Official Report
Aithisg Oifigeil

Climate Action Committee

Comataidh Gnìomh air a’ Ghnàth-shìde

Thursday 17 September 2026

Session 7

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CLIMATE ACTION COMMITTEE
3rd Meeting 2026, Session 7

CONVENER

*Stuart McMillan (Inverclyde) (SNP)

DEPUTY CONVENER

*Ariane Burgess (Highlands and Islands) (Green)

COMMITTEE MEMBERS

*James Adams (North East Scotland) (Con)
Claire Baker (Mid Scotland and Fife) (Lab)
*David Barratt (Cowdenbeath) (SNP)
*Martyn Day (Falkirk East and Linlithgow) (SNP)
*Sanne Dijkstra-Downie (Edinburgh Northern) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Anne Aitken (Scottish Government)
Elizabeth Burgess (Scottish Government)
Donald MacKinnon (Na h-Eileanan an Iar) (Lab) (Committee Substitute)
Gillian Martin (Cabinet Secretary for Climate Action and Rural Affairs)
Phil Raines (Scottish Government)

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Climate Action Committee

Thursday 17 September 2026

[The Convener opened the meeting at 09:02]

Interests

The Convener (Stuart McMillan): Good morning, and welcome to the third meeting in session 7 of the Climate Action Committee. We have received apologies from Claire Baker, and I welcome Donald MacKinnon to the meeting as her substitute.

Agenda item 1 is a declaration of interests. I invite Donald to declare any interests that are relevant to the committee's remit.

Donald MacKinnon (Na h-Eileanan an Iar) (Lab): I draw the committee's attention to my entry in the register of members' interests. I run a crofting business and I am a shareholder in a common grazing that has interests in peatland restoration.

The Convener: Thank you, and welcome to the committee.

Decisions on Taking Business in Private

09:03

The Convener: Agenda item 2 is a couple of decisions on taking business in private. We are invited to agree to take in private agenda items 4 and 5, which are consideration of the evidence that is heard under agenda item 3 and our approach to the inquiry into the environmental impacts of artificial intelligence data centres. We are also invited to agree that consideration of our work programme should be taken in private at our next meeting.

Do we agree to take in private items 4 and 5?

Members *indicated agreement*.

The Convener: Do we agree to consider our work programme in private at our next meeting?

Members *indicated agreement*.

Climate Action

09:04

The Convener: Agenda item 3 is an evidence session with the Cabinet Secretary for Climate Action and Rural Affairs on the Scottish Government's priorities that are within the committee's remit, including those that are set out in the programme for government for 2026 to 2031.

I welcome Gillian Martin, the Cabinet Secretary for Climate Action and Rural Affairs. She is supported by Scottish Government officials Phil Raines, joint deputy director of the domestic climate change division of the directorate for energy and climate change; Anne Aitken, deputy director of the environmental quality and resilience division of the directorate for environment and forestry, or Enfor; and Elizabeth Burgess, head of the biodiversity unit in the nature division of Enfor.

This evidence session follows our session with stakeholders on 3 September and completes our initial evidence gathering on committee priorities ahead of further discussions of our work programme.

Cabinet secretary, I am happy to provide you with a few moments to make any opening remarks.

The Cabinet Secretary for Climate Action and Rural Affairs (Gillian Martin): Thank you, convener. I look forward to working with you all in this parliamentary session. I have a brief opening statement to discuss my priorities for the parts of my portfolio that pertain to this committee's remit.

Scotland has some of the highest ambitions in the world for climate and nature. As the cabinet secretary with responsibility for dealing with the nature and climate crises, my priority is to ensure that we deliver the emissions reduction that is needed to meet our statutory carbon budgets and achieve net zero by 2045 while building a more climate-resilient Scotland that supports our communities, creates economic opportunities, protects and restores nature, and delivers a just transition.

The climate change plan sets out Scotland's pathway to net zero with actions that are across the whole of Government—across transport, heat in buildings, woodland creation, peatland restoration, waste reduction, agriculture, energy supply and industrial processes. Our circular economy strategy will help us to transition towards a circular economy with sustainable levels of material use and increased resilience to withstand global supply chain shocks. Our strategic framework for biodiversity sets out our plans for nature restoration, and, under the Natural Environment (Scotland) Act 2026, the Government continues to develop statutory biodiversity targets, drawing on scientific recommendations from the biodiversity programme advisory group, alongside expertise from across Government, delivery partners and stakeholders.

The programme for government demonstrates our continued commitment to delivery, ensuring that action for climate and nature remains a core priority across Government. Bringing our environmental bodies together in a single modern organisation will build a more joined-up approach, remove unnecessary barriers and make environmental interventions more impactful. That will be a priority for the Government. I should also say that we want to make those bodies more accessible to those who use them.

My focus for this parliamentary session is firmly on implementation and delivery, which means delivering on actions that are contained in the climate change and biodiversity delivery plans, prioritising the transition to a net zero economy and ensuring that action on climate and nature supports economic growth, energy security and good jobs, and delivers wider benefits such as cleaner air, warmer homes and lower bills.

The climate challenge is not limited to reducing emissions. We are already seeing the impacts of climate change through flooding, wildfires, water scarcity and coastal erosion, which places increasing pressure on communities, infrastructure and public services. That is why nature restoration, climate adaptation and resilience must be given the same importance as mitigation of the impacts of climate-related situations.

Through Scotland's national adaptation and biodiversity plans, we are strengthening resilience across our communities, economy, nature and infrastructure. The programme for government includes further investment in flood resilience, support for coastal adaptation and action to improve our preparedness for and response to wildfire risks. We will also build on Scotland's strength in renewable energy. We will continue to expand peatland restoration and woodland creation and to support nature restoration alongside emissions reduction.

Given the constraints of devolution, we will continue to urge action from the United Kingdom Government on reserved matters that will have an impact on delivery—such as lowering electricity costs—and on our partners in local government. We also want progress on the Acorn project, which clearly remains important to Scotland's decarbonisation ambitions.

The scale of the challenge means that the Government cannot act alone. Success depends

on partnership across business, communities, the public sector and government at all levels.

Our approach is clear. Tackling the twin climate and nature crises is an environmental necessity but also an economic opportunity. The challenge is significant, but the opportunity is significant, too. Our task is to turn ambition into measurable outcomes that keep Scotland on track for net zero while improving lives, strengthening resilience and supporting sustainable economic growth. I look forward to discussing all the elements of that in this evidence session and over the years to come.

The Convener: Thank you very much for those opening remarks, cabinet secretary.

We have broken this evidence session up into a few different themes, which I am sure you will not be surprised by: public sector reform, climate change, nature, the circular economy and water. That is just to make things a bit easier for anyone who might be watching and listening.

On public sector reform, you touched on the programme for government and the major institutional reform of the creation of a single environmental body. How advanced are those plans, and what timeframes are you working to for consultation and any new legislation in that regard?

Gillian Martin: I do not have any particular timeframe. It is important to make it clear that the programme for government set out the initial proposals, and that is what they are—proposals. When we came into government, we had a great deal of discussion about what public sector reform would look like, and we were tasked by Ivan McKee and, indeed, the First Minister to look at our portfolios for any opportunities that might exist, particularly with regard to the bodies in each of our portfolios. Initially, SEPA and NatureScot seemed like a good fit for being put into one environmental body. Later, when we were discussing the plans and looking at associated opportunities, we felt that Zero Waste Scotland would be a good fit for that body, too.

I must stress that the proposals and the plans are not well advanced yet. Obviously, we had to put this proposal in the programme for government, and Parliament had to know first—that is the way in which things have to be done. A great deal of work will have to be done with the organisations in order to progress the plans, but we could not have had the organisations working with us on any detailed plans associated with any kind of merger ahead of Parliament knowing our proposals.

We know that business as usual is not going to cut it if we are to meet our biodiversity and climate change goals, but we know, too, that all of the organisations that I have proposed should be put into one environmental body already work very closely together. However, there is more partnership work that can be done, and there are certain backroom functions that can be shared, which will release some funding to deliver the actions that are associated with each component of the proposed environmental body. We want the aims of the biodiversity strategy to be delivered, we want to do what we can to reduce emissions and waste, and we want to recognise that, as a result of bringing these bodies into one, a lot of opportunities might arise to divert funding to the actions that they carry out.

The proposals are not well advanced, because their advancement will be done in partnership with the three organisations. There will be a single overarching environmental body, and we will appoint a shadow board chair and a chief executive officer ahead of its launch. We do not want any attention on the day-to-day functions to be diverted away from the delivery of the services that are provided by each of these organisations towards managing any merger. The shadow board will deal with making up the new body, to ensure that we take nothing away from any of the critical services and actions that the three bodies currently provide.

The Convener: That was helpful. On your latter point about the shadow board and the shadow board chair, do you have an estimated timescale for putting them in place?

Gillian Martin: That is being looked into right now. We will need to go through a recruitment process for those appointments, and the remit for the board is being looked at now, but I cannot give you any firm timescale for when recruitment will happen. After all, the proposal was announced only a couple of weeks ago and we must ensure that we have everything worked out with regard to the decision on the body and the functions of the shadow board and the individuals involved with it—and, indeed, recruit the CEO—before we actually recruit the board itself.

