

# **TRANSPORT AND THE ENVIRONMENT COMMITTEE**

Wednesday 3 October 2001  
*(Morning)*

Session 1

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## TRANSPORT AND THE ENVIRONMENT COMMITTEE

24<sup>th</sup> Meeting 2001, Session 1

### CONVENER

\*Mr Andy Kerr (East Kilbride) (Lab)

### DEPUTY CONVENER

\*Nora Radcliffe (Gordon) (LD)

### COMMITTEE MEMBERS

\*Robin Harper (Lothians) (Green)

\*Mr Adam Ingram (South of Scotland) (SNP)

\*Maureen Macmillan (Highlands and Islands) (Lab)

\*Fiona McLeod (West of Scotland) (SNP)

Des McNulty (Clydebank and Milngavie) (Lab)

Bristow Muldoon (Livingston) (Lab)

\*John Scott (Ayr) (Con)

\*attended

### THE FOLLOWING ALSO ATTENDED:

Mr George Reid (Mid Scotland and Fife) (SNP)

### CLERK TO THE COMMITTEE

Callum Thomson

### SENIOR ASSISTANT CLERK

Tracey Haw e

### ASSISTANT CLERK

Alastair Macfie

### LOCATION

The Chamber



## Scottish Parliament

### Transport and the Environment Committee

*Wednesday 3 October 2001*

*(Morning)*

[THE CONVENER *opened the meeting at 10:07*]

**The Convener (Mr Andy Kerr):** I welcome press and public alike to this meeting of the Transport and the Environment Committee. I also welcome George Reid MSP, who has a specific interest in one of the items on our agenda, as I am sure all members are aware. I have received apologies from Des McNulty.

### Interests

**The Convener:** I welcome back Nora Radcliffe to our company as a member of the committee. Nora was one of the original members of the committee some time ago. I thank John Farquhar Munro for his participation in the committee's work and invite Nora Radcliffe to declare any interests that she thinks are relevant to the work of the committee.

**Nora Radcliffe (Gordon) (LD):** I have nothing to declare, apart from the fact that I am pleased to be back.

**The Convener:** That is jolly good.

### Deputy Convener

**The Convener:** As members will be aware, our previous deputy convener was John Farquhar Munro. He has moved on to the Rural Development Committee, so we are required to choose a new deputy convener. Are there any nominations?

**Maureen Macmillan (Highlands and Islands) (Lab):** I nominate Nora Radcliffe.

**The Convener:** A number of members appear to have indicated their willingness to nominate Nora Radcliffe, who is therefore elected by acclamation.

*Nora Radcliffe was chosen as deputy convener.*

## Sea Cage Fish Farming (PE96)

**The Convener:** Agenda item 3 is our on-going consideration of petition PE96, on sea cage fish farming. As members are aware, a paper has been circulated on the arrangements for a rolling inquiry into the issue. Attached as annexes to the paper are a draft call for evidence, correspondence between the Deputy Minister for Environment and Rural Development and myself, relating to the appointment of a research co-ordinator, and a draft adviser specification. Do members have any views on the paper? I ask our two reporters to respond first.

**Maureen Macmillan:** There is some confusion between us and the Executive about the role of the adviser or research co-ordinator. For that reason, we want to have further discussion with the Executive. One of the clerks is trying to set up a meeting between the reporters, the convener and the Executive as early as tomorrow afternoon, so that we can straighten out the adviser's terms of reference.

**Robin Harper (Lothians) (Green):** That is all that needs to be said at the moment. We need to take this conversation forward and to clarify the adviser's terms of reference. At the moment, we do not have clarity.

**The Convener:** If members have no further comments on that matter, I will move on to deal with other items contained in the paper.

I take it that members are content with the general thrust of the paper. We are asked to agree the reporters' remit, to agree to call for evidence as set out in the paper, to agree to take steps to appoint an adviser and to agree the adviser's terms of reference. The last two items are subject to discussion with the Executive. We are also asked to agree to conclude formal consideration of PE96. Do we agree those recommendations, subject to the discussions that will take place tomorrow afternoon with the Deputy Minister for Environment and Rural Development? As soon as that discussion has taken place, we will provide committee members with a detailed report on it.

**John Scott (Ayr) (Con):** I am not sure that the period specified in annexe C for the appointment of the adviser will be long enough to allow the appointee to perform the mammoth task that faces him. We need to define his role clearly. I had envisaged him doing more for us than the proposed number of days would allow him to do.

**The Convener:** I will seek advice from the clerks. Is this the standard approach that is taken when appointing an adviser, or can we alter it?

**Callum Thomson (Clerk):** That is for the committee to decide. Most committees have opted

to appoint advisers for around 15 days when conducting inquiries of this scope and length.

**The Convener:** Members will recall that we were able to extend the period of appointment of our previous adviser, Ian Jones. John Scott has made a relevant point. I am happy to hear the views of other committee members on the matter.

**Robin Harper:** At the moment we are not sure how much support we will receive from the Executive. The Executive said that it would support us, but it has not indicated precisely how it will do that. We hope to clarify that at our meeting with Rhona Brankin and her officials tomorrow afternoon. It would probably be useful for us to indicate where we are coming from. We should indicate that we have asked for a minimum amount of support, but that we would prefer to be in a position to ask for further support, should that be needed. That would accommodate John Scott's concerns.

