

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Tuesday 5 September 2006

Session 2

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EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

11th Meeting 2006, Session 2

CONVENER

*Linda Fabiani (Central Scotland) (SNP)

DEPUTY CONVENER

*Irene Oldfather (Cunninghame South) (Lab)

COMMITTEE MEMBERS

*Dennis Canavan (Falkirk West) (Ind)
*Bruce Crawford (Mid Scotland and Fife) (SNP)
*Phil Gallie (South of Scotland) (Con)
*Mr Charlie Gordon (Glasgow Cathcart) (Lab)
*John Home Robertson (East Lothian) (Lab)
*Gordon Jackson (Glasgow Govan) (Lab)
*Mr Jim Wallace (Orkney) (LD)

COMMITTEE SUBSTITUTES

Ms Wendy Alexander (Paisley North) (Lab)
Derek Brownlee (South of Scotland) (Con)
Richard Lochhead (Moray) (SNP)
Nora Radcliffe (Gordon) (LD)

*attended

THE FOLLOWING ALSO ATTENDED:

Richard Lochhead (Moray) (SNP)

THE FOLLOWING GAVE EVIDENCE:

Charles Hargreaves (Office of Gas and Electricity Markets)
Ron Hill (Scottish Energy Officers Network)
Norman Kerr (Energy Action Scotland)
Jim Paterson (Scottish Power)
Kevin Pringle (Scottish Gas)
Sheila Scott (Energy for Sustainable Development)
David Shearer (Building Research Establishment Scotland)
Mike Thornton (Energy Saving Trust)

CLERK TO THE COMMITTEE

Jim Johnston

ASSISTANT CLERK

Emma Berry

LOCATION

Committee Room 2

Scottish Parliament

European and External Relations Committee

Tuesday 5 September 2006

[THE CONVENER *opened the meeting at 14:02*]

Structural Funds 2007-13 Inquiry

The Convener (Linda Fabiani): Good afternoon, everyone, and welcome to the 11th meeting this year of the European and External Relations Committee. This is the committee's first meeting since the summer recess. If you managed to get away on holiday, I hope that you had a wonderful time.

Members will be aware that the committee had a change of clerk during the summer recess; on behalf of the committee, I welcome Jim Johnston.

No apologies have been received. I hope that Dennis Canavan and Charlie Gordon, who are attending other committee meetings, will be able to attend this meeting later.

Agenda item 1 is consideration of the Scottish Executive's response to the committee's report on its inquiry into the Scottish Executive's plans for future structural funds programmes for 2007-13. The response was received during the recess. Members may remember that we submitted a bid to the Conveners Group for time in the chamber to debate the report. That bid will be considered at the Conveners Group meeting on 21 September.

I am sure that there must be loads of comments on the Executive's response.

Bruce Crawford (Mid Scotland and Fife) (SNP): I want to make a small comment. I refer to paragraph 19 of the response in paper EU/S2/06/11/1. The committee asked the Scottish Executive to say whether it intended to reprioritise other budgets as a result of shortfalls in funding for economic infrastructure and tourism-related projects. The Executive has given some figures and explained what the process will be. We should acknowledge what it has told us, but it would also be useful to ask to be kept updated on the issue so that we can keep an eye on it.

Another point is that, as paragraph 21 of the response states, the committee recommended

"that the Scottish Executive continues to work very closely with the UK Government to ensure that Scotland receives the maximum amount of Structural Funds possible."

We have received the expected response—I did not think that we would get any more—but the Executive says that it expects the matter to be

resolved before the autumn. I am not sure how we class autumn in Scotland now, but we are pretty damn close to it. It would be useful to find out from the Executive what that timescale means and whether it can give us any further information on the matter.

Irene Oldfather (Cunninghame South) (Lab):

In the main, the Executive's response is a useful contribution to our deliberations on the issue. The Executive agrees with most of what we said. We mentioned the importance of looking ahead. In paragraph 15 of the response, the Executive states that it

"has been encouraging partners to prepare exit plans for existing projects where appropriate."

I hope that that work is advanced, because we all have fears about the impact on the voluntary sector. Forward planning will be important in dealing with the changes. In the main, there is a great deal of complementarity between the Executive's views and the points that we raised in our report.

The Convener: It is crucial that we keep a watching brief on that work—we owe that to those who gave evidence to the committee and did so very well. I hope that we will have regular reports back to the committee on the matter.

When we took evidence in the inquiry, one of my bugbears was the transitional period, which is mentioned in paragraph 14. Perhaps it is just the wording of that paragraph, but I am worried that there is a wee bit of backtracking going on, away from the strident position that the Deputy Minister for Enterprise and Lifelong Learning took when he gave evidence. He was in no doubt then that the new programmes would start on time, but it now seems as though doubt is creeping in. That is not necessarily all down to the Executive—external factors are also involved. We should monitor that, too, because people from throughout the sector who gave evidence raised concern about the issue.

As there are no more comments, I thank the Executive for its response. We will continue to consider the issue.

Energy Inquiry

14:07

The Convener: Agenda item 2 is evidence taking in our energy inquiry, which relates to the European Commission's green paper on a European strategy for sustainable, competitive and secure energy. Members will recall that we agreed to respond to the energy efficiency section of the green paper, with a specific focus on heating, finance, public procurement and energy efficiency trading. We agreed to conduct a short inquiry to inform our response and invited written evidence between mid-May and mid-July. The clerk has provided a summary of the responses, which is included in members' papers. We first took evidence as part of the inquiry on 23 May. This afternoon, we will hear further evidence from two panels.

I welcome our first panel of witnesses, who are Kevin Pringle, from Scottish Gas; Jim Paterson, from Scottish Power; Sheila Scott, from Energy for Sustainable Development; and David Shearer, from the Building Research Establishment Scotland. I thank them for coming. We have a lot to get through, so it will not be necessary to hear opening statements from all the witnesses. As not all of the witnesses will wish to respond to every question, I ask them to indicate to me whether they would like to do so. I now invite questions from members.

Irene Oldfather: I will kick off. At an earlier evidence session, we heard about smart metering, which allows the electricity or gas use of individual items to be measured, for business and domestic purposes. Do any of you have knowledge of how much use is made of the system in businesses throughout Europe? Do you know of any smart metering projects in Scotland and is there scope for rolling out the technology further here?

Jim Paterson (Scottish Power): There is a fair bit of evidence from Europe, Canada and the United States on the benefits of smart metering, and research undertaken by the Department for Environment, Food and Rural Affairs on those studies suggests that savings on energy consumption of in the order of 5 to 15 per cent can be achieved through its installation. What is important, though, is the context in which those savings can be achieved. Without also taking into account the prevailing message to raise awareness of the importance of energy efficiency, the impact of fuel prices and any supply-demand issues in the countries in which those trials took place, all one is doing is giving more information to customers. If smart metering is put in, it is important that there is a huge awareness campaign behind it.

On where we are now in the United Kingdom, the Department of Trade and Industry and DEFRA are about to undertake a trial on smart metering, in which Scottish Power will be participating. The trial is due to start in September this year and finish in 2009. The output of that trial will determine how we take forward smart metering. There is definitely something in smart metering.

Irene Oldfather: Has that involved capital investment on your part? Have you had assistance from Government to offset some of the cost?

Jim Paterson: The trial has been funded by Government to the tune of the best part of £10 million.

Kevin Pringle (Scottish Gas): As well as smart metering, a number of other new technologies have come along recently that enable people to measure their energy usage in real time. Electrasave, for example, is a little device for the home that enables you to see how much your energy usage goes up when you use appliances and down when you switch them off. I would use the analogy of pedometers. When you measure what you are doing when you are doing it, it changes your behaviour. When you realise that you should be walking a certain number of steps a day, you tend to walk a bit more. We probably need to think collectively about ways of getting that new technology through to households, perhaps not to the usual suspects who tend to invest in such things, but to everyone. We need to disseminate new technologies such as Electrasave much more widely.

Irene Oldfather: Both of you are saying that customer awareness and education programmes are an essential part of any new technology development.

Jim Paterson: We see the biggest challenge as being behavioural change, particularly in the residential market. A smart meter or a device that gives people real-time information will help with that behavioural change, but it must be part of a much bigger awareness campaign.

David Shearer (Building Research Establishment Scotland): Smart metering is a good idea, but we must consider the economics and the cost of installing it. For example, it is relatively cheap—about £3 a customer—to have a meter reader go out to each individual house, but installing a smart meter is fairly expensive. It is a good idea to link in smart metering with other energy services so that, instead of just getting meter consumptions or gas consumptions, people get something else from it. For example, services for the elderly could be linked in, such as movement detectors and temperature sensors. We should consider that too.

Gordon Jackson (Glasgow Govan) (Lab): You say that it costs £3 for a man to go round and that smart metering is much more expensive. How much are we talking about?

David Shearer: It is difficult to work it out, but if you are going to provide a service, you will have to put some form of hardware—a meter or whatever—into people's houses and then you will have to have sensors. We could be talking about running costs of up to £100 a year, depending on technology and how things move on. That is my gut feeling on the matter.

John Home Robertson (East Lothian) (Lab): There is not just the one-off cost of installation; you are saying that there are costs of that order per year.

David Shearer: There could be if an energy service is also provided.

Jim Paterson: It is fair to say that there are several options under the smart metering banner, from the one that Kevin Pringle talked about, which is relatively cheap—it can be a clip-on version, which gives people real-time information with a digital display—right through to a two-way communication meter.

The Convener: What is the potential for ensuring that that kind of system—whatever it may be—is installed in all new housing? How can existing housing get the benefits?

14:15

Jim Paterson: I guess that with a whole lot of new technologies, not just smart metering, you would start with new housing. David Shearer talked about energy services. Condensing boilers are coming into new builds. If we can put together high levels of energy efficiency in the house and the building fabric, we will have what looks like a healthy package. The research in Europe suggests that for such a package to be effective, it would have to be rolled out on a big scale, right across the base.

The Convener: What about the commercial and industrial sectors?

Jim Paterson: Some of the large industrial customers have half-hour metering already, so they have accurate data, which we and the Carbon Trust use to shift loads and balances at peak times of the day. That information is already there for much of the business world.

Mr Jim Wallace (Orkney) (LD): My question follows on from the convener's question about what can be done about new build and retrofitting. I assume that David Shearer is the appropriate witness to ask, given that he is from the Building Research Establishment Scotland. What is the

state of the nation? Where are we on standards to promote energy efficiency? I ask all panel members to say whether they believe that we as legislators are driving the standards sufficiently. Does industry tend to be content with what the Government expects it to do, or does it run ahead of that?

David Shearer: We do a lot of work on energy ratings for buildings, so that is a good question for me to cover, given that I know quite a lot about the subject. A standard assessment procedure rating has to be given to new-build domestic dwellings. The rating, which ranges from zero to 100, gives us an idea of how energy efficient a house is. On the domestic front, the picture for new build is good, but for existing stock, there is no requirement for a rating for a domestic property, although legislation might be in place to address that.

In the commercial market, there are environmental assessment ratings for buildings. This Parliament building has had a BRE environmental assessment method—BREEAM—assessment and I believe that its rating is excellent. The assessment is a good mechanism by which to introduce energy efficiency and address environmental issues.