The Convener: Thank you. I am sure that you will be giving regular updates on that to the committee.

Gillian Martin: Yes.

09:15

The Convener: In your opening statement, you stated that you want to make this new organisation more accessible to the public. When we think about this particular change, with the three organisations being brought into one, the fact is that any organisational change is fraught with challenges as well as opportunities; however, we have heard concerns that the day job will still have

to be done while this is all happening. I appreciate your comments about the shadow board and the like, but what measures can you put in place to ensure that the day job is not hampered as this change takes place?

Gillian Martin: The shadow board and the CEO of the overarching body will be responsible for all non-day-job activity—that is, facilitating the merger and what that will look like, and the creation of the new body.

It is a very important question that you have asked me, convener, and it is an important point that has been made by our wider stakeholders, too. There are a couple of things that I want to say about it. The day-to-day services and the functions that SEPA, NatureScot and Zero Waste Scotland are carrying out right now will continue as normal, because we cannot take our foot off the accelerator in any of the things that they do. Moreover, the public and stakeholders will expect the same level of service. That is why the shadow board will be created.

The other thing that I want to say is that the core functions of each body and what they are doing now will not necessarily change. It is not as if anything that is being done now will be diluted. The model for Zero Waste Scotland, for example, and its approach to its business are very different from those of NatureScot; Zero Waste Scotland's work has very much an economic growth aspect, and I see that continuing and its culture and approach remaining the same. What will be very interesting in bringing these organisations together—and what might well be a real bonus—is the knowledge sharing that will take place across all of them with regard to different models and approaches. However, the day-to-day functions and services will continue as they are.

By bringing together an overarching body, we will be able to look at where there is duplication and examine where, from the public's perspective, there might be a little bit of confusion about which body to go to for a particular service. I am thinking of, for example, the various activities that SEPA licenses, and, in particular, the partnership working that it does on rivers. Such pilots are already under way at the moment; I can think of one near my own area, on the Dee and the South Esk, where SEPA, NatureScot, and local farmers and river trusts are all working together on a whole catchment-scale project. That is the sort of thing that I think could be—to use a term—mainstreamed.

There have already been moves towards closer working. It is perhaps a source of frustration for people when they are not sure whether to go to SEPA or NatureScot on, for example, water quality. If somebody wants to do something associated with their river trust, who do they go to? The one-door approach will benefit many of the stakeholders and, in particular, people who want to do large-scale and complex things with, for example, rivers. That is definitely one of the big potential wins in what we are doing.

We want day-to-day functions to continue throughout the process, which is why the shadow board will be important.

The Convener: Thank you. We have questions from James Adams and then David Barratt.

James Adams (North East Scotland) (Con): I would like a bit of clarity on the factors that determine what bodies will be merged, especially given the uncertainty on Scottish Forestry. Given that the marine directorate delivers licensing functions from within Government, are you considering the option of integrating regulation across land and sea into one body?

Gillian Martin: I can see why you are asking that question, given the licensing functions of the marine directorate. We are at the start of a process of public sector reform and Mr McKee has said—I do not think that he would mind my sharing this—that we need to think creatively and about outcomes. This is a moment for us to all think creatively about what we want the reform to look like and where we might have better outcomes if we consolidate some functions.

The marine directorate currently sits in Government, so it shares the backroom functions of Government. It is not a separate body that has its own human resources department or other backroom functions. It is working well within Government. The reason why the programme for government refers to a potential for including Scottish Forestry is that I still need more analysis on where it should sit. Discussion is going on between me and my officials in Government about whether quite a lot of the functions of Scottish Forestry might sit in Government and how that would work.

I go back to the convener's question about how far advanced the discussions are. In relation to the three bodies that have been announced in the programme for government as being brought together, I am certain that those three should come together in an environmental body. Is there potential for more? Mr McKee would like me to confirm that there is potential for more, but I am not convinced yet.

I have noted down my rationale. When we were asked to consider what should happen, I set myself a test, and I have made a wee note of it. My first question is: will it improve operations for the bodies and deliver better outcomes? My second question is: will it reduce duplication of effort—

backroom functions in particular—and save money that can be better spent on improving outcomes and delivery? My third question to myself and to my officials is: will it make it easier and simpler for clients, members of the public and stakeholders to access services?

We need to consider whether the answer to all or any of those questions is yes. I need to do more work to satisfy myself that Scottish Forestry going wholesale into an environmental body would achieve any of those outcomes. However, I feel that the marine directorate should stay in Government at the moment—that is the short answer to that question. That is the test that I have set myself. When I make my recommendations to Mr McKee and to Cabinet, those are the three things that I will always have in mind. If the answer to any of those questions is no, the proposal does not pass the test.

James Adams: Thank you—I look forward to seeing the results of your tests.

I have a final question on this point. We have heard from SEPA, NatureScot and Zero Waste Scotland about significant execution risks and potential disruption from the proposed mergers. Can you give us a bit of detail on what risk assessments the Government has carried out or will carry out? How will you prevent a loss of capacity or expertise during the transition period?

Gillian Martin: That is why it is important that we get the overarching board in place as quickly as possible and appoint the CEO. Obviously, in all the public service reform work, teams in every portfolio are working closely with Ivan McKee's team. A number of public bodies will be coming together, and there will be legal and human resources arrangements associated with that. The issues that you have put to me are absolutely drilled into, because it is fundamentally important that not only the people who work in the organisations but the public have confidence in what we are trying to achieve.

David Barratt (Cowdenbeath) (SNP): I welcome much of what you have said already, cabinet secretary, which addresses many of the questions that I had, particularly on a one-door approach, lessons learned from catchment-scale projects, identifying the risks involved in a transition and having a shadow board to manage those, at least in the short term.

You mentioned that you do not have a fixed timescale in mind. At the committee's previous meeting, NatureScot implied that it anticipated that the single environmental body would be formed by 2029. Where has it got that timescale from?

Gillian Martin: We have given it an indication or broad outline. We do not want this process to take the whole parliamentary session, so, in our discussions with the organisations, we have given them a ballpark date—although I do not like that phrase—of 2029, which seems reasonable, and we have given an indication that there will be a few years of development. The timescale that I mentioned in response to the convener was mainly for the creation of the shadow board. Obviously, we want that to happen as quickly as possible, but I do not have an actual timescale for it.

David Barratt: You briefly mentioned the targeted outcomes and your tests of whether the process is worth doing for each organisation. You will look at organisational effectiveness but also at financial savings for the public pound. What is the balance between those? Which is of greater importance, and how is that influencing the direction of travel?

Gillian Martin: What a great question. I do not know whether I have prescribed a hierarchy of my three tests or, indeed, whether all three tests have to be met. The tests are just for me—they do not come from anyone else. I use them in making decisions about what to put to Cabinet for potential consideration. To be honest, I think that they all have equal weight. However, the last one that I mentioned, which was about whether a change would make it easier and simpler for clients and public stakeholders to get access to services, probably should be number 1. What are the bodies for? They are there to provide a service to the people who use them.

Inherently, there are savings associated with ease of access and a one-door approach that go beyond Government expenditure. If somebody needs a licence for something that they want to do—whether it is on river sediment or whatever—they are wasting time if they go to the wrong agency and then have to regroup and wait for a response. That costs time for businesses, farms, river trusts or whoever it might be, whatever the licence is for. The one-door approach will mean that two agencies do not have to deal with one ask, with one signposting to the other. I think that there will be efficiencies associated with the ease of access, which will potentially result in savings, too.

09:30

When it comes to the savings that are associated with the changes, all of them are important. However, we face a nature crisis and a biodiversity loss crisis, and we have stretching targets on climate action, so we have no time to lose in relation to any of them. We are asking an awful lot of those bodies in terms of delivery. Savings that we can get from backroom functions and a reduction in duplication can be channelled into action and delivery, which represents a saving for the public purse but also accelerates action.

David Barratt: The agenda that we are discussing comes at a critical time. We will discuss the nature targets later in the meeting, but there is a target to halt nature loss by 2030, and you have identified some of the ways in which that target could be missed, given that we are trying to merge the bodies by 2029 and that the target will be upon us almost immediately after that. You have also identified how that will be managed, to some extent, by the shadow board, but I am interested in the scope of reform and what the organisation that we end up with will look like. You have talked about the integration of board and backroom functions. Is that just the short-term aim, in order to manage the risk? Alternatively, do you envision that, in the longer term, once we have formed the single environmental body, there will still be operational integration, or will there be, in some way, three or more separate organisations that are led by a single board with single HR functions?

Gillian Martin: I am not going to prescribe that. I think that it is really important that I do not, because the conversations and discussions around what the environmental body looks like and how the three organisations that we are proposing to bring together under one environmental body work together is something that really has to be led by them. The shadow board, the CEOs, the leadership teams and the staff of all three organisations need to make the decisions, because they know their business best and understand the services that they deliver. It would be foolish of me to dictate what that should look like, because I do not work for any of them.

