

Cross Party Group in the Scottish Parliament on Rural Policy

Wednesday 28th November 2018

6.15-7.30pm

Dynamic Earth, Ozone room

The Delivery of Public Goods

Minutes

Attendees

Full Name	Affiliation
Mark Aitken	SEPA
Dave Arnott	Bangor University
Rebecca Audsley	SAC Consulting
Chris Bailey	RSPB
David Baldock	
Rebecca Barrett	North Pennines Area of Outstanding Natural Beauty
Andrew Bauer	SAC Consulting
Graeme Beale	Scottish Government
Ana Birliga-Sutherland	SRUC/University of Edinburgh student
Kirsty Blackstock	James Hutton Institute
Anna Brand	RSPB
Kirsten Brewster	SNH
Andrew Brough	Buccleuch Estates
Rosalind Bryce	University of the Highlands and Islands
Diane Burgess	AgriFood and BioScience Institute
Andrew Chilombo	SRUC/University of Edinburgh student
Tak Wei Chow	SRUC/University of Edinburgh student
Kelly Collis	SRUC/University of Edinburgh student
Graeme Cook	SPICe
Jenny Craven	Natural England
Bill Crooks	SRUC
Neil Cummings	Horticulture Trades Association
Ronald Daalmans	Chivas Brothers
Neil Davidson	Scottish Government
Maria de la Torre	Scottish Natural Heritage
Karen Dobbie	Scottish Environment Protection Agency
David Donnelly	James Hutton Institute
Caroline Drummond	Linking Environment & Farming (LEAF)
David Edwards	Forestry Commission
Vera Eory	SRUC
Joanna Ferreira	SRUC
John Fyall	National Sheep Association Scotland
Jenn Garvin	SRUC/University of Edinburgh student
Jayne Glass	University of the Highlands and Islands
Dave Gorman	University of Edinburgh
Alistair Hamilton	SRUC
Nicholas Harvey	Scottish Parliament
Richard Haw	Scottish Government
Adam Hejnowicz	University of York

Kathryn Henderson	SRUC/University of Edinburgh student
Harriet Houlsby	Scottish Government
Jim Hume	National Rural Mental Health Forum
Mike Image	ADAS
Akshay Jain	SRUC/University of Edinburgh student
Gwyn Jones	European Forum on Nature Conservation and Pastoralism
Eleanor Kay	Policy Adviser Scottish Land & Estates
Eva Kleinert	Senior Research Officer RESAS
Andrew Lacey	SAC Consulting
Jia Yen Lai	University of Edinburgh/SRUC student
Scott Leatham	Scottish Wildlife Trust
Michele MacDonald	Farmer
Siobhan Macdonald	SAC Consulting
Catriona Maclean	Scottish Government
Ross Macleod	Game and Wildlife Conservation Trust
Robert McCall	
Oonagh McCann	Department of Agriculture, Environment and Rural Affairs, Northern Ireland
Tom McKenna	Scottish Natural Heritage
Seonaidh McKenzie	BBC Alba
Ross McLaren	Scottish Churches Rural Group
Kit McLeod	James Hutton Institute
Julie Melville	Lothian Broadband
David Michie	Soil Association Scotland
David Miller	James Hutton Institute
George Milne	National Sheep Association
Lucy Mitchell	Young Farmers Association
Edward Mountain	MSP
Arina Nagy-Vizitiu	The Woodland Trust
Jamie Newbold	SRUC
Paula Novo	SRUC
Nancy Odwey	SRUC/University of Edinburgh student
Robin Pakeman	James Hutton Institute
George Peart	
Courtney Peyton	Chair of CADISPA/Director of Thirdwave
Rob Piggot	Development Officer - PAS (Planning Aid for Scotland)
Katherine Pollard	Scottish Land Commission
Thomas Quinn	RSPB Scotland
Pete Ritchie	Nourish Scotland
James Robinson	Forestry Commission
Neil Ross	Highlands and Islands Enterprise
Peter Ross	Dumfries and Galloway LEADER
Ken Rundle	
Eva-Maria Scholz	Natural England
Douglas Scott	Scottish Borders Council
Catherine Seeds	SRUC
Alex Kaars Sijpesteijn	North Pennines Area of Outstanding Natural Beauty
Sarah Skerratt	SRUC
Clare Slipper	NFUS
Rebecca Thomson	North York Moors National Park Authority
Daye Tucker	Carbeth Home Farm
Gregory Valatin	Forestry Commission
Christiane Valluri-Nitsch	University of Edinburgh (Alumni)

