



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE COMMITTEE

Tuesday 11 May 2010

Session 3

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TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE COMMITTEE
13th Meeting 2010, Session 3

CONVENER

*Patrick Harvie (Glasgow) (Green)

DEPUTY CONVENER

*Cathy Peattie (Falkirk East) (Lab)

COMMITTEE MEMBERS

*Rob Gibson (Highlands and Islands) (SNP)

Marlyn Glen (North East Scotland) (Lab)

*Charlie Gordon (Glasgow Cathcart) (Lab)

*Alex Johnstone (North East Scotland) (Con)

Alison McInnes (North East Scotland) (LD)

*Shirley-Anne Somerville (Lothians) (SNP)

COMMITTEE SUBSTITUTES

Alasdair Allan (Western Isles) (SNP)

Murdo Fraser (Mid Scotland and Fife) (Con)

David Stewart (Highlands and Islands) (Lab)

Jim Tolson (Dunfermline West) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

Clifton Bain (Stop Climate Chaos Scotland)

George Baxter (2020 Delivery Group)

Petra Biberbach (Planning Aid for Scotland)

Jo Bucci (2020 Delivery Group)

Dr Richard Dixon (Stop Climate Chaos Scotland)

Paul Finch (Chartered Institute of Logistics and Transport)

Ian McKay (2020 Delivery Group)

James Withers (2020 Delivery Group)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

Committee Room 5

Scottish Parliament

Transport, Infrastructure and Climate Change Committee

Tuesday 11 May 2010

[The Convener opened the meeting at 13:59]

Subordinate Legislation

Climate Change (Annual Targets) (Scotland) Order 2010 (Draft)

Climate Change (International Aviation and Shipping) (Scotland) Order 2010 (Draft)

Climate Change (Limit on Carbon Units) (Scotland) Order 2010 (Draft)

Carbon Accounting Scheme (Scotland) Regulations 2010 (Draft)

The Convener (Patrick Harvie): Good afternoon, everyone. I welcome you all to the 13th meeting this year of the Transport, Infrastructure and Climate Change Committee. I remind everybody present that all mobile devices should be switched off. I also record apologies from Marlyn Glen and Alison McInnes.

We have four items on the agenda, the first of which is evidence on the four draft affirmative instruments that we have in front of us, arising from the Climate Change (Scotland) Act 2009. As part of the on-going scrutiny of the outcomes of the 2009 act, we will take evidence from the minister at our next meeting, after which we will formally consider the instruments. Today, however, we will hear from Stop Climate Chaos Scotland and representatives of the 2020 climate change delivery group. I welcome Richard Dixon, director of WWF Scotland, and Clifton Bain, director of the International Union for Conservation of Nature UK peatland programme—which is almost as much of a mouthful as the instrument titles. Both witnesses represent Stop Climate Chaos Scotland.

Thank you for the written evidence that you have submitted to the committee. Would you like to make some brief opening remarks before we begin?

Dr Richard Dixon (Stop Climate Chaos Scotland): Stop Climate Chaos Scotland, which we represent, is a coalition of 60 organisations, including faith organisations, development organisations, environment organisations—such

as those that the two of us represent—and trade unions. Between us, we represent a membership of about 2 million people.

The Convener: Thank you. I would like to talk about the process that has led to the instruments being presented to Parliament. A short, technical consultation has taken place, but there has been no wider public consultation. Do you have any views on whether the consultation on the instruments has been adequate?

Dr Dixon: In formulating their report, the civil servants and members of the United Kingdom Committee on Climate Change have been helpful in talking to members of Stop Climate Chaos Scotland when we have asked questions, but it has been done in that way—we have had to ask questions; no one has come to us for our input. I found that a bit disappointing. There was a launch event at which we were able to ask questions of the UK committee, and after which we were invited to speak to David Kennedy and Jim Skea, who are two of the committee members. We had some private time with them to express our thoughts on the report that they had produced and talk about the next steps. That was useful but, again, after the fact.

Similarly, we had no sight of the four statutory instruments until they appeared on the Scottish Government website. It is well known that we have an interest in the subjects—particularly targets, aviation and the use of credits—but no formal request was made for us to speak to anybody or put our views in. I find it disappointing that, before the instruments became public, there was no conversation with us to canvass our views on the issues that they cover.

The Convener: What about the UK Committee on Climate Change's relationship with other Scottish contacts—for example, the Scottish Environment Protection Agency, Scottish academics and other non-governmental organisations besides those that you represent directly? Do you have any take on the contact that the UK committee has chosen to initiate or take part in during the development of its advice?

Dr Dixon: I do not think that we have any knowledge of that, except for David Kennedy's answers to the committee's questions two weeks ago. He seemed to suggest that there had been rather little input from other bodies and academics in Scotland. However, we have not had a direct conversation with SEPA, for example, about whether it felt involved, so I cannot answer that.

The Convener: Let us move on, then. One of the first decisions that have been made is the decision not to revise the 2020 target of a 42 per cent reduction in emissions—the Government has decided to stick with that. What are your views on

the decision not to revise that target? Given your stance during discussion of the Climate Change (Scotland) Bill, you may support that fairly straightforward decision, but I invite you to comment further on the issue.

Dr Dixon: It will be no surprise to you that we are extremely pleased with the committee's recommendation that the 42 per cent target is difficult but achievable and that Scotland should stick with it. The committee described the target as appropriate for Scotland. We are also pleased that the Scottish Government decided to follow the committee's advice. We still think that the target is correct for Scotland and one that we can go to other parts of the world and recommend for every industrialised country. The target places useful pressure on the UK Government, whatever that shortly turns out to be. The Liberal Democrats' manifesto proposed a 40 per cent target for the UK, following Scotland's lead. If they are part of a coalition, should a coalition be formed, there will be pressure from that part of their manifesto for the UK to have the same target as Scotland.

The 42 per cent target in Scotland is also in line with the reinvigorated discussion that is taking place in Europe about Europe moving from a 20 per cent target to a 30 per cent target. The Commission is showing much more interest in the issue and is publishing papers about how such a target might be achieved and how much that might cost. There is also interest from member states, with Germany particularly active in promoting the idea that Europe must move away from 20 per cent, which now looks easily achievable because the recession has put a hole in the growth of emissions. The fact that Scotland is sticking with an ambitious target—the right kind of target to meet the demands of science—is still an important signal for the UK, Europe and other parts of the world. We are pleased that we are still going for that.

Cathy Peattie (Falkirk East) (Lab): I will stick with the issue of Europe before moving on. The UK Committee on Climate Change highlighted reductions in the non-traded sector as being particularly challenging and suggested a number of potential options to reduce emissions in that sector, under different EU target scenarios. What is your view of those options?

Dr Dixon: We discussed with the UK committee exactly what was in its scenarios, because even in the Scottish report and the accompanying technical appendix, which refer back to the UK report, it is not possible to see exactly what policies the committee included in most areas. We had a detailed discussion about housing, an area that is of particular interest to WWF, and looked at what aspects of the committee's policies would deliver a certain reduction. We were impressed by

the level of ambition in the scenarios. The committee refers to stretch scenarios and ambitious scenarios, and we had to accept that they were pretty ambitious. They reflect the kind of things that we say Scotland should do—the kind of things towards which the Government is moving and which the Parliament is discussing. Where we can get at the detail of the policies, what the committee has proposed is sensible—pretty ambitious but achievable.

The UK committee highlighted a couple of areas in which there might be extra gains to be had but in which it did not know enough about the situation in Scotland. One was the issue of off-gas-grid properties. Many properties in Scotland—no one seems to know exactly how many—are off the gas grid, so most of them are heated with oil. That is one of the worst things that people can do in terms of both climate change emissions and their future bank balance. We could convert those properties to run on renewable energy, which is a good option for us. Given that they are in rural areas, there are probably trees near many of them. The committee suggested that the issue be investigated, as it was unable to find enough data and could not do the work that was needed to come up with a number. Clearly, policies in that area are much more important in Scotland than in England, where far fewer properties are off the gas grid. There is no doubt that there is an extra gain to be had there in Scotland.

The other issue that the committee highlighted was the protection of peatlands. I will hand over to Clifton Bain, who knows all about peat.

Clifton Bain (Stop Climate Chaos Scotland):

The UK Committee on Climate Change highlighted the fact that, although peatland might not bring significant benefits to the UK as a whole, it could deliver significant benefits to Scotland, because we have more than 80 per cent of the UK's peatland—blanket bogs. The committee said that significant gains could be made from restoring peatlands in Scotland and I suggest that significant gains could be made even at the UK level. The committee recommended further consideration of restoring peatlands, which is a clear issue for Scotland. As our submission says, a not overambitious restoration programme in the next five or six years could save as much as 2.7 million tonnes of CO₂.

Cathy Peattie: Questions about peatland will be asked later, so I will leave that to my colleagues.

I move on to the setting of annual targets for 2010 to 2022. Your submission says that

"The annual targets proposed in the Statutory Instrument for 2010 to 2022 are disappointing"

and

"must be seen as the minimum level of ambition".

However, you conclude that the committee should approve the proposals. Will you expand on why you think that the targets are disappointing and what you would like to see?

Dr Dixon: The Scottish National Party's manifesto in 2007 promised a climate bill that would contain annual reduction targets of 3 per cent. The 2009 act promises 3 per cent a year after 2020. We were disappointed that the targets will not start earlier but, of course, the economy cannot be turned round on a sixpence and measures that will make a difference cannot be put in place very quickly, so we were willing to say that the targets would take a little time to come into place.

Shortly after the election in 2007, Mr Swinney reassured Parliament that the Scottish Government would not wait for what became the Climate Change (Scotland) Bill to become an act and that it would act straight away to put Scotland on the right path to emissions reductions. Some things have happened, but the fact that we expect only quite small reductions in the next few years is partly the result of not enough having happened in Scottish Government policies—that is also true of the previous Administration, because many policies can take many years to come into effect—and an artefact of our having to make an allowance for the European Union emission trading scheme.

In previous years, the European scheme has had a credit to us of a reduction every year, which has helped us to achieve a reduction almost every year since the scheme started. However, in this year, 2011 and 2012, the scheme is pretty much flat, so we will have no credit for what is happening in the energy sector throughout Europe or what we are really doing in the energy sector in Scotland. That underlying trend does not help. That is why we do not suggest that the targets absolutely should be 3 per cent, 3 per cent and 3 per cent in this year, 2011 and 2012. Achieving that is pretty much physically impossible and is certainly politically impossible.

As I suggested, the UK committee examined the issues in detail and produced comprehensive and ambitious policies on many matters, but it recommended that all that could be managed in those three years was zero, zero and zero. We are disappointed that the Scottish Government has pushed that only to zero, 0.5 per cent and 0.5 per cent—we would like more—but it has gone beyond what the UK committee suggested. The easy option for the Scottish Government was to say, "The experts have told us zero, zero and zero, and that is what we will do." It has looked harder and found more—I am sure that this committee will ask the minister where more has

been found and what it is. We welcome the fact that the Scottish Government has tried harder.

That is why we suggest that this committee should recommend approval of the annual targets order but that we should consider the targets to be the minimum that the Government should try to meet. If the Parliament lets the Government have the order, the Government should try to overachieve on the numbers.

One target-setting criterion that is set out in the 2009 act is to have regard to a fair and safe cumulative emissions budget. The UK committee did not calculate that, so that is not built into the numbers that it proposed. When David Kennedy was in front of the committee two weeks ago, he said, "Yes, we will be doing that for the UK as a whole and we will produce Scottish numbers from that some time towards the end of this year." He also suggested that it would not make much difference to what the recommendation would be. There are many opinions about the cumulative budget and what it should say, and there are different ways of calculating it, which the UK committee will review. Some of those come up with the view that we do not need to do very much more than we are already doing, whereas others come up with the recommendation that we need to do a lot more than we are doing.

14:15

You will remember that what is important is the shape of the curve. If we start gradually, it means that there is more area under the curve and that represents more total carbon dioxide. The gradual start means that there is more carbon dioxide in the atmosphere causing climate change. The cumulative budget is the calculation of Scotland's fair share of global climate change emissions. When the calculation is done, we suspect that it will show that we should have tried to move more quickly in these early years. It is disappointing that, because the UK committee did not do that calculation and the Government did not make up for that by doing its own calculation, there is no input into the targets from the cumulative budget estimate.

