



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

PUBLIC AUDIT COMMITTEE

Wednesday 10 February 2010

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PUBLIC AUDIT COMMITTEE

3rd Meeting 2010, Session 3

CONVENER

*Hugh Henry (Paisley South) (Lab)

DEPUTY CONVENER

*Murdo Fraser (Mid Scotland and Fife) (Con)

COMMITTEE MEMBERS

*Willie Coffey (Kilmarnock and Loudoun) (SNP)
*Cathie Craigie (Cumbernauld and Kilsyth) (Lab)
*George Foulkes (Lothians) (Lab)
*Bill Kidd (Glasgow) (SNP)
*Anne McLaughlin (Glasgow) (SNP)
*Nicol Stephen (Aberdeen South) (LD)

COMMITTEE SUBSTITUTES

Derek Brownlee (South of Scotland) (Con)
Linda Fabiani (Central Scotland) (SNP)
James Kelly (Glasgow Rutherglen) (Lab)
John Farquhar Munro (Ross, Skye and Inverness West) (LD)

*attended

THE FOLLOWING ALSO ATTENDED:

Mr Robert Black (Auditor General for Scotland)
Angela Cullen (Audit Scotland)
Caroline Gardner (Audit Scotland)
Barbara Hurst (Audit Scotland)
Mark MacPherson (Audit Scotland)
Mark Roberts (Audit Scotland)
Rebecca Seidel (Audit Scotland)

CLERK TO THE COMMITTEE

Tracey White

SENIOR ASSISTANT CLERK

Joanna Hardy

ASSISTANT CLERK

Jason Nairn

LOCATION

Committee Room 6

Scottish Parliament

Public Audit Committee

Wednesday 10 February 2010

[The Convener *opened the meeting at 10:00*]

Decision on Taking Business in Private

The Convener (Hugh Henry): Good morning and welcome to the third meeting in 2010 of the Public Audit Committee. I remind everyone to switch off all electronic devices. I welcome Audit Scotland staff to the meeting.

Do members agree to take items 3 and 4 in private?

Members *indicated agreement.*

The Convener: On 1 February, Bob Black, the Auditor General for Scotland, recorded his 10th anniversary in the post. That is a significant achievement and, indeed, represents a significant milestone not only in his career but in the history of the audit function in Scotland. His time in the role coincides almost perfectly with the lifetime of the Parliament, and the work of the Auditor General and his staff has been of significant value to the Audit and Public Audit Committees since the start. I thank the Auditor General for that and congratulate him on his achievement.

Mr Robert Black (Auditor General for Scotland): Thank you very much for your kind remarks, convener. I have to say that 1 February came and went like any other day and I did not realise its significance until, in an e-mail about a forthcoming attraction for the committee, a member of staff said, "By the way, congratulations on the 10th anniversary of your appointment". It is certainly true that I took the Queen's shilling on 1 February and, to prove it, I have a bit of paper—the royal warrant—that is literally in an old briefcase under the bed in the spare room.

I think that a far more significant event will be 1 April, which is the 10th anniversary of Audit Scotland itself. After all, it is the staff of Audit Scotland who do all the work. In anticipation of that, I want to say that it is and has always been a joy to work with such a talented team.

The Convener: Thank you very much for that.

Section 23 Report

"Protecting and improving Scotland's environment"

10:02

The Convener: Item 2 is consideration of a section 23 report, "Protecting and improving Scotland's environment". I invite the Auditor General to brief the committee.

Mr Black: This overview report, which was published on 14 January, is a joint report by the Accounts Commission and the Auditor General. Councils play a key role in protecting and improving Scotland's environment, especially in relation to waste management. The report looks at the performance of the public sector against targets in four areas: air quality; the water environment; biodiversity; and, finally, waste management.

The quality of the environment is clearly one of Scotland's greatest assets and is crucial for key industries such as tourism, agriculture, and food and drink. As an example of that, we quote from a recent report that was carried out for Scottish Natural Heritage, which suggested that the environment was worth £17.2 billion a year to the Scottish economy and supported 242,000 jobs. I emphasise that those are not our numbers, but they support the view that protecting and improving Scotland's environment are important to the Scottish Government's overall goal of achieving sustainable economic growth.

Equally important, however, the quality of the environment can also affect people's health and quality of life. I should point out at the outset that the study did not consider climate change. That was a conscious decision because the Parliament was considering the Climate Change (Scotland) Bill at the very time the study was being undertaken. However, I assure the committee that climate change will be included in future work by Audit Scotland and we will consult on the matter at the appropriate time.

