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24 February 2026

Dear Finlay

POST-BUDGET SCRUTINY 2026-27

Following my evidence to the Committee on 21 January 2026, I agreed to provide additional information on the points set out below.

Agri Environment Climate Scheme (AECS) participation

- Data on AECS participation, specifically the number of farmers who have participated in the scheme in previous years and current participation levels.

We do not hold information relating to the number of farmers who have been or are in receipt of AECS contracts. AECS awards contracts to businesses not individuals, and one business can have multiple contracts.

As a result of the AECS 2025 round, 216 applications have been assessed as being suitable for funding. Data on the AECS applications received each year since 2015 is set out in the table on the next page. The smaller number of applications for AECS 2025 reflects that there is not the usual cohort of applicants whose 5-year agreement ended in 2025, given that there was no application round in 2020, with existing contracts at that time extended to 2026.

Round	Sub- mitted	Withdrawn by Applicant (pre- Assessment)	Assessed Applications										
			Asses- sed	Approved		Contracts not Accepted by Applicant		Contracts Accepted		Rejected - Ineligible		Unsuccessful	
				No.	No.	%	No.	% of approved	No.	% of approved	No.	%	No.
2015	977	50	927	593	64	35	6	558	94	234	25	100	11
2016	1,333	82	1,251	979	78	72	7	907	93	193	15	79	6
2017	1,022	33	989	807	82	65	8	742	92	138	14	44	4
2018	923	23	900	604	68	39	6	565	94	97	11	199	22
2019	723	15	708	506	71	39	8	467	92	72	10	131	19
2020*	0	0	0	547	0	57	9	490	90	0	0	0	0
2021	780	30	750	627	84	56	9	571	91	86	11	37	6
2022	1,027	38	989	712	72	46	6	666	94	75	8	202	20
2023	643	22	621	574	92	46	8	528	92	46	7	1	0
2024	618	15	603	539	89	60	11	479	89	45	7	19	3
2025	253	12	241	216	90	1	0	7	3	25	10	0	0
Total	8,299	320	7,979	6,157	77	459	7	5,490	89	1,011	13	812	10

*The 2020 AECS Round consisted of a one-year extension of management options ending in 2020. The 7 contracts accepted in 2025, were from the Irrigation Lagoon applications approved in 2025. The Organic and Agri-Environment applications have just been approved, so the process of issuing contracts to successful businesses has only just begun.

AECS 2026 opened for applications on 23 February 2026, with eligibility for several options having been widened, for instance through the removal of geographical targeting. Further detail is available on the [AECS webpage](#).

AECS will run until at least 2030, subject to the annual budget setting process, to continue to deliver significant benefits for farmers, crofters and our environment as we transition to the future framework of support. This is reflected in the updated [Agricultural Reform Programme Route Map](#).

Agricultural Modernisation Fund

- Clarification on the timeline for announcing the modernisation fund and details on how it will be delivered.

I wrote to the Committee on 6 February 2026 setting out our plans for the Agricultural Modernisation Fund.

Agricultural Transformation and the Agricultural Reform Programme

- A breakdown of total cumulative spending on agricultural transformation and the agricultural reform programme since 2021.

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Table: Breakdown of total cumulative spending on agricultural transformation and the agricultural reform programme since 2021

	2021-22 outturn	2022-23 outturn	2023-24 outturn	2024-25 outturn	2025-26 ABR budget
National Test Programme	Nil	1,775,000	3,839,000	6,076,000	3,000,000
ARP Delivery Costs: Resource	Nil	509,000	2,554,000	4,304,000	5,000,000
ARP Development Support: Capital	Nil	3,094,000	3,635,000	2,234,000	3,000,000
Agricultural Reform Programme	Nil	5,378,000	10,028,000	12,613,000	11,000,000
Agricultural Transformation Fund	6,962,000	3,182,000	1,528,000	4,666,000	8,750,000

The table above sets out the spend on the Agricultural Reform Programme (ARP) and the Agricultural Transformation Fund (ATF) from 2021-22 to 2024-25, and the updated ABR budget for 2025-26.

The ARP budget is subdivided into the National Test Programme, and resource and capital lines which support ARP delivery and development respectively.

The National Test Programme, announced in 2021, was designed to help farmers and crofters through a period of agricultural reform. This budget has delivered the Preparing for Sustainable Farming scheme, which has supported farmers and crofters to undertake the foundational plans and audits to support delivery of the Whole Farm Plan. This is transitional support, and 2025-26 will be its final year.

The ARP Delivery Costs: Resource budget supports delivering policy and legislative changes, communications to our stakeholders and carrying out vital research with the farming community.

The ARP Development Support: Capital supports investment in data and digital services, user research, and business case development. This investment will help to support the roll out of the four-tier support framework.

The ATF budget has funded activity across the Sustainable Agriculture Capital Grant Scheme (for capital items such as precision slurry-spreading equipment), the Agri-environment Climate Scheme (including slurry-storage facilities and irrigation lagoons) and the Future Farming Investment Scheme.

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Women in Dairy network

- Details on funding to support the Women in Dairy network.