**The Convener:** That is a fair comment. The report states that it is proposed that the adviser be appointed for 15 days. The clerks have informed me that it is possible to extend the time scale for the adviser's work. We are not tying ourselves down. I take on board the caution expressed by John Scott, and Robin Harper's comments on our forthcoming discussion with the minister. We will report back to the committee once the details of the adviser's role and remit have been firmed up.

**John Scott:** We need to beef up the adviser specification. The person whom we appoint must have a good understanding of the sea cage fish farming industry. Any old understanding will not do. The adviser must have a full understanding of the current policy debates on the issue. We are looking for a specialist.

**The Convener:** We can fill out the person specification a bit and ensure that what John Scott just said is reflected. That is no problem. The reporters and I will meet the minister, report our findings and make recommendations to the committee on those issues. Do members agree to proceed on that basis?

**Members indicated agreement.**

## Organic Waste Disposal (PE327)

10:15

**The Convener:** Agenda item 4 is petition PE327 from the Blairingone and Saline action group, which, as members know, relates to organic waste spreading.

Members have received a paper from me, in my capacity as reporter on the issue, which has been circulated along with a number of written submissions that resulted from the call for evidence on the petition. The purpose of the paper is to update us on the work that was done during the recess. I will highlight some of the key issues and invite the committee to agree next steps. This is an important aspect of our work.

I thank the petitioners in the first instance for bringing the matter to the attention of the Scottish Parliament and for doing so in an organised and structured manner. The evidence that we obtained from the petitioners during the recess showed that they know how to present their case and they did that well.

When I visited the Scottish Environment Protection Agency in Stirling, I discovered several things that amazed me. I learned that I could go to a second-hand shop and buy a tractor, some injecting equipment and an articulated container, then go to an abattoir to collect blood and other products that have been mentioned. Without notifying the neighbours, I could get a piece of land, go out at 2 o'clock in the morning and spread the products on the land while someone with a torch ran behind my injecting equipment unclogging the products from it. I know that it is early in the morning to discuss such matters, but it astonishes me that I could get permission to do that.

There are mountains of regulations on other areas of waste management—transfer notes, regulations on the control of waste and regulations on hazardous waste—but no statutory guidance on this area. There is a code of practice, but some people do not know that the code exists and others cannot get their hands on a copy.

If I want to dispose of organic waste, I only have to tell the organisations, such as SEPA, that are involved in enforcing the current regulations what I am doing, why it is exempt from the regulations and where I am going with the waste. I find it quite surprising that I do not have to tell them what is in the waste. In these days of E coli, BSE, pathogens and other such critical issues, I find it surprising that we do not have greater control over the disposal of organic waste. Even if the land is frozen, it is the middle of winter and it is 2 am and dark, I can still do that work. That has led to

surprising conclusions from the evidence that we took.

We have received quite a lot of detailed information. The purpose of the paper is not to pass judgment. The report has not yet been written and recommendations have not yet been made. We are trying to agree our next course of action, review the evidence and hear comments from members. We need to work with the Health and Community Care Committee on some matters in the paper.

I found the subject interesting and thank the committee for giving me the opportunity to report on it. There is a lot of national interest in the issue, which is another good example of committees being able to take evidence from communities with the aim of bringing things to a satisfactory conclusion.

I have a fair degree of knowledge about the matter, but I will not go on because I would rather hear members' views on the report. I will then invite George Reid, who has an interest in the subject, to comment. Once members have had the opportunity to contribute, I will summarise their views and add more of my views to the discussion.

**Robin Harper:** Once you have gathered those views, what do you consider that the next step should be? Would it involve finding the time to have a committee inquiry and making a recommendation to the Executive?

**The Convener:** My view is that little would be gained by taking oral evidence. The information that we have in the submissions is pretty good. The quality of information is there, and there is a degree of interpretation and recommendation to come out of it. Having an oral evidence session would mean delaying a time-critical issue. As the reporter on the petition, my view is that I should get on with the work instead of waiting for further oral evidence. That will allow us to deal with the issue more speedily.

**Robin Harper:** That clarifies things nicely. Speed is of the essence and, if you feel that taking oral evidence would delay matters, I am disposed to take the course that you suggest, which is to gather our views on the evidence that we have and to proceed as quickly as possible.

**John Scott:** I agree entirely with that position. The delay in taking action has already been too long. This is an accident—perhaps a disaster—waiting to happen; the practice should be stopped forthwith. The sooner we get to work on this the better. One of the options was to start the drafting process now—it is my view that we should do that.

**Maureen Macmillan:** I wonder whether, when we are considering the evidence, we could do something on odour pollution. Because of all the

things that create a smell, the countryside is not odour-free—it never will be and never should be—but sometimes there are stench that can make people physically sick. What is a stench and what is an odour is very much a subjective judgment. The community that I lived in was affected by something similar. By the time the environmental health people come out to investigate, the odour has gone and nothing can be done about it. I do not know whether there is any scientific method of measuring stench, but perhaps we should look into that.