Mr Wallace: It could be argued that it is not in the interests of the utilities companies for people to use less energy, although I would not be so cynical as to suggest that, because I am aware of the work that has been done to promote energy efficiency. How do you try to disseminate best practice? Would you do more if you were being driven to do so?

Kevin Pringle: It can work both ways. It is in everybody's interests to promote energy efficiency. If low-income households are using an unsustainable amount of energy that they cannot afford that does not suit the commercial interest, because we do not want to have to chase debt. It is in everyone's interests to have customers using energy at a rate that is affordable to them. We all have a wider environmental interest in energy efficiency. There is also the energy efficiency commitment, which is a legislative obligation from Westminster.

It is probably fair to say that many organisations—Scottish Gas included—are trying to become the market leaders in and champions of energy efficiency. I will detail a couple of things that we are doing, which I am sure are replicated across the board.

We have written to 9 million customers throughout Britain, urging them to fill in, either on paper or online, an energy savers report, which is a fairly simple questionnaire that asks for details of their house, such as its age, number of rooms and

standard of insulation, to get a profile of it. On the basis of that information, we can provide a tailored report on the means by which they can save a certain figure on their energy consumption. That helps to make the issue real.

About 80,000 households in Scotland have responded to the energy savers report, and we have written to all MSPs and Scottish MPs urging them to fill in a report for their own homes—so that we know where you live. [*Laughter.*] To be honest, we are asking people like you to be leaders in your communities.

I think that you will find that the energy industry is doing an awful lot of its own volition. Scottish Gas is also seeking to offer fiscal incentives for energy efficiency, although that might be an issue for later, rather than for now.

The Convener: We will see how the time goes and if someone wants to pick up on Kevin Pringle's point, they can do so.

Kevin Pringle: Scotland has a particular problem in that regard, which I would like to talk about.

Bruce Crawford: If there is a problem in Scotland, I hope that Kevin Pringle and the other witnesses will be able to elucidate in answer to my question. The UK energy efficiency commitment has been mentioned. Is that energy efficiency commitment properly focused as far as Scotland is concerned, or could things be done better to allow for better results, given our slightly colder climate?

Kevin Pringle: The energy efficiency commitment is working reasonably well in Scotland. Much of the commitment—70 to 80 per cent—is focused on insulation, which makes the market in Scotland almost crowded, because as well as the energy suppliers seeking to meet their obligations through the energy efficiency commitment there are also Scotland-specific programmes, such as the warm deal, which try to do a similar thing. That said, such evidence as there is indicates that we spend more per head on energy. Although that is largely because we have a colder climate, it also appears that we have poorer insulation standards in Scotland, so an awful lot more needs to be done.

My sister organisation, British Gas, has a scheme up and running in England and Wales. It provides a fiscal incentive, with a rebate on council tax for householders who invest in cavity wall insulation. It is successful in England, where more than two dozen local authorities have partnered up with British Gas to deliver the scheme. The company offers a £50 one-off discount, but the council can top that up with up to £50 as well, so there could be as much as a £100 one-off discount on council tax. The annual saving from the cavity wall insulation itself is £145, so the investment can be recouped quite quickly.

The problem in Scotland is that the law as it stands does not allow fiscal incentives to be introduced to the council tax regime, and an answer from George Lyon to a parliamentary question confirmed that. We have been pursuing the issue with the Deputy First Minister and Minister for Enterprise and Lifelong Learning, Nicol Stephen. As Bruce Crawford said, we have climatic issues in Scotland, and we also appear to have relatively poorer standards of insulation, yet practical and quite simple schemes are being held back because of a legal loophole. Things are happening in England that should be happening in Scotland, but they are not because we need a simple change in the law to make them possible.

Jim Paterson: I have a comment on the size of the energy efficiency commitment, the second phase of which runs from 2005 to 2008. To give some idea of its scale, in the UK we are looking at insulating 1.7 million cavity walls and 1.6 million lofts and installing 42 million low-energy light bulbs, 2 million energy-efficient appliances and 1.2 million condensing boilers during the three-year period. Discussions are currently taking place with DEFRA on EEC3, post 2008, and the view is that that third phase of the energy efficiency commitment will be between one and a half and two times the size of the current one. Suppliers have put substantial effort into supplier-led initiatives with the Office of Gas and Electricity Markets, and they are large-scale projects.

The Convener: I ask Sheila Scott how we can measure the long-term sustainability of the kinds of commercial initiatives that Kevin Pringle and Jim Paterson have described.

Sheila Scott (Energy for Sustainable Development): The building regulations are a big issue for us. Of course, the regulations apply to new-build properties, but there should also be a robust procedure after a building is constructed. Some buildings are constructed to a good standard, but there is no follow-up on quality. There should be monitoring.

David Shearer: We talked about differences between Scotland and England. There is much more wind up here and it would be nice if micro wind generation were adopted in more housing in future.

Bruce Crawford: The Government seems to say that it is the consumer's responsibility to sort out a variety of issues. David Shearer has mentioned micro wind generation, but I am also talking about simple stuff, such as the red dots on our televisions and standby buttons on other appliances, movement detectors and simple switches by the living room door that we can use to switch everything off when we go up to bed at night. What should consumers be responsible for and what should Government at United Kingdom

and Scotland levels be responsible for? We are talking about the European Commission's green paper, so what could be done at European level? Instead of relying on consumers to usher in changes, what scope is there for legislation that would require manufacturers and housebuilders to do so? Consumers might take some time to catch up and reach the position that we need to reach if we are to sort out the climate change issues that we face.

Jim Paterson: In the context of manufacturing, Europe has a big part to play. There is no need for a standby button, for example. We can switch televisions on and off without using the standby facility, which wastes about 40 per cent of the energy of the unit. High-definition plasma television screens use between four and five times the amount of energy that a normal television uses. Much direction on manufacturing could come from Europe. If we consider the meetings that take place and the directives that come out of Europe, it is clear that Europe has an important part to play.

There is a role for local government and the Scottish Parliament in education, a huge amount of which is needed. Currently, energy use is at the back of customers' minds. Our customer research shows that the recent rise in energy prices has brought the issue more to the fore, but there is no doubt that awareness needs to be greatly increased.

Kevin Pringle: It helps a great deal to quantify energy savings. A person can save up to £50 per year simply by switching off the standby button. That means that £100 million could be shaved off Scotland's energy bills each year, which would be a significant saving from something as simple as switching off a button, which requires hardly any thought. Indeed, as Jim Paterson said, legislation could ensure that appliances did not have standby buttons in the first place.

The Convener: Does Bruce Crawford want to ask a second question?

Bruce Crawford: I want to ask about other stuff but I will let other folk in first.

Phil Gallie (South of Scotland) (Con): David Shearer said that Scotland's older housing stock is not up to spec on insulation. However, during the past 25 years, Governments of various complexions have provided schemes for assistance with loft and cavity wall insulation and double glazing. Has all that money simply gone down the drain?

David Shearer: It has definitely not—it is good to insulate and to draughtproof properties. Double glazing is good, too. The installation of condensing boilers in houses should perhaps be considered next. Insulation can be harder to provide in some

properties, such as sandstone tenements. A wall that is constructed with cavities can be insulated by drilling holes and pumping in the insulation material, but in sandstone properties we have to install insulation panels, which are more expensive. However, insulation is a good thing. If we can get to a stage at which a property requires little heating, it is good for everyone: it is good for the occupants and it is good for power distribution because it means that we do not have to build more power stations.

14:30

Phil Gallie: There was massive investment in refurbishment of tenements in Glasgow over the period that I mentioned. Are you suggesting that the advantages of that refurbishment were not taken account of?

I also have a question about cavity wall insulation from an engineering viewpoint. Cavity walls have a purpose—they allow air to circulate around a building and they eliminate dampness in many instances—therefore many people are a bit anxious about filling them. What are your views on that and what is your recommendation?

David Shearer: Filling cavities with insulation by blowing mineral fibre into them is a good thing because it improves walls' thermal performance and makes the house a lot cosier. Quite a lot of research has been carried out on the effects on dampness of introducing insulation into cavities.

Phil Gallie: What were the results of the tests?

David Shearer: In the 1970s, many properties were filled with foam insulation, which caused a lot of problems because it was put in with no quality checks. However, the industry has been cleaned up. Nowadays, if somebody gets an approved installer to install cavity fill insulation, they will give a 30-year guarantee and an organisation called the Home Energy Conservation Association provides a certificate. That is a good thing. A lot of research has been carried out on dampness problems. In some cases, cavity wall insulation can improve dampness in housing. If a house is not properly heated in the first place, less energy is needed if cavity fill insulation is put in.

Phil Gallie: Microgeneration in new build has been mentioned, but many people are considering attaching microgeneration systems to older properties. What problems have they come across with planning applications and local authority concerns?

David Shearer: It is still early days for microgeneration. Not an awful lot of properties have it, and there are planning issues, depending on where one lives. There are no two ways about that, but there are fewer planning issues with

some of the renewables systems that householders can install—such as solar thermal systems—because they blend in with the cladding. Time will tell, but at this stage we are not putting in lots of microgeneration systems. We must examine the planning side and make it easier for such technology to be installed.

John Home Robertson: Colleagues have been talking about insulation and microgeneration, which is all good stuff that will, I hope, make some progress.

Jim Paterson, I think, acknowledged that energy prices have been rising quite a bit lately. Under those circumstances, your customers will be aware that their bills are going up quite a lot, so the incentive has never been greater for people to try to moderate their consumption of gas and electricity by using less, by switching off their standby buttons or by investing in insulation or microrenewables. Is there any evidence that that is happening? Has there been any diminution of demand for electricity or gas?

Jim Paterson: There are two points there. One answers Phil Gallie's question about whether we have wasted the past 25 years. If we plot energy consumption against the growth in gross domestic product over that period, we see that the energy efficiency commitment programme has been hugely successful in reducing consumption.

John Home Robertson: Has it reduced consumption or the increase in consumption?

Jim Paterson: It has reduced the increase in consumption—

John Home Robertson: Ah. There is a difference.

Jim Paterson: The programme has held down consumption versus GDP. Customers are becoming more aware. All suppliers in the UK offer free energy efficiency advice lines, uptake of which has come on over the past 12 months. There is much more activity, with customers phoning up and asking for advice. Like Scottish Gas, we are promoting that service on bills, on the internet and so on. There is much more awareness among our customer base.

Kevin Pringle: I wish to quantify that. I mentioned energy savers reports earlier. I do not have the breakdown for Scotland, but I think that 9 million households in Britain were written to. At the moment, the returns are running at about 800,000—that is the number of people who have filled out the reports. If we all consider surveys in which we have been involved, that represents a very high rate of return—and it relates to just one company. Nearly a million households have signed up under the initiative, which shows that there is a huge demand and that people really

want to find out what they can do and are determined to do it.

There is a problem because of rising energy prices, and I think that everybody accepts that there are many different aspects to that. Equally, there is an opportunity: energy consumption has never been higher up the political agenda or, indeed, the household agenda. If we can develop the right kind of initiatives and programmes, doing things that are easy for people to participate in—for example a council-tax rebate scheme or energy savers reports—people will rise to the challenge.

John Home Robertson: What I am driving at is that conditions have never been better for encouraging people to moderate their use of energy. We should take advantage of that, for environmental reasons and everything else. Notwithstanding the commercial pressure to moderate demand and the incentives for insulation and all the rest of it, am I right in saying that demand for electricity and gas is still increasing?