The Women in Dairy network is supported by a range of organisations - NFU Scotland, the Royal Association of British Dairy Farmers, Digital Dairy Chain, Boehringer-Ingelheim and the Scottish Government. The network aims to connect, share knowledge and inspire women in the industry, and is normally run in collaboration with local coordinators.

Previously the Scottish Government provided Women in Agriculture Scotland with a small amount of grant funding to run relevant workshops and activities across the country including for the Women in Dairy Network. We continue to engage with Women in Agriculture Scotland to assist them in delivering events and network opportunities sought by their members; including those who are also a member of the Women in Dairy Network. In addition, the Women in Agriculture Practical Training Fund has previously supported women and girls (aged 13+) involved in the dairy industry to increase their skills and career path options. A procurement process is currently underway for this fund and once procured, the fund will again be able to support women and girls (aged 13+) to access the right training opportunities for their needs.

Aberdeen Marine Laboratories

- Follow-up on the specific budget allocation for the long-term redevelopment of the Aberdeen marine labs.

The Scottish Procurement and Property Directorate is responsible for the management of the Scottish Government estate which includes Marine Directorate laboratories and office buildings. This responsibility covers the funding of repairs, maintenance and new works.

The capital budget is shown against the Finance Spending Plans (Scottish Government Capital Projects) and the resource budget sits within the wider estates allocation which is included in the Corporate Running Costs section, both budgets are included in the Finance and Local Government Portfolio ([Scottish Budget 2026 to 2027 - gov.scot](https://www.gov.scot/budget/2026-2027)). Marine Directorate will continue to work with colleagues in the Scottish Government's Workplace Division and Scottish Procurement and Property Directorate (SPPD) as part of the MarLab Project Board to develop short, medium and long-term solutions for the problems encountered at the Aberdeen site.

Marine Directorate Funding

- Further information on the Marine Directorate's funding.

The Marine budget sets out the resource and capital allocations provided to Marine Directorate. The Directorate has budget responsibility for all activities that fall within its remit except for estate costs which are the responsibility of Scottish Procurement and Property Directorate.

The Directorate carries out a detailed business planning exercise which will conclude in late March in time for the beginning of the new financial year. As a result of the timing, it is not possible to present a more granular budget position on the face of the budget documents.

However, the table below provides the draft indicative allocations on which the 2026-27 budget is based. As happened last year, the confirmed budget breakdown can be provided to the Committee once the allocations have been finalised.

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	2024 -25 Budget £m	2025-26 Budget £m	2026-27 Draft Budget £m
Operational Delivery	29.3	28.9	28.5
Science Evidence, Data and Digital	16.5	19.1	20.3
Marine Economy and Communities	4.1	3.9	4
Marine Environment	8.2	8	7.1
Corporate, Strategy and Marine Planning	6.5	6.7	7.2
Fiscal Resource Total	64.6	66.6	67.1
Non-cash	6.1	5.7	5.7
Capital	7.3	7.3	6.5
Total	78	79.6	79.3

Marine Directorate Science and Research

- Further information on how much science and research is commissioned by the Marine Directorate from other countries.

Marine Directorate does not actively 'buy-in' science and research from other countries, although it does engage with other countries in the delivery of science and research through collaboration on external projects e.g. PrePARED Project.

PrePARED is a collaborative research project, funded by the Offshore Wind Evidence & Change programme and Crown Estate Scotland. It concurrently studies predator (seabird and marine mammal) and prey (fish) distribution and behaviour in and around offshore wind farms, providing critical insight into cumulative effects from large scale development for key species. The project is coordinated by Marine Directorate Science and one of the partner organisations is the University of Aarhus who received £87,500 in 2025 for the work they undertook.

It is very rare that Marine Directorate Science Division cannot provide the research and data analysis that the Directorate requires. There are some instances where Science Division has used other UK organisations for the delivery of work, and examples are provided below. The costs will vary year-on-year dependent on the number of samples submitted.

- University of Edinburgh for CO₂ concentration in sea water samples (ocean acidification) due to loss of onsite facilities. This was a one-off payment in 2022 for around £5,000.
- CEFAS to conduct whole sediment digest and analysis (risk associated with hydrofluoric acid digests is too great for SEDD to take on). This is conducted annually and costs around £25,000
- eDNA samples for metabarcoding at the University of Exeter. The cost of the analysis, last undertaken in 2022, was around £3,200.
- PCR products for sequencing of unknown organisms at the University of Dundee. This is annual requirement with costs dependent on the number of samples submitted, at a cost of around £1,000.