**The Convener:** You will see in the evidence from SEPA that the best mechanism for detecting odours is the human nose—two of them are needed to substantiate a case. That is a big issue. The communities that are most closely involved were concerned that by the time someone got there—including the police, if they were involved—the persistence of the odour might have declined marginally, thereby reducing the nuisance effect. That is especially the case if the activity is happening at night, because it is all the harder for anyone to get there. It is a relevant point, which we should consider.

**Mr Adam Ingram (South of Scotland) (SNP):** I endorse my colleagues' view that we should try to expedite consideration of this gobsmacking issue. I would not have believed that this type of thing actually happens. It is a credit to the Parliament and its processes that we are able to consider a public petition in the committee. That is a great step forward and something that presumably would never have happened, pre-devolution. I happily endorse what other members have said and your paper, convener. You have got to the heart of the matter and done a fair bit of work over the summer. You are to be congratulated on that.

**The Convener:** Thank you for those kind comments.

**Nora Radcliffe:** I endorse what members have been saying. There is so much material here that taking oral evidence would just slow things down. From the evidence that we have, it looks as though things are about to happen from other directions. Some of the aspects that we are concerned about will be covered by European legislation and things that SEPA is introducing. Once the convener's report pulls it all together, it will be interesting to see where the gaps are. That will inform us about where we might want to push forward.

The ball is rolling, but we need to know in which direction to give it a push. The quicker that we receive the convener's report, which will pull together all the issues, the easier it will be to see where the committee can have most effect.

**John Scott:** Perhaps it is too early to talk about

SEPA's conclusions and recommendations, but paragraph 6.9 of SEPA's report, "Strategic Review of Organic Waste Spread on Land" states:

"A charging scheme will be necessary to finance effective regulation."

We should debate and discuss that. The matter is one of public health as well as waste disposal. Elsewhere in Europe, public health matters are dealt with from the public purse rather than from industry.

**The Convener:** You are right that we are a bit early for that discussion. The report will identify the issues and when recommendations are made, committee members will have plenty opportunity to comment.

**John Scott:** I wanted to put down a marker on the issue.

**The Convener:** The point is taken.

**Robin Harper:** I have a more general point. If I remember correctly, the petition first came before the Parliament in September 1999. A point that could be raised at the conveners liaison group—this could apply to a couple of other petitions—is the possibility of fast-tracking some petitions. The petition has been hanging around for a considerable time. The people of Blairingone have suffered for two years and by the time that something has been done, we will realise that it could have been done earlier—that suffering could have ended a year ago.

**Mr George Reid (Mid Scotland and Fife) (SNP):** I am grateful to the convener and members for the opportunity to join the committee. I am also grateful to the convener for the solid work that he did during the summer. In my part of Scotland, the fact that he visited Argaty and Blairingone has convinced people that the Parliament is working with and listening to people.

I am a guest of the committee. I realise that decisions are entirely for members and that some of the decisions may take time. I am anxious not to run shock-horror coverage of a delicate issue. I hope to speak once to delineate a few issues and speak again only if members have questions.

Nora Radcliffe talked about gaps. I want to delineate those gaps because the matter is complex and involves many different constituencies and regulatory bodies, the Parliament, the Westminster Parliament and the European Union in terms of past and future directives.

How do we delineate the gaps? There are three key documents and the convener's report will, I hope, become a fourth key document. The first document is SEPA's "Strategic Review of Organic Waste Spread on Land"—the OWL report—of

1998. That report had its origins in Blairingone, because the BBC film made by the environment correspondent Louise Batchelor entitled "Fields of Filth" got Lord Sewel moving.

The second key document is the statement made a few days before Christmas 2000 by Sam Galbraith, who was at that time the minister with responsibility for the environment. The statement made some progress but it was a bit like a curate's egg. The third key document was SEPA's response to Sam Galbraith, notably the letter from the chief executive, Patricia Henton, of 6 January 2001.

We have talked about gaps. The key area for the committee to consider is the gap between what Sam Galbraith said and Patricia Henton's response. By considering that, the committee can help to inform the work that is being done by the civil service; it can scrutinise that work and add value to the process. I know some of the gaps and the questions to ask about them, but I do not know the answers.

The first issue is the need for joined-up regulation within a consistent legislative framework. I welcome the Executive's proposal to place the safe sludge matrix on a statutory basis and I note that the Executive has said that the treatment plants will be in place by the end of the year, but that is not the question. The question is what sort of treatment plants they will be. Members are aware that we now have enhanced sludge. I would be happier with the American system, which has grades A, B and C—grade A is certified free of prions, pathogens and potential toxic elements.

The second issue is the fact that the Executive relies on the code of practice on the prevention of environmental pollution from agricultural activities—PEPFAA—which is voluntary and impossible to police. The Executive's research shows that only a small number of farmers possess a copy of the code and that even fewer practise it. Furthermore, even fewer contractors than farmers possess a copy and even fewer of them again practise it.

On the convener's opening remarks, the other night I was with a Swedish journalist who specialises in environmental coverage and he found it extraordinary that someone can receive a licence to handle exempt waste without having to show any proof of competence. That is a major issue as far as public perception is concerned and, at times, such perception in relation to this matter has been as important as safe sustainability.

10:30

If we examine the situation in detail, we see that there are also substantial difficulties with



definitions. For example, what in law is “arable” land? No one knows. What does “free from harmful substances” mean? There is no legal definition. How, in court, does one define the key determinant, which is

“benefit to agriculture or ecological improvement”?