Kevin Pringle: It is. I believe that the Executive's own energy survey showed that energy consumption has increased, certainly compared with 1990. I suppose that you could say that we are into a slightly different era now, compared with the 1990s, just because the price situation has changed so dramatically over the past couple of years. Prices have gone up in the recent past, but there were significantly fewer schemes or initiatives around in the 1990s and in the first few years of this century, so I would go back in any case to the idea that now is the time—*[Interruption.]*

The Convener: I am afraid that I will have to suspend the meeting. I understand that the instructions are to stay where we are during a fire alert.

14:38

Meeting suspended.

14:48

On resuming—

The Convener: I reconvene the meeting. I am reliably informed by our official reporters that the last thing that Mr Pringle said was, "now is the time". It was obviously a profound thought, so if you can remember what it is the time for, please carry on.

Kevin Pringle: If you look across the energy companies, you will find that there are more energy efficiency initiatives than there have been in the past. It is hoped that that will help to guide changes now and into the future.

The Convener: Well done.

John Home Robertson: It is difficult when one is interrupted like that. Well done. You might expect me to say this as the MSP who represents Cockenzie, Torness and lots of windmills, but there is a perception that all this energy efficiency is going to lead to a reduction in the demand for energy. As long as we have a growing population and a growing economy, is not it more likely that the demand for electricity will continue to increase?

Jim Paterson: Our expectation is exactly that. With new digital technology coming in, the demand per household will increase substantially. Digital televisions and other digital devices take more energy, so we expect demand going forward to grow.

Bruce Crawford: As a small addendum to that question, if that projection is correct—obviously Scottish Power takes it as fact—how do we stop or change the situation? What steps should we take with regard to the fiscal or legislative regime in order to make a difference in that respect?

Jim Paterson: As I pointed out, the steps that have been taken by appliance manufacturers in respect of white goods such as fridges, washing machines and freezers have worked. However, there is no such labelling for brown goods, which would be a key move.

Bruce Crawford: I want to be sure about what you are saying. Are you saying that, given the current conditions and under current projections, consumption is likely to increase but that certain mitigation measures can be taken?

Jim Paterson: Yes.

Bruce Crawford: Thank you. I just wanted to get that on the record.

The Convener: Does that tie in with the theory that although energy efficiency is all very well, it does not actually help to conserve energy, but instead simply makes people's homes warmer and improves industry outputs?

Jim Paterson: No. As Kevin Pringle said, 80 per cent of the energy efficiency commitment is focused on insulation, which is not dependent on behavioural changes in the household. Cavity wall insulation has been very successful—indeed, it can last and provide benefits for, say, 25 years. However, because the majority of UK houses are heated by gas, the focus has been on controlling the gas dimension.

Consumption of electricity depends much more on behaviour in the household. That nut has to be cracked; for example, we must get people to turn off lights and not leave appliances on standby. To change people's behaviour will be a difficult

challenge; after all, average wealth is increasing, so more and more people are spending more on electrical items and digital appliances.

The Convener: So the challenge is just as much about energy conservation as it is about energy efficiency.

Jim Paterson: Yes.

Phil Gallie: Given your comments on increasing demand, it is clear that a fundamental element in the European energy green paper is the security of energy supplies. There are questions in that respect about gas and oil. I realise that there has been a move towards renewables, but if we are losing out with other natural resources, how will we ensure that we have sufficient resources to meet increasing demand?

Kevin Pringle: The point is that we need investment in infrastructure and supply, no matter whether we are talking about pipelines—

Phil Gallie: What do you mean by “infrastructure”?

Kevin Pringle: I mean, for example, the use of interconnectors to get gas from Belgium, the securing of liquefied natural gas contracts to bring gas from overseas and so on. The global resource is huge. However, the problem is that the UK has tipped over into becoming a net gas importer. In the past, when we were entirely self-sufficient, the lack of such an infrastructure and such contracts did not really matter. It is beginning to matter now. Some of the bottlenecks and obstacles that we have encountered in securing supplies have been a significant element in price increases over the past 18 months to two years. However, we hope to be in a position to overcome some of those transitional problems this winter and beyond.

As I have said, it all comes down to investment—the question is where that investment comes from. In this country, it has been made by the private sector.

Phil Gallie: There can certainly be investment, but after what happened in Ukraine and other places this year, it is clear that political differences, for example, can pose risks to the security of the sources of supply.

Electricity consumption in houses is continually increasing. I wonder whether Jim Paterson can assure me that generation in the UK is sufficient to meet that on-going demand.

Jim Paterson: It would be wrong to give you a detailed answer to that question. I can say that, in the UK, Scottish Power and other companies have invested a lot in that. However, as far as the supply and demand profile is concerned, it all depends on the period that you are looking at. I am not in a position just now to give you any exact

figures, but I am more than happy to come back to you on that matter.

Phil Gallie: I would love a reply from Scottish Power on that point in the not-too-distant future.

The Convener: You have really laid yourself on the line, there. You have to give a full and detailed response to Mr Gallie.

Phil Gallie: Thanks very much.

Mr Wallace: You may recall that, two years ago, in my former position, I launched a public sector energy efficiency scheme that distributed £20 million among local authorities, health boards and Scottish Water. The aim was for them to invest that money and then to reinvest any savings that were made in further energy efficiency measures. Any surplus could be put into front-line services. Have any of you noticed any activity on the part of local authorities, health boards and Scottish Water to use the generous funding that they were given?

Jim Paterson: That has definitely been the case in local authorities that are responsible for social housing. We partner many of those local authorities. Energy Saving Trust research that was carried out not that long ago for local authorities' building stock suggests that local authorities are still looking for help in identifying routes of funding and how best they can prepare business cases for that funding and whatnot. The EST research suggests that there is still a bit of work to be done to help local authorities to decide how best they could spend that money.

The Convener: The initiative that Jim Wallace is talking about would have been carried out under the enterprise brief.

Mr Wallace: Yes.

The Convener: Is there any confusion over which department of the Executive has responsibility for energy efficiency and conservation? Do those who have to work with the various schemes feel that there is some person or department to whom they have responsibility and from whom they can get help?

David Shearer: I do not know the ins and outs of who is who, but there is a department in Glasgow that we have dealt with for the fund. There is a central energy efficiency fund that I have heard of, although I am not quite sure whether it is the same scheme—I think it is.

We have been involved in accrediting the savings for different measures. If there is a payback time of less than five years, people can access the funding. I have heard about the fund and I have dealt with the energy policy unit in Glasgow. I could not tell you the names, but I have certainly dealt with them.

Kevin Pringle: There is a bit of confusion, depending on what aspect of energy policy is

being considered. Energy policy can sit in communities—particularly in respect of fuel poverty and the fuel poverty forum—or it can sit in the environment brief. The council tax rebate scheme that I mentioned comes properly within the enterprise remit, apparently, and the Minister for Enterprise and Lifelong Learning is the person to meet to discuss that. The matter really sits across departments.

There is sometimes confusion about things that are decided and announced at Westminster and their impact on Scotland. For example, in this year's budget the Chancellor of the Exchequer announced a £20 million scheme to incentivise partnerships between local authorities and energy companies to promote energy efficiency. It took quite a lot of digging to discover that the £20 million did not directly cover Scotland; it was, essentially, a scheme for England that generated Barnett consequentials that would feed into the general Scottish pot. That particular fund, which was announced in the budget, does not therefore immediately benefit Scotland—it would depend on what the Executive did with the Barnett consequentials.

There can be confusion about whether matters have been announced by Westminster or Edinburgh, and different aspects of energy policy sit across different portfolios in Edinburgh.

Jim Paterson: There is a bit of confusion, but there are great examples of us all working together. There are fabulous examples of our working with local authorities, in which they have taken central funding and we have contributed our energy efficiency commitment funding. That has happened in Aberdeen and Lanarkshire. When we can pull all the pieces together, we can really make it work. There is a bit of confusion, however, around the warm deal—the warm front in England—the central heating programme, the EEC and other funding. There is work to be done to co-ordinate it all a wee bit better and to pull it all together to make sure we are not missing a trick.

15:00

The Convener: We have talked mainly about domestic properties. Work by the Carbon Trust has shown that in the business sector there are barriers to the uptake of energy efficiencies, such as the high initial investment costs and lack of interest. Is any work on-going to try to overcome those barriers? Can they be overcome?

Jim Paterson: We work closely with the Carbon Trust to overcome some of the barriers, which are often economic ones that relate to the required capital investment. The Trades Union Congress has made a statement today about basic commonsense measures such as switching off

lights and not leaving computers on standby at night. Those matters should still be very much in people's minds. However, the biggest barrier is the capital investment that is required to get a return.

The Convener: I have saved the best question for last. In our previous evidence session, the issue of a white certificates scheme was raised. I ask someone to give a quick explanation of how that would work, because I keep reading about the idea, but I find it difficult to get my head round it. I hope that that is the case for a lot of people—not just me. Can we have an encapsulation of how the scheme would work? Does the idea have a future?

No one wants to answer—silence was the loud reply.

Kevin Pringle: Briefly, the scheme would be a trading environment in energy efficiency using kilowatt hours saved. On whether the idea has a future, it may be that it has already been overtaken, particularly in this country, where the energy efficiency commitment in its third form—which will come in from 2008—will be much more focused on reducing carbon emissions. Others will argue for their position, but we want a scheme in this country that is focused on that end objective. Trading in carbon reduction is a better and more relevant mechanism than trading in energy efficiency, given that the objective is to cut carbon emissions. The idea is useful and interesting, but we are moving beyond it with EEC3.

The Convener: That is interesting, but I still do not know how such a scheme would work.

Jim Paterson: Research on the matter is being done in Europe, and the Department for Environment, Food and Rural Affairs is considering the idea, which is basically for a trading scheme through which people can trade debits and credits; if someone is in credit because of their energy account, they can trade that with someone who has liabilities. At present, we agree with DEFRA, which has considered the idea and has ruled it out of EEC3, which will run from 2008 to 2011. Such a scheme could have advantages in that it might bring in more players, such as local authorities, but there is concern about the cost of administering it. DEFRA has ruled out the idea for EEC3, but it might be used beyond that, post 2011.

The Convener: Phil Gallie wants to ask a question—he is going to explain it all.

Phil Gallie: I am not going to explain it—I simply want to pick up on a point that Kevin Pringle and Jim Paterson made. In effect, Kevin said that the idea is past its sell-by date and Jim's comment was that the idea is too bureaucratic to consider. My concern is that we are considering a European Commission green paper that the Commission is intent on pushing. We need people in this

committee and in other places to ensure that the Commission does not get away with introducing more European bureaucracy, which at the end of the day will serve no one. Is that a fair comment?

Jim Paterson: Although it is early days, we cannot from the research that we have done see too many advantages in such a scheme.

Phil Gallie: I am sure that the committee will record that in its report.

The Convener: For once, I will let Mr Gallie have the last word. I thank the witnesses for their attendance, which was much appreciated.

15:05

Meeting suspended.

15:07

On resuming—

The Convener: I welcome our second panel of witnesses. They are Charles Hargreaves from Ofgem; Norman Kerr from Energy Action Scotland; Mike Thornton from the Energy Saving Trust; and Ron Hill from the Scottish energy officers network.