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Examples of where the Science Division collaborates with other government bodies and organisations outside Scottish Government:

- Collaboration with SEPA, NatureScot and JNCC through shared survey work for aquaculture monitoring and benthic mapping.
- Long history of collaboration with the Scottish Association for Marine Science (SAMS) particularly in the areas of marine mammals, aquaculture impacts, hydrography and pelagic habitats
- Collaboration with the Moredun Institute to conduct research in support of the aquaculture industry.
- Co-ordination of the PrePared project results in SEDD collaborating with the University of Aberdeen, University of Exeter, United Kingdom Centre for Ecology and Hydrology, Biomathematics and Statistics Scotland and, Scottish Mammals Research Unit SMRU Group.
- Working closely with fishing industry partners on data collection, including the Scottish Fishermen's Federation Observer Programme (funded through MFS), working with Scottish Pelagic Fishermen's Association on the co-sampling and self-sampling programmes for pelagic stocks and joint delivery of multiple fisheries surveys.
- Working internationally on the development of advice on fishing opportunities for shared stocks through the International Council for the Exploration of the Seas (ICES), providing data and expertise to assess shared stocks of value and importance to the Scottish industry. Effort and expertise is shared across member countries, with Scotland currently leading on 20 stocks and contributing to the peer review of many others. Assessments of other stocks of interest to Scotland are led on by other member countries to ICES.
- Through the ScotMER (Scottish Marine Energy Research) Programme administered by the Offshore Wind Directorate which identifies priority knowledge gaps, the bulk of marine renewables related research is externally commissioned.
- Research to support policy on marine mammals is primarily undertaken through a contract with SMRU at St Andrews University (Marine Mammal Scientific Support – MMSS). This provides research and scientific advice on marine mammal interactions with industry, the harbour seal decline and seal interactions with salmon in rivers. This contract was worth £252k in 2025-26.
- Research and investigations into strandings of marine mammals is contracted out to the University of Glasgow, under the Scottish Marine Animals Stranding Scheme (SMASS). This contract is managed by the policy area, with scientific support from the Science Division. This contract is worth £151K annually.

Carbon Neutral Islands Programme

- Specific details on the carbon neutral islands programme.
- Clarification on whether funding for community development officers has been fully approved.

The Carbon Neutral Islands (CNI) Project has funded a wide range of island-led decarbonisation projects to date. Whilst the key focus is the reduction of island carbon emissions, the projects have also delivered wider benefits for the communities involved, such as lowering energy bills and enhancing community spaces. A major factor in the projects' success to date has been the investment of resources directly into communities,

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giving them the capacity to take forward their own priorities and implement their Climate Action Plans.

Although future funding cannot be committed before the Budget Bill has passed, officials have been working closely with project partners on forward workplans. Importantly, the proposed 2026-27 budget maintains the resource funding required to continue supporting the Community Development Officers and their work in taking the programme forward.

A selection of initiatives funded through the CNI Capital Fund are included below to demonstrate the scope of work it has supported.

- **Decarbonising Community Spaces (Barra and Vatersay)**
This project will install renewable energy and energy efficiency upgrades in community spaces across Barra and Vatersay
- **Sellafirth Community Hub (Yell)**
This project will create a mixed-use, low-carbon community hub on Yell, supporting business start-ups, training, renewables, arts, heritage, and tourism.
- **Hoy Community Transport Electrification Project (Hoy)**
The Island of Hoy Development Trust fully electrifying its community transport fleet.
- **Millport Solar PV and Battery Project (Cumbrae)**
This project has installed roof-mounted solar PV systems on a number of domestic properties in Millport with an aim of completing installs on 100 homes.
- **Decarbonisation of Islay Community Buildings (Islay)**
This project is a three-phase project aimed at improving the long-term sustainability of Islay's community-owned buildings through retrofitting energy efficiency measures
- **Forestry Initiative (Islay)**
This initiative is developing a 3 acre tree nursery alongside a community orchard and local fuel wood supply chain infrastructure.
- **Habitat Restoration (Raasay)**
This project has worked to restore habitats through the removal of invasive species on Raasay
- **Inverarish Housing Retrofit (Raasay)**
This project has retrofitted three affordable rental properties with zero direct emission heating systems.
- **Community Solar Array (Islay)**
A 192 panel solar array has been installed and connected to the local energy grid.

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Rural Cohesion

- More detailed information on what is included within the rural cohesion budget lines.

In 2025-26, the Rural Cohesion budget funded rural elements of the Addressing Depopulation Action Plan (£142,500), as well as core funding for GrowBiz (a third sector organisation that supports rural small and micro businesses, £150,000). It also provided core funding to Scottish Rural Action (£88,100), and the National Rural Mental Health Forum (£30,000, in tandem with similar funding from the Health and Social Care Portfolio). The remaining spend was directed towards research, policy development and piloting activities with the aim of furthering rural development.

It should be noted that the Rural Cohesion budget is reduced in the draft 2026-27 Budget, but this change is due to core funding for Scottish Rural Action and the National Rural Mental Health Forum being transferred across to the Scottish Rural Network (SRN) budget line. This budget already funds Scottish Rural Action so it brings its funding together into a single budget line. The SRN budget which funds other third sector organisations with a rural networking focus, is also a more logical budget from which to fund the National Rural Mental Health Forum.

With these exceptions, it is envisaged that the 2026-27 Rural Cohesion budget will fund similar activities to those funded in 2025-26. The allocations to each activity are currently being finalised, based on an assessment of need.



MAIRI GOUGEON