre

Carole Monnier, Lauren Braidwood, Energy Transition Zone

Emma Hall, Creative Carbon Scotland

Francesca Clair, Rachel Smith, NESCAN

Jim Johnstone, Aberdeen City Council

Jim Porter, Inverurie Loco Works F.C.

John Wigglesworth, Bonnymuir Green Community Trust

Keith Anderson, AVA

Ken Gordon, Zero Carbon Daviot and Ground Source Heat Pump Association

Marion McDonald, Foundation Scotland

Matt Clubb, mwclubb Architectural Design

Nicolas Nino-Ramirez, Camphill School Aberdeen

Rachel Yule, Local Energy Scotland

Robert Brown, Strachan Village Hall

Philp Lay, Aboyne and Mid-Deeside Community Shed

Tavis Potts, University of Aberdeen

Victoria Mackay, Community Energy Scotland

Yvonne D'Ambruoso, Aberdeenshire Council

Also:

Blackdog Residents' Association

Members of the Aberdeen Renewable Energy Group Board

Members of the Torry community

The Vattenfall Unlock our Future Fund Panel:

- Morag McCorkindale (Chair)
- Jean Morrison (AREG representative)
- Rob Clunas
- Lyndsey Leiper
- Amy Gray
- David Nicolson
- Roederer Rose Lyne
- Guy Haslam

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