The report's overall message is that, as exhibit 1 on page 4 clearly shows, there has been mixed progress against environmental targets and there is a risk that some targets may not be met. A number of targets are being met, some before the date they are due. For example, Scotland has already successfully met the European target for reducing by 2010 the amount of municipal waste that is sent to landfill.

However, four of the 11 air quality targets have not been met. Although air quality in Scotland is generally good, there are localised areas where quality is poor, mainly as a result of road traffic

pollution. That is important because it is recognised to be a health risk. Councils have declared 21 air quality management areas in different parts of Scotland. Most of those relate to traffic pollution, but not all the actions that are needed to reduce traffic pollution are within the control of public bodies in Scotland.

I turn to the water environment. We can report that more than half of Scotland's waters currently meet the European standard of good ecological status. It is clear that pollution from agricultural activity is now the main threat to the water environment. The Scottish Environment Protection Agency is making good progress, with its partners, on strengthening the advice and oversight relating to agricultural pollution. That momentum needs to be maintained, with the support of the agriculture industry.

I turn to biodiversity. A wide range of strategies, policies and delivery bodies are involved in protecting individual species and special areas in Scotland; those are summarised in exhibit 10 on page 21 of the report. For example, there are 1,892 different protected areas, covering about 19 per cent of Scotland's area. There has been mixed progress against the Scottish Government's 17 biodiversity indicators. For example, there is a risk of not meeting the Scottish Government's target that 95 per cent of protected areas should be in a favourable condition by 2010.

Some important waste management targets on landfill and recycling are at risk of not being met. Councils play a key role in protecting and improving the environment in various ways; their role in waste management is particularly important. Back in 2007, we published our report "Sustainable waste management", which the committee considered. Councils have made significant progress since then but, taken together, councils' individual plans are not yet adequate to meet the overall landfill targets beyond 2010.

In summary, there has clearly been encouraging progress in many areas. However, with some policies, such as air quality and transport, and land management and water quality, there is a need for better co-ordination in planning and action at both national and local levels. Many of the targets for protecting and improving the environment extend well into the future. For example, European targets for the quality of Scotland's water environment run until 2027, and the Scottish Government has set waste targets until 2025. There must be strong leadership and long-term commitment to meeting those environmental targets. That is especially true at a time of severe constraints on public spending, when the long term may be crowded out by urgent and immediate priorities.

We have made some recommendations for the Scottish Government and public bodies to

consider and act on to improve their performance; those can be found at the end of the relevant chapters of the report. The main purpose of the report is to take stock of progress in 2010 on the overall strategy for Scotland's environment. As ever, the team and I will do our best to answer any questions that members have.

The Convener: Thank you.

It is important that the public buy into recycling. In your report, you indicate that there is evidence that, where services and facilities are easily available, there is higher commitment from the public to recycling. The public also need confidence that, if they make the effort, the material will be recycled. Over the past couple of years, there have been occasional reports on television—emanating mostly from areas in England, but the same principle may apply here—of waste paper and other materials that have been collected being shipped across the world to places such as China, where it is not always recycled; sometimes, it is just dumped. There is concern that we are participating in recycling only to dump our problem on others.

There is also concern that recycling is influenced by market conditions. If the market for recycled paper or glass collapses, there begins to be a cost to local authorities.

Does the study indicate whether Scottish local authorities are capable of properly recycling all the material that they collect and whether there is a market for such material? Is the cost to local authorities of participating in recycling growing because of variations and fluctuations in market prices?

Mr Black: We did not look at that in "Protecting and improving Scotland's environment", which is an overview of performance and progress in all aspects of managing Scotland's environment. We considered such issues in our 2007 report "Sustainable waste management", but we have not updated that.

It is true to say that the net cost to the public sector of recycling, especially things such as paper recycling, depends on market conditions. Market demand is also an important factor in the price received. Councils have received income for mixed-quality paper, but that is vulnerable to a fall in demand. Although we have not analysed this, there must also be a distinct possibility that demand has been falling during the current recession. In addition, supply has been increasing, as more and more public bodies move to recycling. Another factor is that paper producers require higher-quality paper. That might have a greater impact on those councils that use commingled systems than on those that collect

uncontaminated waste paper, so different councils will face different costs.

The issue is quite complicated, so it is difficult to give a simple answer. That is one reason why we had a good look at the issue in 2007.

The Convener: "Protecting and improving Scotland's environment" states:

"Construction and demolition waste accounts for almost half of the waste generated in Scotland".

However, packaging of consumer products is another significant contributor to waste. Was that looked at?