David Barratt: So, there is scope for the front-line operational side of it to be largely the same as it is today, and it could be that it is the backroom and the board side where change is most evident.

Gillian Martin: Yes. However, over time, there will perhaps be more synergies in terms of how they work together. I must stress that those organisations work together already, particularly SEPA and NatureScot. I can only see that co-working being enhanced and improved as a result of their being in the same environmental body.

I think that what the new body could look like and what the organisations could achieve by working together is quite exciting. People are always nervous of change, but it is also an opportunity to think differently about what we are doing. For example, if we looked at the outcomes that we want to achieve and were building something to deliver them, would it look like what we have now? I do not necessarily think that, if we were starting from scratch, we would have three or four separate bodies.

David Barratt: I have one final point, which picks up on the point that James Adams made about whether the new body should include the marine directorate and so on. I can think of two examples in Fife where a project has been required to get consent not only from SEPA and NatureScot but from the marine directorate, which has brought in an added complication. One project, run by Fife Council, involved replacing a harbour bridge in Aberdour that washed away in a flood. The other issue involved organisations that were looking into opportunities to extract heat from coastal waters through seawater-source heat pumps. They are having the same kind of struggle as Fife Council, as they have to liaise with and get consent from NatureScot, SEPA and the marine directorate. There are some cases in which having a streamlined consenting process between all three organisations would be advantageous, but, inevitably, there are risks as well. I appreciate what you say about the fact that one is an internal Scottish Government body and the rest are external.

Gillian Martin: That is exactly why parliamentary scrutiny of our plans is really important. I have introduced our proposals as they stand at the moment. However, during the parliamentary scrutiny period, members who have previous expertise or who gain insight through their investigations of the functions of various bodies might come to the view that the proposals could go further.

The Convener: Before I bring in Ariane Burgess to ask a supplementary question and then take us into the climate change area, I have one quick question on the PFG.

The PFG included a commitment to

"Investigate consolidation of all public bodies involved in the management of public land assets."

Does that include the likes of local authorities and health boards? They, too, manage public land assets.

Gillian Martin: That line in the PFG goes well beyond my portfolio. Not all of the public bodies that own land sit in my portfolio. Further, a lot of the bodies that are in my portfolio, such as the Scottish Land Commission and the Crofting Commission, are advisory bodies that do not actually own land. They might have the word "land" in their title, but they do not actually own or control any land; they give advice to people who own land, rent land or have tenancies on land.

I think that Ivan McKee is setting out the fact that there is scope to do more in order to prompt a discussion that this committee and others will have. Local authorities and NHS boards own land. Indeed, the Government owns a great deal of land. Members will have their own views about where things can be consolidated, but that issue goes beyond my portfolio.

Ariane Burgess (Highlands and Islands) (Green): As you were saying that, cabinet secretary, something dawned on me. Obviously, the Government owns land that is used for crofting—Donald MacKinnon will be aware of that. I imagine that some thought will have to be put into that, and that some communication work should be done around the management of public land in relation to crofting, so that crofters feel certainty about their future.

Gillian Martin: The reference is to public bodies that are involved in the management of public land assets. That does not concern crofts.

Ariane Burgess: That is great. It is good to get that on the record.

Gillian Martin: Unless I am unaware of public bodies that own land that is used for crofting—

Donald MacKinnon: The Scottish Government does.

Gillian Martin: Yes—that is why it is important to have a crofter around the table.

Ariane Burgess: I have a couple of supplementary questions on public sector reform, and then I will turn to climate change.

I appreciate the three questions that you have posed yourself. You say that the third one, which focuses on access to services, might be the priority. What consideration have you given to the fact that the bodies have different roles? Some of those roles concern policy, but SEPA's role concerns regulation and enforcement. You are mashing up bodies that have very different roles to play and actions to take. For me, enforcement is a service to the public in terms of making sure that we protect our environment. I am concerned that we might end up with an environmental body that is two faced, for want of a better term, because, on the one hand, it needs to be nice and set policy and so on, and, on the other hand, it has to act in relation to enforcement and compliance. Have you given any thought to that mash-up?

I am also a bit concerned about the fact that NatureScot already struggles to monitor its sites adequately and to deal with various applications, and that SEPA struggles when it comes to monitoring, data and so on. We have environmental bodies that are not necessarily functioning optimally, and we are proposing to put them all together. I would love it if you addressed that.

I would also like to know at what point in your exploration of the merger proposal you might decide, "Okay—this is actually not a good idea. We've explored it and we realise that we need to go another way."

Gillian Martin: Gosh—those are three huge, really important questions.

Your first one was about the possibility that the new body might be two faced—if you will forgive me, I will not use the word "mash-up", because I associate that with something completely different. I would not say that we are talking about a mash-up of anything. That suggests an element of chaos, whereas the goal of amalgamation is to sustain and preserve the functions of each organisation and to enhance the potential of all of them.

Ariane Burgess: As part of your thinking on amalgamation, have you given consideration to the likelihood that older workers who are coming to the end of their working lives, who have incredible knowledge and expertise, might just decide to take early retirement, because they do not want to go through a change of system and have to learn new ropes?

Gillian Martin: With any such change, whether in the environmental space or in any other space, people will have their own thoughts about how they want to manage the situation, and they will be supported through any decisions that they want to make. I will not go into the HR side of things, which will be looked at by the overarching board. That process will be very carefully managed. Obviously, people will have terms and conditions, and they will have options. However, I get what you are saying about loss of expertise. We want to prevent the loss of expertise. Maybe I should add a fourth test—whether we will be able to retain that expertise. That is a really important question, which I will take away, because it is one that we need to be mindful of in the course of the reforms.

You asked a question about better data, better information sharing and better performance of functions. I think that that is one of the opportunities of bringing the organisations together. Let me take SEPA, for example. You said that SEPA has a regulatory role. Yes, it does, but it also has an advisory function. NatureScot issues licences, but it also has an advisory role and helps us to set policy. It works very closely with other organisations in providing that advice. Those bodies are not just the environmental cops—they are so much more than that. Therefore, I do not see that as being an issue.

I did not write down your third question, because I was listening too intently.

Ariane Burgess: If, as you explore the idea and you go through your tests, there comes a point at which you decide that you have done all the research, have found that you would lose lots of people and have realised that various things would not work and that, in fact, a merger would not be a good idea, will there be a break point at which you

might say, “We thought that this was a good approach but, actually, it would be better to do certain things within the organisations rather than go ahead with a merger?”

Gillian Martin: I would not have put forward the proposal to merge the three organisations if we had not done quite a lot of work to answer those questions. There have been others—I will not go into the internal thought processes and the back and forth on that—that did not meet that test.

09:45

Ariane Burgess: I loved what you said to David Barratt about the power of parliamentary scrutiny in helping your thinking and the Government’s thinking about your portfolio. I will give a preamble before asking my climate questions. I am concerned that the word has got out that this committee’s remit on climate has been hollowed out because major areas related to climate—transport, rural affairs and energy—are covered by other committees, so the game is going on over there rather than here. What are your thoughts on that? How are you working with your colleagues with responsibility for energy, transport and rural affairs—you and Jim Fairlie have responsibility for rural affairs—to ensure that action on climate and nature is central to what happens?

Gillian Martin: First, I will give my thoughts on what you said about the committee’s remit. To a certain extent, that has always been the case. In session 5, I remember sitting where the convener is sitting now, as convener of the Environment, Climate Change and Land Reform Committee, with transport, the economy and housing—all the biggest sources of emissions—being covered by other committees. One of the big differences compared with that time is that, from the Government’s perspective, action on climate change is now a goal of the whole Cabinet, because climate action is one of the First Minister’s four priorities. There has always been recognition that that is needed, but there are now processes in place for each cabinet secretary with responsibility for the emitting sectors that are mentioned in the climate change plan. For the first carbon budget, which covers the next five years, about 40 per cent of the actions in the climate change plan relate to transport, because there are big opportunities to decarbonise the transport sector, as it is one of the biggest emitters.

I do not want to step into the convener’s shoes, but the committee could call the cabinet secretary with responsibility for delivering their part of the climate change plan to give evidence. I have responsibility for land use, biodiversity, peatland restoration and agriculture, among other issues, but Stephen Flynn has responsibility for delivering, through the next carbon budget, the transport parts of the climate change plan that Fiona Hyslop proposed when the plan was finalised, and Stephen Gethins, the energy minister, has responsibility for the decarbonisation of the energy system and the promotion of renewables, which will help us to decarbonise heat in buildings. I am responsible for delivery of the climate change plan at a high level, but the whole Cabinet and the whole Government have responsibilities, and particular cabinet secretaries will be able to give the committee the information that it needs on progress.

I can talk about how I am monitoring progress. When we put together the climate change plan, there was a Cabinet sub-committee on climate change. I have disbanded that committee because we now have a delivery group. I am taking a project management approach to the climate change plan and to delivery through the first carbon budget, and I will be meeting my Cabinet and ministerial colleagues with portfolio responsibilities for actions in the climate change plan.

Ariane Burgess: Are they the members of the delivery group?