Cathy Peattie: If I recall rightly, the UK committee said that not enough has been done to move forward and to speed up the targets. You have said the same thing: more needs to happen. What needs to happen? My concern is that this Government and future Governments will say that this is too hard and simply move on. What needs to happen now, next year and in subsequent years? I am looking for the hope and ambition in moving things forward.

Dr Dixon: The good news is that we have stuck with the 42 per cent target. We have a set of

targets in the statutory instrument that will show us that, if we meet them, we will get to 42 per cent. Scotland is trying to make its correct contribution to doing what the science says. That is good news, although it is disappointing that the target rate in the early years is pretty much flat.

I can give a few examples of the policies that we might put in place, and I am sure that you will ask the minister, too. There is a lack of information out there. You will remember that, just before the final vote on the bill, the Government produced a delivery plan for how it would meet the 34 per cent target that was then in the bill and how it might meet a 42 per cent target if that is what ended up in the act. It laid out a whole set of policies setting out what the Government would do to meet the targets in areas such as agriculture, transport, energy and the domestic sector.

Of course, the 2009 act requires the Government to produce a report on proposals and policies, which we now expect to see in September or October and which is a beefed-up version of the delivery plan. It is a 12-year plan that says, "From now until 2022, this is how we will meet the targets that are in the statutory instrument." The Government has lots of people working away—transport, housing, agriculture, forestry and economy people—thinking, "Right, what is our contribution to this? How will we make it all add up to the right target in each year and to 42 per cent in 2020?" Bits of that work are emerging, as new policy commitments emerge occasionally.

However, the committee and the Parliament as a whole do not have an overview of where the work has got to and how it is looking. You do not know the problem areas—whether agriculture looks difficult or whether transport has gone backwards against what is promised. It is therefore very hard for you to judge whether these are the right targets because only the Government has the information to say, "With this set of policies, this is how much we can do." We are all a bit in the dark when we try to judge whether we have the right targets and whether they are ambitious enough. After 2013, when they go at 3 per cent a year, they look fine, because that is the kind of trajectory we were all hoping for, but it will be hard for us to judge in the early years.

We can look at individual areas where we have some expertise. For example, WWF can look at policies in the housing sector and say, "We know what to do. We just need to do more of it and faster." We have the home insulation scheme and the universal home insulation scheme will start reasonably soon. We really like that scheme, but it is on a very small scale. If UHIS were rolled out across Scotland in a five-year or 10-year programme, it could make a big difference very

quickly to emissions and could improve people's lives—it would give them more money in their pocket, improve their home, and perhaps improve their health, too. That is the kind of win-win policy that we could be doing. We already have the right ideas; we just need to do more and faster. We will see a lot about that in the report on proposals and policies. If the Government does it right, it should say, "Here are the policies and, in each year, this is how much they will save and how much they will cost." You will see all that, but you will not see it until September or October, which is disappointing given that you have to judge today whether the statutory instrument has the right targets in it.

Cathy Peattie: So I am right to be concerned about whether things are moving forward as quickly as they should.

Dr Dixon: As someone from an environmental campaigning organisation, I think that it would be impossible for me not to say that I would like things to go faster and would like to have more, so of course I am going to say that. Yes, I think that the 2009 act is a strong driver—we see Government taking it seriously. We wait to see what is in the report on proposals and policies, but if all the right stuff is in there, that is a recipe for 12 years of really tough action, which we will be very pleased to see.

Cathy Peattie: Do the proposed targets fit into a trajectory to meet the 42 per cent interim target?

Dr Dixon: Technically, yes, they reach 42 per cent in 2020. They deliver on what the 2009 act says they must do, which is to reach that number by that date. In the latter part, they go at 3 per cent a year, which is pretty pleasing and a good rate. In the early years, because the Government has gone beyond what the UK committee suggested and has done extra work and made extra commitments, we think that you should probably say yes to the annual targets statutory instrument. A group of experts has thought about it and then the Government has thought of doing even more, so that seems about right. However, as I said, because of the lack of detailed information on exactly what the Government knows about its own policies and how much they will save, it is impossible for any of us to have the overview across the whole of Scottish policy and the economy to say, "Yes, that's the correct number," or, "No, that's ridiculous. Of course they could do 2 per cent a year if they adjusted these things."

The Convener: Can I press you for a moment on your recommendation that we approve the instrument? For a good number of years now, the emissions from Scotland have been drifting downwards, not necessarily exactly of their own accord, but at a relatively sedate rate of 1 per cent or a bit less per year, so these 0.5 per cent targets make it look as if we are taking our foot off the

accelerator; they look like a less demanding trajectory than what happened before this world-beating legislation was even published, let alone debated by Parliament. Other members will ask questions about the impact of the recession, but the expectation is that emissions will go down as a result of the recession. Is approving the almost flat rate for the first few years not simply failing to capitalise on the opportunity that we have, now that the bill has been enacted, to accelerate progress and failing to recognise that emissions that have been cut need not be expected just to rise again in coming years?

Dr Dixon: There are a couple of things to say in response. The line from the UK committee and the Scottish Government is that, yes, we have been going at 1.2 per cent a year or something since 1990, depending on whose figures you look at. The reason why that is not continuing is that we have been part of the European emission trading scheme in the past few years and have had some credit each year for a reduction through what is happening in the energy sector. However, because of the way in which the emission trading scheme is set up, in 2010, 2011 and 2012 we do not get any credit—that goes flat. However, in reality, that half of the economy is probably reducing emissions, because we are changing from fossil fuels to renewables.

Under the 2009 act, we can report only the average rate of the European emission trading scheme, so we can report it only as going flat, when it is really going down. That means that the half of the economy that usually gives us a reduction each year is now flat, so we are seeing only a little bit from the other half, which would have to do more to produce the same reduction rate of 1.2 per cent or to accelerate that rate. Because of how the accounting works for the emission trading scheme, we are therefore masking the fact that other things are potentially still going in the right direction.

The Convener: Should we have amended the 2009 act in the first place to require Government to tell us what is really happening, as opposed to what the trading scheme says is happening?

Dr Dixon: With hindsight, that would have been wise. However, there is very little doubt that when the Government reports it will tell you, “Here are the numbers as we need to measure them under the 2009 act, and here are the real numbers for the traded sector in Scotland.” The Government will show you what is really happening in our trading sector. One of the big difficulties with the 2009 act is that it makes it difficult to understand the whole traded sector in simple terms, because we do not get the credit for what we are really doing. In Scotland, because we are going for renewables and a large part of the traded sector is

the energy sector, we are definitely going in the right direction, but we are claiming credit only for what is happening on average across Europe. That is certainly a problem.

Another part of the answer to your question concerns the recession, which I know you are going to ask more about. Because, according to the interpretation of the UK committee, the recession affects mostly the traded sector—the big electricity stations that are not generating so much electricity, the big refineries that are not creating so much fuel and the big chemical companies that are running a bit less—we do not see the benefit of the recession in any of the numbers in Scotland. It is claimed that we do not see that benefit, first, because the effect is in the traded sector and, secondly, because it has already been built into the numbers. The UK committee said that explicitly at the launch of its report and in its report, and David Kennedy said that when he gave evidence to you two weeks ago. It has built in the fact that emissions have declined because of the recession. However, because it makes no allowance for that effect being only in the traded sector, the question remains what is happening in the non-traded sector.

For instance, in transport, are people driving less because they no longer have a job to go to? Have people started taking the bus to save money? When people have changed cars, have they bought more efficient cars because they are worried about the recession? Some of those things are clearly real, but I suspect that they are not built into what the UK committee has looked at. I suspect that there is a small, extra reduction in emissions in the non-traded sector resulting from the recession, which the UK committee has not taken into account. Most things about the recession are bad, but that is a small benefit. You may want to ask the minister how he has tried to take that into account in setting the targets that the Government has proposed.

Alex Johnstone (North East Scotland) (Con): In a previous briefing, Stop Climate Chaos Scotland said:

“there are actions that can be taken in the short term, not least through measures in the Scottish budget for 2011-2012”

to achieve the Government’s targets. In addition to what you have said to Cathy Peattie, can you tell us what measures you had in mind?

Dr Dixon: Yes. Clifton Bain may join me for some of this. I mentioned housing retrofit action that we could accelerate. That is a key measure. Transport is another sector in we could do more to change the balance of expenditure so that we spend less on new roads and more on public transport, walking and cycling, to transfer people from the high-carbon modes to the low-carbon

modes. We can achieve some quick gains there. We could also invest more in the behavioural stuff—what is called the smart measures in transport—whereby we incentivise, encourage, inform and help people to travel less or to travel by lower-carbon modes. It is projected that we could make big gains from that in carbon terms reasonably cheaply, but we need to invest in it.

In agriculture, there is a lot of discussion about how farmers treat the land, what they do with nutrients that are spread on the land and how we might change the guidance to help farmers to do that in a different way. There has been a lot of talk about anaerobic digestion, but only a few farmers in Scotland have taken that up. The idea is that, in creating energy from farm wastes, we also remove methane that would otherwise have been emitted. That is a win-win for the farmer if it works. It appears to work in the several locations where it has been taken up already in Scotland, but it is not widespread. There are also opportunities to take other wastes into such a system by, for example, linking up with the supermarkets and taking their out-of-date food. By putting it into anaerobic digesters, we could turn that waste into useful energy and nutrients. That is an area in which there could be acceleration.

Every year, I stand up at some conference and say, “This is the year that biomass will really take off for heating and electricity.” It never quite happens but, with the will and the money, the next year could be the year in which biomass really takes off. After all, we have plenty of trees and know how to turn them into both heating and electricity. Biomass is happening on a small scale, and some large-scale—although perhaps inappropriate—plants are proposed, but it is not happening on the scale at which it should, with every school, every community centre and every small village with a new housing development getting its own biomass plant. Our office in Dunkeld is heated by woodchips, and that is the kind of thing that we would like to see all over the country. It is not happening because the market, the incentives and the rules are not quite right. Government could be pushing that along. Indeed, that is one of the things that Government said is coming but, as I say, it has been coming for quite some time. That is another example where we might do something.

14:30

Transport is potentially important, too. In a year or two, there may be significant incentives to buy an electric vehicle. A trial of the use of electric vehicles in the public sector is about to start in Glasgow. The Government has consulted on a target to transfer the whole public sector fleet into low-carbon vehicles. If it confirms that target, that

would be a significant driver. Many vehicles would be replaced with hybrid, biofuel or electric vehicles. That could happen reasonably rapidly. I could go on for a long time, but those are examples of areas in which we could, with moderate expenditure, make quite a large difference in a short time. I have not really talked about the energy sector, because it is in the traded sector, but we should still put money into green jobs and renewables, even though we do not get the carbon credit for that.

Alex Johnstone: Well done.

Dr Dixon: Thank you.

Alex Johnstone: There is obviously no catching you out on the subject.

I move on slightly, to the fact that the 2009 act defines the fair and safe Scottish emissions budget. In your written evidence, you highlighted problems with the Committee on Climate Change advice in that it has not used a cumulative budget calculation. Do you have a view on the fair and safe Scottish emissions budget?

Dr Dixon: As David Kennedy said, there is a range of different methodologies and, even when the same methodology is applied, a range of results from the studies that have been done. In the Stop Climate Chaos Coalition, we are keen on greenhouse development rights. The GDR methodology takes the total amount of CO₂ and other greenhouse gases that can be emitted around the globe over time and apportions those so that people in poor countries, with a poor standard of living, have the right to increase their emissions to get to a decent standard of living. In a country such as ours, we will need to have severe reductions so that we get to somewhere fair. There are different ways to do that, but GDR is one that we particularly like because it has a strong equity dimension to it. The extreme version of that calculation is to conclude that although a 40 per cent target is about the right place for us to be aiming for in 2020, we should at the same time be spending money overseas to help developing countries to develop in low-carbon ways. There is another job to do, tacked on to what the 2009 act says.