We will move straight to questions, as we did with the first panel. Again, I ask the witnesses to signal to me if they want to respond to a question.

Mr Wallace: I asked the previous panel about the state of the nation with regard to energy efficiency in our housing stock and stock of commercial and industrial premises. Will the witnesses give the committee more information about that? In particular, how does Scotland compare with other European Union countries?

Mike Thornton (Energy Saving Trust): First, I will say something about Scotland's housing stock. I think that I am right in saying that Scotland is in a unique position in Europe with respect to its tenemental dwellings, which present several challenges if we want to improve energy efficiency past a certain point. Certain problems are built into the housing stock over and above the general problem that retrofitting old stock is challenging in any case. The older stock in Scotland is particularly difficult to deal with.

Mr Wallace: Given such difficulties, which we can all probably identify immediately, are there tricks that we are missing? Are there levers that we could pull that we have not pulled?

Mike Thornton: A couple of years ago, the Energy Saving Trust in Scotland ran a small programme with Scottish Executive funding that involved consideration of different approaches to the tenemental problem in particular. The problem is not that nothing can be done but that integrated

and innovative solutions are needed. Most tenements do not have cavities, for example, and most tenemental dwellings—except for the dwelling at the top—do not have a loft. Basic insulation issues are therefore quite difficult to deal with. However, there is good practice, some of which was demonstrated in the programme that we ran, and things can be progressed as a result of that, so I would not describe the situation as daunting; rather, I would describe it as challenging.

Mr Wallace: I take your point. I am encouraged to hear that there is good practice, notwithstanding the difficulties. How well known is such good practice and how well is it being disseminated and replicated elsewhere?

Mike Thornton: It is always rational to pick the lower-hanging fruit first. A lot of the effort has been directed outside the tenement stock, where there are cavities to fill and lofts to insulate. That is entirely rational and cost effective. The issue will come more into focus as we run out of low-hanging fruit but still have a lot of carbon to save and fuel poverty to address.

Norman Kerr (Energy Action Scotland): Mike Thornton raised a number of interesting points. You asked about the state of the nation. I can talk only about the domestic stock. David Shearer talked about housing being assessed on a scale of zero to 100. In the national home energy rating system, we use a scale of zero to 10—zero is the worst and 10 is the best. We have set the target for Scottish housing to achieve a rating of 5 as the Scottish quality standard by 2015. That is not an aspirational standard. The average throughout Scotland's housing stock just now is somewhere in the region of 5.4, so we have already reached the target that we set ourselves. The difficulty is that we still have to do a lot more on the difficult houses, which have a rating of 2 or 3.

Phil Gallie asked whether we had wasted the past 25 years. We have spent the past 25 years taking the low-hanging fruit that Mike Thornton talked about to pull the average rating up to 5 or 6. We have not addressed the tenement properties, but have stuck our heads in the sand and hoped that the problem would simply go away or thought that it was somebody else's problem. The problem remains and it is still our problem. We need to do more to look at what we have left and consider what we can do with it. We have to acknowledge that it is our problem. Although we have building standards that are slowly raising the standard of our buildings, we have to acknowledge that, as the turnover of stock through demolition is about 1 per cent a year, if we introduce a minimum standard today it will take 100 years for every house to come up to that standard, unless we do an awful lot more than we are doing now.

The Convener: It seems that most energy savings have been in social housing. How do we encourage the private rented sector to meet the standards too?

Norman Kerr: There is a view that most has been done in social housing because of the concentration of social housing, which means that it is easy to see a big local authority or housing association doing something. However, all the energy suppliers' energy commitment targets relate to the able-to-pays, who tend to be householders in the private rented sector. Back in 1999, the Scottish Executive set as part of the warm deal a 30 to 40 per cent target for the private and private rented sector. There is lots of work going on in that sector. That is not to say that we have cracked it yet, because a big process of education is needed. If someone is renting a house and hopes to be there for only three or four years, they have little incentive to make a big investment in the energy efficiency of the house, given that they will never see the benefit of it.

The Convener: If we are serious about these things, should we not be putting the onus on landlords rather than tenants in private rented houses?

Norman Kerr: Perhaps Ron Hill will want to come in. A lot of landlords are doing work. Communities Scotland is trying to work with private landlords. A number of local authorities have private landlord registration schemes and there is also the Tenements (Scotland) Act 2004.

15:15

Ron Hill (Scottish Energy Officers Network): It is important not to paint too bleak a picture. A lot of good work has been done by Scottish local authorities, both in the domestic sector and in council corporate properties. Many councils now employ dedicated HECA—Home Energy Conservation Act 1995—officers and/or dedicated energy managers for their corporate stock. Councils have to report biannually on their HECA targets. My own council has achieved its HECA target three years early. Good work is being done.

To pick up on Norrie Kerr's point, a lot of work is being done by local authorities to try to persuade private sector landlords. Any assistance in that regard would be welcome. It is not easy to persuade private sector landlords to spend money.

Phil Gallie: Mr Kerr, I will pick up on your point about tenement buildings. It is interesting to hear the figures that you have given. There is a certain perception about this: one of the witnesses said that tenements do not have lofts, but they do have room above room above room, which in effect act as a series of insulation layers. What are the real problems with tenement buildings? How can we cure the problem of the tenements?

Norman Kerr: If we consider the construction of tenement walls and the materials that they are traditionally made out of—red or blond sandstone—those are not particularly energy efficient materials. The majority of heat loss from tenements is through the walls. Simply because a tenement has a thick wall, that does not mean that it absorbs energy or that it is energy efficient.

Tenements have long been riddled with dampness. The thing that used to keep the dampness away was the coal fire, which heated the fabric of the building and dried it out. There are a number of issues there. We need to determine whether we can have some form of internal dry lining and whether we can raise glazing standards. I note from the submission by the energy efficiency partnership for homes glazing strategy group that the standards for glazing in the UK are still several years behind those for glazing in Scandinavian countries.

Here, until a few years ago, for double glazing to be used as an energy efficiency measure, it would take someone 30 years to recoup the energy saving. Double glazing cut down noise and a lot of other things, but it was not treated as an energy-saving measure. Only now are we tackling glazing standards in order to supply glazing with the same thermal efficiency as walls. We have dragged our heels on that over the years. There are a lot of vested interests on the part of the industry that are preventing building standards from being raised significantly.

Mike Thornton: In a tenement, there tend to be individual dwellings with individual heating systems. The good-practice initiatives that I described earlier covered a couple of tenements in Govan. As part of a refurbishment, one single heating system was installed for a double block of tenements. We can achieve fairly significant economies of scale in energy usage, not to mention the capital investment, as a result of such installations.

A lot of the things that can be done to tenements might be very cost effective; the trouble is that there are a lot of legal issues to do with multiple occupancy, which tend to stand in the way. Not all the problems are about technology or techniques. They can also come down to simple things such as the law of the tenement. There have been considerable improvements in that over the past few years, of course, but it remains an issue.

The Convener: I will call Phil Gallie before I bring Charles Hargreaves in.

Phil Gallie: My question is on a totally different issue.

The Convener: In that case, we will wait until Charles Hargreaves makes his point.

Charles Hargreaves (Office of Gas and Electricity Markets): The starting point of this part of the discussion was the European dimension, and I thought that it would be useful to draw out some of the points that have been made in that respect. In relation to the work that Ofgem does, there is considerable interest among European partners in how the energy efficiency commitment works, which we have tried to explain. Through working with European colleagues, it has come across to me that the building regulations and standards that have been in place in other member states have been much more stringent than those in Britain in particular.

Obviously, there are differences between Scotland and the rest of the UK, but there are considerable differences between the building regulations in Britain and those in mainland Europe, which has led to some of the problems that we now face. We talk about cold temperatures in Scotland, but it is a lot colder in Scandinavia and fuel poverty does not exist there because the building standards have been much more stringent for so long. One lesson that is to be learned is that constructing the fabric of our buildings to a good and appropriate standard from the outset is a much more cost-effective way to achieve efficient buildings than retrofitting buildings.

The Convener: I will bring Irene Oldfather in because she has a question on that point and then I will come back to Phil Gallie because he said his next question was about something different.

Phil Gallie: That was actually my second point.

The Convener: Are you two going to fight about who gets to go next then?

Phil Gallie: I will give way to Irene Oldfather.

The Convener: I hope that you are duly grateful, Irene.

Irene Oldfather: I am very grateful. I let Phil Gallie have the last word with the previous panel of witnesses.

I will ask a more general question, which will be controversial for Phil Gallie. What role should the European Union have? Should it be legislative or regulatory? Should it provide financial incentives or education? Should the matter simply be one for member states?

Ron Hill: Without looking at it from a political viewpoint, I think that the European Union and member states certainly need to address the matter. We can increase the legislation or do any number of other things, but there is no system in place in Scotland for the Scottish Executive to record energy consumption or any steps that are taken to reduce it. If the EU directs us to reduce our consumption, expenditure and emissions, that is all good and well, but how do we measure it and who will measure it?

The Scottish Executive needs to put targets in place for local authorities. Much has been said about the energy performance of buildings directive, but that directive places no onus on local authorities to do anything about a building that has a medium or low rating. Local authorities certainly do what they can and are keen to do more, but there is no mechanism for reporting, unless one is contained in the forthcoming Scottish energy strategy, to which I am not party.

Irene Oldfather: That is interesting. Energy Action Scotland's written submission is clear that the directive

"is a prime example of the EU trying to educate through legislation"

and that it feels that others'

"failure ... to fully embrace this legislation is ... bewildering."

Will Norman Kerr say a bit more about how we could address that issue?

Norman Kerr: We need to consider the spirit of the legislation. We have talked a lot about saving carbon but, if we stopped the man or woman in the street and asked them to identify a tonne of carbon, we would be hard pushed to get an answer that would satisfy us. As far as Energy Action Scotland understands it, the spirit of the European legislation was to give people more information about their building's energy consumption, which has to translate into pounds, shillings and pence.

The easiest way for me to reduce the carbon emissions from my building would be to switch to a green energy tariff, which simply says that my supplier will give me all my electricity from renewable sources. I would not have made any savings in my building or any practical improvements, but I would have cut the carbon that it emits. That makes a mockery of the things that we said earlier about reducing consumption. We will never reduce consumption unless we give people clear information about their consumption and the steps that they can take to reduce it.

That is where Europe comes in because, if it was not for the European Union, we would not have implemented the white goods directive and would still be buying fridges about which we know nothing. Indeed, we could argue that energy labels on white goods should be revisited, because whereas we used to buy small fridges that fitted under the worktop we now buy fridges that are the size of garages—we want to chill our beer and all the rest of it. There is a perception among consumers that fridges of different sizes that are all A-rated use the same amount of energy. However, the label means only that the fridge is highly efficient; a fridge that is three times the size of another will use significantly more energy than

the smaller fridge uses. We need to give people meaningful information that they can use.

Irene Oldfather: Do we need more joined-up thinking and policy, so that overarching directives relate to implementation on the ground?

Norman Kerr: We absolutely do.

Mike Thornton: I reinforce what Norman Kerr said. There is a strong and vital role for Europe in setting standards, as the white goods directive demonstrates. That partly derives from the structure of the market, because many companies that must implement the standards do not function in just the Scottish market or even just the UK market. Many people think that brown goods are an obvious further area for standard setting on a European scale.