Andy Vinten	James Hutton Institute
Elise Wach	Coventry University
David Walls	Lothian Broadband Networks Limited
Allan Watt	Centre for Ecology and Hydrology
Beth Webb	Soil Association Scotland
Jon Westlake	Welsh Government
Laura Young	SRUC/University of Edinburgh student

Apologies

Full Name	Affiliation
Frank Beattie	Scottish Enterprise
Margaret Currie	James Hutton Institute
David Gass	Upper Quartile
Wayne Grills	British Association of Landscape Industries (BALI)
Emma Harper	MSP
David Henderson-Howat	Care Farming Scotland
Nicola Hill	Field Officer Dumfries and Galloway LEADER programme
John Hutchison	Community Land Scotland
Shaun Marley	Stirling Council
Andrew Millar	Scottish Government
John Mitchell	Anderson Strathern
Penny Montgomerie	Scottish Association Young Farmers Clubs
Duncan Nisbet	Scottish Government
Keith Robson	Multiple Sclerosis Society
Mark Ruskell	MSP
Geoff Simm	University of Edinburgh
Colin Smyth	MSP
Archie Stewart	Landmaps Ltd
Rachel Tennant	Chair - Landscape Institute Scotland
Bethan Thompson	SRUC
Leanne Townsend	James Hutton Institute
David Wood	Planning Aid Scotland

1. Welcome, introductions and apologies

John Scott MSP (chair) welcomed everyone to the meeting. He particularly welcomed delegates from the 'Rewarding the Delivery of Public Goods' Conference (taking place in Dynamic Earth at the same time) who were attending the Cross Party Group meeting for the first time and from overseas. He noted that this Group is always well attended but tonight was another record attendance and it was a pleasure to be hosting the Group meeting alongside the Conference.

He noted that Edward Mountain MSP and Peter Chapman MSP were also present.

He encouraged those using social media during the meeting to use the conference Twitter hashtag: #landuseconf.

He referred back to the discussion at the Group's June meeting on technology and how it may be used to measure and monitor the delivery of public goods, which prompted the Group to return to this theme in this meeting. He also noted the Scottish Parliament's strong

interest in climate change, carbon reduction and land use issues (including through the current Climate Change Bill) and finding ways in which we can move towards a carbon-free future.

2. Approval of the minutes of the previous meeting

John Scott MSP noted that the unapproved minutes from the October Group meeting will be circulated shortly. These will be approved alongside the minutes from tonight's meeting at the subsequent Group meeting in March 2019.

3. Presentations followed by discussion

- ***Davy McCracken (SRUC): Why a focus on public funding for public goods?***

Davy began the presentations by providing an overview of why we should focus on public funding for public goods. He argued that the delivery of public goods and the mechanisms for doing so will inform the future rationale for payments to farmers and other land managers for their activities. In Scotland the scale of need and opportunity are significant. Davy presented graphics showing how in many areas of Scotland upland biodiversity is in poor condition, demonstrating the scale of action needed to make changes is huge; actions will need to be taken usually at landscape scale by all land managers in an area. He noted the issue of poor water quality in lowland areas in the east of Scotland, but also highlighted the water quantity issue in much of (upland) Scotland, which can result in (more frequent) flooding in some downstream locations if upland management is not effective. He noted the extent of peatland in Scotland's uplands, but that 70% of it is degraded and is therefore emitting greenhouse gases to the atmosphere. He also noted the significant proportion of native woodland which is in poor condition and therefore not delivering its maximum biodiversity benefits. Further woodland creation is also required in Scotland, potentially bringing a range of benefits, including economic, biodiversity, etc. if managed correctly.

Davy then discussed the practicalities of delivering public goods, including the need to have appropriately trained land managers and funding streams. Facilitation may be required to encourage individuals to get involved and to support the management of schemes. It also should be remembered that 'one size does not fit all' in terms of payments and rewards. Davy noted that the Land Use Conference is investigating many of these issues and introduced the other 3 speakers tonight who will speak about their practical experiences of schemes to deliver public goods in their countries.

- ***Roger Madrigal (Environment for Development for Central America and the Tropical Agricultural Research and Higher Education Centre): Paying for ecosystem services in Costa Rica***

Roger started by outlining the basic idea behind the payment for ecosystem services (PES) schemes in Costa Rica, which is to exchange money for land management practices which are intended to ensure the flow of a range of benefits from natural systems. Schemes have grown rapidly in number over the last two decades. Costa Rica is often regarded as pioneering policy in this area, but its success is the result of ensuring that enabling conditions are in place, including public policies and market incentives.