Finally, what is “nuisance through odours”? The definition is not written down in any law book. Frankly, we are dealing with past practice without any definitions to guide us.

The key issue raised by the Blairingone petitioners is that organic waste to land should be safe. Although I have always accepted the likely benefits of organic waste’s application in terms of nutrients and soil friability—we simply cannot go on filling up holes in the ground in Scotland—I want to be sure that all the waste in the OWL strategy is safe and free of pathogens, prions and other potentially toxic elements.

I fully accept that Snowie Ltd now strives to attain the highest standards and has taken a highly responsible attitude towards the application of blood to land, but the company has been prosecuted twice in the Blairingone area and although its application talks about “reducing or eliminating” PTEs, we should remember that Professor Brian Austin of Heriot-Watt University said that he found *E. coli*, *E. coli* 0157 and salmonella in samples that he took there.

I do not know, but I know that this is an issue of public perception. An interesting snippet in paragraph 2.3.2 of the SEPA evidence reveals that the agency has contacted the Scottish Centre for Infection and Environmental Health and the area health boards

“with a view to forming an investigation team to address the specific concerns of the residents of Blairingone”

and to determine

“whether public health has been affected by the spreading activities in the area.”

I would be most grateful if the convener could instruct the clerk to obtain the investigation team’s terms of reference and a list of the work that it has undertaken to date and to arrange for the final report to be tabled here. That would go a long way towards satisfying the concerns of the Blairingone residents.

The third and final issue centres on how we can achieve sustainability. One telling area that has not been touched on in any detail by the Executive but which has been dealt with substantially in SEPA’s soil quality report, which was published this year, is the repeated application of organics and inorganics to land. The report makes it clear that the fact that the output of contaminants and their impact are not largely known is one of the

“principal threats to soil quality and the long-term sustainable use of soils”.

The report also notes the real threat to the aqueous environment by run-off from land drains acting largely as suction pumps and proposes the end of the practice of injection to land with field drains. I do not know how practical that measure would be for farmers, who do not like red tape. Perhaps the committee, in its on-going work on the issue, could find and speak to a working farmer who owns injecting equipment, because that would clarify matters substantially. Up to now, I have been unable to find such a farmer.

As a result of my inquiries, I am a bit attracted to the principle of land management plans, which the committee can discuss in detail. However, I know that the farming industry is fragile at the moment and I do not want to put undue burdens on it. As I said, farmers hate more red tape.

When the convener writes the report, perhaps he could ask himself a simple question, which I found helpful. As he examines each activity, he should ask whether it is a genuine farming activity that benefits agriculture or whether, in reality, it is quasi-industrial—the removal of waste by the cheapest route. That must be addressed.

There is much more to say, but I will spend the last minute on two final points. The first is Argaty and the 100,000 gallons of bovine blood. I am conscious of the convener’s remarks about the fact that litigation is continuing. That blood is more than nine months old. I am not saying—and have never said—that anyone has broken the law, but the law is lax and the regulations are not joined up. I am not saying that the blood is dangerous—I do not know whether it is, although I have listened to Professor Austin—but I am saying that the public perception presents a danger to the farming industry. Members will be aware that the malting industry is beginning to refuse to take grain from fields on which sludge or blood has been spread, so public perception is an issue and there is a fiscal risk to the farming industry. As the Transport and the Environment Committee is responsible for monitoring the Scottish environment, I hope that it will agree to write to the Executive and to SEPA to ask what action they intend to take.

Finally, I have known the petitioners for four years. I deeply regret that Snowie Ltd chose to denigrate them in its evidence. The petitioners are decent people; Duncan Hope is a man committed to the land and to the safe environment of his village. Of course the core group is small—it never set out to be a mass movement. Among the signatories to the petition are more than 300 people who are resident in the immediate locality of Blairingone and Saline. That is a much higher participation rate than was achieved in the general election.

We are building a new political culture in Scotland. We are working in partnership with the people. I am grateful to the committee for its work. If the petition had been tabled at Westminster, it would simply have been paraded down the floor of the Commons, plopped in a poke behind the Speaker's chair and that would have been the end of it.

**The Convener:** Thanks very much. Your imagery at the end was useful.

Do members wish to make any other comments? I think that we have covered the ground.

**Maureen Macmillan:** I want to ask how widespread the practice is. Do we have any idea? Perhaps that is in the material somewhere.

**The Convener:** Part of the problem is the lack of analysis. One of the reports mentions that the practice is fairly controlled and not as widespread as might be thought from the coverage that there has been. I think that 2 per cent was the figure mentioned in the SEPA document, but that will need to be verified.

It would be best to begin concluding matters with the petitioners. They came to us and we went to visit them. Bruce Crawford and I spoke to local people—we were told about children with sores and children visiting the doctor frequently with inexplicable illnesses. Although there was no conclusive proof on the health issues, there were many coincidences.

We cannot forget that we create the waste and we need to deal with it. There are ways of doing that that protect the environment and public health, but the appropriate structures are not available to us. The report will need to examine that. George Reid's point is correct: I have some background in waste management and the waste industry and what I saw was not farming and enhancement of the land to generate better soil and improved growth of crops; it was waste disposal. That is the difference.