Mr Black: We did not look at that in detail. We looked simply at the general pattern. Perhaps Mark Roberts can help on that issue.

Mark Roberts (Audit Scotland): We did not look in detail at what was being done to reduce the amount of packaging that is associated with particular products. At the start of 2008, the Government introduced a new waste management policy that puts much greater emphasis on reducing the amount of waste that is produced. The strategy tries to move us up the so-called waste hierarchy by focusing on reducing waste rather than concentrating on the disposal and recycling of waste. That has been manifested in an overall reduction in the total amount of waste that is being produced.

Murdo Fraser (Mid Scotland and Fife) (Con): On that same issue of recycling and waste management, exhibit 15 on page 28 of the report shows the performance of the different local authorities against the Scottish target to recycle 40 per cent of municipal waste by 2010. It is clear from exhibit 15 that there are wide discrepancies in performance between different councils. Is any more information available on why there should be such a wide variation in how councils perform?

Mr Black: I might make just two comments before I invite Mark Roberts to respond.

First, when we looked at that issue in 2007, we found that Scotland had 67 recycling schemes in operation that used 41 different types of receptacle and which collected different combinations of 20 materials. Therefore, Scottish local authorities previously had a great deal of diversity in their kerbside collection systems. The world will have moved on since we collected those data, but one would still need to look in some detail at how individual local authorities are going about their recycling in order to understand what is happening.

Secondly, local authorities have by and large achieved the lower-cost gains now. As I am sure we all recognise, it is clearly much more challenging to make recycling operate effectively

in dense urban areas. That is probably reflected in the comparatively low percentage of municipal waste that is recycled or composted in some of the urban areas that have high-rise flats and tenement buildings, where achieving compliance by getting the public to use such facilities is more costly and more difficult.

Mark Roberts might have something to add.

10:15

Mark Roberts: I do not think that I do. We did not look at specific council areas in detail. We used the aggregated national data that were provided to SEPA to produce that exhibit.

However, as the Auditor General said, the characteristics of an area will be important when it comes to the challenges that the council faces in relation to the collection of waste—whether it has a high population density and a large number of tenements or whether, at the other end of the spectrum, it is an extremely rural area.

Murdo Fraser: That is helpful, but I have a follow-up. From paragraph 111 onwards, the report comments on councils' inadequate plans to meet landfill and recycling targets beyond 2010, which reiterates what we were told by Audit Scotland in the recent similar report on waste management. What is your feeling for the progress that is being made in that area, because it must be a matter of concern that councils are not producing adequate plans?

In the same vein, you say in paragraph 115 that the

"Scottish Futures Trust will have a role in ... coordinating investment in waste treatment facilities."

What is the likely timescale for the SFT to bring that forward?

Mr Black: In our report of 2007, we commented that residual waste treatment facilities were

"unlikely to be delivered in time to achieve the 2013 Landfill Directive targets".

That was one of the more challenging messages that came out of that report. We pointed out that, for many councils, energy from waste was the favoured option because it was a proven technology, but that other technologies were becoming available.

The Scottish Government has made a policy choice to rethink its approach to the issue. It recently introduced a new policy that places the prime responsibility for delivery on local authorities as part of the concordat agreement. It is rather early days to comment on that, but it is fair to conclude from our study that it is definitely still a challenge to deliver waste treatment facilities that

will allow Scotland to make progress towards achieving the landfill directive targets.

I invite Mark Roberts to say a little more about the recent change in policy.

Mark Roberts: The Cabinet Secretary for Rural Affairs and the Environment announced the change to Parliament in January 2008. Previously, the national waste plan had been co-ordinated by SEPA and there were 11 individual area waste plans that involved local authorities working together to decide how they should manage waste. The new policy gave the responsibility for developing the national waste management plan back to the Scottish Government, stopped the work that was going on on the 11 area waste plans and gave the 32 councils responsibility for developing their own plans for how they wanted to manage waste in the future. We expected to find, when all those plans were added up, that the 2013 targets had been met—or, at least, that progress had been made towards meeting them—but, as you have noted, they fall a little short at the moment.

Mr Black: I return to the part of the question about the Scottish Futures Trust. The Scottish Government has asked the SFT to be a lead facilitating and co-ordinating body on the funding of waste treatment facilities. From our work in 2007, that would appear to be an appropriate move. In our earlier report, we commented on the fact that individual local authorities did not necessarily have the capacity and specialist skills that were required to deal with the treatment of residual waste, and that there was a move towards partnerships to procure and deliver the necessary facilities. I think that we are in a bit of a transition period, and it will be important to monitor developments that the SFT undertakes in that area.