At the other end of the spectrum, there are methodologies that say, for example, that 40 per cent is pretty ambitious compared to what other countries in Europe are doing, so we are probably about right and we do not need to do any more, although other people need to catch up a bit. I suspect that the UK committee will come in somewhere in the middle and say, “Yes, we need to do a bit more, and the UK certainly needs to up its target.” It may say that Scotland is on course or that we have got to do a bit more.

We were hoping that the 3 per cent target would have informed the shape of the curve. A 3 per cent curve would be more or less a straight line from now until 2020. What we have, however, is a line that is flat for three years, then a sudden drop because of the way in which the ETS works, and then a 3 per cent curve. It means that there is an extra bit—we have extra emissions for three years compared to what we might have had if we had gone at 3 per cent a year straight away. If, back in 2007, the whole Parliament and Government had focused on delivering 3 per cent a year by 2010, we could have been on track, which would have saved us 4 million tonnes extra. That is 4 million tonnes that will go into the atmosphere because we did not completely reorient the purpose of Government towards carbon reduction in 2007. It is not surprising that we did not do that, but it is disappointing that because we did not do a bit more then, we cannot go faster now.

Alex Johnstone: If the advice on cumulative budgets had been available, how would the targets have had to differ?

Dr Dixon: We would have discussed whether Scotland should be taking on more of an international responsibility, and whether we should be looking at what our aid is doing, and perhaps considering increasing the aid that Scotland already puts overseas but linking some of it to carbon. We would have looked at the shape of the curve and had a more informed discussion about whether it is okay to go almost flat for three years and then have major reductions, or whether we should be trying a lot harder. However, we would have had to say exactly how we would have done that.

To some extent, we are stuck with where we are because we cannot implement policies tomorrow that would, in many cases, produce immediate reductions. There will be a time lag between what we do and the production of carbon results, and there is only so much money out there to invest in new things. I think that David Kennedy was wrong to say that the advice would not have made any difference, but I am not sure how much of a difference it could make in practice, given that there are only so many things that we can do in the next three years.

Alex Johnstone: You have answered my final question, but I will put it in a subtly different way—we might get a different answer or more information. You have touched on Scotland doing rather well in European terms. It has set a fairly high target, so it is relatively ambitious. You have also touched on international equity and comparisons with the developing world. Is Scotland really doing its fair share? Is it doing enough? Will we find difficulties in the future that justify our position on some developing countries

that will have to increase their carbon emissions over time?

Dr Dixon: When we started to discuss a climate bill in 2007, we knew that the science showed that all industrialised countries should go for 80 per cent emissions reductions by 2050 and reductions of around 40 per cent by 2020. The bill took some time to be considered, and we locked those numbers into it. If we were to start the process today, we would say that there should be perhaps 95 per cent emissions reductions by 2050 in countries such as ours; indeed, perhaps we should be 100 per cent free of carbon by then. We would be more ambitious for 2050.

A number of proposals for climate targets and bills that are developing around Europe show that many parties and even Parliaments are thinking about emissions reductions of around 40 per cent by 2020. We have led the way on the numbers that people are aiming at. I hope that people are now looking at the Climate Change (Scotland) Act 2009 and saying, “How did you do that? What’s included?” I hope that they are thinking that they want such legislation.

There is quite a lot of activity now. The Climate Change (Scotland) Act 2009 was the second proper climate act in the world—the first was the UK Climate Change Act 2008—but quite a number of countries around Europe will catch up reasonably soon. That said, we are still setting the benchmark for targets. Perhaps the UK will catch up with Scotland quite soon, and perhaps a number of European countries will quite soon have the same sort of ambitions that we have. Sweden has a commitment to reduce emissions by 40 per cent, for instance, but that figure is not in legislation yet. We are setting the benchmark for industrialised countries’ climate acts and targets, and Scotland can certainly hold its head up high in the company of developing countries. We can honestly say to them, “This is tough for us, and we’re doing our best to do the right thing to meet the demands of science.”

It is all about how much of an emissions reduction we need to make to keep the world’s temperature rise below 2°C or as close to that as possible, and we are answering that call. Scientists seem to be telling us that a 40 per cent reduction in emissions is required, and we are trying to make that reduction. Therefore, Scotland can still hold its head up high.

In 10 years, science and politics may have moved on, international negotiations may have gone badly, everyone may need to do more, and the Climate Change (Scotland) Act 2009 may look like it has passed its sell-by date, or many other countries may have caught up with us and we will simply be one country with a climate act with a 40 per cent reduction target. The question then would

be whether we were delivering on that. That is the key credibility question about what Scotland is doing. I can go around the world—not flying, obviously—and tell people that we have a brilliant act and great targets, but the first questions that they will ask me are, “Is the country serious about them? Are you delivering on them?” I will have to answer questions about whether the statutory instrument on annual targets is good enough when we see the report on proposals and policies. People from Germany or Argentina may ask me whether the proposals are credible and whether the policies will deliver. In answering such questions, we will need to judge whether Scotland is still setting the benchmark and providing the example that the world desperately needs of a country that is taking climate change seriously enough.

Shirley-Anne Somerville (Lothians) (SNP): You have already answered my first question, which was on how the recession is being dealt with within the targets. Do you want to add anything to your comments on that?

Dr Dixon: I do not think so.

Shirley-Anne Somerville: Okay. Let us move on to how sustainable development has been taken into account within the targets that have been set. Are you satisfied that that has been investigated and given due importance?

Clifton Bain: It is not obvious, if it has been taken into account. I have not seen any evidence of any such analysis being done or of any consideration of the three legs of sustainability. There are clearly win-wins to be gained in looking at the implications of the targets for sustainability. Some of the measures that we have covered this morning would bring social, economic and environmental gains, so consideration needs to be given to how achieving the targets could bring about additional benefits. The peatlands measure is a good example, because restoring peatlands would not only have a biodiversity benefit and help us to meet biodiversity targets, but would deal with issues such as poor water quality and flooding, which are costing us money, and it would improve the countryside for tourism, bringing local economic benefit.

Similarly, in forestry, we can identify opportunities for win-wins and multiple benefits. There needs to be some assessment of how the targets could be used as an opportunity to win across the three legs of sustainability. Equally, we must ensure that we have the capacity to achieve the targets that we set without causing further social or environmental harm. You must adjust your policies to ensure that you do not just blindly go for the targets in a way that will cause problems in other areas of the sustainable development agenda.

Those are issues on which the report on policy programmes must demonstrate some thinking. We were pleased to see the obligation in the legislation. Some analysis of the issue could be made available and there could be some discussion of it in the policy programme document.

Shirley-Anne Somerville: Let us move on to that report, which you also mention in your written submission. We have spent quite a bit of time this afternoon getting examples of short and long-term policies that you want any Government to implement to achieve the targets. Is there anything specific that you want to see published in the report, which is due in September, that you have not mentioned already? We have gone into some detail on the specifics, so you may feel that you have covered the point. Is there anything aside from the sustainable development aspect that you think the report should cover?

Dr Dixon: There are no other specific policies that I want to mention just now, but we will look at the overall balance of the report. I presume that there will be sections on what is happening in agriculture, forestry, energy efficiency and transport. We will look at whether the effort is spread reasonably across those sectors or whether someone has got off lightly and is not doing their bit, and whether it all adds up to the targets that are in the statutory instrument—whether it will deliver the 42 per cent reduction by 2020.

Given that if it is to deliver on the targets the effort must contain some quite radical actions, we will need to look at how the Government is going to help the public to understand those things and get the public behind it. That relates to the engagement strategy, which also comes out of the Climate Change (Scotland) Act 2009. We are happy and keen to play our part in activities around that, explaining what the act means for society as we go through changes towards a low-carbon economy. I also hope that it paints a picture of the benefits of moving towards a low-carbon economy, so that it does not look like just a list of difficult things that are going to be imposed. It should look like a set of positive opportunities that have Scotland clearly moving forward to being low carbon or zero carbon and people's lives being better because of that.

The Convener: Let us move on to carbon units. The recommendation from the Committee on Climate Change not to use carbon units in the first three-year term has been accepted. Personally, I would have balked at the Government trying to use carbon units to make a 0.5 per cent cut. Accepting that that is what is proposed, your concerns about the use of carbon units reflect wider international issues around standards and how such things will be accounted for. Do you

oppose the use of carbon units in all circumstances? If not, in what circumstances do you see them being used and what conditions should be attached to their use?

14:45

Dr Dixon: During the discussions around the bill and in the passage of the bill, the discussion within Stop Climate Chaos concluded that we were happy that the bill contained a provision for some flexibility to meet annual targets by using a very limited amount of trading. That said, we were all keen to avoid having to do that, as far as possible.

As the UK Committee on Climate Change told you, it is clear that a system with annual targets is less flexible than one that works on five-year budgets. We are very keen on annual targets because they hold the Government of the day to account and do not allow a Government to blame the previous Government for failing to meet a five-year budget, as is still partly the case, although the situation has changed a bit under the UK Climate Change Act 2008. We are very keen on annual accountability, but we realise that that makes the system somewhat less flexible.

Although we are very keen for Scotland not to use carbon units—carbon credits—if we can possibly avoid doing so, we acknowledge that there needs to be a little bit of flexibility. The Government can produce a report on proposals and policies that has everything right in it, put in the money and get everything right only for there to be a very cold winter, the result of which is that we miss our targets by a bit. It is perhaps legitimate for us to say, “Let’s make that up with some carbon units from somewhere else.”

When the bill was going through, we were happy about the limited amount of flexibility—it is very limited—but we were also looking for some associated standards that were better than those in the statutory instrument. We are pleased with the instrument in that it says that there will be no use of units, although, of course, there will be a new instrument for the years after 2010 to 2012. The Carbon Accounting Scheme (Scotland) Regulations 2010 talks about four sorts of units with which there are problems in terms of additionality and social impacts. We do not want Scotland to buy carbon units only to hear that we have supported financially a factory in India that has a poor local pollution record. That is one example of a project that was brought to our attention.

The Carbon Trust did a review last year of clean development mechanism projects in which it spoke of many cases where questions arise over the additionality of the savings that companies claim to have achieved. The trust found that the

savings that companies said they could not achieve without support might have happened in any case. For example, a company might have made its place more efficient because it made financial sense to do so, but instead it waited for someone to pay it to do that. Some dodgy claims were made.

In the past, some members of the coalition have supported the Gold Standard Foundation that attaches extra environmental and social criteria to carbon units. People can be sure that those units are the best possible carbon units. If we are going to use any units, we would rather use the Gold Standard Foundation units. As I said, we are very pleased that Government has decided to use none at all. That is quite right, given that we have only small targets to meet for the first three years.

The Convener: Are you content with the arrangements for the carbon accounting scheme?

Dr Dixon: We have recommended that the committee approve the carbon accounting instrument. That said, we draw your attention to some of the subtleties that may not have been apparent during the passage of the bill when we were thinking about the subject. The system as proposed allows some banking. Even in the next three years, during which time the Government cannot use carbon units to meet its targets, it can buy units from any of the four sources that are named in the statutory instrument and keep them in its account to use later. There is no reason for the Government to do that and there is nothing to say that that is its intention, but the committee should know that that is the case.

If, for instance, the Government predicted that carbon units from a particular source will be very cheap in 2011, it could buy lots of them and use them in 2013 to meet at least the allowed diffraction of its target from credit. Again, there is no reason to suggest that that is a plan, but it is worth asking the minister about the Government’s plan for the banking power.

There is no power to borrow, which is good. The system could allow you to say, “This year, we’ll emit a little more because we’ll save a bit more next year,” so it is good that that is not in the system. I have talked about the sustainability criteria; the accounting system in the instrument will let the Government buy pretty much any unit that is accredited by Europe or the United Nations. We would have liked to have seen that go further, and for there to have been better units, with better social and environmental criteria attached. Of course, the accounting system will only really apply until 2012 because phase 3 of the emissions trading scheme will change the rules in a way that is not yet quite clear. We are only talking about the basics of the system for the next three years.

The Convener: In your written evidence, you suggest some questions that we might consider putting to ministers about their intention to buy units. Given that, in principle, you are open to some use of units in the future if the standards and the quality are right, is it a problem that ministers will have flexibility about when they might buy those units or is that something that we should be relaxed about?