The Costa Rica economy now, to a great extent, depends on industries which are based on nature with the government strongly promoting a transition to a green economy and legal tools used to help protect the environment. The government is facing a challenge, however, as they do not have the budget to cover all of the land that could be in the programme and only 50% of the total applicants can receive money.

The government is seeking to move from a donor based approach to getting private sector support for the schemes, to an approach based on investment, so moving from a situation in which few companies contribute on a voluntary basis, to a scenario where more companies contribute financially towards schemes. One of the key success factors is providing better evidence of the benefits of the schemes to encourage businesses to participate. This includes building simple cost benefit analyses to demonstrate the benefits and value to companies of their investment.

- ***Caroline Sullivan (Hen Harrier Project, Ireland): Implementing results-based environmental schemes in Ireland***

Caroline started by noting that the company running the Project is a private company which was awarded the contract in May 2017, and they run a mix of large and small sites. The objective is to engage farmers through financial incentives. Success is dependent on farmers feeling like they are part of the programme. It is still a pilot scheme so it is adaptable and changes have been made on feedback to date. There are five full time staff and two partner organisations involved, with the programme formally launched in December 2017. 1500 applications were received in the first three months, and a total of 1700 applications have been received to date.

There are three strands to the programme, the largest being habitat quality. There is a 10 point scoring system for supporting actions – scoring 5 and above means that help can be received to improve habitat, and then there is a specific hen harrier payment. The call is an open one and is designed to place as small a burden as possible on farmers, including through a straightforward application form. The farmer signs the contract, hires an adviser and submits his/her claim. The time period between paying the adviser and receiving the money is short.

Key to the scheme's success is having good advisers. Many are private consultants and they are provided with field support, feedback mechanisms and additional training based on checks carried out in year 1. There is a high level of input provided at the outset but that results in the skills base being built up for the programme in the longer term.

- ***Steve Chaplin (Natural England): Agri-environment scheme delivery in England***

Steve's presentation focused on the Countryside Stewardship Scheme Facilitation Fund. He remarked that for this Scheme, landscape scale coordination is critical (based on reviews of previous schemes). In England, the approach taken to delivering public goods has typically been 'soft guidance', which has evolved towards the use of schemes and clusters – i.e. agglomeration in order to achieve particular configurations of management and to achieve particular outcomes.

Collective agreements are emerging – groups of farmers with one single agreement – in the form of small collectives which are managing large areas of land. A target auction is held in which the desired outcome is defined and an auction is operated in order to achieve that; the auction is not successful until a threshold is reached.

The Facilitation Fund was launched in 2015 with £8 million of ERDP funding under measure 16. It operates for groups with a minimum of 4 holdings with 20 ha and funding is received for a 3 year period. In order to develop cooperation amongst people, new agreements are brought forward which are consistent with the overall priorities and existing agreements are adjusted to align better with the high level priorities identified. Coordination and training is provided for the group as a whole and links are encouraged with other initiatives operating in these areas. There are currently 100 groups operating. In general, the more focused a group, the better they are at demonstrating good results.

- **Questions and Discussion**

- John Fyall, National Sheep Association: John commented that December is the end of the consultation period on sea eagles and this is likely to provoke some serious discussions in Scotland. How can opposing positions be brought together?
 - Caroline Sullivan commented that the score cards used in the Hen Harrier Project are available online so you can see the habitats that are regarded as key (hen harrier nesting areas) and the cards are clear and easy to understand in terms of how to make the assessment. The assessment is for multiple ecosystem services, not just for hen harriers. In terms of the 'nuts and bolts' of farmers participating, the farmer applies, and if they are in an existing agri-environment scheme then they are still eligible to apply to and receive funding from the Hen Harrier Project. Farmers receive 370 Euro payments for the agri-environment schemes, and the Hen Harrier Project pays an additional 135 Euros per hectare on top of that. The payment is based on a points system and is easy to understand (for example, proximity to a nesting pair of birds, a fledgling nest, etc.). The method used in the Hen Harrier Project could easily be applied to other species, including sea eagles for example.
- Jim Hume, National Rural Mental Health Forum: Jim asked the panel about the wider issues of keeping people in rural communities and improving wellbeing. He noted the good examples of care farming in Ireland and social prescribing being used in the NHS, for example in Shetland. How are the potentially wider benefits of such schemes being recognised and monitored?
 - Caroline Sullivan noted that when the Hen Harrier Project was being designed, they were mindful of the context and communities in which the Project would be operating, for example, in terms of ageing farmer communities in remote rural areas. They ensure that the Project's website is well stocked with information

but they also have an office that farmers can still call into or phone at any time. They make sure that applications are easy to complete and can be completed by hand and posted to the office by those who do not wish to complete it online. Any training that is provided is done as close to farms as possible to ensure it is as accessible as possible.