Gillian Martin: I can send you a list of all the members. Off the top of my head, they are the Deputy First Minister, Stephen Flynn, Stephen Gethins, Shirley-Anne Somerville and Tom Arthur. Phil Raines has just passed me the whole list, but we can send you more details on that.

We also have the climate change plan delivery group, and we are continuing our work with the Convention of Scottish Local Authorities, the Scottish Cities Alliance and the Society of Local Authority Chief Executives and Senior Managers. We work together under the climate delivery framework, and we fund a lot of advice for local authorities on delivering on their commitments. We also have the Scottish Climate Intelligence Service, which can advise them on how to do things and how to measure what they are doing.

The most important forum in Government, outwith the Cabinet, where we discuss whether we are achieving our objectives is the climate change plan delivery group.

Ariane Burgess: Would you say that the shift from the sub-Cabinet committee to the delivery group is one of the most significant changes that you have made between the draft and the final climate change plan, or have you changed specific policies as well?

Gillian Martin: From memory—Phil might be able to correct me—I think that the change from the sub-Cabinet committee to the delivery group was not in the climate change plan. We made that decision after the election. We have made lots of

changes to the climate change plan, particularly the inclusion of much more information about delivery and monitoring. All those things are really helpful for the committee to know, and they also focus our minds, in Government, on delivery.

The constitution of, and remit for, the new group was something that I considered once I returned to post. I decided that the Cabinet sub-committee on climate emergency had done its job. It had produced a climate change plan to which Cabinet secretaries had contributed their actions. That work is done. We are now focused on delivery.

Ariane Burgess: It is very helpful that you have added more information on delivery and monitoring, because that certainly was the thread that came through when Parliament was scrutinising the plan.

Gillian Martin: That was probably the biggest change to the climate change plan. The information was available, but it was not included in the plan, so we added quite a lot more of that to it.

Ariane Burgess: That certainly came through in the evidence to the Local Government, Housing and Planning Committee.

In relation to your day-to-day thinking about the climate change plan, what is the most significant Scottish Government policy for reducing emissions during this parliamentary session, and what actions will you be taking on that?

Gillian Martin: Gosh.

Ariane Burgess: It could be a long list, but we do not really have time for anything other than the high-level actions.

Gillian Martin: It is a really long list. There are a number of things, and transport is probably the biggest chunk of it. One aspect is the move from petrol and diesel engines to electric vehicles, the support for the EV charging roll-out and the schemes that are associated with getting more people to make the decision to move to EVs. Another is the £2 bus fare cap. A further one is reducing car use. The policies that were introduced in the climate change plan in the previous parliamentary session on heavy goods vehicles and the decarbonisation opportunity for HGVs, and on the associated charging network, the deployment of the charging infrastructure and the investment in replacing HGVs, are really significant.

One health warning in relation to cars is the vehicle emissions trading scheme, which sits with the UK Government. We are keeping a very close eye on what it is doing on that, because we do not want any rolling back of ambition in that area. We have made our views known publicly and directly to the UK Government, because that scheme will unlock a lot of people considering whether to get an EV. We have made funding available for people to buy new and used Evs, and the price of EVs is coming down fast.

We are doing a combination of things, such as public transport measures, reducing car use where we can and providing lower-emissions vehicles for people who want to make the switch but who cannot access public transport for many reasons.

Ariane Burgess: So, transport will be a key policy area.

Gillian Martin: Phil Raines has reminded me to mention heat, but I did not want to make it an exhaustive list. The climate change plan is there for all to see, and I wanted to talk about transport in particular.

Ariane Burgess: It is good to know where you have your highlighter pen and have said, “This really has to happen.”

Gillian Martin: As I mentioned in my opening statement, the cost of electricity will be one of the biggest unlockers for Scotland and the wider UK reaching our ambitions for net zero. There are not many silver bullets in life, but the cost of electricity is one in that it would make it affordable for people to go electric.

Ariane Burgess: But that is not within your remit.

Gillian Martin: It is not within our remit, but I always like to get it on the record, Ms Burgess.

Ariane Burgess: The convener is indicating that we need to move on, so I will leave my last two questions.

The Convener: I know that Martyn Day has some questions in this area.

Martyn Day (Falkirk East and Linlithgow) (SNP): My questions follow on nicely, because I want to ask a wee bit more about the vehicle emissions trading scheme, which the climate change plan has described as the single most effective measure for reducing transport emissions in Scotland. The current four-nations review appears to offer a choice between maintaining the status quo and reducing the emissions savings that were originally anticipated. Where is the scope for ambition for us in that scenario?

Gillian Martin: I recently asked for a briefing on the vehicle emissions trading scheme, because—you have asked important questions—it is probably the most significant intervention in that space and could unlock about £100 million of investment. It could also turbocharge investment in EV charging infrastructure. We are doing quite well on that in Scotland, and, in the past five years,

it has gone well beyond our projections and our ambitions.

If the vehicle emissions trading scheme was in place, it would encourage many drivers to make the switch when trading in their cars. Car and van emissions make up about 18 per cent of annual greenhouse gas emissions. The scheme could make it more attractive for people to trade in their petrol or diesel vehicle and purchase a new or used EV, which might save them a lot of money, particularly if they have a home charger.

We also need to look at the tariffs that are associated with public chargers versus home chargers. That is in the purview of councils, as many have their own chargers and could be looking at that, and there is also a private sector aspect. Most of the chargers in the past few years have been put in by private operators. There is a point at which we will have to reduce the gap between the tariffs for home charging and those for public chargers.

Martyn, you asked a specific question, which I have not addressed. Could you remind me what it was?

Martyn Day: It appears from the 2025 position that we are looking at either a status quo stance or a possible reduction in the original ambition. Where does that leave us if we want to go further?

Gillian Martin: I will be honest: I am worried about that, as is Stephen Flynn. It does not look as though the ambition will be ramped up. I think that our ability to deliver our first carbon budget will be impacted quite seriously if the UK decides not to go forward with the scheme. I hate having to say it, but that is the reality, because it is such an unlocker to people being able, and finding it easier, to make these decisions about what they drive.

10:00

Martyn Day: In that case, what do we hope to get out of the ongoing four-nations review of the scheme?

Gillian Martin: The status quo, by which I mean, no rolling back on the previous ambition. I think that that is the position of the Welsh Government, too. It is the devolved nations that do not want any rolling back on ambition, given that this is such a key intervention for transport decarbonisation.

I think that Phil Raines has an additional comment.

Phil Raines (Scottish Government): Mr Day, it might be worth knowing that the UK Government's consultation on the vehicle emissions trading scheme, or VETS, closes in about a month's time—I have in mind 23 October. It has certainly signalled that it is looking for a change in our language, and I think that we might see some scope for weakening, but I should point out that VETS is a four-nations scheme, so the UK Government cannot, or should not, be doing things unilaterally. It has to do them in co-operation with us.

It is probably fair to say that VETS is very important not just for our targets but for the UK's own 2050 net zero targets, and if it is intending to do something that might be seen as a weakening, it would be reasonable for us to look to the UK Government—not least in view of the forthcoming budget—and ask, "So, what are you going to do to compensate? If you're removing VETS as a driver of decarbonisation, what other measures are you going to put in place to encourage the take-up of EVs?" There is lot to be done in that space, but the Scottish Government has certainly made it very clear to counterparts down south that we are watching this with a great deal of concern.

Martyn Day: In that case, I suppose that my final question is this: if the four-nations approach drifts backwards, instead of the ambition being taken forward, what options are we left with to take things further? Are we trapped?

Gillian Martin: We will be in a very difficult position. For a start, we will have to look at our climate change plan again. I am thinking, for example, of the decisions that we made in the light of advice from the Climate Change Committee; there were certain pieces of advice that it gave us that we did not take, particularly with regard to livestock numbers. It advised that we needed to put policies in place to actively reduce livestock numbers, and the First Minister and I immediately made the assessment that that was not something that Scotland could—or wanted to—do. We need a thriving rural economy; it is already under severe pressure from geopolitical events, so we wanted the herd numbers to continue. However, we looked at other interventions to reduce the greenhouse gases associated with the herds, and that is where Ms Hyslop, as the Cabinet Secretary for Transport, stepped in. She went further and ramped up the ambition in the transport space, to ensure that we would have no gaps when it came to putting together the first carbon budget.

As I have said, very difficult decisions would have to be made. As Phil Raines has said, this is a critical lever. You have asked a good question—it is a worrying question for me—but, as Phil has also said, the UK Government would have to put something in place to make up for the shortfall that such a move would mean not only for its targets but for the individual targets of the four nations.

Sanne Dijkstra-Downie (Edinburgh Northern) (LD): Good morning, cabinet secretary and

colleagues. I wanted to ask about nature targets. NatureScot has told this committee that

"the best thing that the Scottish Parliament can do for nature in the current session is pass ambitious, clear and evidence-led statutory targets."—[*Official Report, Climate Action Committee*, 3 September 2026; c 4.]

We also heard concerns from Scottish Environment LINK and Environmental Standards Scotland, two weeks ago, about the delays to the setting of the targets that should help us to meet our 2030 milestone to halt biodiversity loss. When is the Government planning to introduce those targets?