Dr Dixon: It is something that we are not keen on. During the passage of the bill, we were keen that ministers should focus on performance in the past year, and whether there was a need to buy a limited number of credits to make up for deficiency that was beyond their control. If a deficiency was their fault, what were they going to do to make up for that? Having a bank account with some stuff to cushion you through the hard times is not really what any of us were thinking of, so we are a little concerned that that is in the statutory instrument. Of course, you can argue that it is perfectly sensible that if units are very cheap in 2011, it makes sense to buy them while they are cheap so that we can use a few at some time in the future. You can make a case that it just depends how the SI is used. If we had written the SI, the Government would not be allowed to bank credits. However, that is a reasonably minor concern as long as you get assurances from the minister that that function will not be misused.

Charlie Gordon (Glasgow Cathcart) (Lab): You have suggested in written evidence that the statutory instrument on aviation and shipping be rejected, because it proposes a multiplier of 1 for emissions from aviation. Will you expand on the science behind your suggestion that a multiplier of 2 should be used for aviation?

Dr Dixon: That has been an area of hot scientific debate for about a decade. What multiplier should we apply to CO₂ emissions from aviation to allow for the fact that there are other effects that are not accounted for in the other greenhouse gases that we are measuring? About a decade ago, we started with an estimate of a multiplier of 4, but over the past five years we have come to the conclusion that it should be somewhere around 2. The thing that everyone is clear about is that it should not be 1. David Kennedy said to the committee last January that it should not be 1, even though that is what his committee has recommended.

Last year, a comprehensive piece of work was produced by Lee et al, which involved pretty much all of the scientists in the field who are working on the multiplier. They reviewed all the research and concluded that there is a real effect from aviation and that the multiplier should be 1.9 to 2—they changed how the multiplier is calculated so that it is much more accurate. The UK Committee on

Climate Change's aviation report before Christmas used the Lee paper as the basis for most of its scientific input. In that respect, the paper is very reputable.

The other killer, really, is that big UK departments use 1.9 or 2 as the multiplier. The Department for Transport, which ought to know something about transport, uses 1.9. The Treasury, which is not known for its friendliness to the environment, uses 1.9. If I were to phone the Department for Environment, Food and Rural Affairs or the Department of Energy and Climate Change, saying that I run a business and that I want to measure my carbon emissions, and asking what I should do about this multiplier thing, they would tell me that I should probably use 1.9. Why on earth would the Scottish Government—and Scotland—use a lower multiplier than we would tell a business to use? That seems ridiculous. If we listen carefully to what David Kennedy said last week, first, he said that Scotland should not go beyond 1 because there is no international agreement on how to do this. However, we would not have put aviation in at all if we were thinking like that. We included aviation because it was the right thing to do, and it is still the right thing to do. It is also right to use the right multiplier.

Secondly, David Kennedy said that we should not use a multiplier because it would make the targets harder to meet because we would have to make more reductions elsewhere. Again, that is not the right reason to resist using a multiplier. If the multiplier is 2, we should put that in, even if it means that we have to try a little harder in respect of transport, people's homes or agriculture. David Kennedy's objections and reasoning for saying that we should not go beyond a multiplier of 1 were political and pragmatic; they were not principled. The original principle that we should include aviation emissions as well as we can right now means that we should use a multiplier of 2.

Charlie Gordon: How well advanced is the methodology for measuring emissions from shipping?

Dr Dixon: That methodology is much further behind. There is discussion about our perhaps wanting in the future to include a multiplier for shipping, although we do not have the power to do that under the Climate Change (Scotland) Act 2009. We may want to do so because we may want a multiplier of less than 1. It is possible that, because shipping fuel is so dirty—it throws up lots of sulphate, which shields the earth slightly and reduces climate change—we may want to apply a multiplier that makes shipping more attractive. However, the scientific research on that is much less certain. We are too far from reaching consensus on shipping to set a multiplier for it.

On the methodology of collecting the data on how much shipping we should ascribe to Scotland and how much emissions it produces, the data for shipping are certainly much less robust and complete than the data for aviation. We have a much more comprehensive system for aviation. A plane will fuel up on the ground, and we will know how much fuel it has taken on, whereas a ship that is coming to Scottish ports may have fuelled up in Rotterdam and may not fuel up again until it is somewhere else completely out of our waters. Therefore, the calculations for shipping are much harder, but it is still right to have a go at them. The Climate Change (International Aviation and Shipping) (Scotland) Order 2010 proposes that we have a go at that, and that is the right thing to do.

There will certainly be changes in the methodology as international agreements develop, but the numbers involved are reasonably small, so even if they change quite a bit, they will not make a big difference to the overall numbers for Scotland that we have been looking at.

The Convener: I would like to follow up briefly on the multiplier. I have no doubt that when the minister gives evidence on the instruments, it will be argued that it does not really make much difference whether a multiplier of 2 is added now in the instruments or a few years down the line once the scientific case for a multiplier of 2 is firmer and stronger. The additions will ultimately all add up, and we will be able to look back at what the emissions were. The alternative case is that we can be given a period of several years in which there would be less pressure for policies and cultural change that would give preference to surface-based transport. If the multiplier of 2 is going to be added at some point, does it make a difference whether it is added now or later?

Dr Dixon: It certainly does. I state again that we should do the best thing that the science tells us to do, which is to use a multiplier of 2. We should not worry about the other implications; we should simply do what the science tells us to do. However, you are quite correct: going for a multiplier of 1 when we expect the multiplier to be quite a bit higher than 1 in the future has implications.

Let us think about current emissions and applying the multiplier. Scottish aviation emissions are around 7.5 per cent of our total emissions, which is quite a lot. If the multiplier is not applied, aviation emissions will obviously be 3.75 per cent of our total emissions, which sounds like rather less than 7.5 per cent. The figure of 7.5 per cent will flash away at a minister who is looking at a graph of where emissions come from, whereas they will not bother about a figure of 3.75 per cent. We are letting aviation off the hook and not paying attention to it because we are underestimating the

figures. That means that civil servants will not think about aviation as much as they should when they think about where to take action, and that VisitScotland will still do deals with Ryanair to encourage people to fly to Scotland, which should not happen. That is less likely to happen if there is a multiplier of 2.

Of course, there will also be upheaval when the numbers are changed. If everyone agrees in five years' time that the multiplier is 2 and we have to backdate all our numbers, that will mean that rather than having just met all our targets for the five years, we will in fact probably have just missed them all, because new aviation numbers will have been added in, and everyone else's numbers and percentages will be changed. Therefore, there will be a big upheaval. We can head that off simply by going now for the number that is most likely to be the number in five years, instead of a number that is half its size. Our attention can be directed away from a growing and serious issue, and there would be upheaval when we started to use the right number. We can simply do that today.

15:00

Rob Gibson (Highlands and Islands) (SNP): You said that Scottish aviation emissions are calculated to be around 7.5 per cent of our total emissions. Do you know what the emissions are from shipping?

Dr Dixon: I am glad that you asked me that, because I may have a piece of paper that tells me. [*Interruption.*] In fact, I do not—I printed out only the aviation figures. However, from memory, in the UK inventory that is reported to the United Nations, although international aviation and shipping are not part of the formal report but a memo item, the emissions from international shipping in straight CO₂ terms, with no multipliers applied, are about half the aviation emissions. Globally, however, they are growing. The figures for Scotland or the UK are quite variable. They have been sort of flat for the past five years, so it is quite hard to say what the real trend is. Shipping emissions are therefore small but significant, although not as significant as aviation emissions. That is particularly the case if the correct multiplier is applied. I am sorry that I do not have the full numbers in front of me.

Rob Gibson: It is helpful to know about the international situation, but we are talking about mitigation and so on in a local sense. We have 90 inhabited islands to which ferries travel. Should we be very careful about what fuel they burn?

Dr Dixon: Certainly. We should be very careful about how efficient the engines are. When we procure a new ferry, we should ask how efficient it

will be and what fuel it will use. If it will use a standard fossil fuel, we should ask whether it will use it as efficiently as possible and whether it will be the least polluting version—for example, a low-sulphur fuel, which is one of the key issues with shipping fuels. We should also ask when procuring a new ferry whether alternative fuels can be considered.

However, in the case of both ferries and flights to the islands, no one in our coalition says that they are terrible polluting things that must stop. Everyone says that such services must go on. When we talk about stabilising the level of flying, we are talking about flights to America, for example, or flights from Edinburgh to London when people could easily take the train. We are certainly not talking about lifeline flights to the islands. Of course, we can look at how to make those more efficient.

The other point about flights to the islands is that they are usually at low altitude and made by turboprop planes, so they are much less polluting. In the future, when we have a set of very sophisticated multipliers, we will apply a much smaller one to low-level turboprop flights than we will to high-level jet engine flights. However, because the order measures only international aviation, no multiplier will be applied to the island flights, which means that they will get off lightly. In social terms, that is probably okay.

Rob Gibson: Thank you for that useful information. Are you aware whether CalMac Ferries and NorthLink use low-sulphur fuel?

Dr Dixon: I am not aware of that. It is an excellent question, so I will go and ask.

Rob Gibson: David Kennedy saw peatlands as a potential way for Scotland to make a difference overall. I note from the assessment that the minister gave us that the stretch ambition for agriculture, waste and forestry is something like a reduction of 2.2 megatonnes of CO₂ equivalent per annum. Clifton Bain's paper suggests that, using a particular programme, we might save annually 2.4 million tonnes of CO₂ equivalent. Was the peatland element included in the agriculture waste and forestry section? Or is it in addition to that?

Clifton Bain: It is very much in addition. The current rules under the Kyoto protocol and the rules that the UK Government uses in its national greenhouse gas inventory do not fully take account of a whole range of land use issues. One of them is the fact that many of our peatlands are in a damaged state. The water table has been lowered over the last centuries and decades by activities such as drainage, burning and grazing.

At the Copenhagen meeting there was agreement on the land use change aspect of the Kyoto protocol. It was not, obviously, finally

signed, as the whole agreement was not signed. However, the agreement around the table on land use was that rewetting peatlands should be included in the national greenhouse inventories. I have highlighted new potential. In the methodology that I have flagged up I was as precautionary as I could be, because I did not want to overegg the pudding. As this develops as a mechanism across the world, standards will be set and we may find that we could get a higher carbon saving accounted for from the rewetting. It is very definitely new and I was as precautionary as I could be.

Rob Gibson: A number of points arise from that. We talked earlier about buying carbon credits and so on, but in a time of tight finance it is highly unlikely that we could do that. How might we fund peatland restoration?

Clifton Bain: The costs vary, depending on how badly damaged the peatland is. Figures of up to £1,000 per hectare are estimated for the restoration of a peatland. A report by the UK Government's advisory body, Natural England, looks at the cost of peatland restoration versus carbon savings. It makes it clear that when you consider the social cost of carbon, which is roughly calculated at about £79 per tonne of carbon, the £1,000 spent on restoring a hectare of peatland is far less than the cost of carbon saving. It is cost effective. In a London School of Economics analysis of all the carbon abatement technologies, peatlands restoration came in as a very low level cost. You get a lot of carbon saving for a low input.

How do we pay for it? The destruction and damage of peatlands is a cost to society in providing clean water. Water companies are spending millions of pounds trying to resolve brown and impure water supplies, as a result of damaged peatlands. In England, some companies are already spending between £4 million and £5 million restoring the peatland rather than having to pay the cost of treating the water downhill. There are opportunities for the water industry to divert some of its money. Many wind farm companies are spending up to a couple of million pounds restoring damaged peatland habitats. The Forestry Commission, under its current policy, is already removing trees from peatlands because they cause a net loss of carbon. Scottish Natural Heritage and environmental charities have restored 10,000 hectares of peatlands in the flow country since 1990. RSPB Scotland has used its own money and drawn in international funds for that. Any activity since 1990 will be included in the inventories.

Many different players, statutory and NGO, can draw in money. The Scotland rural development programme funding is another big chunk of

opportunity. This need not be a big new expensive cost to Government. It is cost effective and the money could come. If we co-ordinate and bring together these different agencies we can deliver it. At present it is sitting on the edges of everyone's desks. A collaborative effort would mean that we could achieve this without huge new cost.

Rob Gibson: In your paper, you mention tourism, sport and water management. You have talked about water management. Presumably, there are job creation and enterprise issues here. Is there an estimate of the kinds of jobs available in peatland saving and restoration?