Charles Hargreaves: Standards on appliances need to keep pace with the market. As Norman Kerr said, we are buying larger white appliances. Some 60 or 70 per cent of the market is A-rated, but fridges are much bigger, so they are using much more energy. There is a similar issue to do with standby switches on brown goods. Appliances are coming on to the market so quickly that European legislators are finding it difficult to keep pace. If we are keen to reduce emissions from such appliances it is important that the legislation and regulations that govern energy consumption keep pace with development.

Irene Oldfather: Energy Action Scotland suggested in its submission that a European energy regulator is required, which sounds like a good idea.

Norman Kerr: It must be something that someone else thought up, then.

We should consider what is happening in Europe. During the winter, when consumer fuel prices were rising, fuel companies were giving us information about the price that they were paying for the gas that was coming through the interconnector. There was a suggestion that companies in Europe were paying significantly less than were companies in Scotland. Scottish Gas and other companies could not get the gas, although they were prepared to pay a much higher price for it. There is a role for a regulator to ensure that there is fair and equitable access to energy supplies.

We mention the interconnector with France in our submission. There were difficulties last year when the French closed down a number of nuclear power plants because they could not keep them cool enough during the heat wave. That meant that no electricity was coming across to the south of England and the UK had difficulties in accessing energy. A European energy regulator could consider such matters and take an overview,

although of course they would need to work hand in hand with the UK regulator.

Irene Oldfather: If I understand the matter correctly, there is a need for a level playing field and a transparent and open approach—albeit one that operates in a market setting. The difficulties last winter highlighted the issue and companies in my constituency certainly thought that such an approach would have been useful.

The Convener: Phil Gallie is itching to ask another question.

Phil Gallie: I want to pick up on Ofgem's comments about the building regulations and on the comments about common standards throughout Europe. Energy standards must suit the climate of the country, so what is needed in Spain will of course be different from what is needed in Scandinavia. We can learn good things from Scandinavia as well as from other countries. Are our building standards—for new build in particular—up to scratch? If we were to raise those standards substantially, by what kind of ratio would costs be increased? At the moment, the cost of houses for first-time buyers is astronomical. How much would it add to their bill to go for Scandinavian standards?

15:30

Ron Hill: I do not see that adopting such standards would add significantly to the bill for new-build properties. It is always more difficult to do it in retrofit, as we constantly strive to do, but there are a number of issues in terms of building regulations. If we raise the building standards, it becomes a matter of routine, and I would not expect that simply adding another six inches of insulation would make a great difference to the purchase cost of a brand new house for a first-time buyer. Retrofit is more difficult, but that takes us into areas such as public education.

As Norrie Kerr pointed out, it is difficult to educate the public, but local authorities have a huge role to play in bringing such matters as planning and building standards issues to the fore and in advising members of the public appropriately. It is pointless for local government building standards officers to say, "Okay, you can build to that. That is the current legislation. I am a building control officer and we will pass that." There must also be an incentive for the builder to increase his output beyond current legislation. Everyone will build to current legislation because they have to, but they will not go anywhere beyond that voluntarily. That takes us back to the same argument that I made a few moments ago; local government will not report on these issues voluntarily. That simply will not happen, and it has to be made to happen.

Phil Gallie: You referred to the thickness of insulation, but are the Scandinavian standards for energy control just to do with the thickness of insulation?

Ron Hill: No, those standards are to do with the entire design. I used the thickness of the insulation only as one example. In Scandinavia, it is common practice to run the water pipes up the centre of the house. Where else in the world with a climate like ours would a plumber put the pipes against the outside wall, where they are going to burst at the first sign of frost? There are design issues to take into consideration.

The Convener: I can see that Mike Thornton is dying to comment.

Mike Thornton: I would like to pick up on the spirit of the original question. There is obviously a capital cost for increasing the energy efficiency of a house, but there is also a saving and we would normally expect the lifetime cost balance to be positive. To put it crudely, either first-time buyers will pay out a certain amount of money as a mortgage for capital, or they will pay it out for fuel. It is the same pound in either case. As fuel bills rise, that argument becomes more cogent.

Norman Kerr: It is simple. Nobody asks, "How much does it cost me to live in this house?" They ask, "Can I afford the mortgage?", but they do not look at the running costs. Energy efficiency does not sell buildings. Showing somebody your ground-source heat pump is not particularly sexy, but showing them your fabulous, top-of-the-range kitchen, your jacuzzi or whatever else the modern builder is selling houses on is what sells houses—not energy efficiency. It is a question of educating not only the public but building companies.

Bruce Crawford: It is good to hear about the hard reality from Norrie Kerr. Could you give us some other examples of how public procurement might be improved? Local government and Government agencies are involved in buying vast amounts of construction materials and fabrics, but I wonder how well energy efficiency is being promoted through the procurement agenda. Do the public-private partnership contracts that local authorities draw up get in the way of, or help with, procurement for low-energy processes?

Norman Kerr: I am sure that Ron Hill will want to answer; I may follow him.

Ron Hill: I do not think that the energy card is a big issue in PPP contracts. My council is involved in a PPP project for 22 schools and, at that level, great consideration is definitely not given to energy efficiency. In the PPP structure, plans will be made to build a new school or to modernise or refurbish an old school and the situation will depend on the part of the PPP contract that specifies who pays the bill—the local council or

the contractor. If the local council pays, it can spend central energy efficiency fund funding—that is what the CEEF is for. I heard earlier the question whether that is being spent; all 32 councils are spending their CEEF funding and a huge number of projects are proceeding.

Bruce Crawford: Will you give examples of best practice in local authorities on low-energy procurement? We want to understand that and spread such practice.

Ron Hill: The procurement situation varies. Generally, procurement concerns everything that the public sector buys. Many councils have procurement strategies in place, which mean that they may buy energy efficient computer equipment or recycled photocopier paper, for example. That is one level of procurement. Another level involves the procurement of energy for local authorities' use. Many local authorities subscribe to green electricity tariffs. In my council—North Lanarkshire Council—100 per cent of the electricity is green. More and more councils are getting into green tariffs.

Bruce Crawford: That fascinates me. How does a local authority know that the source of its electricity from the grid is green?

Ron Hill: Perhaps Ofgem could answer that better.

Bruce Crawford: I am baffled as to how it is possible to know the source.

The Convener: You are on the spot, Charles.

Charles Hargreaves: It is a good question. When a party enters into a contract for electricity, the contract is for the electrons that pass down the wire. Whoever a local authority buys its electricity from must ensure that the source of that electricity is green. The difficulty is that if the electricity comes from a wind turbine, for example, there is no way of guaranteeing that the electrons from that wind turbine will go to a particular consumer. That is physically impossible to do.

Bruce Crawford: Of course it is, so that bit is meaningless.

Charles Hargreaves: It is not meaningless—

Bruce Crawford: I understand that.

Charles Hargreaves: A commercial agreement is established to ensure that a proportion of the electricity comes from a renewable source; otherwise, it would come from a coal-fired, gas-fired or nuclear power station.

Bruce Crawford: "Meaningless" was the wrong word, but it is impossible for the supplier to provide proof.

Mike Thornton: It is not impossible to provide proof. If someone buys green electricity from a

properly accredited supplier, that supplier must put that amount of electricity into the system. The consumer does not take out the same electrons, but the supplier must supply the required amount of electricity.

Bruce Crawford: That is the explanation.

Mike Thornton: In that sense, the arrangement is meaningful, because the more demand for green electricity, the more green electricity will be generated.

Bruce Crawford: That helps me to understand the process. What about other good examples from procurement? We have heard that green trading might not reduce consumption. What about reducing consumption and introducing good practice through procurement to do that?

Ron Hill: Are you asking about local authority stock?

Bruce Crawford: I do not mind where the good practice comes from. Can we learn from good practice out there in the rest of Europe or other parts of the world?

Norman Kerr: Local authorities will conform to the building standards, which is where the standards have a positive effect. The review of the building standards that will be undertaken soon will likely say that every boiler that is fitted from next April must be A+ rated, so local authorities will do that. At present, local authorities fit equipment that is good value in the market and which conforms to the current building standards.

I am not aware of any excellent examples of procurement. However, several local authorities are thinking ahead. For example, Aberdeen City Council has set up the Aberdeen Heat and Power Company Ltd, which will in time install combined heat and power plants at the bottom of all the high-rise blocks in Aberdeen to provide the heat and the power for the blocks. The company is in negotiations with suppliers to get the right tariff for gas and is discussing with combined heat and power plant manufacturers to get the most efficient equipment from throughout the EU. There are good examples of local authorities trying to tackle the issue in a different frame of mind. If the committee is interested, I am sure that the Aberdeen Heat and Power Company would be delighted to show members the work that it has done in Aberdeen.

John Home Robertson: I want to return to the theme of green electricity, which intrigues me. The low rainfall during the summer meant that some hydro schemes were offline and, on a day such as today, there will not be much power coming from wind generators. Under those circumstances, would green consumers simply be cut off?

Ron Hill: I certainly hope not. That has not happened in my council or in any other council of which I am aware. I take the point, though.

John Home Robertson: It is a good job that we have nuclear power stations.

Ron Hill: No comment.

Norman Kerr: As long as the weather is not too warm and we have to shut them down.

Phil Gallie: That has never happened in the UK.

John Home Robertson: That does not happen in the UK, with power stations by the coast.

Norman Kerr: It may well happen, with global warming.

The Convener: Can we stop this spat, please?

I will wrap up the public procurement section. The state-aid rules for energy efficiency are under review. What should be the message from Scotland, with particular relevance to the public sector? Ron Hill is dying to answer.

Ron Hill: I have been involved in that issue a lot recently. The best figures that we can get show that the public sector in Scotland procures about £150 million-worth of electricity and gas per annum. For any one or all of those authorities, a number of considerations must be taken into account in considering energy procurement. If the Scottish Executive took over public procurement, we would be looking for the best prices. Currently, there are several consortia in Scottish local government—the biggest involves 12 councils and the smallest has three—which aim to obtain the best price for fuel. However, we will only ever get the best price if our energy management and emissions data are as good as possible. With electricity or gas, the power supplier must go to the generator and say, for example, “Ron Hill wants 2MW of electricity this year.” The supplier must then pay for 2MW, but if I buy only 1MW, everything is screwed up. A whole load of work must be done to secure good-quality data in Scottish local authorities before that will be a useful tool.

The Convener: What about using energy efficiency as an indicator in any public sector purchasing regime?

Ron Hill: That already informs strategies. As I said, many local authorities now have sustainable procurement strategies.

The Convener: I am sorry to interrupt, but is that a voluntary approach on the part of the local authorities?

15:45

Ron Hill: Yes. Local authorities will, I hope, look to buy the most energy efficient equipment possible.

One thing that would be helpful in the green paper is guidance for authorities on where they might obtain the most efficient goods. With the best will in the world, people in local government will say, “Yes, the council is prepared to spend a wee bit more on energy efficient equipment to lower its energy bill,” but they often do not know where to go to get it.

The Convener: Richard Lochhead is with us today and has expressed a wish to ask some questions in this section.

Richard Lochhead (Moray) (SNP): Thank you for the opportunity to make a contribution at this stage in the proceedings, convener.