Gillian Martin: There are no delays. When I saw those comments, I arched an eyebrow. We want to get this right. We are doing the work, and we will be commencing the first statutory targets that we will bring forward in 2027.

I will give you an idea of the processes that have to be gone through in order to get this right. I am very much of the view that you can get it done quickly or you can get it done properly. It has to be done properly. It is very important that we do the analysis associated with those targets thoroughly, so that the targets are the right ones.

I will go through the process. We assess the scientific recommendations from the biodiversity programme advisory group, or PAG for short. It gives us policy advice and legal advice, and the monitoring and reporting implications associated with all the recommendations. There are scientific recommendations based on the current data that we have on the various species. We need to do all the impact assessments to understand the effects across the range of sectors and interests that might be impacted if we put those targets in place, and we need to have evidence-based targets.

Targets cannot be arbitrary. During the passage of the bill, we were under significant pressure to put those targets into primary legislation, but we wanted to put them into secondary legislation, because they need a lot more work associated with them to have the right evidence behind them.

One thing that I want to be absolutely clear on is that the targets are not action. The action is taking place already. The biodiversity strategy is being delivered. The funds and the workstreams associated with delivering on stemming biodiversity loss, including the nature restoration fund and all the various other programmes of work and funding, do not stop while we are waiting for targets to be decided on.

Targets are important, but they are not a blocker to the work. The work is happening now.

Sanne Dijkstra-Downie: Two weeks ago, we heard evidence that the organisations expected them to be in place in three years' time, so it is encouraging to hear you say that they will be in place in 2027.

Gillian Martin: They will not all be delivered in 2027. A great deal of work needs to happen. Elizabeth Burgess may want to give some more detail on that, but they will commence in 2027.

Elizabeth Burgess (Scottish Government): As the cabinet secretary says, we are commencing parts of the Natural Environment (Scotland) Act 2026 this year. Sections of the act will be commenced next month. The targets and provisions in the act do not form part of that first package. We expect further tranched commencement of the act over the next year, so that will go into 2027 as well. The reason for that is to go through all the necessary steps such as carrying out impact assessments, considering the impact on other regulations and assessing the scientific recommendations for all aspects of feasibility.

Part of the work that we will be undertaking on the targets once we have commenced that part of the act, which will not be in the first package this year, has come from amendments to the bill, including on things such as the target-setting statements that need to come into the secondary legislation with the targets, which will add value. Some aspects of the public consultation resulted from amendments to the bill as it went through Parliament.

All those things are still to be worked out before we commence the provisions of the act. After that, there is a 12-month rolling timescale to bring in the secondary legislation.

Also, as the cabinet secretary said, as we do that work, there is parallel work ongoing on nature—we are investing in nature, protecting nature, doing the landscape-scale and restoration projects and embedding those nature-positive actions in other sectors. It is not that the work out there is waiting for the targets to be set; we are doing those things in parallel.

Sanne Dijkstra-Downie: Thank you for that clarification. I am just trying to square what you are saying with the evidence that the committee received two weeks ago about concerns about timescales—I will not call them delays—for setting these targets. Dr Dixon from Environmental Standards Scotland said that, if the targets

"do not exist until five minutes before that target arrives",—[*Official Report*, *Climate Action Committee*, 3 September 2026; c 44.]

it might be too late to hit our 2030 milestones. Do you not share that concern?

Gillian Martin: I do not think that anyone is suggesting that the targets will be set five minutes before 2030, and Elizabeth Burgess just

mentioned that we are commencing the laying of the targets in secondary legislation, and the work to that point will be from 2027 onwards. I also have to push back on the idea that the targets are critical to action. We have piloted our first nature 30 sites; we are establishing a marine recovery fund; we are investing £28 million to restore 10,000 hectares of peatland this year; we have the water environment fund; we also have the nature restoration fund, with projects all over Scotland; and we have at-scale biodiversity loss and climate change intervention happening in our national parks. There is so much action across Scotland, and a lot of the data associated with ensuring that we have the right targets is coming back from many of those workstreams, so I do not accept the argument about targets being set at five minutes to 2030—that will not happen.

Sanne Dijkstra-Downie: You mentioned the nature restoration fund, which I will come to in a second, but I have one more question on the evidence that we heard a couple of weeks ago about the targets. Dr Dixon mentioned that, if ever-changing land use and agricultural policies do not reference those targets, they

"could take us in completely the wrong direction".—[*Official Report*, *Climate Action Committee*, 3 September 2026; c 44.]

In other words, he was pointing to the potential for things to be disjointed when policies are "baked in" without the targets being set. Do you not share that concern?

Gillian Martin: No, I do not, and there are also other streams of work happening in the agriculture space in relation to the rural support reforms. The almost merging of the portfolios of rural affairs and climate action speaks to the interconnectedness of the objectives, and there is no silo working in agriculture, nature and climate. They are under one umbrella portfolio, overseen by me. The targets will be useful for measuring our progress, but we already have targets for stemming biodiversity loss by 2030. These targets are about particular areas of biodiversity that we need to see improvements in, and it is critical to get those right before we put them into secondary legislation.

Sanne Dijkstra-Downie: The nature restoration fund was not mentioned in the programme for government. Is the fund continuing beyond its current cycle?

Gillian Martin: We do not put things that are going to be in the budget in the programme for government, but I have protected the nature restoration fund in my tenure, and I continue my championing of the nature restoration fund because it is magnificent and supports habitat restoration, species recovery and nature-based solutions. It gives funding streams to national parks and local authorities, but it also allows groups doing small-scale projects to apply for funding. Over the past few years, but particularly over the summer, I have been able to visit quite a few impressive projects that have used the nature restoration fund.

10:15

We talked about rivers. Because it is in the Highlands, Ariane Burgess will probably be aware of the River Peffery restoration project, which involved the remeandering of the Peffery near Dingwall. The nature restoration fund was critical to that. Work was done with local landowners and farmers to remeander the river. There was a flood prevention aspect to the project, which involved working with SEPA. The remeandering has resulted in greater biodiversity—someone said that it was the first time that they had ever seen trout in that part of the river, and it is only a year since that work was done. It was nature restoration funding that unlocked all those things.

There are other funding streams associated with biodiversity and nature—they do not all sit in the nature restoration fund, as important and brilliant as that is. There is the peatland restoration funding, the Scottish marine environmental enhancement fund, or SMEEF, as we call it, the agri-environment climate scheme and the forestry grant scheme, as well as the facility for investment-ready nature in Scotland, or FIRNS, programme, which I think I mentioned to Sanne Dijkstra-Downie in relation to what is happening in Inverleith park.

There are lots of different streams of work that have an impact on biodiversity, but to say that I am evangelical about the nature restoration fund is an understatement.

Donald MacKinnon: I want to focus on peatland restoration and to pick up on the discussion about targets. There are a number of non-statutory targets for peatland restoration. We already had the ambition of restoring 250,000 hectares by 2030, and we are now aiming to restore 400,000 hectares by 2040.

I would like to hear your reflections on the changes in this year's programme for government relative to last year's. Last year, there was a 12,000-hectare target and an associated budget of £35.5 million. In this year's programme for government, there is a 10,000-hectare target and a budget of £28 million. It does not sound as though we are scaling up the pace there. Do you have any reflections on that?

Gillian Martin: My initial reflection is that we exceeded last year's target, which was great news. We have momentum, and we made the budget decision based on the fact that that level of funding

was sufficient to cover the action that needed to be taken.

I am preaching to the converted, because you are heavily involved in the activity in this area, but, when it comes to peatland restoration, it is important that there is certainty of funding, year after year. Looking forward, I want to discuss with the Deputy First Minister which schemes will require funding, because funding commitments need to be made year on year, without any breaks. We made an assessment that the funding was adequate for the ambition that we have for this year. The target is based on realistic annual increases in the aim to balance emissions reduction.

I also want to mention how important other areas of funding across Government are to peatland restoration. I am thinking, in particular, of the funding associated with skills and with the building of new homes in rural areas. One of the issues when it comes to peatland restoration is having enough skilled people to do the work. Another stream is the funding that goes to crofters and farmers in relation to peatland restoration.

The peatland restoration fund is very important in providing core funding year on year, but it is also important that we consider other interventions that mean that people can diversify their income streams, get involved in projects and build them into their farm plans. That helps people who work in peatland restoration to have certainty of work year on year, which enables them to plan.

I think that we have a really good story to tell about what was done with regard to peatland last year. The assessment was that the budget for that was adequate in terms of the ambition to sustain that trajectory. Of course, we can decide to move money around in-year if we see underspends in some other areas.

Donald MacKinnon: Looking over the medium term, do you see the ambition being that public money going into this area will continue to fall as delivery ramps up?

Gillian Martin: No. What we are also seeing is that a lot of organisations and businesses in the private sector are doing quite a lot of work on peatland restoration. The transmission infrastructure programmes and some of the programmes that are undertaken by the big renewables companies involve quite a lot of peatland restoration as well. There is also a lot of peatland restoration happening as a result of the nature restoration fund. The national parks are doing a great deal, as are individual landowners. There is almost a patchwork quilt of action that is happening in peatland areas. Some of it is funded by the Government, but some of it is funded by private enterprise, because those companies feel that they have a corporate social responsibility to invest in nature and the sequestration of carbon.