Clifton Bain: I do not have exact figures, but when the RSPB did its 10,000 hectares of ditch blocking they employed local contractors. Many of them were the guys who had originally gone out and drained the bogs, but they had the expertise and the equipment to come back in and block the ditches. This was in a rural area where those activities were not providing much employment. Now, the restoration of peatlands is drawing in the labour force and helping to maintain companies. I do not have exact figures on that, but the activity is certainly labour intensive. In such remote rural areas, it is often useful long-term work.

As for the tourism benefits, several studies have been done into why people come to Scotland—they do so for our mountains and our peat bogs, which look incredible, and for the flow country. Studies show how much tourism benefits from people going to such areas, which builds up into millions of pounds for the nation and brings local economic benefits.

It is not all about the Highlands. The central belt has lowland raised bogs and even blanket bogs. The reservoirs that feed Glasgow and Edinburgh all have peatland catchments and are affected by water quality issues. The opportunity to restore peatlands in those areas and to create direct economic, social and environmental benefits is huge.

Rob Gibson: You have raised their profile just by giving us your answers, but I presume that, if the flows had world heritage status, that would make a difference to everyone's arguments about how peat can contribute to the Scottish emissions account. You say that peat could do that, and that all activity after 1990 would count. If we could invest from all the different sources that have been mentioned, that could make a big difference—potentially on the scale of the stretch ambitions for agriculture.

Clifton Bain: Exactly. The proposed savings in the next five years from the Scottish annual targets are about 8.5 million tonnes of CO₂. Just meeting the biodiversity target for blanket bog in Scotland offers 2.7 million tonnes of CO₂ savings

in those five years, which is significant. That is not an alternative to anything else—we must do all the fossil fuel reductions—but that would help us to make the targets a minimum, as we said at the beginning.

The Convener: As members have no final questions for the panel, I thank you both for giving your time to answer questions. As I said at the beginning, we will take evidence from the minister on the instruments in due course; I am sure that you will follow their progress.

I suspend the meeting briefly to allow the witnesses to change over.

15:12

Meeting suspended.

15:14

On resuming—

The Convener: We resume the meeting. We are still on item 1 on the agenda and we have a second panel of witnesses, who represent the 2020 delivery group. I welcome Ian McKay, the director of Scottish affairs for Royal Mail Group; Jo Bucci, the managing director of the People's Postcode Lottery; James Withers, the chief executive of NFU Scotland; and George Baxter, public affairs manager for Scottish and Southern Energy. Their organisations are all involved in the group. I thank them for joining us and giving us some written evidence, which has been circulated to members. Do any of the witnesses want to make any brief opening remarks before we begin the questioning?

Ian McKay (2020 Delivery Group): Perhaps I will say a little bit about who we are. Ian Marchant brought the 2020 group together based on some previous work that had been done, particularly within industry and different business groups. From our written submission, you will see that it is a broad-based group. The other big energy company, Scottish Power, is a member and we have a number of utilities, such as Scottish Water, BT and Royal Mail Group. New players on the block—new companies in Scotland—such as Jo Bucci's company, are also there, as well as groups such as the local authorities and NFU Scotland.

The point is that the group speaks as a group. We are not there as individual companies, but we seek to bring to addressing climate change a sense of working together and the ability to learn from one another. We all share the enthusiasm of our chair, Ian Marchant, for the subject.

I should say in passing that Ian sends his apologies. It was, obviously, his intention to be here, but he had other long-standing business commitments that he could not break.

We are here as members of the 2020 group. The group has a long list of objectives, but I will not go into them just now because I know that you want to get on with your questioning. Perhaps we can pass them to you at another time.

The Convener: I ask Cathy Peattie to begin the questioning. We are starting this evidence-taking session just a little bit late and we still have quite a lot to get through after it, so it would be helpful if members and witnesses could keep questions and answers as succinct as possible.

Cathy Peattie: I will try, convener.

The Scottish Government has chosen not to change the 42 per cent interim target. What is the witnesses' view of that decision?

Ian McKay: We have a straightforward view on that: 42 per cent was the correct target and we are happy that it was kept. That is the long and the short of it.

George Baxter (2020 Delivery Group): Part of the thinking behind that was that there is a real need for early action on climate change. That is broadly agreed, particularly on cumulative emissions. Considering the timescale—from 1990 to 2050—we should, at the halfway stage of 2020, be around or just beyond the halfway mark.

That was the broad thinking behind the target. There was also a general commitment that there was great opportunity for early action. That is similar to the comment by an earlier witness that we should consider the shift to a low-carbon economy to be a race to the top. In Scotland, we should aspire to a race for the green jobs because we have such great natural resources and other opportunities.

Cathy Peattie: What can the Scottish Government do to encourage the UK and EU to strengthen policy so that we increase the likelihood of the interim target being met?

Ian McKay: That clearly goes into the realms of politics and policy. The 2020 group does not see itself as offering such policy advice to politicians. We think of ourselves as having a role in the important area of building the general support for, and activity within, the work to achieve those targets, not only within the community at large and through our own companies, but through our workforces and our other influences within society. We tend to leave to the politicians the extent to which that carries over into the political domain, rather than the group taking a view.

Cathy Peattie: You sound like a politician.

Ian McKay: If I were a politician, I would have mentioned the national interest, a sustainable economy and the other thing that we hear about all the time just now—I forget what it is.

Cathy Peattie: I will not pursue that. I am interested in the relationship between the 2020 delivery group and the Scottish Government—how you meet to discuss what needs to be done. David Kennedy of the UK Committee on Climate Change told this committee that the 2020 group needs the Government to provide signals and the rules of the game so that you can respond. What specific signals and leadership should the Scottish Government provide for business to respond to the emission reduction targets?

Ian McKay: You mentioned the Scottish Government's retention of its 42 per cent target, which was a clear signal to both the 2020 group and to business that, when going about our business in Scotland, we must be aware that that is the landscape within which we are working. Most people realise that seeking to be cost efficient and to reduce emissions and fuel use is bread and butter for the vast majority of the group's members—most of us do it every day. The same applies to setting targets to achieve reductions in those areas. It is helpful to bring to both the UK Government and the Scottish Government the methodology that most of us employ in our day-to-day work, as a means of achieving the targets that they are trying to achieve in this policy area. We have something to contribute to that.

The process also requires dialogue. When Government ministers and civil service officials agree a policy and take it forward, it is good for them to speak to groups such as ours, which are broad based and have general expertise in society, so that we can help them to identify achievable and commonsense ways of meeting their targets. We are the new kids on the block—we have not been around long—but up to this point, the discussions that we have had with Scottish Government officials have been helpful. We hope that we have helped them by showing them some of the ideas that we have for how they may achieve their targets. I hope that the relationship is helpful to both sides. We see ourselves not as some kind of pressure group but as a delivery group—that is how we have styled ourselves. A question is being put to us and to civic society generally. We think that we can help to ensure that that question is properly answered.

James Withers (2020 Delivery Group): I have one point to add. To turn your question around, getting Government to provide a lead is critical, but in some ways the role of the 2020 group is to act as a leadership body. If we are to hit 42 per cent by 2020 and to build on beyond that, two streams of activity will be required. The first is public engagement. All of us deal with the public as customers or, in my case, as organisation members. The second is business delivery, through utility companies and so on. We are trying

to provide leadership from the non-political, business end and are looking at where we can link up what all of us are doing individually in our sectors by creating synergies across business areas—for example, in the food and drink supply chain and between different land use interests—to add value to what is already happening.

Cathy Peattie: Is there dialogue between the 2020 group and the Government? The UK Committee on Climate Change thought that there was not, although there was real potential for the group to lead the way on a number of issues.

Ian McKay: I suspect that David Kennedy's comments related more to timing. The 2020 group has just had its second meeting, so there has not been much time for it to have the dialogue to which you refer.

In the process of establishing ourselves and our six subcommittees, we are starting to break down the big issues into what we think are relevant strands. Within that, we have had good dialogue with Scottish Government officials. They have helped us to avoid reinventing the wheel. A lot of work is happening out there and, as James Withers has just said, the work that is happening in other sectors or is being done by your competitors is not necessarily expertise that you would always have available to you. There might be commercial sensitivities or other reasons why people might not have spoken to each other. We hope that, by bringing together a group such as ourselves and engaging with Government officials, there will be a collective sharing of how to do things better.

A practical example might be helpful. On the transport side, one of the things that we have started to examine, and which we shared with the business group that predated the 2020 group, is the use of driver behaviour software by a bunch of companies. Most of us have found that driver behaviour has a much bigger effect on fuel consumption than even types of fuel. You can gain a greater carbon saving by having people drive properly than you can by adding 5 or 10 per cent of a different kind of fuel. However, there are questions about not only the best way of getting a workforce to drive properly but what the best software is. That kind of detailed information is not something that would generally be shared among companies. It certainly would not be shared between bus companies, utility companies, local authorities and so on. However, organisations such as the 2020 delivery group provide a debating space in which that information can be shared. Not even Government can do that; it is a common good that can be added only by a group such as ourselves.

Cathy Peattie: In written evidence, Stop Climate Chaos stated:

“the annual targets proposed in the Statutory Instrument for 2010 to 2022 are disappointing”

and that

“they must be seen as a minimum level of ambition”.

Do you agree with that?

George Baxter: In our written evidence, we made exactly the same statement. They should be seen as a minimum. They are targets that should be outperformed. Part of the focus between now and the September development of the policies and proposals document should be to identify those areas in which we can outperform. That document should not necessarily be focused on the 0.5 per cent for next year; it should concentrate on maximising the reductions in the various sectors, with a view to outperforming, where it is possible to do so.

Cathy Peattie: So it is disappointing, but you are hopeful.

George Baxter: When I said that we made exactly the same statement, I meant that we said exactly the same thing about the targets being seen as a minimum. However, we were careful to point out that we did not take a view on whether the SSIs were to be rejected. We provided you with some information about where some of those cuts might be able to come from and where the trajectory sits between the non-traded and the traded sector, which I hope is helpful to the committee.

The Convener: If it is realistic to expect that we can outperform these almost flat targets, is that not just a way of saying that they ought to be more ambitious?

George Baxter: Not necessarily.

The Convener: Should targets not be stretching?

George Baxter: You could see it like that. The other point that we were making in our submission is that there is a bit of a disconnect between the development of the policies that will deliver the targets and the setting of the annual targets. As Richard Dixon said earlier, there is uncertainty around where the cuts will come from and which actions will deliver those cuts. Our submission acknowledged the difficulty that the Government might have with that.

We also said that the outcome in September should be to try to reconnect the policies with the outcomes once we understand exactly where the actions ought to take place.

15:30

The Convener: I am just trying to think about the status that those targets have for Government and the importance that is being attached to them.

Take the example of a business looking at its year-on-year profits. It has made higher profits in previous years, and it knows that external factors are favourable to it setting an expectation for the next few years of very low or reduced profits, but it has a strategy in place that it needs to be much more ambitious. Is that not the comparison? The Government has passed its world-beating climate change legislation. It has had cuts of roughly 1 per cent per year in recent years. External economic factors are favourable to further emissions reductions, but it is setting a fairly flat trajectory for the first few years. Does that not suggest that the Government is not taking the issue as seriously as a business would take its bottom line?

Ian McKay: That is a very good example of why one should not always lift examples from one sphere and use them in another, because it does not always work.

The big number for us is 42 per cent; we have a target to achieve that. We are not experts; we do not all sit around after work and try to work out how that target is going to be achieved right across the board. At the end of the day, we rely on people such as the UK Committee on Climate Change to come up with advice and numbers and to crunch the research, in the same way as we would with any kind of business decision. If we are given a trajectory and told how to achieve that 42 per cent target, none of us will feel in a position to second-guess that and say that it is wrong. We have to be able to accept that as an achievable and good target.