- Jim Hume, National Rural Mental Health Forum: asked a follow up question about the use of land for a wide range of public benefits, for example to help maximise the health and wellbeing of the general public.
 - Davy McCracken referred back to comments made at the last Cross Party Group meeting regarding the engagement of farmers and other land managers which helps to encourage a sense of engagement and that their opinions are valued.
 - Steve Chaplin commented that access has been a consistent part of schemes in England over many years. The current results-based pilot projects encourage farmers to come together and engage in peer-to-peer networking. A range of benefits are likely to flow from this kind of shared learning approach.
- John Scott MSP (chair) asked Roger to expand on how Costa Rica has worked on bringing in private sector investors.
 - Roger Madrigal responded that this process is just starting and as yet there is not a huge amount of experience but that is the aim, and there is enthusiasm for this to occur. Some interesting agreements between government and the private sector are starting to emerge. For example, there are hydroelectric companies which are contributing on a voluntary basis in order to protect forests in areas being used for hydroelectric production. At present, companies are still unclear as to what benefits they will receive apart from a certificate so no big money has come this way so far. Roger noted the difficulties that exist in terms of measuring and quantifying ecosystem services, noting that while water is relatively easy, the others are considerably harder. For example, scientific evidence is available to demonstrate how savings could be made in terms of reduced treatment costs for water companies and this could be used to inform the design of a compulsory scheme. So improving the evidence base for companies to understand the extent and range of potential benefits (as well as the costs) is critically important in order to encourage more to participate, or to make schemes compulsory. There are some examples of the latter in Costa Rica and the government is keen to scale these up to the national level but there are many challenges to achieving this.
- Ian Hodge (Cambridge University): asked a question regarding the apparent mismatch of demand and supply, and questioned if the price had been set wrong. He asked a further question regarding what the requirements are of those supplying the services compared with what they would have done in the absence of a payment.
 - Roger Madrigal commented that the national scheme also includes social objectives, such as poverty reduction. He acknowledged that the price may be wrong and that might be a reason for the mismatch in terms of demand and supply. However, he noted that the opportunity cost of land in Costa Rica is low because at the same time as the government implemented the national PES scheme in 1996, it created a prohibition for cutting forests on private land so by law the opportunity cost is zero.

- Daye Tucker: To what extent does the panel think that the rising importance placed on ecosystem services is being driven and aided by millennials as they have a different mindset from those born earlier? They are more into 'touchy-feely' stuff and more concerned with the future and sustainability and biodiversity issues, and they have different needs and demands compared to older generations.
 - Davy McCracken commented that, although his experience reflects the kinds of people who he is mostly working with, other people are just as 'touchy-feely' and engaged as the millennials. He therefore does not think that millennials are the major driving force behind the new focus, it's a more general growing concern with climate change, biodiversity loss, etc. The millennials just maybe shout more loudly.
 - Caroline Sullivan commented that much of the change is being driven by policy and millennials are to some extent at least driving policy, not least because they are much more active on social media and have a much more obvious presence on Facebook, Twitter, etc.
- Katherine Pollard, Scottish Land Commission: followed up this discussion by questioning the extent to which these conversations are 'mainstream' and if not, how might we better engage the public?
 - Steve Chaplin commented that we need to start with the evidence and be better at communicating the value of the services to us as individuals and to society. We still are not very good at that. We need to move beyond engagement through traditional-style reports, and instead use different methods in order to engage people in new and different ways.
 - John Scott MSP (chair) commented that he felt there is a significant and growing interest in these kinds of issues, as evidenced through the large numbers of school children visiting the Parliament. In his experience they were all very interested in the environment and the future of the planet and climate change.
 - Davy McCracken commented that key is getting the message right and 'getting the facts out there'. The younger generations certainly have concerns about the environment but within that there is a danger that many see agriculture and wider land management activities as being part of the problem instead of the solution. This challenge needs to be addressed from different angles and using a variety of different approaches; there is no one-size-fits-all approach. The work of LEAF with farmers and school kids and wider communities is important here.
 - Caroline Sullivan talked through some of the difficulties of getting buy-in from the farming community for new programmes such as the Hen Harrier Project, and also from the wider community – including amongst young people, the consumer groups of the future. Partly this is about marketing the product or project well to generate interest. She also referred to a project which is part of work going on in the Burren in Ireland which is working with local school children who are the consumers of the future.
- Kirsty Blackstock, James Hutton Institute: Kirsty noted that a key aspect of the acceptability of a policy is the distribution of benefits from that policy. She asked whether we need to be paying more attention to distribution and equity issues?
 - Roger Madrigal commented that this is one of the main concerns in Costa Rica. Some years after the national programme starting in Costa Rica in the