Donald MacKinnon: The point about energy infrastructure, in particular, is interesting because some of that peatland restoration will be required to offset some losses that have occurred in the development of those projects. Is there a question about whether the entirety of that restoration would be included in meeting those targets?

Gillian Martin: We have set a target for the work that we are funding, but we constantly assess the peatland that is being restored. One of the most important pieces of work, which involves a small amount of Government money, is the LIDAR—light detection and ranging—reconnaissance of where the degraded peatland is, where the interventions have to take place and where restoration is working. That gives us an up-to-date picture of the situation.

Peatland restoration is not just a Government effort; there is a combination of actors in this space. We have made a commitment with regard to what we are going to fund, and we also work with partners who want to do more off their own bats, which is very welcome.

Donald MacKinnon: I will move on to some of the barriers that exist at the moment. Land tenure is still seen as a barrier in some areas, in relation to issues around farm tenancies. From my own background in crofting, I know that it remains a barrier to progressing peatland restoration.

As was touched on earlier, the Scottish Government owns nearly 100,000 hectares of crofting land and thousands of hectares of common grazings that could be eligible for peatland restoration in the future. I am not going to ask you for the detail on that, because I am not sure that you were aware of those land holdings before this morning. However, do you agree that there is an opportunity for the Scottish Government to be involved in finding solutions to unlock the potential of peatland restoration on common grazings?

Gillian Martin: Of course there is. Forgive me for not knowing the detail about common grazings and crofting—Jim Fairlie leads on that. We work closely on any opportunities for diversification of income and on opportunities for more people to be involved in restoring peatland. Common grazings being turned into peatland represents one such opportunity.

Donald MacKinnon: That links to the avoidance of unintended consequences, which cuts across all areas of nature restoration. Government interventions might have an impact on the land market and decisions that landlords make about how they might deal with tenancies

and the re-letting of tenancies in the future. Is that something that you will keep in mind in all the discussions?

Gillian Martin: It is something that gets mentioned to me, and it has been mentioned to me ever since the legislation was passed. We will always have landlords who do not want to give longer tenancies, because of the rights given to tenant farmers as a result of actions taken in this Parliament. I think that that is a real shame; after all, tenant farmers need certainty, like any business. I am very disappointed when I hear that there are no opportunities for landowners to give longer tenancies, for fear that tenants might exercise rights that were given to them by this Parliament.

Land reform will never be a finite process—it is an ongoing endeavour. Where there have been unintended consequences as a result of well-meaning legislation, we will need to look at what might need to be reformed in order to unlock the situation. We know from having spoken to them to over the summer that tenant farmers are making big investments in animal health and welfare and on the farms that they lease, and they need to know that, when they put in that kind of investment, they will have a tenancy that will allow them to be there for the long term.

You have raised a really important point. It is perhaps more an issue for detailed discussion with Mr Fairlie at the Rural Affairs Committee, but it does have an impact on what tenant farmers might want to do about nature recovery and carbon sequestration, because those are big investments.

Donald MacKinnon: You have already touched on this, but I want to ask about private finance in this space. I am aware that the Government is piloting carbon contracts—which I know are not private finance-based but could add something different and provide some blended options—for delivering peatland restoration. What role could private finance play in peatland restoration? Given the money being spent by the peatland action project and by the Government on this issue, is the ambition still to lever private money into projects?

Gillian Martin: Absolutely. Public money alone is not going to restore Scotland's peatlands.

I will just show off a little by pointing out that, at meetings held before the United Nations climate change conference of the parties in Rio last year, the Scottish Government was given an award for what it had done on the peatland code. Responsible private investment has a huge role to play in delivering peat restoration in Scotland, and we need to look at how we can ramp up the success that we have had with the peatland code to encourage more private finance into that space.

It is important to recognise that a lot of bodies in the philanthropic space do not know where to put their money, and we can provide those donors with a really good opportunity by encouraging them to invest in restoring Scotland's peat. We just need to shout louder about that.

It has been good to see the peatland code getting international recognition, because our being on the international stage as a result of the Scottish Government's involvement in the COP, whether it be the biodiversity or the climate COP, has allowed us to showcase what we are doing, to speak to international funders and actors in this space and to encourage them to assist us in what is going to be a fundamental piece of work—not just in addressing biodiversity loss, but in the sequestering, and avoiding the leakage, of carbon. That is going to help us to reach our net zero goals for 2045.

Donald MacKinnon: Thanks for that. It will be really interesting to keep an eye on how that moves forward over the next few years and how some of those potential opportunities are realised, particularly where we see them happening on the philanthropic side of things.

My final question links back to public service reform. There could be an opportunity for peatland restoration with the bringing together of NatureScot and SEPA. Do you have any reflections on that and on the regulatory side of that important move?

10:30

Gillian Martin: There is an opportunity for regulatory reform as a result of the very close work that we do with both of those bodies already. Both give advice to the Government, and we have ongoing dialogue with them at the moment. Whether public service reform will ramp that up remains to be seen.

Donald MacKinnon: My point was more about whether that will be seen on the developer side, as people who are looking to proceed with the peatland restoration scheme will not have to deal with both SEPA and NatureScot.

Gillian Martin: I see what you mean: the one-front-door approach. Sorry—I misunderstood your question. That is part of the simplification of access as well, which can only be a good thing.

Donald MacKinnon: Thank you very much. There are no further questions from me.

James Adams: Cabinet secretary, given that I live on the very tip of Banffshire and Buchan Coast, I was glad to hear your commitment to coastal adaptation projects. In your opening statement, you said that coastal erosion is a

serious issue, so I welcome the additional £14 million that the coastal change adaptation fund will receive during the parliamentary session. Can you give us a bit of clarity on how that will be prioritised and say whether additional costs could potentially fall to local councils?

Gillian Martin: I cannot envision that there will be additional costs. Effectively, there will be funding available to assist with coastal erosion, and that will mean that applications for schemes will not be required. I do not understand why you are suggesting that there might be additional costs to councils, unless there is something that I am not aware of.

James Adams: No, the issue could be my framing of the question. Given that it is a limited fund, is there match funding involved, or do local councils have to apply for the full amount?

Gillian Martin: We will set out the terms of the fund when we launch it. We made the commitment in the programme for government, and we will set out the terms of that when it is launched, so I cannot give any more detail on that at the moment.

We recognise that we need to have more resilient coastal communities in your part of the world. You will know what happened in the Portsoy harbour on new year's day. It is great that the council acted so swiftly on that. There are particular advances in technology associated with that, and there are existing programmes of work, which might need additional funding, that might be able to apply to that fund to help move on their efforts.

I am sorry that I cannot give you any more detail on the terms of the fund, but that will be announced when it is launched.

The Convener: We are going to move on to questions on the circular economy.

David Barratt: Can I ask a supplementary question?

The Convener: Is it on the circular economy?

David Barratt: I can ask questions on the circular economy and perhaps come back to my other question later. It is related to flood risk on peatland.

In evidence at our last committee meeting, Zero Waste Scotland told us that 98 per cent of material that we use in Scotland comes from virgin sources. That means that, at the moment, we have a linear economy, not a circular economy. The programme for government clearly sets out the ambition to move towards a circular economy. What opportunities are there in the public sector reform agenda to embed more collaboration across local authorities?

I refer to my declaration of interests, as I am a local councillor in Fife. In Fife, we recycle thin film plastics, including plastic bags and crisp packets, as part of the kerbside uplift because we have managed to invest in specialist equipment to develop a supply chain. It is great to visit the facilities in Fife, which have AI-trained robot arms that pick out specific plastic materials. I wonder whether there is an opportunity to collect more waste from other local authorities. In this Parliament, we have recycling bins, but crisp packets must be put in the landfill part of the bin, because we do not recycle them or thin plastic film. Other local authorities take a similar approach. However, we have a facility in Fife to process that material. Would it not be better to bring that waste together from across Scotland into more central hubs where the specialist technology, equipment and expertise already exist?

Gillian Martin: That is an example of why, once the Circular Economy (Scotland) Act 2024 was passed, there was a lot of work to be done in relation to the strategy and the code of practice on household waste recycling, which local authorities and other stakeholders were responsible for developing. What you have just described sounds fantastic, but there needs to be greater sharing of good practice between councils. You have also highlighted opportunities for sharing infrastructure. You have now got that on the record, which is good, because local councils will think, "Hang on a second—maybe we could be ramping that up."

One interesting thing is that local authorities get additional money on top of what they receive through their settlement from the Scottish Government, because they also receive extended producer responsibility funding. That money is being given to them as a result of the producer-pays principle, and individual councils get told what they will receive. It is for to them to reduce their waste or look at innovative ways to bring down their waste streams, on top of what they are already doing. I recently asked my office to reach out to councils to ask them how they were spending that money, because I want a picture of some of the additional work that has been done and how they are using the funding. That does not come from the Scottish Government, but it is additional funding.