Common sense, however, says that we are setting out on a very big project. I know that it will be a subject for political debate and that politicians will be politicians about it, but when it comes to asking Joe Public, companies and so on to respond to what is being asked—and it is a big ask—we have to factor in the point that we are starting off on a big journey. Despite the knowledge that there might be in rooms such as this one, even some logistics people will be starting from a pretty low knowledge base. It is sensible to look to the experts in these matters for guidance about what our targets should be, but in addition we have to have a system that allows for us to overshoot those targets and get a big lift at the start. The committee or other people might think that the initial targets are quite low, but my assumption is that they are adequate and we will meet the 42 per cent target, as the UK Committee on Climate Change has told us. If we can overshoot the low targets, so be it. That would certainly be useful.

It would be daft for most of us who are in any kind of business position to turn away a quick hit. If we managed to reach a higher point than was initially asked of us, that would be a good thing and it could be banked against the future. However, that would raise the other issues of yearly targets, the ability to carry over and so on. It might be necessary to look at those issues again and see how we can make best use of them. We cannot have it both ways.

The Convener: You said that politicians will be politicians, and we all acknowledge that party politics are sometimes slightly imperfect. If we start accepting that kind of trajectory now, there is a danger that we will end up in a continual cycle whereby each Government comes in every four years and says, “The last lot didn’t do very well, so we’re starting now and it’s going to take us a while to get going.” It then takes a while to get going, and the next Government comes in and says again, “Well, the last lot didn’t do anything, so we’ll have to take a while to get going.”

Ian McKay: My colleagues may have other views—Jo Bucci in particular may have something to say, as she is looking at public expectations and how we can work with the public—but for my own part, I believe that the big issue is not whether the public are gauging whether group A did better than group B. That happens every four or five years, when they make up their minds about that. By far the biggest problem is what we have seen in the past year or so, in which, with a couple of smallish events in the scientific world and a couple of e-mails going adrift, the whole impetus for change and the positive feeling behind the need to do something about climate change has so easily been shifted in the public mind.

Our task is to get all our people on board so that, every day in the way that they do their work, they actively take forward the agenda and remember our ask of them in relation to climate change. The issue is winning the hearts and minds for that rather than whether 0.5 or 0.75 per cent targets will be hit in the year.

Jo Bucci (2020 Delivery Group): I am chair of the public and business engagement sub-group for the 2020 delivery group. I support what Ian McKay said: we must remember that we are in our infancy. To put it into perspective, from the sub-group’s point of view, we have met and agreed that we can break a number of the tasks into easy chunks. Not only that, we can help from the perspective of a business to go ahead and find out what is already happening in Scotland.

The difficulty for us is to make assumptions and challenge targets at this stage without knowing exactly what is happening. As far as we can see, some great things are happening in Scotland, certainly from a business perspective, but we need

to do a bit of analysis and see whether people are ahead of or behind the game. At this stage, it is difficult for us to say that or to challenge targets. I hope that we can do that quickly, but we must be allowed the time to map out what is happening in the market and how complementary the actions can be—that final point will be interesting.

The Convener: Thank you. Cathy Peattie wants to ask a further supplementary question. We will go to Rob Gibson after that.

Cathy Peattie: I have heard Ian McKay talk about a big ask and public engagement. That was a key plank of the 2009 act, which obviously is new as well. Do you see yourselves as having that public engagement role in the business sector? Jo, you spoke about a sub-group. How do you see your relationship with the Government in taking forward public engagement, which is about hearts and minds and people signing up? Do you have a role, and how engaged are you?

Ian McKay: We inevitably have a role. Even if we just added up the number of employees in the companies, local authorities and so on who are involved, we would see that getting even just our own employees on board is a pretty big public engagement programme in itself.

I do not think that we see ourselves as the public relations wing of the Scottish Government. We exist as friends—critical friends when required—but largely our role will be to deliver, through our own good practice, measures that can be shared and made useful across sectors. That positive process will assist Scottish Governments of whatever hue—we are talking about the next 20 or 50 years, not the next three or four years—not just in achieving our demanding targets but in broadening the sense of public engagement and the idea that climate change is an important matter to engage with, both when people are at work and when they go home.

That is what we mean by public engagement. We see public engagement not as something extra special that we are doing, but as part of the day job. Perhaps if we work together we can make one plus one equal three and add something else to a process with which a lot of people are starting to engage.

Jo Bucci: We play a support role, and indeed hope to support wherever possible the changed behaviours programme. We are now at the stage of people asking what they can help with and, having seen the areas that they want to explore, I truly believe that collectively as a business we will be able to offer something in that respect. I certainly hope that we will be able to give an update on that pretty soon.

Rob Gibson: It is said that the recession has reduced emissions, but at the moment we cannot

find out whether that is true, because we cannot measure emissions for 22 months. Nevertheless, we asked the previous panel about the recession's impact on emissions and how that should be accounted for in the targets. What is your view?

George Baxter: One big problem is the lag in our knowledge about emissions. That said, we have a pretty good idea what happened last year in Scotland. I do not know whether the committee has them, but the 2009 figures for the UK show a drop in emissions of between 8 and 10 per cent. Translated into the Scottish context, that might mean that we are sitting at around the 50 million tonne level, which is about 6 million tonnes below the initial target for next year. However, it has been argued that as the power sector accounts for some, if not the vast bulk, of the cut in emissions, we might not be able to count that reduction because of the averaging out under the traded sector.

There must have been some cut in emissions in the non-traded sector over the past 12 months, but we just do not know where it has happened. In some areas, though, you might be able to predict that or at least have a fairly good idea. For example, even with the cold snap that the UK experienced this winter, gas sales fell by about 4 per cent in the past 12 months. Of course, some of that might be due to better insulation or people being more frugal with gas use. In fact, toward the end of last year, gas use was way down because of a particularly mild spell around October. We have to be quite careful about how we view the cold spell and its impact on gas consumption. Nonetheless, we should take into account the fact that gas consumption for heating falls within the non-traded sector.

Things are made difficult because of the lack of detail on emissions and the lag in detail becoming available. However, perhaps you should ask ministers where in the non-traded sector they think some of the decline has occurred, say, over the past 18 months. Also, as we say in our submission, if we cannot identify any drop in emissions that might have happened in the non-traded sector, we will not be able to work out how to stop levels bouncing back up again. We will want to try to lock in any reduction where we can and where it is practical, but the fact is that you cannot manage what you cannot measure. It is a difficult accounting issue, but the Scottish Government and ministers need to grapple with it to ensure that we keep hold of those savings where we can. I am sure that they are doing so.

Rob Gibson: I am sure that James Withers will agree that what we had this winter could not be called a cold snap.

In accounting for the recession in the targets, has farming been affected?

James Withers: In times of recession, land use activity is in some ways shielded more than other sectors. As a farming representative, though, I can tell you that farming has been in recession now for a decade, not just for a couple of years. That aside, in recessions, the food and drink industry and agriculture tend to outperform other sectors. Taking your example of agriculture, there seems to be a downward trend in emissions, which I suspect has not been altered hugely by the recession.

15:45

Ian McKay: In general terms, it might be dead obvious, but, if you made a bunch of decisions before a world-changing event, it would probably be sensible to take account of that world-changing event. I do not mean to be flippant in saying that.

The other point is that those of us who are involved in business circles have to remember that not everyone has gone down because of the recession. Parts of business and commerce have done very well during the recession, but we hope that the behavioural changes that most companies have had to make—for example because their business has dropped, their suppliers have changed or they have lost suppliers because they have gone out of business—have involved looking more closely at the way in which they do business.

There have had to be changes and we have had to gauge the effect of those changes and often drop down a level. That offers a good opportunity for businesses that are now being asked to make changes to take the changes into account. There may have been some resistance from people who were happy to keep the engine running in the same way, but because the level has dropped down and they are being asked to look at how they do their business more closely, there is an opportunity to make the kind of changes that we are asking people to make to reduce carbon emissions. I am not saying that the recession is in any way a good thing, but in this case we can view it as an opportunity as well as a problem.

Rob Gibson: Jo Bucci, your investors in Postcode Lottery in this country have probably mainly come during the recession, so are you expecting more people to invest and therefore more people to use the prizes? I presume that that is becoming a significant factor for people investing in other businesses.

Jo Bucci: Sorry, I do not understand your question.

Rob Gibson: I was asking you, given that the Postcode Lottery, which you represent, has been working in this country probably mainly during the recession, do you expect more people to take part after the recession?

Jo Bucci: To take part in the lottery? That is an interesting point. It is a society lottery, so perhaps, as Ian McKay said, we see an upside, to some degree. Charity giving may have gone direct, but perhaps people will see that by taking part they will have a bit of fun and perhaps win.

The great thing for our business, certainly here in Scotland—we intend to develop across the UK, but we have concentrated on Scotland—is that we have been seen in a positive light, because the giving and the winning have been enormous in Scotland. We have established ourselves, perhaps during a down public mood, and we have grown quickly. We have invested an awful lot more—certainly the investors have had to invest more—than we would have hoped to grow to our current size.

Rob Gibson: I want to move on to coming out of the recession. Scottish ministers are required to have regard to competitiveness, small and medium-sized enterprises, jobs and employment opportunities in setting the targets. Are you satisfied that those have been taken into account in the target-setting process?

George Baxter: There is some commentary from David Kennedy to the effect that the way that the targets have been calculated takes into account the recessionary effects and the level of GDP. It is not 100 per cent clear how that has been worked out; it would be useful for us to understand that. The general principle is that some measures to reduce carbon emissions take time. The more time we have to deliver some of the changes, the more effective they might be.

During this recessionary period, a significant amount of work has been done on insulation, although not as much as would have been possible with more resources. We know that more can be done in that area. We would certainly like to see significant penetration into the level of insulation in people's homes during this year—before the winter—and during next year. It would be useful to see that reflected in the calculations on where emissions will come down in the non-traded sector.

That is what I was getting at: let us try to secure those savings and not see them just bump back up again. That might require things to be done differently. The Scottish Government might have to come forward with plans and proposals on that in September. The 2020 group will contribute to the thinking on that.

Ian McKay: The Scottish Parliament and successive Scottish Governments have invested a lot, quite successfully, in talking to business and in being able to gauge the feelings of both sides of business—the trade union movement and the six business organisations in Scotland. From the point

of view of being clued in, one would hope that we have a very good situation in Scotland, because we are able to talk to and understand each other.

On our being able to gauge where some of the big economic levers are, which will have a direct influence on the question that you asked, we are all watching our television screens to see the outcome of the United Kingdom general election. The Government that is formed will have a direct bearing on providing the answers to the questions that you ask. There are big issues, which will depend on international investment and UK Government policy as well as on Scottish Government policy thereafter.

As far as the relationships between business organisations, Government and the Parliament are concerned, we have a good record of talking to each other. I stress that our attitude is that without being expert economists or whatever else, if our approach is to seek wherever possible to overshoot targets, at least we will build in a buffer for ourselves in the big picture of achieving the 42 per cent target.

Rob Gibson: Indeed. We are obviously looking at all this in the target-setting context. What impact do you think that emissions reduction targets are likely to have on competitiveness, SMEs and jobs?

George Baxter: It goes back to what I said at the beginning: tackling climate change is a huge opportunity for business at all levels, right through the supply chain in renewable energy, transport and all aspects of the way that our economy works. You talk about a low-carbon economy in 2050 and potentially a 90 per cent reduction in emissions. That would be essentially a no-carbon economy, rather than a low-carbon economy. We need to get there. The people who get there early will reap the benefits earlier and will be in a better position. There are huge opportunities for business at all levels in the way that the targets are set.

In the traded sector, which Scottish and Southern Energy is perhaps more associated with, a lot rides on the EU ETS coming down by 9 to 10 per cent in 2013. That is not definitely going to happen, but we will know a bit more by the end of the month, when the commissioner is expected to make a statement and set out how she thinks that will be achieved.

With these unknowns, it is clear that the non-traded sector is the one that holds the most opportunities for the vast majority of Scotland's SMEs in particular. We need to consider carefully how we set targets and how we plan to overperform and outperform against those targets in order to deliver to people the opportunities that might lie with them.

James Withers: I agree with George Baxter. Some of it comes down to the language that is used around targets and the whole climate change agenda and competitiveness. If achieving climate change targets is the catalyst for regulation, the competitiveness discussion becomes a bit more difficult; however, many of the wins that are out there are in the areas that Ian McKay alluded to, around locking in financial wins. Recession can be a great tool for focusing the mind on where businesses can be trimmed and more can be produced or done with less.