The waste management licence regulations were designed to give exemptions for the purpose of enhancing the land, developing the soil and so on. The process that is going on is an industrial process. Therefore, the controls do not fit with that. We need to deal with those issues. George Reid covered several points, which I will take cognisance of in the report. We will refer the health issues to our colleagues on the Health and Community Care Committee.

I met the Institute of Wastes Management and was surprised by the uniformity with regard to what SEPA has said, what the industry wants to happen and what Snowie Ltd wants to happen. We are getting round to developing good practice,

but it is not enforced to the degree that it should be, which is part of the problem.

It is true that the Ayrshire study showed that when farmers were asked whether they had a copy of the PEPFAA code they said, "Maybe aye, maybe no" and just under half of them could not lay their hands on a copy. Contractors did not have copies either, so the voluntary approach clearly is not working as it should. We need a new framework. That is clear from members' comments. It is important that we demonstrate the benefit to the environment. There is concern about land management plans. The Executive initially said no to the idea, but there are good grounds for such plans and we will pursue that in the report.

The issue of field drains is difficult. They are, as SEPA says, the most direct route to the water course, but if something goes wrong, the effect on the environment and public health can be quick and dangerous. We will pursue the fact that no training or experience is required to spread waste on land. Once again, there is a gap that we need to examine.

If members agree—and I have not heard anybody say otherwise—we should not waste any more time taking oral evidence; we should commission the clerks and me to draft the report and bring it back to the committee. I thank the committee for its supportive comments.

I will take the committee through the conclusions that we have to reach so that we can structure our thoughts on the matter. Do members agree to note the evidence that the committee received during the summer?

**Members indicated agreement.**

**The Convener:** Does the committee agree to seek evidence from the petitioners and SEPA to establish their responses to the Executive's submission?

**Members indicated agreement.**

**The Convener:** Does the committee agree to mandate me as a reporter to begin drafting the report on the issues that have been raised by the petition and by members this morning?

**Members indicated agreement.**

**John Scott:** I have two small points. On the PEPFAA code, within the farming industry—in which I declare an interest—there is accepted best practice for spreading animal waste and manure, which is adhered to by the great majority of farmers. The issue of field drains is difficult. Many farmers will not be aware that their land has field drains, because in many cases the field drains were installed 100 to 200 years ago, so maps of them do not exist and they could not be mapped. That is a tricky problem.

**The Convener:** It is a very tricky problem. We could build in other controls—audit trails, requirements, permissions, tests and pre-treatments, as well as land management plans. The issue of land drains is important and John Scott is right to point out the difficulties.

**John Scott:** I am happy to give any assistance that I can on practical farming matters.

**The Convener:** Thanks very much.

**Robin Harper:** The British Geological Survey has techniques that could quickly identify the position of land drains, but it might be expensive.

**The Convener:** That is another matter, which I will consider in drafting the report. We have agreed the action that will be taken. Are there any other comments?

**Nora Radcliffe:** I have some quick points. First, John Scott pre-empted my point on land drains, which is that many of them may even be medieval. The situation will be weakened if regulations are made that cannot be enforced. It must be borne in mind that regulations must be practicable.

Secondly, George Reid talked about layering agricultural pollution on the land and about the fact that nobody is examining the combined effects of that. That is very much a topic of the moment, on which a lot of work is being and will be done. The situation will be driven by European directives. It is already being driven by nitrate vulnerable zones and that sort of thing.

My last point is to pick up on SEPA charging to cover its costs. We have to remember that the polluter-pays principle will probably apply as much as the public health principle.

**The Convener:** I will reflect those views in drafting the committee report. We can discuss them further once the report is available.

Are members agreed that we proceed on the basis that I have indicated?

**Members indicated agreement.**

## Budget Process 2002-03

10:45

**The Convener:** Agenda item 5 is the 2002-03 budget process. We will consider the draft transport and environment budget for 2002-03 and the Scottish Executive's response to the committee's report on the budget to the Finance Committee. We can consider the issues that we might want to raise with the Minister for Transport and Planning and the Minister for the Environment and Rural Development when we take budget evidence from them at our next meeting, on 24 October.

Members should have a copy of the committee's report to the Finance Committee on stage 1 of the Scottish budget, the Executive's response to the committee's report, a Scottish Parliament information centre note on the draft transport and environment budget and a copy of the draft budget—we can get that to members if required.

Perhaps the best way to proceed—once I have found my papers—would be to work through the Executive's response. Members can comment on that, the draft budget and the SPICe note.

**John Scott:** What paper are you referring to?

**The Convener:** The Executive's response to the committee's report to the Finance Committee.

**Nora Radcliffe:** Do you mean paper TE/01/24/6?

**The Convener:** Yes—and annexe A, which gives responses to the committee's questions.

**Fiona McLeod (West of Scotland) (SNP):** Is annexe A a response from SEPA?

**The Convener:** The response is from the Scottish Executive environment department.

Do members have a letter from Sarah Boyack, the Minister for Transport and Planning, entitled "Stage 1 of the 2002-02 Budget Process: Report of the Transport & Environment Committee on the 2002-03 Budget Process"? That is the minister's response to our report and is probably a good place to start our discussions.