I would like to ask about fuel poverty and energy efficiency in rural areas. I represent Moray, where the level of fuel poverty is way above the national average due to the rural nature of the constituency and the fact that many people live in older houses that have oil-fired central heating systems. Given the age of the buildings and the rising price of oil, it is self-explanatory why fuel poverty is on the increase in Moray and throughout rural Scotland.

Who is measuring fuel poverty in oil-fired homes? Who is measuring the impact of the rises in the price of oil on fuel poverty in rural areas? Who is trying to produce new solutions to help people, given the fact that—I expect—it would be hugely expensive to do so?

Charles Hargreaves: I am afraid that I cannot comment on the measurement aspect. On new solutions, I go back to what was said earlier about the energy efficiency commitment, which requires the electricity and gas suppliers to meet an energy saving target in domestic properties. They have complete freedom over the type of technologies that they employ in meeting their targets, and some have been proactive in developing new technologies to meet their energy saving targets. Some have started to think about promoting ground-source heat pumps, which Norman Kerr mentioned earlier.

The difficulty with new technologies, however, is that they are very expensive, even compared to an oil-fired boiler, which itself is an expensive technology. They tend not to be the favoured measures to use because of their great expense; however, suppliers are trying to use new technologies and develop new ways to help to tackle the energy inefficiency of the properties. That is happening at a low level, though, and the contribution of the programme that I am working on is at that low level.

Richard Lochhead: The phrase that I used was “new solutions”, not new technologies. We are talking about thousands of homes in each constituency in rural Scotland. We need new measures to tackle the issue, as new technologies will, I presume, take a long time to develop.

Charles Hargreaves: The suppliers will mix the new technologies. When you say “new solutions”, what are you getting at?

Richard Lochhead: I am referring to measures to help people who face rising oil costs in older houses in rural Scotland.

Charles Hargreaves: I can comment only on what I have mentioned so far—on what the suppliers are doing for that type of consumer. Some are promoting new technologies to reduce fuel bills.

Norman Kerr: Richard Lochhead raises a number of points. You must understand that the domestic oil supply industry is not regulated. The gas and electricity markets are heavily regulated by Ofgem, which does a lot of work with the suppliers. There is no such regulation of oil supply: basically, people take their chances. If there are two or three suppliers of oil in an area, there will be competition over the price that they will charge for a litre of oil. Where there is no competition, the vendor will simply charge what they think that they will get away with. It is important to understand that.

Although we can talk about the work that Ofgem is doing with the gas and electricity suppliers, there is no organisation doing such work with the oil industry: nobody is giving the oil industry a gee-up about what it is doing with the consumers. The suppliers simply say that they are supplying oil—end of story. They will not engage with organisations such as ours or National Energy Action in England to talk about the provision of advice or information to their customers. They simply retreat from that—it is not an option with them. The people who are left to do that work tend to be the local authorities, the housing providers and the Executive.

I am sure that Mike Thornton will want to say something about the pilot of small-scale renewable energy services that the Scottish Executive is running over the next 18 months in parallel with the central heating programme. Things are going on, but the industry is simply not responding. Indeed, if this or any other committee wants to find out about rural issues, it should take evidence not from oil producers but from oil suppliers about what they are doing. I think that there would be a lot of silence at that meeting.

The Convener: I am sorry to interrupt, but before Mike Thornton comes in, I have a quick question for clarification. When you mentioned the regulation of gas, were you also talking about the likes of Calor gas, propane gas and so on?

Norman Kerr: No.

The Convener: So those parts of the gas industry are in the same position as the oil

industry, and many rural houses still have to use tank gas and so on.

Norman Kerr: Yes. Moreover, as I said to Phil Gallie, over the past 25 years, we have gone for the easy hits. We have done a lot of things with cavity walls, lofts and gas central heating in houses. However, we have not done a lot about rural fuel poverty.

Through the house condition survey, Communities Scotland will measure what is happening in each local authority area by house type and heating source. Analysing the figures will be a devil of a job and take a lot of work, but the organisation should be able to provide statistics on, for example, how many houses have heating, the average national home energy rating and so on. The Scottish Executive is monitoring progress in that respect.

Mike Thornton: Richard Lochhead has certainly highlighted a future fuel poverty issue. Earlier, I said that tenements were an issue in Scotland; obviously, another major issue is fuel poverty, particularly in rural off-gas housing. I believe that I introduced the dreaded phrase “low-hanging fruit” into the discussion, but Norman Kerr is right to say that, as far as rural areas are concerned, the nation has not yet addressed what might be described as higher-hanging fruit.

However, the Scottish Executive is mindful of that and is funding a pilot programme under our management that seeks to install microrenewable technology in fuel-poor houses that are off the gas grid; to monitor what is happening; and to find out whether those technologies can take those individual households out of fuel poverty. It seems to have been accepted that conventional programmes based heavily on insulation and gas boiler installation will not be able to reach those households and that we need another arrow in the quiver. The idea behind the programme is to find out whether microrenewable technology is that arrow but, until the results are available, which will not be for another a year or so, it is impossible to make a definitive statement on whether it will be.

In any case, one can appreciate the rationale behind the pilot. For space heating, technologies such as heat pumps are extremely efficient in generating heat from electricity, and small-scale biomass systems use local resources that are inherently likely to be cheaper than fuels that are imported into the area.

Norman Kerr’s summing up was probably quite accurate. The fact that moves are afoot to get some data that will inform future policy making in this area is an acknowledgement that this is a problem area. However, at this stage, I am not aware of any definitive solutions that have been identified.

The Convener: Thank you very much.

I thank the witnesses for their evidence, which is very much appreciated. I think that we have all learned a lot from it.

With regard to the next stage of the inquiry, members were hoping to take evidence from the Deputy First Minister and Minister for Enterprise and Lifelong Learning on 12 September. Unfortunately, he cannot make that meeting, and Scottish Executive officials will give evidence in his stead. The clerks will then draft a response for consideration at the meeting after that, which will be on Tuesday 26 September and will be convened by Irene Oldfather.

Petition

Fishing Industry (PE804)

15:55

The Convener: Item 3 is PE804, which calls on the Scottish Parliament to use its influence to return control over the fishing industry to Scotland. Members will no doubt remember that we wrote to the United Kingdom Minister for Europe—then Douglas Alexander MP—inviting him to give evidence to us as part of our consideration of the matter. The minister's office indicated that the invitation had been passed to Ben Bradshaw MP in his capacity as minister with responsibility for fishing. Over the summer recess we received two responses from Ben Bradshaw, which members will have read as they were attached to the committee papers. Members will have noted that the minister indicated that he is unable to accept the committee's invitation at this time. Do members have any comments as to how we should proceed?

Irene Oldfather: The content of the letter makes clear the position of the UK Government. That is the clarification for which the committee has been asking for some time. It clarifies that the matter clearly rests with the UK Government and that what the petition asks for would require our withdrawal from the European Union. As the minister says in his letter:

"the UK would need to renegotiate at Community level. Such a renegotiation is not on the agenda."

Given that we now have the clarity that we have asked for over a considerable period of time, we should note the petition and move on.

Phil Gallie: I go along in part with Irene Oldfather's comments. I am grateful to the minister for at long last replying in as full a way as he could. Irene referred to the position of the UK Government. That is precisely what the minister has laid out. I do not necessarily agree with his conclusions with respect to the renegotiation of treaties, because Europe renegotiates treaties all the time; it is a matter for a future Government to take up in Europe. However, the question has been answered. It is a pity that UK ministers did not act a little bit quicker, as that would have removed some of the heat that has undoubtedly been stirred up on the matter.

I expect copies of the correspondence and any comments made by the committee to go back to the petitioners. I do not know whether the Public Petitions Committee should also be involved, but our clerk is an expert on such matters so I am sure that everything will be done properly and that we will ensure that there is proper feedback.

Bruce Crawford: I understand what members are saying, but given the importance of the Scottish fishing industry to Scotland, the fact that the Scottish fleet makes up two thirds of the UK fleet and the fact that the petition attracted 250,000 signatures, I am very disappointed in Ben Bradshaw's refusal to come to give evidence to us. He has raised some interesting issues in his letter, which I would like to touch on. I would certainly have liked the opportunity to cross-examine him on some of his assertions, which I do not accept. Given the importance of the issue to Scotland, he has effectively treated the committee with some contempt.

It will come as no surprise to people that I and the SNP support the petitioners' position. We want to bring back control of Scottish fisheries to the Scottish people and the Scottish Parliament. The minister contends that that would require withdrawal from the EU, but that is just posturing. The correct UK constitutional law position is that it is possible for the UK Parliament to amend and repeal the relevant sections of the European Communities Act 1972 to withdraw from the policy.

Countries get their own way on such issues in Europe when they are prepared to stand up for the rights of their own communities. Sometimes they do so by throwing their weight around, but Europe works through such negotiation.

There are three recent examples of agriculture and fisheries matters in which national interests were raised and subsequently protected through determined action by the states concerned. In the 1990s, the MacSharry plan for common agricultural policy reform was blocked by France because it was not satisfied with the new arrangements. That was outside the treaty, but France was still able to negotiate a position. In 1994, Spain successfully threatened to veto the enlargement of the EU in return for a better deal on fisheries access.

In 1999, President Chirac blocked another common agricultural policy reform deal after it had been agreed by EU agriculture ministers, despite there technically being a majority vote. The issue is whether a state is determined to make something work on behalf of its own communities.

I would like the committee to condemn Bradshaw's refusal to come to give evidence to us, which would have allowed us to test the arguments in his letter. I do not accept that the position that he has described is right and would like the opportunity, as a parliamentarian in the Scottish Parliament, to discuss it with him, but we will not get the chance to do so. In the light of how Bradshaw has treated us, the committee can rightly say that it supports the petitioners.

16:00

Dennis Canavan (Falkirk West) (Ind): If we are going to respond to the petitioners, we should at least express our regret at or disappointment with the substance of Ben Bradshaw's reply and the time that it has taken to reply. We first wrote to the UK Government about the matter on 28 March. The minister did not get round to sending us a reply based on what I presume is the legal advice that the UK Government has received on the possibility and consequences of withdrawing from the common fisheries policy until 5 July. He did not get round to responding to our invitation to speak to us until 9 August, when he gave us a negative reply as a result of so-called diary commitments. If we are going to respond to the petitioners, we should express disappointment with or regret at the UK Government's handling of the matter.

Gordon Jackson: I do not know why a reply has been delayed and am not too bothered about why it has been, but I do not regret its substance; indeed, I would be fiercely unhappy if the committee took the line of regretting its substance. The reply seems to be right.

I am not sure that Bruce Crawford's analogies are right. The people whom he mentioned obviously played hardball negotiations inside a policy. I do not doubt that when Ross Finnie goes to Brussels to do whatever he does there, he negotiates inside the common fisheries policy in the same way that people have negotiated inside the common agricultural policy. The petitioners' agenda is to take us out of the common fisheries policy, which is entirely different from negotiating within it. Therefore, Bruce Crawford's analogies do not work.

Leaving aside questions of delay, the minister's answer is right in the light of where we are within the European Union. Obviously, people such as Phil Gallie want us to leave the European Union, and there are people with legitimate political aspirations—such as Bruce Crawford—who want us to leave the United Kingdom and do our own thing, but the minister's answer is right within the structure that we are in, and I do not regret it. Moreover, I do not want the committee to say that it regrets his answer.