I co-chair the land use sub-group of the 2020 delivery group, which has been considering where there are opportunities to reduce waste and use waste to generate energy to create a financial win as well as an emissions reduction win. In some ways, it is irrelevant whether you appeal to the hearts and minds of land managers; you must appeal to their wallets and the bottom line, and that will be as much a catalyst for action as anything else.

Rob Gibson: Are we seeing the development of anaerobic digestion that the previous panel suggested is only sporadic?

James Withers: I think that we are seeing the tip of the iceberg. A lot of work around anaerobic digestion is going on in the industry to see how the economics stack up, as they are not always straightforward. We need to think about simple things such as how we deal with slurry and manure and how we reduce fertiliser and pesticide use and make it more targeted. In land management and farming, for example, we will have to produce more food over the next few years with less, and there is a ready audience out there looking for ideas of how to do that. Measures such as anaerobic digestion are embryonic at the moment and there are bigger wins out there, but the whole debate is becoming much more open to looking at them in depth.

Ian McKay: We are the new kids on the block, as far as that is concerned. In dealing with the subject, most of us—not just those of us in the 2020 delivery group, but most of us who are involved—probably feel like new kids on the block. I would like to be sitting here in a couple of years' time, when our half dozen sub-groups on public-business engagement, on transport, on finance, on the built environment—the opportunities and challenges in that—and on land use and forestry have had more time to think through some of those measures, to develop projects, to put together the kind of information on them that you and we are keen to see and to start making suggestions. I hope that we will be sitting here, advising you of what we have found out. We are not at that stage yet, as we have not been going long enough and have not had the opportunity to

find out what is out there. Having been invited here for the first time, it is perhaps rude to invite ourselves back in a couple of years' time, but it would be sensible for us to look at those projects as they go on.

I repeat my commonsense point that the idea of seeking efficiencies and running businesses better, more cheaply and more efficiently than before and using fuel and so on more efficiently is a no-brainer for most of us. We are trying to get people to share how they do those things and come collectively to a better way of doing them than before.

Rob Gibson: You might well be invited back.

16:00

Charlie Gordon: What impact will the annual targets have on those who live in poorer or deprived circumstances? What could be done to mitigate any negative impacts?

George Baxter: First—this reflects some of the points that were made earlier—we need to become a lot more efficient with the use of energy. We need to ensure that heating their home does not drive people further and deeper into poverty. That is a social objective for Government and for the energy industry, and it is one that we have an obligation to do something about. We must help people with energy efficiency and prioritise action in that area.

On the broader economic side, some of the issues that we are talking about involve new industries, new jobs and the creation of much more economic activity. By providing people with employment, we can help lift them and their communities out of poverty.

Ian McKay: Another specific area in which action could be taken is on the built environment side. If we give people better, more fuel-efficient housing, we will allow them to get the benefit of the money that they spend on gas, electricity and so on. I speak from personal experience, many years ago, of steel houses with windows that had a draught in every corner. If we can get away from such housing and the wasting of money that it results in, which affects less-well-off families more than most others in society, we will see an immediate benefit. That is one of the strands that we will look at on the built environment side.

Another way in which we can help relates to my area. It involves looking at integrated transport and asking whether we could improve the way in which we provide transport in Scotland. That would have benefits for people who operate on a much tighter budget, as it would mean that they would not waste money buying two tickets to get somewhere instead of one. That sounds trite, but an awful lot

of what we are talking about is such common sense that it sounds daft even to say it. By bringing together people from different sectors—particularly the public and private sectors—and different industries, we can start to make some commonsense progress. We hope that that will be particularly beneficial to less-well-off families.

Charlie Gordon: Fine.

The Scottish Government has said that its role and that of the enterprise network is to help the private sector identify and maximise Scotland's economic potential in the transition to a low-carbon economy. What opportunities do you see for businesses in that transition? What help will they need to make the most of those opportunities?

George Baxter: That is a pretty big question. I could spend a long time talking about the opportunities that exist in all the different sectors.

There are many examples of the huge opportunities that exist in the renewable energy industry, which companies such as SSE are heavily focused on through multibillion-pound investment programmes. Much of that work is focused on Scotland. We are working closely with the enterprise agencies and the Scottish Government to deliver some of those programmes. We are talking about not just wind farms in far-flung places, but ground-source heat pumps in Glasgow and district heating. We must look at the electric car network that we will need. There are all sorts of opportunities for manufacturing.

There are creative things that we do not do in Scotland, but which we could be doing. One classic win-win is the use of forest products for insulation materials. We do not really have an industry that does that, at least not one of any size, although it is fairly common in some other countries. The carbon-intensive insulation materials that we use can be replaced with waste forest products that lock in carbon. They do not get burned—the carbon in the forest product is simply locked in and used as an insulation material. There is potential for massive growth in that area.

Another such area is grey water capture, which we do not really do in this country. It has been estimated that, in refurbishing people's homes, we could probably save a tonne of carbon per home through the recycling and reuse of grey water. That could create hundreds of manufacturing jobs. At the moment, however, such industries are at a low level in Scotland. With the involvement of the Government, the enterprise agencies and other organisations, big opportunities of that sort are being identified. Some of the opportunities are

small but, collectively, they can add up to tens of thousands of new jobs for Scotland.

Charlie Gordon: Do you see any potential downside for some sectors during the transition to a low-carbon economy? If so, should anything be done to help to even out the costs and benefits?

George Baxter: Other witnesses might have something to say about that—the issue was raised fairly early on in the work and discussions of the 2020 group. A degree of just transition must be injected into the debate, and that comes partly from the involvement in the group of the Scottish Trades Union Congress. We must think carefully about how we help some industries with that transformation, as far as possible in an organised, reasonable and fair way.

Some of the implications are a decent amount of time away, so we can plan for them. In some areas, companies, industries and sectors are doing things that will not require much of a change, but it is much better for the changes that are required to be well organised and constructive. I am thinking in particular about forestry and agriculture, which require careful consideration, but in which there are huge opportunities to make carbon savings.

James Withers: The debate throws up tensions, including in agriculture and forestry. What will we use land for? Producing food? Producing forestry? Producing energy? Part of the value of groups such as 2020 lies in bringing such questions to the table. Rather than our operating within silos, genuine synergies can be forged.

On the question about the opportunities in moving to a low-carbon economy, the potential for community-led development is huge, particularly in renewables. In wind, biomass and whatever, there are potential projects of huge scale, with new industries that Scotland can help to forge, as George Baxter indicated. The opportunity for community-led development, which can deliver not only a climate change win but wealth creation and income generation in communities, will be really important. What is the block to that opportunity? Our advisory networks help communities that understand that the opportunity exists but which find the process of grasping that opportunity difficult to get into.

Charlie Gordon: There is an issue of building capacity in communities so as to navigate through the complexities.

James Withers: Absolutely. Some communities have done that tremendously successfully, and they can act as fantastic testimonials if they can link into an advisory service and take their examples into other communities that might be at an early stage of thinking about what could be done but are unsure about where to go next.

Ian McKay: We cannot consider the past 30 years in Scotland without reflecting that there are winners and losers at times of rapid economic and technological change. Sometimes, there are big-time winners and big-time losers. The important thing—climate related or otherwise—is to have a regime that allows people to work their way through things, to get training and to take the opportunities that exist.

Our group will not be making the big decisions on that. However, as James Withers said, the attitude that our group brings to the table allows us to bring together proper thinking and new ideas, in a sustainable and a good way. I will give you another example. Small restaurateurs and so on in Glasgow and other big cities spend a fair bit of time getting rid of their food waste at the end of day, which is a costly business. If we were to bring that food waste together and use some form of anaerobic energy generation, we would have taken a step in the right, green direction. We would have changed the jobs that people do and, in the process, provided jobs at different skill levels. All those things are positive. Rather than simply sticking something in the back of a lorry and taking it to landfill, the incentive is that we are seeking to operate in a green way that is more beneficial to the climate. That is a good example of how we should be looking for wins. It is true that there would have to be a joined-up approach among the other agencies involved—schools and training colleges and so on—if we are to get the proper benefit.

Shirley-Anne Somerville: James Withers mentioned the impact of regulation. Do you pick up that the Government is taking a more softly-softly approach on emissions reduction with some sectors but not with others? Is the Government being more heavy handed in some places by pushing for a regulated resolution more quickly, while letting other sectors off the hook?

Ian McKay: We will not see until September the main document on how we move from policies and targets to real life, and on making people do things. A better time to answer that question might be when we see what is intended. We hope that there will be even-handedness. The project as a whole does not benefit if the public or individual sectors are seen to be, or feel themselves to be, the whipping boy. That would create a bad impression, not only in business circles but in society generally. As I said earlier, we really have to win people's hearts and minds and get the whole of civic society behind us. Until we see what the regulatory regime is, it will be difficult to answer your question in detail, but perhaps other sectors are feeling the weight now and have something to add.

James Withers: Shirley-Anne Somerville used the words “softly-softly”. There is a bit of that, because many of the things that can and will be done are good things to be doing anyway. Even if one’s views on climate change are taken out of the equation, many of the activities that we are discussing are good things to do in terms of lifestyles, efficiencies and finance.

I expect that, somewhere down the road, business will be given some breathing space to deliver. The nature of things is that if there is a political desire to deliver something and business is not going to choose it voluntarily, regulation comes into the discussion. We have a window of opportunity. The regulatory stick is always an option for Government but given that much of this is about hearts and minds, I am not sure that we will convince many hearts and minds with a stick approach as opposed to a carrot approach. The breathing space that we have now is part of the opportunity that we have, in the early part of the road to 2020, to get our approach right on business terms, as much as from a regulatory angle.

Shirley-Anne Somerville: It could be argued that the breathing space will leave us too late to achieve our targets, and the 42 per cent. Some sectors may be seen by Government, Parliament or whatever as areas that could, if they moved a bit more quickly, provide us with the quick wins that we need in these early years. Are you suggesting that we should have the same type of target across the sectors, regardless of how difficult or easy it may be to achieve, or will some sectors have to realise that they are the quick hits, in which progress may be achieved through tougher action?

16:15

James Withers: The climate change delivery plan has been constructed quite well. Rather than allocating a pro rata share of the 42 per cent target across the board, it has looked at the potential that exists. For example, we think that there is potential to reduce emissions from land use by about 1.3 million tonnes of carbon dioxide equivalents between now and 2020. That target seems reasonable and is science driven. That is a pretty good basis on which to decide what sectors can do. It looks like agriculture needs to reduce its emissions by 10 per cent from 2006 levels; the figures for waste and transport are higher. Sometimes there is a view that the system is fair if everyone has the same target, but the climate change delivery plan has probably been constructed on the right basis.

Shirley-Anne Somerville: The UK Committee on Climate Change has not yet taken into account cumulative budgets, despite the fact that the 2009

act requires it to do so. Does the 2020 group have any thoughts on cumulative emissions up to 2020?

George Baxter: It goes back to a point that I made at the beginning of the session. If we are expected to deliver more than half of the reduction by the halfway point, we must look at the cumulative budget for the whole period and think about how it equates to that. It is completely impractical and against the grain of thought to leave any action until 2019 and to expect to do everything in one year. Ministers will have to consider how they have taken cumulative emissions into account if the advice that they are getting has not done so. That is the logical consequence, if the 2009 act requires cumulative emissions to be taken into account.

Ian McKay: I do not mean to sound like I am trying to dodge the question. However, once a bill has been passed and statutory instruments and regulations have come forward, it is necessary to put down on paper how we intend to achieve what they set out. In this case, what we are trying to achieve depends on firing up an enormous oil tanker and getting it moving, with the myriad of things that that involves. Hopefully, within a relatively short period all of us will learn more about the process and what works in it. That will help to ensure that, going forward, we do things better than we might think about doing them at the start.

There is a case for us to learn and to share that learning with one another; that is the spirit that the 2020 group is trying to bring to the process. We recognise that it is necessary for targets to be established, but often it will be necessary to look at them again in the light of experience and, as we said earlier, in the light of what happens worldwide and decisions that are taken elsewhere. Our general view is that, if we can get people enthusiastic about and engaged with the project, it will be easier to achieve our targets, whatever they are.