On page 1, the minister notes that:

"The Committee considers that the Scottish Executive document 'Making it Work Together' does not adequately address the question of how the Executive arrived at the particular priorities it has identified."

The minister seems to respond that a lot of work that cannot be documented goes into the process, but that she is happy to answer questions on that work. Perhaps we can ask about that when we take oral evidence.

The comments on the Executive's annual expenditure report are self-explanatory. Members may have a different view.

On page 2, the minister mentions spending on roads.

**John Scott:** What likely effect will the budget have on the road spending programme? Apparently, there are reductions.

**The Convener:** The effect of the budget on the road maintenance programme is not a question for me to answer. We can ask the minister about that when she is with us.

**John Scott:** Right—thank you.

**The Convener:** On page 2, the minister notes that:

"The Committee considers that a clear correlation should be demonstrable in the Scottish Executive's budget documentation between the stated aims of the Executive and the allocation of spending."

That refers to earlier points on how the Executive makes up the budget. Again, we may wish to pursue the matter when we question the minister.

The minister agrees with us in her next point. She responds to our question on transport planning, and her answer to our question on the extent to which the budget proposals are influenced by the DETR transport plan 2010 is fairly straightforward.

As members have no other questions or points on page 2, I will move on to page 3, where the committee asks:

"what is the scope for ministers to set out their forward plans"?

The response is fairly straightforward—three-year spending plans and a framework for longer-term projects outwith that three-year spending programme.

The minister's next answer, on variance under the budget heads, is also straightforward.

**Maureen Macmillan:** The minister has replied that there is scope for variance, but not how much scope, which is what we asked. We could perhaps ask for a more detailed answer.

**Robin Harper:** I add my voice to that. It would be useful to know how much scope there is for variance.

**The Convener:** We will prepare questions for the Executive and will ensure that that is one of them.

End-year flexibility in the work of the Parliament is subject to debate elsewhere. The minister's response on that is straightforward. Considering the debates that we have had on EYF, I think that we have had enough discussion of that in other

aspects of the Parliament's work.

**Fiona McLeod:** The minister writes:

"in respect of worthwhile projects".

Can we ask how she assesses what constitutes a worthwhile project?

**The Convener:** Indeed. There is a trail developing here, regarding the determination of policy, how that is played out and how priorities are set. We will ensure that we cover that.

**Robin Harper:** I presume that no projects are not worth while.

**Nora Radcliffe:** It might be interesting to tease out how much of the EYF is kept within budget heads and how much cross-fertilisation there is if there is something left over at the end. Is end-year flexibility retained in a budget and how much is one project prioritised over others, either under the budget heads or in other portfolios?

**The Convener:** As you know, we have the general budget figures, but we do not have every line. Your question is based on EYF line by line and whether the minister allocates that across the budget.

**Nora Radcliffe:** If there is money left at the end of the year, does it stay in the pockets in which it began, or is it re-allocated between departments and, if so, are projects prioritised across all Executive departments?

**The Convener:** We have covered some of that in other debates, but that is a relevant point to put to the minister in our question-and-answer session.

The minister has given a fairly lengthy answer to our question on the extent of the budget's reliance on private sector involvement. I seek members' views on other issues that they would like to examine under that subject heading.

As members have no further points to raise, I will move on to page 4, which details information on the distribution of responsibilities. If members want to pursue that, they can do so in questions. Does anybody have any points to raise?

**Fiona McLeod:** I thought that we questioned the minister on the responsibilities of local authorities when she attended the committee previously. Should we reconsider how to ask that question to get the answers that we are looking for?

**The Convener:** Murray Tosh was especially vociferous on the subject. You are right to say that we must consider whether we are asking the wrong question. I shall speak with Callum Thomson, who is well versed in such matters, and we will try to come up with another question on that subject.

The next issue is the balance of expenditure on trunk and non-trunk roads between the Executive and local authorities. That arises from the previous question we asked about who is getting the responsibility and where the money is coming from to undertake the work. The minister's response sets out the way in which she views the matter. We can also examine that in our questioning.

In response to our points about the evaluation and audit of aims, objectives and performance against targets, independent evaluation and performance management, the minister said that there is a system that will be applied.

If there are no comments on page 4 of the letter, we will move to page 5, which begins with remarks on Highlands and Islands Airport Ltd's landing slots at Gatwick airport. In the current climate, we remain interested in the issue.

**Maureen Macmillan:** Perhaps we should ask more questions about safety. Representations have been made to me about the lack of security at HIAL airports.

**The Convener:** We will need to consider that in relation to the budget. Perhaps you should write to the minister on the matter.

**Maureen Macmillan:** I have done. There will be cost implications if safety procedures are to be tightened. HIAL has said that it feels that it has to have inappropriate safety procedures at its airports, but that might have changed now.

**Fiona McLeod:** In pursuing that, can we be clear that there is a difference between safety and security issues? When we were talking to HIAL about the Civil Aviation Authority regulations, the focus was on safety rather than security, which is a different issue.

**Maureen Macmillan:** That is a fair comment. There are safety issues, but I am primarily concerned about security.

**The Convener:** Both issues have an impact on the budget.

Are there any other comments on page 5?