You have also pointed to why the code of practice on household waste recycling is so important, and why the mainstreaming of certain types of recycling across Scotland is important. There are some local authorities for which that is more difficult. Our island communities may find it more difficult to do some of the things that can be done in urban areas. We need to have consistent standards, and we need to have knowledge-sharing across local authorities. There will be

different approaches in each council area, many of which are based on geography.

You have done two things by putting the issue on the record. First, councils that want to get rid of soft plastics and do not have that infrastructure need to get on the phone to Fife Council. Secondly, the Parliament needs to collect soft plastics and to make sure that they do not go into landfill, at the very least. That is a Scottish Parliamentary Corporate Body decision.

What has also been interesting—this follows on from some of the discussions that we had on peatland restoration—is that the private sector, particularly supermarkets, is providing a route for consumers to recycle soft plastics, which is certainly making a difference. That is not before time, because they are the producers of most of the waste associated with soft plastics.

The code of practice on household waste recycling that is being formulated will set clear, consistent standards to improve recycling, cut emissions and deliver better, more consistent services across Scotland. I do not know whether Fife Council has, in discussions on the circular economy and waste strategies, offered up its infrastructure. We all know that, when investments are made in that sort of infrastructure, there are associated economies of scale. It is almost like feedstock—it is very important to consolidate feedstocks in order to ensure that the infrastructure pays for itself.

What you have highlighted is an example of where there can be a little more creative thinking between local authorities.

David Barratt: Fife Council certainly made offers in relation to the deposit return scheme and the opportunities arising from the volumes of waste that could be brought together once it comes into force to create central hubs where material can be recycled. I know that Fife is interested in that.

Are there any anticipated timescales for the introduction of circular economy targets?

Gillian Martin: Yes—let me have a wee look at my notes on that.

The provisional timetable for the targets is autumn this year to spring next year. We have engaged with stakeholders since the passing of the 2024 act. The draft regulations will be laid in late summer 2027 and, in the last quarter of 2027, we will have parliamentary scrutiny, the final regulations and the completion of that parliamentary process. Things will therefore start to happen within the next year or so as a result of the provisions in the 2024 act.

The Convener: On David Barratt's point about the targets, in its written submission to us for last week's committee meeting, Scottish Environment LINK was pushing for the statutory set of provisions on the circular economy to be moved forward as quickly as possible.

I am reminded of an Audit Scotland report—I am sure that it came out in session 3 of the Parliament—that set out that, in the 32 local authorities, there were, I think, over 40 different recycling schemes across the country, and the report recommended a simplification of recycling. You rightly said, cabinet secretary, that there are some geographical issues. That is absolutely correct, but, if we move forward into that space as quickly as possible, it will make it easier for the public as a whole.

Earlier, you spoke about simplification and making things easier for the public. If there was that easier route and an understanding, as far as possible, across the country of what can be recycled, what should be recycled and where it can be recycled, that would be advantageous to getting people on the journey.

Gillian Martin: We had very in-depth discussions over the progress of the bill on that very issue. We had to balance the costs in relation to everything being the same across the whole of Scotland. It would mean a huge amount of change, including the replacement of bins, for example. We had to balance those costs and take views from local authorities as well, because that was something that came up in relation to consistency in what can be recycled where.

What we landed on, by involving local authorities in the strategy and the framework associated with it, is that there would be a ramping up of ambition. Local authorities that are doing really well in some areas will be able to give advice to and encourage other local authorities to do what they have done and to ramp up that ambition.

There are always a number of moving parts around waste. The implementation of the deposit return scheme will make a big difference in terms of our waste streams. I mentioned the extended producer responsibility funding, and what local authorities are doing with that is also going to make a big difference.

The biggest thing will be the code of practice on household waste recycling for Scotland, which I am hoping will address a lot of the issues. That is about the ramping up of ambition for local authorities while taking into account some of the geographical difficulties that there might be. Different local authorities may be able to do more of one thing than another because of geographical distances, difficulties or connectivity. We do not want to penalise councils that have different types of pressures, if I can put it that way.

Sanne Dijkstra-Downie: On the issue of water, three years ago, in the programme for government, there was a commitment to introduce legislation dealing with climate change adaptation for water, waste water and drainage, but there is no mention of a water bill in the current programme for government. Does the Government still intend to introduce a water bill?

Gillian Martin: No, because, at the end of the last session of Parliament, I looked at that in depth with my officials and we worked with our colleagues in the water industry, and a number of the necessary regulatory interventions would not have to be in primary legislation. I am getting advice from my officials on exactly what we need to do to secure the outcomes associated with infrastructure upgrade. We need to modernise our sewer network and should divert as many of our efforts as possible into doing that.

10:45

We regularly consider water-related policies to ensure that they meet the public's expectations. I believe that we should use the legislative framework that we already have to support improvements in the water environment rather than introduce primary legislation. There are a number of reasons for that. First, we do not want to introduce primary legislation for its own sake, because that takes time and it is obviously better to do things more quickly if we can. We also need to consider the implications of the European Union urban wastewater treatment directive. That is an ongoing and complex piece of work that might require a lot of funding. I need to do an analysis of any of the commitments that we want to make in relation to that directive.

Our objectives for the next regulatory period mean that Scottish Water must provide public-facing access to data on all overflows and intermittent discharges in its network. That has been done. I note that, in the past 10 years, £2.7 billion has already been invested in improving the public sewer system and infrastructure. You will not see such investment being done by private water companies—you do not see that level of investment in parts of the UK where the water industry has been privatised. There is a lot more work to do, and a lot more investment has to be made, but one of the many advantages of having a public water body such as Scottish Water is that not one penny goes to shareholders; it all goes back into improving the infrastructure. As I say, an awful lot more money needs to go back into improving the infrastructure, but £2.7 billion has already been invested over the past 10 years. There has been substantial investment.

Of course, as SEPA discovers issues across the country, their causes must be investigated. Some of the issues might involve the need for investment in the sewer system, but a large investment has already been made, and it is of a size that you will not see in areas where there are private water companies.

Sanne Dijkstra-Downie: I would like to dig into that a little bit, because, as you know, I have a particular interest in water quality and limiting sewage dumping. Helpfully, we are building up a clearer picture of where the problems are with sewage because around 30 per cent of combined sewer overflows are monitored. However, as I am sure you are aware, Scotland is well behind England, where 100 per cent of overflows are now monitored. Do you believe that Scotland should aim for 100 per cent monitoring of overflows? If not, what should that number be?

Gillian Martin: No, I think that it is a waste of money. I am going to be honest with you: monitoring absolutely every single overflow takes money away from investment in improving sewage systems. I think that Scottish Water has the ambition to do more monitoring of overflows, but that will be done on the basis of an assessment of what places need monitoring.

Scottish Water makes judgments based on its expertise, and I would not want to see a situation where investment in improving the sewage system in a particular town that has had issues does not happen at the scale that it should because money has been put into monitoring every asset in the whole of Scotland, including the ones that have never overflowed.

Various water companies in England have made decisions to spend their money on monitoring overflows, but I would say that that has been at the expense of investment in improving the infrastructure. I know that the Liberal Democrats have campaigned on this issue, but it is important to be clear that monitoring overflows does not prevent anything going into our watercourses. What is needed is investment in the infrastructure associated with our water treatment systems—many new ones have been planned and built in the past 10 years, in particular, and I advise everyone to visit the ones in their constituencies to see what they do—and to repair or replace sewage systems, some of which were built in the Victorian era. For example, in Perth, right beside the Tay—I forget the name of the road—a completely new sewage pipe and water system was installed.

If Scottish Water spends money on just monitoring everything, that takes away from the action and investment in the outcomes that we all want to see, which are a better sewage system throughout Scotland that is responsive to the different types of weather that we are getting now—deluge, water scarcity and flooding, which

are happening side by side, week to week and month to month—and the different climate that is emerging. That is where I want investment, because that is what will make the biggest difference.

Martyn Day: The programme for government provided an additional £15 million for flood prevention and £14 million for coastal adaptation. SEPA told the committee that we now have 400,000 homes and businesses at medium risk of flooding, so how will the additional funding be prioritised?

Gillian Martin: Applications will be made for the additional funding and we will assess those on their merits. We use the term "adaptation", but, in effect it is about protecting our communities against the risk of flooding, which is an important area of work. We need to put preventative money into that. Some of the work will be in relation to nature, so adaptations for flooding will be associated with blue and green infrastructure, which will have associated benefits. There are many examples of that happening all over Scotland. Some of the work might relate to hard infrastructure, which is obviously a lot more expensive. We will assess applications for funding on the basis of how they will use the funding and on the merits and efficacy of the measures for which they are seeking funding. On the way that I want to use the fund, it is important that we ask communities to apply for funding, because they know their areas best—they live in them and they see what is happening and where the issues are. It could be quite exciting to see the various projects that come out of this.

Although we are in the unfortunate situation of having to adapt to a changing climate, the adaptations and schemes associated with climate change adaptation and flood prevention, mitigation and adaptation are huge economic opportunities and huge drivers of job creation in Scotland and across the UK.