The Convener: Before I bring in other members, have the cabinet secretary or other ministers provided you with any information about what the Scottish Futures Trust will actually do? Have you seen any specifics, and is there any indication that progress has been made?

Mark Roberts: The only thing that we have seen is the Scottish Futures Trust's business plan for 2009-10, which says that it will look to assist councils' investment in waste management and facilitate collaboration between councils where appropriate. There is no more information than that.

George Foulkes (Lothians) (Lab): Did you say 2009-10?

Mark Roberts: Yes.

The Convener: That period is just about to close. You make a specific point in paragraph 115

about the co-ordination of investment. We would like to find out what is actually happening. If you do not have that information, we could perhaps find it out from the cabinet secretary.

George Foulkes: I endorse what you say, convener. I hope that we can get some specifics on and elaboration of paragraph 115.

In general, I am terribly depressed by the report and by what is happening. Normally I am very enthusiastic about the Auditor General's reports, but this one does not contain many specific recommendations. I will give an example. I know the département of Lot-et-Garonne very well, and every community there has a place where people can put paper and cardboard into one area, plastics into another, and glass into yet another—in fact, clear glass and green glass are separated. There are places for recycling batteries as well as rubbish. Every area has that. Does any council in Scotland have similar collection facilities, let alone management and recycling facilities?

Mr Black: The short answer to that is yes.

George Foulkes: Where?

Mr Black: We would have to get that detail for you.

George Foulkes: I have never seen any when I have been going around Scotland.

Mr Black: Local authorities operate quite a variety of systems, as I mentioned in our 2007 report, which provides much more detail about that. I refer you to that report for an indication of what is involved.

George Foulkes: It is certainly not the case in Edinburgh, is it? I have searched for places to deposit bottles, although that can be done at supermarkets. I have also looked for places that collect batteries for recycling, but I cannot find those in Edinburgh. There does not seem to be a comprehensive arrangement. Do any of the local authorities that members here know about have that such an arrangement for collection, let alone recycling?

Mr Black: There was an analysis and exhibit in our 2007 report that described in some detail the range of materials collected by Scottish local authorities' kerbside collection systems. We listed everything separately—paper, aluminium cans, garden waste and so on, right through to plastic food containers—and analysed the number of councils that have collection systems that cover those materials. That study also gave information about what individual councils were doing, but we have not included that in the current report.

George Foulkes: "Protecting and improving Scotland's environment" says

"Councils do not have adequate plans to meet landfill and recycling targets beyond 2010".

We are in 2010 now. If councils are to meet those targets, surely each local authority area in Scotland must have systematic, comprehensive collection facilities. I travel around Scotland a lot and cannot think of any local authority that has the kind of facilities where people can park their cars, take their waste and put it into different bins.

Mr Black: They exist in parts of Scotland.

George Foulkes: I would like to see them.

Bill Kidd (Glasgow) (SNP): I know what George Foulkes means, because finding such facilities is not necessarily easy and in many places is certainly not as easy as it is on the continent. I know of such places in Glasgow—Dawsholm centre in the north of Glasgow is one—but only people who have cars can transport their stuff to the dump. The material is not collected, which makes it difficult to ensure that proper recycling procedures are followed in the city, given that it has the United Kingdom's lowest rate of car ownership. As Robert Black says, there are such facilities: Glasgow has one for recycling, as long as people can get their stuff to the dump.

George Foulkes: One facility for the whole of Glasgow?

Bill Kidd: The place that I mentioned is for the north; I do not know about the south.

Mr Black: I will make a final point about what councils are doing. In our 2007 report on waste management by local authorities and the policy framework for that, we made several detailed recommendations, which included encouraging the Government to evaluate the different systems to find out which are more cost effective and encouraging councils, with the Scottish Government, to adopt a more consistent approach to schemes and to standardise the containers that are used and so on.

The purpose of "Protecting and improving Scotland's environment" was not to revisit that aspect of environmental management, although it is important. The study's purpose was to give an overview of how the environment as a whole is being managed and to show performance against targets in the four areas that I mentioned.

Willie Coffey (Kilmarnock and Loudoun) (SNP): I will follow up the theme that is being discussed. The report is encouraging and is not as depressing as George Foulkes says. I champion local authorities' efforts on many activities. Quite a number of authorities are meeting their targets—my own dearly beloved East Ayrshire Council is doing that. If George Foulkes wants to bring his bottles down to East Ayrshire, he can find at

several locations bottle banks in which to deposit them.

George Foulkes: I drive around East Ayrshire regularly.