**Mr Ingram:** I thought that it was an extract from "Yes, Minister" when I read it.

**The Convener:** Was that all the responses to the HIAL questions, or one in particular?

**Mr Ingram:** I thought that some of the answers were not particularly illuminating in terms of the questions that the committee had asked. Was that not the general feeling?

**The Convener:** When dealing with previous pages of the letter, we picked up specific concerns that we want to pursue. I think that the answers that deal with HIAL on page 5 are fairly

straightforward. I suppose that it could perhaps be argued that the last response, which talks about how targets are measured, calls for further discussion. I do not share your view, Adam, but it is up to committee members to tell me what areas they want to investigate further.

**Mr Ingram:** I take it that we will return to the matter.

**The Convener:** We will return to it at our next meeting, which the minister will attend. It would be useful if we could tell the clerks in advance the areas that we will want to discuss so that we can structure our debate.

**Mr Ingram:** I will do that.

**The Convener:** Page 6 deals with the Strategic Rail Authority. I take it that we believe the Executive response to be fairly straightforward.

**Mr Ingram:** The committee requested reassurance on the proportion of Strategic Rail Authority expenditure that will be spent in Scotland. The concern is that the vast majority of the money will be spent in the south-east of England, particularly around London. That is what the rail industry in Scotland believes. It is up to the Scottish Parliament, the Transport and the Environment Committee and ministers to try to extract as great a proportion of the funds as possible. The answer does not fully illuminate the point that was raised.

11:00

**The Convener:** The answer shows where responsibility for the rail network lies. The Executive uses the present structure to deliver improvements to the Scottish rail network. It was a factual answer to a factual question. If Adam Ingram is not satisfied with the response on share and mechanisms, he can take that up with the Executive. The Executive's response reflects the way that the share was carried out and the structures that exist at present.

**Fiona McLeod:** I wonder whether, in questioning the minister, we should find out more about the mechanisms that she is using to ensure that Scotland's bids get a proportionate response.

**The Convener:** I recollect that we have had a number of discussions about share. We make no noise when the proportion of our share is over the national allocation, but we do when it is under the allocation. We must ensure that the Executive is representing properly the needs of Scotland. I am more than happy to pursue that with the minister when she gives evidence to us.

We move on to the next principal document, which is the Executive's responses in annexe A.

**Fiona McLeod:** Before we go through the

document, I understand that we did not receive responses from the appropriate ministers similar to those that were received from Sarah Boyack. Is that the case?

**The Convener:** I am assured that the response in annexe A is all that we have received.

**Fiona McLeod:** As a committee, we should write to the appropriate ministers and say that the responses are not good enough. In scrutinising the budget process, we want detailed answers to our detailed questions.

**The Convener:** The document does not present the information as cogently as have previous documents. That view should be made known. To be fair, the response allows us to search out the issues that we raised. However, the document is not as user friendly or informative as were previous formats.

**Fiona McLeod:** A lot of information is missing. One example of that, which jumped out at me, is the response to the questions that we put about the renewables obligation (Scotland). The answer is about SEPA and charging. It does not address the other questions that we put on the environment budget. That is not good enough.

**The Convener:** We will perhaps revisit that issue in time for the committee's evidence-taking session. That would allow us to seek further information from the Executive on the issues that we raised. That said, I suggest that we move on to discuss the information that is contained in the document.

The last section of paragraph 3 on page 1 addresses the polluter-pays principle. That reflects our previous discussions on Blairingone and Saline. Do members have comments on paragraphs 1 to 4 on page 1?

**John Scott:** I make the counter-point that members will note, from the table shown in paragraph 2 on page 1, that SEPA's income is about half and half grant in aid and revenue from charging schemes. The larger part of its income comes from grant in aid schemes. I assume that that income is government funded?

**The Convener:** We must be cautious that public organisations such as SEPA do not have to be self-fulfilling about what they are doing. As long as they work to policy objectives and targets, charging schemes and/or grant in aid must be set to ensure that they are properly funded. The point is made.

**Fiona McLeod:** In our questions to the minister, we should reiterate our view that, because of the polluter-pays principle, we are not against charging. However, we do not want to see grant in aid going down as charging goes up. That would mean that SEPA would have to rely on charging

people rather than policing people.

**The Convener:** We have made that point, and we can make it again. It is not to be a charge-led system, whereby charges are increased to fund core operations. I think that the committee has always accepted that.

**John Scott:** It is perhaps worth noting that SEPA charges for the licensing of spent sheep dip. The matter has already been raised in the Parliament. We pay for that licensing process in Scotland, whereas nowhere else in the United Kingdom or the European Union is a charge made for the licensing of such a process. We are probably already paying more than other parts of the United Kingdom for the type of services that SEPA renders unto us.

**The Convener:** I was unaware of the charging for the licensing of spent sheep dip and I thank John Scott for bringing that to the attention of the committee.

**Robin Harper:** SEPA is already heavily reliant on charging schemes. The figures show that it is getting more money from them every year. I would rather that amount of money had gone down, with direct grant from the Government going up. That would allow SEPA to be more independent.

**Nora Radcliffe:** There is a counter-argument to that. If people are being charged for activities, it concentrates their minds on what they are doing. That relates to the polluter-pays principle. It provides, to a degree, a disincentive to pollute.