John Home Robertson: I understand Phil Gallie's political position, his general view of the European Union and the CFP in particular, and where Bruce Crawford and his colleagues are coming from politically. However, there is a cruel point behind the matter with which we are dealing—the problem is not a political problem; it is a conservation problem. I am a former fisheries minister and can confirm what Gordon Jackson has said. Scottish ministers fight their corner as hard as they can as part of UK delegations at the Council of Ministers, and doing so ain't easy.

The underlying problem is that several important species of fish in the North sea and the waters around Scotland and the European Union are under severe pressure, and it is incumbent on ministers and scientists to do what they can to protect them. That will not be done by walking out of the European Union and away from the common fisheries policy—it must be done within the European Union and within that policy.

It serves no useful purpose to pursue the political argument; we need to engage in the conservation argument on the best way forward for Scottish fishing communities, which I am well aware are having a difficult time. I am inclined to accept the reply that we have received from the UK fisheries minister. That said, I take the point that other members have made that it has taken far too long for the reply to come through.

Mr Wallace: John Home Robertson is right to say that the key issues for the fishing industry are to be found in the content of the common fisheries policy. There is much that we could say about the way in which that ought to be improved. However, the issue that we were presented with, and to which the minister responded, is substantially constitutional in nature. His reply could not be described as surprising; it is as predicted. Nonetheless, it is important that we raised the issue. I endorse Irene Oldfather's point, and I think that we should send the response to the petitioners, although we should do so without comment.

At the outset, given the strength of support for PE804 and the importance of the issue involved, we were anxious to take stock of what the petitioners were saying. We have taken the petition seriously, but we have now exhausted what we can do. Of course, the irony of the situation is that the places where the petition was properly directed—the Westminster Parliament and the European Parliament—seem not to have given its contents a blind bit of attention. The Scottish Parliament has no power to do what the petitioners want, but we have discharged our responsibility. Perhaps those at Westminster and the European Parliament might wish to reconsider their response to the petition.

The Convener: Richard Lochhead has asked to make a contribution.

Richard Lochhead: Thank you, convener. As members know, I have followed PE804 closely over the past year or two. I have tried to attend every meeting at which it has been discussed and I know that members have given a great deal of time to this important issue.

First, it is absolutely disgraceful that the United Kingdom minister has not shown the courtesy of appearing before the committee in person to

discuss an issue that comes under his remit, which is of huge social and economic importance to Scotland and which has been raised in a petition that a quarter of a million Scots have signed. That illustrates contempt for the committee and the Scottish Parliament. It is a great pity that the minister did not agree to appear before you. I hope that the committee will make its views known directly to him—after all, fishing is essentially a Scottish industry. As Bruce Crawford and other members said, over two thirds of the UK fishing industry is based in Scotland, so it is a great pity that the UK minister failed to recognise that by not coming to the Scottish Parliament to discuss the petition, as the committee requested.

The petitioners believe that the common fisheries policy has, in its first 30 years of existence, failed Scotland. They will continue to believe that, and all the evidence is that that is the case. One quarter of European Union waters are in the Scottish fisheries zone, yet our fishing industry has been decimated and our fishing rights handed to other nations that now fish our waters. The decline in many of our fishing communities has led to the huge support for petition PE804. Our coastal communities submitted the petition to the Scottish Parliament because they believed that they would get its support, given that they fought for the Parliament, which came into being in 1999.

Even over the past few weeks, the European Commission has admitted once again that its current policy is failing. The cod recovery plan—the big plan that was imposed a few years ago at great pain to Scotland—is now being seen to fail. Despite having the full co-operation of the Scottish industry, the European Commission has now accepted that the plan has failed and wants to review it. Once again, the Commission has accepted that the CFP is failing. The evidence continues year in, year out. I hope that the petitioners made that clear to the committee.

There is a very strong case for the committee to criticise and condemn the UK minister for not appearing before the committee and to express a view. If there is one thing that the quarter of a million people who signed the petition and the petitioners want to hear from the committee, it is its view on the common fisheries policy. They want to hear whether you think that it is a good or a bad thing and whether you support them in their campaign for the Scottish Parliament to regain control of Scottish waters. It would be a good thing and a brave thing for the committee at least to express a view.

I turn to the argument that fish have to be managed across boundaries because they swim between national boundaries. Of course that is the case, but the common fisheries policy has failed, and 47 per cent of Scottish stocks are negotiated

with Norway, not with other EU countries. There is no need for the CFP in that respect. Norway is not in the CFP, yet it is managing just fine—

Irene Oldfather: On a point of order, convener.

Richard Lochhead: All the evidence that you have heard over the past year or two has pointed towards the—

Irene Oldfather: On a point of order, convener.

The Convener: I shall let you in, Mrs Oldfather.

Richard Lochhead: I hope that the committee supports the petitioners today.

Irene Oldfather: The committee has been addressing the letter, but I feel that Richard Lochhead is exceeding the boundaries—although I understand why, politically, he would want to do that. I feel that it is important that we address the content of the letter.

Phil Gallie: I was very careful not to turn this into a political battlefield. I made the comment that the letter was a statement of the Government's intent and its interpretation, and that parties would take different views of that. If the committee is reported, it gets the message home to the petitioners that we do not accept the contents of the letter, but that we accept the reply as representing the Government's stand.

The Convener: Yes.

Phil Gallie: I wish to make another point. There have been a few hard words about the minister's not coming to the committee. I remind the committee that an e-mail from Ross Finnie's department in the Scottish Executive went to the ministries in Westminster, suggesting that UK ministers would not be welcome. If we are reminding the Minister for Local Environment, Marine and Animal Welfare that it is a shame that he has not come to address the committee, we must recall that the Scottish Executive did not want him to come before us. I would not like members to forget that.

Gordon Jackson: I am perhaps stating the obvious—this is in the letter from the Minister for Local Environment, Marine and Animal Welfare, and I think he is right. The Minister for Europe was asked to come

“to give evidence on possible withdrawal by the UK from the Common Fisheries Policy”.

That is, he was asked to come and give evidence on how a withdrawal would work—on the constitutional issue, as Phil Gallie calls it. The committee was at no time up for conducting an inquiry into the merits or otherwise of the common fisheries policy.

Phil Gallie: That is correct.

Gordon Jackson: As Phil Gallie says, that is right. For Richard Lochhead to say that we should be expressing a view on the merits of the common fisheries policy is, to be charitable, to misunderstand totally all that we were ever doing. I understand that this has been a nice piece of what Bruce Crawford would call political posturing, but it is not what the committee was ever involved in. It would be wrong to suggest that we are ducking an opportunity to give our opinion on the common fisheries policy, as Richard Lochhead has suggested. We were never asking that question; we were dealing with a different matter—a constitutional issue, as Phil Gallie has called it.

Bruce Crawford: It is pretty obvious that political positions will be taken on the matter. It would be simplest for me just to say that I would like to say that we regret the non-attendance of the Minister for Local Environment, Marine and Animal Welfare, given the importance of the fishing industry to Scotland. I do not think that he has treated the issue with the importance that might have been expected. Secondly, I would say that the committee supports the position of the petitioners.

The Convener: I take that on board. I suggest, having listened to the discussion, that there are two things that we have to decide. First, do we carry on with the petition and support the position of the petitioners, or do we close the petition? The second issue is whether we write to Ben Bradshaw to express disappointment at the refusal to come here and at the time that has been taken for the Government to work out its position. Do members agree that there are two issues to be addressed?

Irene Oldfather: I will not get into all the political arguments—we could run around the issue until tomorrow. If I picked up all of Bruce Crawford's and Richard Lochhead's points, we would then be arguing about the merits or otherwise of the common fisheries policy. As Gordon Jackson has said, that was clearly never the committee's intention.

My proposal is that, first, we note the letter; it would also be useful to pass it on to the petitioners. Jim Wallace is right—we have aired the matter considerably in this committee and I understand that it has been discussed by the Environment and Rural Development Committee and the Public Petitions Committee. The petition has had a good airing. I propose that we note the contents of the letter and advise the petitioners that we have dealt with the matter as far as we can, attaching a copy of the minister's letter to our letter to the petitioners—and that is the end of it.

The Convener: The petitioners will already be aware of the letter. Remember that all these things are on the internet and have been published anyway.

Irene Oldfather: Okay.

Gordon Jackson: We should still pass the letter on to the petitioners.

The Convener: We will send it to them with our response. I was trying to simplify matters by saying that we had two things to decide. The first thing is whether or not to close the petition.

Irene Oldfather: Agreed.

John Home Robertson: Yes.

The Convener: Do we wish to have a vote on whether to close the petition?

Bruce Crawford: It depends on how contrary that runs to my position that we support the petitioners' position.

Gordon Jackson: Fairly contrary, but—

16:15

Phil Gallie: I think that we have to close the petition—we cannot carry it on. However, it is fair for the committee to make it clear to the petitioners that there are members of the committee who supported their position and members who did not. Perhaps they will be able to judge that from the *Official Report* of this meeting. Nevertheless, we must close the petition. As I say, Ben Bradshaw was encouraged by the Executive not to come to the committee.

The Convener: We must vote either to close the petition or to keep it open. If we keep it open, that is when a statement about whether the committee supports it will be made. Do you see what I am saying?

Irene Oldfather: I propose that we close the petition.

Bruce Crawford: If those are the rules of the game, I have to say that I support keeping the petition going so that I am able to put forward the view that I support the petitioners' position—if that is the formal position that the convener is outlining to me.

Phil Gallie: I regret that I would be forced to support Bruce Crawford's position, although that is not what I think. We should say to the petitioners, "That is the end. We can take the petition no further." However, if Bruce Crawford's suggestion is the constitutional way, I have to accept that.

Gordon Jackson: If Irene Oldfather's suggestion has majority support, that will end the matter.

Dennis Canavan: Why cannot we simply convey to the petitioners the contents of the minister's letter and attach to it the *Official Report* of the discussion that we have had in the committee? That will make it obvious to anyone

who takes the trouble to read it where we all stand and will preserve everybody's position.

The Convener: That would be done anyway as normal practice. The decision that has to be made by the committee is whether to leave the petition open and deal with it further.

Bruce Crawford: Let us just vote on whether to keep it open or to close it.

Gordon Jackson: I support Irene Oldfather's position.

The Convener: Her position is that the petition should be closed and that we should write to the petitioners. That is separate from whether we should write to the minister expressing disappointment about the time that was taken to respond to us.

Gordon Jackson: We can have a separate vote on that, if you like.

The Convener: That is what I suggested before this whole conversation started. I said that there were two issues on which we had to decide. Can we go back to where I was?

Gordon Jackson: Fine.

The Convener: Good. We have a terrible habit of doing this in the committee.

The question is, that the petition be closed. Are we agreed?

Members: No.

The Convener: There will be a division.