Willie Coffey: East Ayrshire Council has various recycling points and even collects batteries. Councils are doing quite well—they are doing their best.

The key message is that 86 per cent of waste is not generated by households. How do we improve the situation in business, industry and commerce? Do businesses have to undertake an environmental impact assessment before they demolish properties and fling all the resulting waste into landfill? That activity accounts for more than half the waste that goes into landfill. Working with wider sectors and not just local government to reduce the amount of waste that goes to landfill is a huge task.

Mark Roberts: I do not know whether individual projects require an environmental impact assessment. There is a dearth of data—certainly of accurate data—on construction and demolition waste. The Climate Change (Scotland) Act 2009 contained provisions that require businesses to provide data on the amount of waste that they will produce over a certain time. The previous concentration on municipal waste has meant that that other aspect of waste management has not received as much attention, which is a big gap.

Willie Coffey: Perhaps that is a key issue for future work. How do we reach out to wider sectors and encourage them to embrace the commitments on which local authorities have made good progress?

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): The report is right to highlight that 46 per cent of waste is generated by construction and demolition. Paragraph 101 repeats that information and says that the 2009 act will

"require businesses to provide information to SEPA".

Will that be enough to bring about change in my lifetime, never mind by the target dates that have been set?

George Foulkes: You are young, Cathie.

Mr Black: The question is probably best answered by the Scottish Government. Whether it feels that the arrangements that are in place will be adequate is a policy matter.

10:30

Cathie Craigie: We should follow up on that one, convener.

Paragraphs 102 to 105 refer to the funding arrangements that the Scottish Executive and the

Scottish Government used in their approach to waste management. Funding is a big issue. In my area, North Lanarkshire Council tries hard to meet the targets, and I think that it is doing reasonably well, but that comes at a cost. For example, I have four wheelie bins in my back garden. Fortunately, I have a wee cosy corner where they can sit; they do not cause us any difficulties. However, I have a lot of constituents who live in terraced houses without back-door access, and the council has been unable to offer support to residents who do not have anywhere to store the array of wheelie bins.

Are we doing enough to provide local government with funding to help sweeten the pill? I have found that the vast majority of people want to recycle, but it is a problem if they do not have anywhere to put their wheelie bin. North Lanarkshire Council is trying hard. Common pods are set in the middle of some areas, but it is not always possible to have them. I do not know whether we are doing enough to fund local authorities for that. I know that everything is a priority at budget time, but do we have any estimates of how much local authorities would need to help them to meet the 2013 target?

Paragraph 104 states:

“Almost £56 million of the Zero Waste Fund is allocated to ... six organisations and two projects”.

Which organisations get the bulk of that funding?

Mr Black: The first part of your question was about the adequacy of resources, which, again, is best answered by the Scottish Government rather than us.

I am sorry that I have to return to the point that in this report we looked at general performance against targets and some of the bigger issues. However, in our earlier report “Sustainable waste management”, which I mentioned earlier, we looked at the issue in some detail. I emphasise that these numbers are now historical, but they give an indication of what is involved. The strategic waste fund, which the Scottish Executive operated, grew every year from 2000. By 2006, it was just short of £90 million. Over that period, more than £200 million was invested. Government has been committed to waste management for a long time.

We estimated that in 2006, overall spending by councils on waste management reached more than £350 million. If you look at individual councils—to some extent, this goes back to the earlier points about variation in council experience, circumstances and the system—you see that councils’ spend on waste management varied between £130 per household and almost £160 per household. That is quite a variation, but the circumstances differ widely, because of

geography, the presence of high-rise houses and so on.

The report recognised that the cost of increasing recycling would continue to rise, partly because of the need to get into the more difficult areas and partly because of the need to collect additional but less valuable materials such as food waste. We concluded in that report—which was from 2007—that the costs would continue to rise really quite significantly. The Executive estimated at the time that in order to achieve 55 per cent recycling, the cost of the strategic waste fund’s support for recycling could rise from just under £90 million per year to £270 million per year by 2020. The report said that the total waste management expenditure by councils might have to rise to £580 million a year in 2020.

You might recall the report “Scotland’s public finances: Preparing for the future”, which I presented to the committee in November. I endeavoured to emphasise that we face not only constrained resources in the future as a consequence of the recession, but the build-up of commitments that have not yet been fully funded. Waste management is one of those commitments. The point that expenditure might rise to £580 million a year by 2020 is probably as good an example as any of the pressure that is building up in relation to the need to spend, which has not yet been resourced.

Cathie Craigie: What about the point in relation to paragraph 104?