**The Convener:** We will have the discussion in the chamber—I am not willing to referee it. Those points will be dealt with by the minister's responses to the committee's questions.

Let us return to the subject matter in hand and turn to page 2 of the response paper.

**Fiona McLeod:** May I return to paragraph 4 on page 1? Could we ask for a more detailed list of the new charging schemes that SEPA thinks may be introduced during this budget period?

**The Convener:** Sure. Is there anything else to raise on page 1? If not, we will move on to page 2.

**Maureen Macmillan:** Sorry—if we could go back to paragraph 4, could we ask for more information on environmental taxes as alternatives to charging schemes? I would like to know more about how that would work.

I have just noticed that the paper says

"These are, however, reserved matters".

We could still ask about it, however.

**The Convener:** Yes. We could ask what input has been made to the discussion on that.

I hesitate to ask this again, but do members

have anything else to raise on page 1? If not, we will move on to page 2, which addresses our paragraph 46. The response is headed "Economic Efficiency", and discusses "cost effectiveness"—who could not agree with it?

**Fiona McLeod:** I did not quite understand the end of paragraph 7, which reads:

"depreciation and provisions for future costs (which score before profit is calculated) and paid out as interest (paid out after profit is calculated)".

We are discussing the water authorities, are we not? Where is the profit in the water authorities?

**The Convener:** I think that we were discussing the general budget and, presumably, the involvement of the private sector in some projects.

**Fiona McLeod:** The paper mentions

"the resources generated from water and wastewater charges".

I got a bit lost when I noticed profit being mentioned more than once in the context of water authorities.

**The Convener:** We will need to clarify that. I presume that that relates to how the water authorities report on projects. If they report a surplus, how is it calculated?

**Fiona McLeod:** But a surplus is not mentioned; "profit" is mentioned twice in paragraph 7.

**The Convener:** We will look into that and get it clarified.

**Nora Radcliffe:** Perhaps I am venturing into murky waters, but does the rest of the committee think that it would be helpful to have a quick briefing on resource accounting and budgeting before we start cross-examining ministers? I find it difficult to get my head round RAB. Does the committee think that an idiot's guide to RAB would be helpful and would inform our later questioning, or would that go into too much detail?

**The Convener:** I attended the all-members briefing on RAB.

**Nora Radcliffe:** So did I.

**The Convener:** I think that I understand a fair bit of RAB—not all of it, I confess. I do not know whether we can arrange a briefing such as Nora Radcliffe requests. I will speak to the clerk about that separately.

**John Scott:** When was that briefing session?

**The Convener:** It was a long time ago.

**Nora Radcliffe:** It was when the Executive first introduced RAB. That was about a year ago.

**The Convener:** It was about a year ago. It was held in committee room 2.

**John Scott:** I confess that I too find it difficult to make head or tail of much of the paper. However, I would be the first to accept that that is my inadequacy.

**The Convener:** For those who did not attend that briefing session—and for those who did, but who want a refresher course—we will endeavour to produce something on RAB to allow a greater understanding of it.

**Fiona McLeod:** Is there not a Scottish Parliament information centre document on RAB? If there is, will the clerk send it to us all?

**The Convener:** I think that SPICe produced something. We will search it out and ensure that members are aware of it.

**Robin Harper:** I support what John Scott says. I look at paragraph 6 on page 2 of the paper and I cannot make head or tail of what it means.

**The Convener:** We will endeavour to tell you the heads and the tails of it through the SPICe briefing, or, if that is not sufficient, a further briefing to the committee.

**John Scott:** You, convener, might be willing to explain.

**The Convener:** I am unwilling to explain civil service speak to you, because I would get into dangerous territory. I have not read the paragraph in much detail. I thank John Scott for that challenge. I will remember it.

Are there any other points on the paper? I will summarise, beginning with Fiona McLeod's point that the response is insufficient. We must approach the Executive on the matter again. We will include in our scrutiny of the Executive, when the minister comes to the committee, the comments that have been made on individual paragraphs.

**John Scott:** The point has been made more than once that the distillation of all that we have said is that the paper must be couched in layman's terms so that we can all understand it easily. The point is not that we should need to understand RAB. The paper must be written in such a way that those who are demonstrably lay people—such as the committee's members—can understand it. The fact that it is not is a failing of the Executive's response.

**The Convener:** That should lead to an interesting meeting.

**Fiona McLeod:** When the ministers return to the committee to give evidence, will we restrict ourselves to the two main areas to which we restricted ourselves at the last such session or, if other matters have come up in the interim, may we question the ministers on those?

**The Convener:** We will try to structure our discussions to meet our priorities in the first place. I acknowledge that other matters flow from the process. I am happy to try to deal with those. If you could indicate any such matters to the clerks, that would be useful in structuring our discussions.

**Fiona McLeod:** One such matter comes to mind—the impact of foot-and-mouth disease on the environment and the environmental budget. We started to raise that at the first evidence-taking session. At that point, we were at an early stage of understanding the impact. Should we flesh that out a wee bit more?

**The Convener:** That is a valid point, which—I hope—we will build into the session.

We will endeavour to include all the comments that have been made so that we can have a structured discussion on the budget with the Executive.

I thank the press and public for their interest.

*Meeting closed at 11:13.*



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