1990s there was criticism as it was concentrated in large farms. In response to complaints the government changed the rules to encourage smaller farms to engage. The rules were then further changed to encourage the involvement of indigenous communities, small farmers, women etc. There are still challenges though and it is hard for these groups to apply – for example, many small farmers are poor and so don't have the time/money to travel into the city to complete the paperwork, and often they don't understand the paperwork fully anyway. More work needs to be done to make the programme more inclusive to all parts of society.

- Davy McCracken commented on the history of payments to rural areas through the CAP which have traditionally benefitted farmers over and above other land managers and rural communities. Continuing with the same approach would be inequitable; other individuals, beyond the farming and land management community, can deliver a range of public goods. So we need to step back and say 'what outcomes do we want our places to deliver' and how do we achieve them.
- Stephen Penny, Forest Research: Mentioned a project involving Forest Research, the Forestry Commission Scotland, Edinburgh University and schools which aims to get student teachers involved in sustainability issues, especially around trees, forests and land use more generally. By impacting on teachers, the aim is to impact on pupils too. It is then possible to see how the An Edinburgh University review of this initiative has demonstrated its value.
- David Miller, James Hutton Institute: asked Steve Chaplin what works best in terms of facilitation? Who are the 'right' kinds of people to be doing this kind of work?
 - Steve Chaplin commented that it is too early to be reaching firm conclusions regarding the Facilitation Fund model in England. He noted that the GWCT has used a cluster model which has provided lots of useful evidence around how facilitators of clusters come together and how they have brought farmers together, how they have encouraged shared ownership of specific outcomes, etc. There are also examples of farmer-led groups and NGO-led groups so a wide range of examples have been tried which have been more or less successful. There can be a difficult balance between bottom up and top down, including in terms of how to coordinate national, regional and local policy objectives with what 'chimes' with people on the ground in the groups themselves.
- Caroline Drummond, LEAF: Caroline commented that in terms of what works for young people, it is about inspiring people and giving children more reasons to get outside. If we are looking at the 2030 Sustainable Development Goals or the Government's climate change targets and timescales we actually don't have much time. What do the panel members feel is the technological change or other 'golden star'; which is going to deliver significant change in a short time?
 - Davy McCracken commented that in Scotland we have 'gone ahead and started to do things'. We certainly have not got everything right and we are learning through doing but Scotland has demonstrated that it can do something other than just talking about these issues!
 - Caroline Sullivan commented that she agreed with Davy regarding the need to take action, and said that while technology is great, we need people on the ground to help deliver these initiatives.

- Steve Chaplin commented that we currently have great opportunities to use technology to support some of these processes and programmes to help deliver some of the outcomes that we want to see.
- John Scott MSP (chair) commented that it is reassuring to hear that the technology is out there and we have heard about several different practical actions at tonight's session. While Scotland has certainly made progress in this area, the Scottish Government can take further action in terms of implementing other/more projects and learning from elsewhere. It is possible to maintain productive working landscapes to produce food, and also have people delivering multiple public goods.

4. Next meeting: Tuesday 12 March 2019 (Committee Room 4, Scottish Parliament): Health Inequalities and Rural Poverty

John Scott MSP (chair) reminded participants of the date of the next Group meeting on 12th March on health inequalities and rural poverty.

5. AOB

No other items of business were raised.

John Scott MSP (chair) closed the formal part of the meeting by thanking the speakers and participants for their contributions from the floor. He wished conference delegates all the best for the second day of the conference. He thanked SRUC for their work in organising the meeting and wished everyone a safe journey home.