Mark Roberts: The Government announced at the end of last month the outcome of its review of the various bodies. The six bodies to which paragraph 104 refers include the Scottish waste awareness group, Envirowise, Remade Scotland, Keep Scotland Beautiful and the Community Recycling Network for Scotland. The Government has amalgamated those into one body, which will be called zero waste Scotland.

Those bodies were actively looking at projects to address the additional capacity that exists for people who want to recycle but who do not feel able to or do not have the facilities. The bodies ran a number of projects and pilots in different parts of the country to explore such issues. The Government reviewed that work and decided to amalgamate the bodies into one body, which will progress significant parts of the new national waste management plan.

Cathie Craigie: Will that body get the same amount of funding? Will it be responsible for the zero waste fund? You may not know the answer to that.

Mark Roberts: I do not know exactly how it will work; it might be best if you asked the Government.

The Convener: I think that Nicol Stephen wants to ask about waste management.

Nicol Stephen (Aberdeen South) (LD): I want to ask about the information on pages 26 to 28 of the report. What is the definition of municipal waste in the context of exhibit 13 on page 26? The chart divides waste into "Construction and demolition", "Commercial", "Household" and "Industrial". Does municipal waste consist solely of the "Household" element, or is there a wider definition?

Mark Roberts: Yes, it is the household waste.

Nicol Stephen: So the targets relate to municipal waste, which, as exhibit 13 shows, makes up 14.5 per cent of our waste.

Mark Roberts: Yes.

Nicol Stephen: That brings me to my next question, which relates to paragraph 95. It is clear that the amount of non-domestic and non-municipal waste—85.5 per cent—is enormous. Paragraph 95 states that the Government's document

"stresses the importance of reducing waste from non-household sources".

Is there a strategy for that? Are there targets for reducing that 85.5 per cent?

Mr Black: In the right-hand column of exhibit 14, in which we summarise the current European and Scottish waste management targets, you will see the Scottish Government targets. The table states that there is

"No separate Scottish target on construction and demolition waste",

but that Scotland must be seen to meet the European target, which appears in the left-hand column. That target requires

"the amount of construction and demolition waste being recycled"

to rise

"to 70 per cent by 2020".

Perhaps Mark Roberts can tell us how that will be monitored and reported on.

Mark Roberts: The consultation that the Government issued on its draft zero waste plan last year asked whether the plan should include a separate Scottish target for construction and demolition waste. When the final plan is published, we expect it to contain a strategy for how a separate Scottish target might be met.

Nicol Stephen: So a Scottish target—or the possibility of one—is emerging in relation to the 46 per cent of waste that construction and demolition waste makes up. Is that correct?

Mark Roberts: Yes.

Nicol Stephen: Is there a plan or target to address commercial waste and industrial waste, which between them account for 39.5 per cent of waste?

Mark Roberts: I do not know, at the moment. That is perhaps a question for the Government.

Nicol Stephen: Okay. That is really important, because this enormous chunk of waste seems to be just ignored. There is no target, no plan, no strategy and certainly no funding. We should follow up on that with the Government.

Robert Black referred to a figure of £580 million to achieve 55 per cent recycling of municipal waste. Am I correct in thinking that that funding is required solely to tackle the 14.5 per cent of Scottish waste that is domestic or municipal waste? Is any funding associated with the other 85.5 per cent of waste, which comes from construction and demolition, industrial and commercial activity?

Mr Black: I would not wish inadvertently to mislead the committee. I would be happy to provide you with a note describing exactly the basis for that figure in the 2007 report. As you can imagine, I am not fully briefed on that report, which came out some time ago. However, the headline message was that total waste management expenditure by councils—which implies that everything is included—was predicted to rise to £580 million a year by 2020.

Nicol Stephen: I predict—although I do not know for sure—that the figure in relation to non-domestic waste is near to zero. That will be a serious issue for Scotland over the next decade. It would be useful if the Government confirmed or denied that assertion.

The Convener: Exhibit 14 refers to a Scottish Government target of having a

"Maximum of 25 per cent of municipal waste treated by energy-from-waste by 2025."

Is that a maximum because energy from waste is not a favoured option? Is it not seen as beneficial?

Mr Black: The short answer is that there has been a bit of a policy change. At the time of our 2007 report, local authorities were well disposed towards energy from waste. However, different technologies have continued to emerge, and the Scottish Government has revisited its policy. Mark Roberts can give you a bit more detail.

Mark Roberts: In 2007, SEPA considered a range of options for the national management of waste and concluded that the best option from a purely environmental perspective was to limit the amount of waste at a national and local level that was treated at energy from waste plants.