FOR

Gordon, Mr Charlie (Glasgow Cathcart) (Lab)
Home Robertson, John (East Lothian) (Lab)
Jackson, Gordon (Glasgow Govan) (Lab)
Oldfather, Irene (Cunninghame South) (Lab)
Wallace, Mr Jim (Orkney) (LD)

AGAINST

Canavan, Dennis (Falkirk West) (Ind)
Crawford, Bruce (Mid Scotland and Fife) (SNP)
Fabiani, Linda (Central Scotland) (SNP)

ABSTENTIONS

Gallie, Phil (South of Scotland) (Con)

The Convener: The result of the division is: For 5, Against 3, Abstentions 1.

Phil Gallie: I abstained on the basis that a copy of the *Official Report* of the meeting will be sent to the petitioners.

The Convener: Okay. Thank you.

We move on to the second vote. The question is, whether we should write to the minister, Ben Bradshaw, expressing disappointment and concern about the way in which his department has dealt with the committee—and, therefore, the Scottish Parliament—regarding visiting and writing.

Irene Oldfather: The point was raised earlier about the length of time that it took for us to receive a reply. If we want to respond to that, I am happy for us to do that; however, it is clearly a Westminster issue and we also had a timetable. I would not want to complain about the fact that the minister did not visit the committee.

The Convener: Everybody is now wanting to talk.

Bruce Crawford: I accept the hard reality—although I might not like it—that it is a Westminster issue. However, the Scottish fishing fleet makes up two thirds of the UK fleet, so I would have thought it incumbent on the UK minister to come and hear a view from Scotland and to have a discussion in Scotland about this very important matter. We can only condemn him for not attending.

Gordon Jackson: That might be right if we were doing what Richard Lochhead would like us to do, which is to look at the merits of the policy. The minister has laid out the constitutional position with clarity. I suspect that, if he came to the committee, we would just get into the merits of the policy, which is what we were never to do. As far as the delay is concerned, it seems on the surface to have taken a bit too long for us to receive a response, but I do not know why that is the case and I am not going to start condemning something when I have not seen the papers for it. I suggest that we simply thank the minister for his response and leave it at that.

Mr Wallace: I think that we have already asked why we did not receive a response. Both the letters of 5 July and of 9 August apologise for the delay in replying. Given those apologies, we would be petty to make more of the matter.

Dennis Canavan: The minister's refusal to appear before the committee is not because the matter is reserved to Westminster. His letter states:

"I ... regret that, due to diary pressures, I am unable to accept on this occasion."

As I recall, we took evidence by video link from Hilary Benn on international development, which is also a reserved matter. Therefore, this business about UK Government ministers not giving evidence on reserved matters just does not wash. We have a precedent for that.

Irene Oldfather: I think that we just need to take a vote on the matter and move on.

The Convener: Gordon Jackson has suggested that we simply thank the minister for his response and end the matter at that.

Bruce Crawford: I suggest that we condemn the minister's refusal to give evidence.

The Convener: If I remember rightly, Bruce Crawford actually put forward his suggestion before Gordon Jackson. We will vote on Bruce Crawford's suggestion. That will end the matter.

The question is, that the committee condemns the minister's refusal to speak to the committee. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Canavan, Dennis (Falkirk West) (Ind)
Crawford, Bruce (Mid Scotland and Fife) (SNP)
Fabiani, Linda (Central Scotland) (SNP)
Gallie, Phil (South of Scotland) (Con)

AGAINST

Gordon, Mr Charlie (Glasgow Cathcart) (Lab)
Home Robertson, John (East Lothian) (Lab)
Jackson, Gordon (Glasgow Govan) (Lab)
Oldfather, Irene (Cunninghame South) (Lab)
Wallace, Mr Jim (Orkney) (LD)

The Convener: The result of the division is: For 4, Against 5, Abstentions 0.

That concludes that matter.

I have a slight concern about all the people who signed the petition and about the strength of feeling that they have about the matter. Therefore, when we come to the next item, I want to throw in for discussion the suggestion that, if we agree to have a day conference on maritime issues, we should also consider inviting the Cod Crusaders to the conference. That is open for discussion.

Irene Oldfather: Convener, we have just agreed to close the petition. We should deal with that matter as a separate item.

The Convener: Okay, we will do so.

European Maritime Policy

16:22

The Convener: Agenda item 4 is a proposal, which has been developed by the clerks and Scotland Europa, to encourage a joint-working approach to consideration of the European Commission's green paper on maritime policy. A paper from the clerks has been circulated. Members will note that the main proposal is for the committee to host a conference in Parliament. Monday 4 December seems to be the only viable date for that. The Scottish Executive was to have held a day conference on the same issue, but the clerks have been informed that it is unlikely to go ahead. Do members have any comments?

Gordon Jackson: I hope that I have this right, but I think that this is a good paper and a sensible suggestion. I like the proposed co-operation with Scotland Europa. The whole idea sounds pretty good to me.

The Convener: I like the idea of the committee being proactive on such things.

Phil Gallie: I like the idea—although, when I saw Irene Oldfather nodding her head, I was not so sure—and I think that it is a good paper. I have no problem with the suggestion.

Irene Oldfather: I, too, think that this is a good paper. The European Commission's green paper on maritime policy contains a great deal that will be of interest to us in Scotland. The principle behind the green paper is to treat the oceans and seas holistically. I think that we could all sign up to that. The issue touches on tourism, sustainable development and pollution and deals with a big agenda that is very relevant to Scotland. I think that the suggestion is a good idea.

There have been suggestions about who would attend the meeting. It seems to me that it would be a good meeting to attend because it is about a pan-European issue. One of the key players in maritime policy is the Conference of Peripheral Maritime Regions of Europe, which is expert in the matter. It might be helpful to invite the CPMR along because it contributes a lot to maritime policy Europe-wide. It is certainly tuned in to experiences of regions across Europe in relation to maritime policy. The CPMR could be a useful contributor to the debate if we have a one-day conference on maritime policy.

Phil Gallie: There are others whom I would like to see involved as well; for example, someone from the merchant marine.

The Convener: If members would like to ensure that particular people are on the guest list or are at least offered the chance to attend, they can

perhaps send an e-mail about that to Emma Berry or Jim Johnston.

John Home Robertson: There are certainly people in my part of the world who would like to take the opportunity to express their opinions on Forth Ports Authority's plan to allow Russian ships to transship oil in the Firth of Forth. That plan is of great interest to them and is causing considerable concern.

The Convener: Do members agree to submit a bid to the Scottish Parliamentary Corporate Body to hold the event on Monday 4 December, and to delegate authority to the clerks to take forward the arrangements?

Members indicated agreement.

John Home Robertson: The date is 4 December.

The Convener: Yes. It is a Monday.

Pre and Post-council Scrutiny

16:26

The Convener: Item 5 is the pre and post-council scrutiny, which is our regular scrutiny of the agenda and reports of Council of the European Union meetings. Members will find that the paper has a larger number of items than usual, which is due to the build-up over the recess. Also attached to the paper is the Minister for Finance and Public Service Reform's response to points that were raised by the committee at our meetings on 6 and 20 June. If I remember rightly, Irene Oldfather and Dennis Canavan had a particular interest in language teaching in schools: there is a response on that. Do members have any comments on the paper?

Phil Gallie: I will be brief and just pick out pages that interest me. On page 3, I just want to observe that we did not get a visit from the Finnish presidency of the EU this year, which breaks with tradition.

The Convener: He will come at the end of this month, Phil. There will be a public event here on 28 September that Irene Oldfather will host because I will be away.

Phil Gallie: Okay, I was not aware of that. At the same time, that date is halfway through the term of the presidency. However, given the recess, it is better late than never, although we have in the past managed to have earlier visits.

I will link my comments on page 9 to those on page 39. I have general comments on the Hague programme and on communications from the European Commission on policies on freedom, security and justice. I would like to record my reservations about the paper's comments on those two areas. Page 39 has a full statement on the Hague programme, but it does not refer to the problem of youngsters being taken away from this country and parents being unable to find representation to help bring them back. I recognise that there is a current issue with respect to Pakistan, but I was not thinking about that kind of situation. I am thinking of instances in the past when the Hague convention has been used to find lawyers in the United States, believe it or not, with there being agreement across Europe to find representation without cost to parents here, who would have found it very hard otherwise. It is an important issue and we should ensure that our justice committees are fully aware of what is going on in that area.

My final point is on the issue that is dealt with on page 24, which is of greater importance. I think that you will find that to be the case, convener. The issue is the air traffic management system

called SESAR—single European sky air traffic management and research. Our air traffic control centre at Prestwick is very important to Scotland. I would think that we in the Scottish Parliament would want to take an interest in SESAR and European air traffic management, and ensure that we can protect the interests of the major employer at Prestwick as best we can. I would therefore like us to find out as much about SESAR as we can. Perhaps alerting our Local Government and Transport Committee to the issue might be a good way forward.

16:30

The Deputy Convener (Irene Oldfather): Just to sum up, Phil, you propose that we try to get a little bit more information on the SESAR programme and pass it on to the Local Government and Transport Committee. On the Hague programme, you would like to highlight to the justice committees particular issues in relation to young people who are taken out of the country.

Phil Gallie: Yes—especially with regard to parental abductions.

The Deputy Convener: Okay, I think that we can ask the clerks to look into those matters and report back at the next meeting. The convener has returned to the meeting, so I will make a point now as a committee member.

The Convener: Okay.

Irene Oldfather: We used to have a table at the front of the pre and post-council scrutiny paper with recommendations and so on. Have we scrapped that?

The Convener: The clerk informs me that that is the case.

Irene Oldfather: Right. That paper was quite handy because it used to have all the councils in date order and the recommendations for the committee next to that.

Phil Gallie: That is right.

Irene Oldfather: The relevant page numbers were also on the table, which made it easy to refer to them.

The Convener: Members will remember the meeting that we had in private at which we agreed to cut down on paperwork and so on. The table to which Irene Oldfather refers was one of the things that the committee agreed to cut. However, the front page of the current paper is actually quite detailed about what is in the paper. It is really the same information as appeared in the previous format.

Irene Oldfather: I would not want to be one of those members who are resistant to change.

The Convener: Do we have further comments on this agenda item?

Phil Gallie: The useful thing about the previous format was that it did allow us to keep an eye on the dates and it demonstrated when departments were or were not late. Members will remember that we had difficulties with the agriculture and fisheries council, which was a real problem in the early days that latterly improved beyond all recognition. The dates in the paper therefore served a purpose.

The Convener: The current format would still allow us to take note of anything that was late. That should not be a problem.

Sift

16:32

The Convener: Item 6 is our regular scrutiny of the sift. Are there any comments? The format is the same as it has always been.

John Home Robertson: Irene will be happy with that.

The Convener: As there are no comments on the paper, do we agree to refer the appropriate papers to the relevant committees?

Members *indicated agreement.*

The Convener: That was the last item on the agenda. I thank you for attending. Please remember that we have our extra committee meeting next week.

John Home Robertson: I may not be able to attend the extra meeting.

The Convener: You are too late, John. You will be here. Sorry, you will not be here; you will be in committee room 4. You had said that you would be here and we cannot do it without you.

Dennis Canavan: Is the meeting at the usual time?

The Convener: Yes—it is at 2 o'clock.

Dennis Canavan: Did a note not come round about the possibility of a morning meeting? Has that been scrapped?

The Convener: That meeting is at the end of October. You are way ahead of yourself.

Dennis Canavan: There will be a morning meeting at the end of October.

The Convener: I close the meeting before we all start going through meeting times.

Meeting closed at 16:33.

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