Martyn Day: You will probably guess where I am going with these questions, because, in my area, we have a major scheme in Grangemouth. How does that fit with the growing flood risk elsewhere?

Gillian Martin: Obviously, you do not need chapter and verse on how that flood prevention scheme has been put into smaller silos of work so that it can be done section by section. The money that we have put aside will probably be for smaller-scale flood prevention opportunities, because we give money to councils for flood prevention activity. The situation in Grangemouth is very complex. One of my reflections on the Grangemouth situation is that—if this is not too controversial—I would have expected by now to see more private contributions to efforts there. The burden should not fall only on the council. Big companies in Grangemouth, both long-standing and current, will benefit from any infrastructure that gets put in.

Martyn Day: Thank you for that. We are on the same page on that, so I am very grateful for your comments.

The Convener: We are nearing the end of the session, but I have two very brief supplementary questions, as does Ariane Burgess.

My first one is about "Scotland's Climate Change Plan: 2026–2040", which was published in March. Page 16 refers to warmer homes and notes:

> "A study for area-based Home Energy Efficiency Programmes in Scotland found that external wall insulation improvements were associated with gains in physical health scores."

In my constituency, I have seen how beneficial such projects have been in a wide variety of different aspects.

I appreciate that housing is not in your direct remit, cabinet secretary, but it overlaps with climate change. With regard to those programmes and schemes, one of the questions or challenges that will be put to politicians is about the consistency of funding for planning, so that the programmes can bring in more apprentices and get more people involved and so on. Are you keen to see that continue and to have consistency of funding throughout the parliamentary session, to help with the overarching climate ambitions?

Gillian Martin: I think that everybody wants to see that. It is another example of an area in which you cannot have short-term funding; the funding needs to be year on year. Various cabinet secretaries will make their cases for their own portfolios, but I also hope to assist those whose policies have implications for the climate change plan.

You made a really important wider point about how important climate action is for human health. We have reached out to academic partners and asked them to give us evidence on preventative spend in health as a result of actions that are associated with net zero. Various institutions have been very helpful in giving us that data, but a tremendous amount more work needs to be done on it. I cannot tell the committee what to do its various pieces of work on, but that link is a large, untapped area of work that we need to amplify as the far right starts to question why money is going towards climate action. We can make the economic arguments, the moral arguments and the arguments around the environment, but there are many other arguments that can be evidenced by preventative spending on climate activities,

particularly in relation to respiratory diseases and mental health. That speaks to what you have just mentioned.

The Convener: Thank you. My second question is about the written correspondence that we received from Zero Waste Scotland after having written to it following our 3 September session. One of the questions that we asked it was about which areas it wanted us to work on. One of its suggestions was that we should consider

"Spotlighting and showcasing innovative Scottish businesses."

That has made me think about when wind turbines will be replaced and what will happen to the blades. I have not yet met it, but there is a company in Glasgow that works on that particular aspect. That is only one example, and there will be many more.

As a committee, we will decide what we want to do on the issue, but, in a Government space, providing funding to help businesses through Scottish Enterprise, South of Scotland Enterprise or Highlands and Islands Enterprise will be really important. Is that something that you would support, to ensure that those Scottish businesses have additional funding, or certainly assured funding, so that they can really progress what they need to do to help with not just recycling but the whole circular economy?

11:00

Gillian Martin: I do not have the detail of all the different funding streams with me, but there are already funding streams associated with the circular economy. I can write to the committee and give you chapter and verse on that, but you have pointed to something really significant, which is that the circular economy is a massive area in terms of economic activity and economic growth in Scotland.

Interestingly, in my previous job, I had responsibility for the work at Grangemouth to attract new businesses into the footprint that was left as a result of the closure of the refinery. In project willow, work was done jointly between the UK and Scottish Governments in that regard, and the majority of the most successful projects that were moved on to a development stage were funded by the Scottish Government within the circular economy space.

There are so many exciting examples of businesses having been set up across Scotland as a result of reuse, remake and recycle. Everyone's constituency will contain at least one exciting business of that type, and you pointed to one in the energy recycling space. This is a big and growing economic sector that Scotland can potentially lead on. That also speaks to what David Barratt said about consolidating waste streams, because, if we do that, it will provide feedstock for a lot of those businesses, which will make them more viable.

The Convener: Thank you. Ariane Burgess has a question.

Ariane Burgess: I want to go back to nature and biodiversity and the Government's biodiversity strategy to 2045. We have a commitment to be nature positive by 2030, which is about three and a half years away, and fully restored by 2045. You will be aware of this, but I note for others who might not be aware of it that there are over 100 priority actions. In the debate on Scotland's rainforest last night, I noted that 16 of those actions have been formally delayed and 33 have not yet been started, and that Scotland's Futures Forum has said that we are unlikely to achieve nature positive status by 2030.

Can you provide us with some information on the actions that have been delayed? Have the ones that have not started been delayed because we do not need them by 2030? What is the timescale for those, and where are we on that work in general? Will we be nature positive by 2030 or is what Scotland's Futures Forum is saying a proper indication of the situation?

Gillian Martin: I will need to take that away and dig into it so that I can give you a definitive answer. I will speak to my officials, find out the context and write to the committee.

Will we be nature positive by 2030? We are going to try our best to achieve that, and it is not just a Government endeavour; it is an endeavour of every part of society, including our local authorities, our commercial space and our community spaces.

We have the funding streams that are associated with improving biodiversity. I mentioned the nature restoration fund, and we have the nature 30 pilot sites. We have the commitment to 30 by 30; we are establishing a marine recovery fund; we have a consultation out this week on inshore marine protected areas; we introduced fishing management measures for our MPA network—I think that that was last year; we have £28 million to restore degraded peatlands; we have the water environment fund; and we have invested £40 million in repairing—and those are just the things in my portfolio. There are planning regulations that are associated with decisions about planning; there are planning reforms on the table; and there are also actions that are associated with the Natural Environment (Scotland) Act 2026.

Every sinew is being stretched to ensure that we deliver on the ambition. Will we do it? I hope so. If

we do not, we need to continue to try and to not be disheartened.

There are an awful lot of stressors on nature that are outwith Scotland's control, but we must do our best to plant the right types of trees and seagrass, restore the peatlands, protect our woodlands, protect and improve our river quality and, as Donald MacKinnon said, leverage private investment to augment what the Government can deliver. The Government cannot fund this work alone; there will have to be a whole-society drive to deliver on the ambition.

While the debate on rainforests was taking place, I was in the garden lobby. The Parliament hosted young activists from across Scotland who are concerned about the condition of Scotland's seas and want biodiversity to be improved in our seas. I made a commitment to them that the Government would do everything in its power to make that a reality. It is a whole-society issue that cannot be determined by the Government alone; we all have to work towards it.

Ariane Burgess: The Government is showing leadership with its biodiversity strategy to 2045. I would be grateful if you could come back to the committee with more detail on that.

Gillian Martin: I will have a look at it, as well as at your speech. I saw only the opening speech in the debate.

Ariane Burgess: You mentioned peatland restoration, but rainforests could take us quite a bit further. The budget of £1.7 million is a drop in the ocean, so we could look at how we can increase that fund. There is evidence that rainforests could give us more benefits, in terms of carbon emissions and nature, than peatlands. I think that we need both, but it is something to look at.

Gillian Martin: We need both. I am always open to unlocking and focusing on areas that meet the twin objectives of carbon sequestration and the improvement of habitats.

The Convener: David Barratt has promised me that he will be very brief, because we are over time.

David Barratt: I will keep it as short as I possibly can. I refer to my entry in the register of members' interests, which notes that I am a hydrologist.

There is loads that I could have said about the twin benefits of net zero, flooding, peatland restoration and all the rest of it. I did a master's degree in applied hydrology, which was created as a result of a partnership between the Scottish Government, SEPA and the university sector in order to address a specific skills shortage. The skills shortage has come back, but the university programme is no longer available. Would you be willing to look at having conversations to try to rebuild it, so that we can have a university programme that delivers the expertise that we need to address flooding?

Gillian Martin: That is an example of cross-Government working and how the climate change, nature and the environment portfolio reaches into every other Government portfolio. I will take that away and discuss it with my education colleagues. In the last parliamentary session, I worked closely with them on skills issues associated with the energy transition, and this is no different. We have already referenced skills associated with peatland restoration, and I will not argue about the detail with someone who has a master's degree in hydrology.

The Convener: I thank the cabinet secretary and her officials, Anne Aitken, Elizabeth Burgess and Phil Raines, for their time. It has been the first of, no doubt, many sessions in which you will be in front of the committee, and it has been a useful session.

Before I conclude, I will go back to your comment about other cabinet secretaries. The first two bullet points in your remit refer to cross-Government co-ordination of net zero policy and climate crisis and environmental protection. I am sure that other cabinet secretaries will appear at the committee.

Gillian Martin: I look forward to it.

The Convener: As agreed, we will now move into private session to consider the remaining items on our agenda.

11:09

Meeting continued in private until 12:42.

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