The Convener: Was that because energy from waste is seen as environmentally damaging?

Mr Black: One method that is currently talked about is the incineration of waste under controlled conditions to minimise pollution, and the energy is used for heat and power. Coming up fast behind that, however, is the anaerobic digestion approach, in which waste is treated in oxygen-free conditions to create a product that is rather like compost, which can be collected and burned as fuel. A third approach is thermal treatment, which involves the controlled combustion of waste in an oxygen-free environment at high temperatures, which produces gas for energy generation. Each of those technologies is being evaluated and carried forward at the moment. Beyond that, you would have to ask the Government about the basis for the target that you mention.

The Convener: Okay, we can do that.

Willie Coffey: Exhibit 15 suggests that, for example, Western Isles Council and Glasgow City Council are roughly the same in terms of the amount of waste that they recycle and the amount that they send to landfill. However, I imagine that there is a huge difference in the volume of waste involved. Are there any figures that show the actual volumes or tonnages of material going to landfill? The chart is a wee bit misleading in that regard.

10:45

Mark Roberts: Glasgow City Council contributes 11 per cent of the total waste going to landfill. I do not have the numbers with me, but I believe that the figure for the Western Isles is about 0.3 per cent.

Willie Coffey: That illustrates my point. The chart seems to suggest that the two areas are similar in their pro rata share of recycling and landfill. However, the figures are hugely different in volume and tonnage. I would be interested to see the figures showing that, if they are available.

Mark Roberts: Paragraph 109 states:

"Half of the municipal waste in Scotland is produced in a quarter of council areas."

That illustrates your point about pro rata share.

Willie Coffey: That brings another challenge to the local authorities concerned.

The Convener: I will move on to the subject of air quality—I will bring in Anne McLaughlin shortly. On page 11 you state:

"Most air quality problems in Scotland are a result of road transport".

You identify 12 authorities where there are air quality problems. Some of the "Dates declared" go

back some time, for example to 2001 for Aberdeen City Council, and some of the dates are much more recent. Did you investigate whether the policy of free bus travel for the elderly has had any impact on improving air quality, particularly in urban areas?

Mr Black: No, we have not studied the issue at that level of detail.

The Convener: Was there any discussion of policy issues, such as trying to discourage parents from driving their children to school? Has that been considered?

Mr Black: That question would best be addressed to the Scottish Government. On page 11 we give some examples of the approaches that local authorities in Scotland and elsewhere have taken to reduce emissions. There are air quality management initiatives in Scotland, and some local authorities have had success with the introduction of low emission zones. A case study on page 11 describes what has been done in greater London and Sweden. From our analysis, we see that Glasgow is active in this regard: Glasgow City Council is committed to introducing low emission zones in a number of locations.

The Convener: Presumably anything that encouraged more parents to drive their children to school would not be welcomed.

George Foulkes: Like private schools.

The Convener: No—I am talking about any schools. Anything that took children off public transport and put parents on the school run would be a backward step.

Mr Black: Yes, I imagine that that would be a factor.

Anne McLaughlin (Glasgow) (SNP): Paragraph 27 says:

"The health costs of poor air quality in the UK may be up to £20 billion each year."

It also states:

"On average across the UK, poor air quality reduces life expectancy by up to eight months."

I was concerned to read among the key messages on the same page that

"Councils are not using all the available Scottish Government funding for improving air quality."

Can you say a bit more about how significant that is? How widespread is it? Is there any indication of why that is the case?

Mr Black: The figures in the report are taken from a report called "The Air Quality Strategy for England, Scotland, Wales and Northern Ireland". The health costs are not broken down any further,

but I am sure that Mark Roberts can supply more detail.

Mark Roberts: As the Auditor General has indicated, £20 billion is a United Kingdom-wide figure. We did not break it down to a Scottish or local authority level. While we were carrying out our study, independent research was published that considered the potential impact on hospital admissions for respiratory illnesses: if improvements in air quality were achieved, there would be a marked decrease in the number of hospital admissions for associated illnesses. We did not consider individual areas in any detail in relation to cost or the impact on individuals' health.

Mr Black: That research, which came out in July last year, was particularly interesting. It examined hospital admissions in NHS Lothian and NHS Greater Glasgow and Clyde and suggested that decreasing the concentration of particulate matter in Glasgow could result in well over 1,000 fewer hospital admissions for respiratory problems. That was based on data from about 2005. We are talking about significant numbers.

Anne McLaughlin: It is clear that it is in our interest economically to improve air quality, but your report states:

"Councils are not using all the available ... funding".

That is concerning. Are the 12 councils that have air quality problems among those councils that are not using all the available funding? Why are councils not using the funding? Is it difficult to get or do they not know about it?

Mr Black: I am sorry, but our report did not go into that level of detail. Again, the question would best be addressed to the Government. I ask Mark Roberts whether he has anything to add.

The Convener: Before Mark Roberts speaks, I presume that, if you can make the statement that councils are not using the funding, you know how much is available and how much is not being used.

Mark Roberts: In 2007-08, £1 million was available for councils to reduce emissions from their fleets—their vans and cars and so forth. No council applied for that grant in the first two years of its operation.

The Convener: That is astonishing.

Anne McLaughlin: Is that the extent of the issue to which the report refers, or is other funding available?

Mark Roberts: The grant was to give up to 30 per cent of the cost of emissions reduction activity. I presume that the remainder would have to come from the councils. They might have decided that that was not cost effective.

The Convener: So the extent of the available Government funding was £1 million, but any applicant would receive only 30 per cent of the total cost and would have to fund the other 70 per cent.

Mark Roberts: That applied until the current year, 2009-10, when the scope of the grant was widened to provide 100 per cent funding for any action in an air quality management action plan, not just relating to individual councils' fleets.

The Convener: Has that been used?

Mark Roberts: During 2009-10, three of the 12 councils with air quality management areas have applied for funding.

The Convener: Which ones?

Mark Roberts: Aberdeen City Council, Glasgow City Council and Perth and Kinross Council.

Bill Kidd: Page 11 states:

"Most air quality problems in Scotland are a result of road transport".

That takes us back to the issue that Anne McLaughlin raised about whether money is available to alleviate the problem. I note that £2.8 million has been provided to councils to test emissions from vehicles and that 13 councils have used that funding, which I presume means that 19 of them have not done so. However, the good thing is that some councils are working together in partnership across boundaries. That is beneficial, because air does not stop at council boundaries.

George Foulkes: Or national boundaries.

Bill Kidd: You are quite right, George, but we can still blow it back down the road.

One important factor is low emission zones. I think that the Auditor General mentioned that Glasgow City Council is considering one for the Commonwealth games in 2014, although no council has yet implemented a zone. Do you know whether the council will wait until the Commonwealth games are about to start? There are four years to go. Is the council still considering the zone or might it introduce it sooner?

Mark Roberts: I do not know. The only commitment at present is the LEZ for the Commonwealth games.

Bill Kidd: Okay. The LEZ will be beneficial to the people who live in the Dalmarnock area of Glasgow, because Calton and Dalmarnock have the lowest life expectancy in the UK. The Commonwealth games being in that area will provide at least short-term benefit for the people there. However, it is unfortunate that, as you state in paragraph 42, councils seem to be stumbling against "significant challenges and barriers", because public acceptance of measures such as

road charges may not be as high as we would hope. People like to complain about bad air quality, but they do not want to face up to the ways in which it can be alleviated. Do you know whether anyone is considering introducing road charging or the type of charging that covers greater London and central Stockholm, as you show in case study 1?

Mark Roberts: I am not aware whether anyone is doing so at the moment, with the exception of Glasgow, which has consulted on charges for the duration of the Commonwealth games, and potentially for the longer term.

Bill Kidd: I think that Glasgow turned down the idea of a congestion charge in its budget this year. However, do we know of anywhere that is considering introducing charging on a permanent basis?

Mark Roberts: No.

George Foulkes: To follow up on what Bill Kidd said, surely the situation would be improved if we persuaded some ministers to take public transport rather than use their ministerial cars. Is that not the case?

Mr Black: I suggest that that is a policy question for ministers to answer rather than me.

George Foulkes: You are probably right.

Willie Coffey: Just to square the circle, the section of the report on the water environment is really encouraging. The quality of bathing water in Scotland has improved significantly, particularly over the past two years. The water quality of Scotland's rivers seems to be improving, too. Whatever is happening in those areas is certainly encouraging.

The Convener: I thank the Auditor General and his staff for the report.

George Foulkes: I have a question on paragraph 3 of the Auditor General's briefing paper, which says:

"Climate change will be a focus for future work by Audit Scotland."

What will be the extent of that work and what is the timescale?

Mr Black: That is an undertaking that we will keep climate change in mind when we are designing our next programme of studies. We will of course consult this committee and other stakeholders before we commit to anything. There is therefore no commitment yet, just an undertaking that we will pursue the theme of climate change.

The Convener: Thank you. We move to item 3, which we will take in private.

10:58

Meeting continued in private until 11:26.

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