Alex Johnstone: I want quickly to run past you the issue of carbon units and carbon accounting. In his evidence to the committee, David Kennedy of the UK Committee on Climate Change discussed the lack of flexibility in the Scottish framework and suggested that carbon units could be a way of adding flexibility. He gave the example of last winter, which may, as a result of the colder weather, have caused emissions to rise, and suggested that there was no flexibility in the system to deal with that. Do you agree with the Government’s approach of not using carbon units in the period 2010 to 2012?

George Baxter: The 2020 group has not debated that question in much detail, so I cannot reflect a view. However, SSE has in the past argued for a degree of flexibility on banking and

borrowing and said that consideration should be given to the use of carbon units, as long as the chain of guarantee—on where the carbon units are purchased, what effect they have and whether some kind of sustainability criteria are in place—could be absolutely assured. There is a degree of doubt as to whether that is possible. The 2020 group would not want to comment on that issue.

Alex Johnstone: On a more superficial level, do you agree that there is a lack of flexibility in the current arrangements?

Ian McKay: The 2020 group has not developed a view. However, if it would be helpful, I can talk about how most businesses have approached the use of carbon units. If we consider the involvement in the mayday network and other schemes that have been around for the past couple of years, we see that most businesses have first thought about how they can reduce their carbon footprint and have considered carbon purchase only as the very last thing that they will do once they have tried everything else and put in place all the other measures. That is the commonsense approach. Companies should first try to make their operation more carbon efficient before they ever think about buying units. That is how business generally has approached the issue, and that appears to be in line with the general approach of not using carbon units. The difference is that we have only our experience from our companies—the 2020 group has not taken a decision on the issue.

Alex Johnstone: Given those two answers, would it be fair to say that you feel that, if carbon units were made available and they were a tool that you could use, restrictions should be placed on how they could be used?

Ian McKay: Most businesses have used carbon units in the way in which I have described. It would be unusual for a business to buy carbon as its answer to reducing its carbon footprint. That is just daft. Most businesses would go down the road of more efficient use of carbon in their production and other business processes.

On your implied point about how flexible regulation should be, we would always argue for a need for flexibility in the way in which measures are applied. For example, if any of us were to go to our production people and say, “You’ve got to hit one target the first year, another in the second year and another in the third year,” the natural human reaction to that might be to say, “Fine, I’ll not bother doing anything in those first two years, and I will put everything into the third year, when I can achieve that more demanding target.” However, it makes an awful lot more sense to start as high as possible and keep going, which is what most of us wish to do. If that requires more flexibility, then it requires more flexibility. That is a commonsense approach to setting targets. There

has to be the ability for people to overachieve within the target-setting regime. That is certainly how most businesses would approach that kind of question being asked of them.

George Baxter: I have one brief point, which takes us back to the debate on domestic effort during the development of the Climate Change (Scotland) Bill. The view of many of the people who wanted a strong climate change bill, including SSE, was that an absolute majority of the emissions reduction should come from domestic effort and that there should be a mechanism to ensure that. Limitations on carbon units were discussed at that time. The figure that was broadly agreed was that about 80 per cent of the reduction should come from domestic effort, and that that would be liveable with.

Alex Johnstone: Finally, are you generally content with the arrangements that have been set out for the carbon accounting scheme?

George Baxter: Again, I think that that falls into the category of the previous answer. We have not debated that at length. We are much more focused on the delivery of action in Scotland. How the Government takes care of accounting processes is a matter for it. We have not really engaged in that enough to give a detailed answer.

The Convener: My last question relates to your written evidence. The Climate Change (International Aviation and Shipping) Order 2010 adopts a multiplier of 1, which is consistent with the UK Committee on Climate Change’s recommendation, although it previously told us that everybody knows that 1 is not the right answer. We heard evidence from a previous panel that some UK Government departments use the multiplier of 1.9 or 2. It has been argued that delaying an increase to the multiplier does not make any sense and would have some downsides.

Your written evidence recognises that there is broad consensus that the multiplier is unlikely to be 1 in the future. What are your views on the call for us to reject the order on the basis that 1 is the wrong multiplier to use and that delaying the application of a higher multiplier would be unhelpful?

George Baxter: We would not necessarily want to make a recommendation to either reject or adopt an order. However, our observation is that the multiplier is unlikely to be 1 in the future. It is understandable that the Government is not clear about where to set the multiplier, because it does not necessarily have all the information or international agreements that it needs to do so. We all know that the multiplier is unlikely to be 1 and that it will probably be greater. Understanding and appreciating that fact means that there is

more pressure on the non-traded sector to reduce emissions. It is likely that you will have to do that anyway. Our out-performance against the targets has to be a serious consideration—there has to be a reconnection with the targets later on in September when the document is produced. We understand and appreciate that that is likely to have an impact, but we are not in a position to make a recommendation on what you should do.

On a slightly connected point, I urge you to take into account some of the effects of having a significant impact on the traded sector. I have heard from a few people—this is slightly misleading—that whatever we do in the traded sector makes no difference to Scotland's targets. That is simply not the case. We are all looking to have significant penetration into transport and heat, to drive electric vehicles, heat pumps and other forms of electric heating, which are efficient and can complement renewables. The more renewable energy we have in the system, the more potential we have to make much greater impacts in some parts of what we currently think of as the non-traded sector. I would not take two different views on those things; I urge you to bring them together a bit more in your consideration.

The Convener: Thank you very much for your time in answering questions. I am aware that we have slightly overrun, but your time is much appreciated. I suspend the meeting for a comfort break and to change witnesses.

16:29

Meeting suspended.

16:37

On resuming—

Transport and Land Use Planning Policies Inquiry

The Convener: We will crack on with agenda item 2, an evidence session in our inquiry into transport and land use planning policies. I apologise to our witnesses for the item starting a wee bit later than expected. We will hear from representatives of planning and transport organisations. I welcome Paul Finch, committee member for north-east Scotland in the Chartered Institute of Logistics and Transport, and Petra Biberbach, chief executive of Planning Aid for Scotland. I thank you both for joining us and ask whether you want to make any brief opening remarks before we begin the questions.

Paul Finch (Chartered Institute of Logistics and Transport): I have a brief statement just to introduce myself, if that is okay. My name is Paul Finch and I am a transport planner, representing north-east Scotland on the Scottish committee of the Chartered Institute of Logistics and Transport, as well as being an associate director for engineering consultants AECOM. I have been a planner for 15 years and have worked on transport policy development for Scottish local authorities from Shetland, through the north-east, and down to Ayrshire. I have also undertaken policy research for the Scottish Government, which has included evaluation and review of road traffic reduction targets and work on the impacts of national maximum parking standards and on an integrated approach to transport and land use planning applications.

Petra Biberbach (Planning Aid for Scotland): Planning Aid for Scotland is a national charity that is registered in Scotland. We are primarily here to provide services to all people seeking to engage more effectively in the planning system and related activities—the environment and sustainable development being one. We receive funding from the Scottish Government, local authorities, various charities and our members and sponsors. We have around 250 planning aid volunteers, who are members of the Royal Town Planning Institute in Scotland. They give their time free to assist communities across Scotland to engage in the planning system.

The Convener: I will begin the questioning by talking about national planning guidance, which for a good number of years—perhaps the past decade or more—has taken a position against the creation of out-of-town facilities that can be accessed only by car. We have had a range of views in previous evidence sessions about whether that emphasis has been strong enough

and whether guidance is weak in that area. We have seen that, over the period, such facilities have been given planning permission and have gone ahead. Why is planning permission still being granted for such facilities, and what needs to be done to change that?

Paul Finch: You can probably think of a range of examples. I believe that there has been sufficiently strong guidance in the national planning frameworks, the structure plans and the development plans. However, ultimately, the incentives and pressures within local authorities to achieve economic development have outweighed some of that guidance, given the commercial realities, the pressures for development and the need for economic opportunities in some potentially deprived areas of Scotland.

Petra Biberbach: That is an important issue, as it demonstrates a lack of joined-up thinking and a lack of awareness. In the past, we have talked about planning being an expression of society's values, and the out-of-town shopping centres of the 1970s, 1980s and 1990s were, to some extent, an expression of what people wanted at the time. Elected members, especially in local government, want to deliver what they perceive that their communities want. However, we are now moving into an era in which we need to take sustainable development and the challenges around climate change much more seriously, and that requires that we talk to elected members and communities to create a shift not only in the responsibilities of individuals, but in the leadership of elected members in local government.

The Convener: I was going to come on to leadership. We have again heard calls for clear political leadership to ensure greater integration of transport and planning policies to achieve some of the things that Petra Biberbach has mentioned. Is it everyone's job to provide that leadership? If so, is that really leadership? Or is there a particular level of government that ought to be driving on that?

Petra Biberbach: I believe that the challenges that we face require all of us to take responsibility. We do not have time to look at particular institutions or Governments, although they can perhaps provide the infrastructure and the carrots, as somebody mentioned earlier. It is up to each of us to find out about the changes that we can make, and it is important that we make those changes.

Paul Finch: The leadership will be closely integrated with and will reflect society's wants, demands and desires at a particular stage because of the democratic system in which we live. Although we can have strong Government guidance—perhaps referral mechanisms, et cetera—at the end of the day, the planning system

needs to take society with it. The needs and wants of society must go along with the direction in which we are going.

The Convener: The needs and wants of society and local government will come into play. However, as was mentioned earlier, commercial pressures are also a way in which those needs and wants are expressed—it is not just about what is in a local plan or how each individual application is considered; there will be commercial pressures. What needs to happen? Is there a way of getting in among that and changing the commercial incentives and pressures to ensure that more appropriate and sustainable decisions are made?

Petra Biberbach: On the general point, Denmark and Austria are among the most successful countries in Europe in terms of their gross domestic products, which are way above GDP in the UK, although those countries have much more stringent environmental legislation and rules. Therefore, it is wrong to say that commercial concerns are detrimental to the whole sustainability agenda. Good Governments are in a win-win position.

Let us take Denmark as an example—I am not necessarily talking here as a representative of Planning Aid for Scotland, but as an interested party through having my own business in Germany. In Denmark, there is research and development alongside the development of the renewable energy infrastructure. That creates jobs, and knowledge is imported and exported to other countries, which is helpful. We should be much more proactively engaged. We do not yet have end-user demand for such products, and that is missing.

I will put on my Planning Aid for Scotland hat again. As long as we do not stir appetites and demand among people for better and more sustainable options, we will not get there. We must do much more.

I will give members a brief example. A large community group was recently awarded a grant under the climate challenge fund to turn a sports field into allotments. However, the planning system was left out of the wonderful process. As members know, sportscotland has the right to object to changes of use of sports or playing fields. The situation was lamentable. The group came to us and we have tried to help it to achieve the change of use, but that is hard work. A joined-up approach and creating demand from the bottom up are still much needed.

16:45

The Convener: You have placed a lot of emphasis on persuasion and engagement, but you have also cited countries that take a much

stronger approach to legislation and regulation. Do you acknowledge that both approaches are necessary?

Petra Biberbach: The approaches have to dovetail. There is the bottom-up approach; the other approach involves giving a carrot or incentive and ensuring that businesses can change. If the market works through demand and supply and there is no demand, supply will not be created.

The Convener: Finally, what about the architecture of the various organisations and bodies out there in transport and planning at the local, regional and national levels? Is the structure working? Does it need to be thought about or revised? Are changes necessary?

Paul Finch: There is certainly a lot of interest in the regional transport partnerships and how they relate or do not relate to the new strategic development plan areas. It seems that those things have a similar *raison d'être*: to take a regional, cross-boundary overview of the key issues, which are often cross-boundary movements to particular centres for work or access. However, the two boundaries seem to be slightly askew in some cases.

We are lucky in the north-east of Scotland because the north east of Scotland transport partnership, the regional economic forum and the strategic development plan team are co-located in the same building and they all work with the same information. There is great integration, and that is a good way forward, but perhaps there are not the same opportunities in other areas because of disjointed boundaries. Perhaps Tayside is one example in that context. A large proportion of people in north Fife go to Dundee, but the regional transport boundary does not cover that area. Obviously, there are ways of overcoming that, which come down to personalities, but the issue is slightly interesting to me. A potentially important issue is the regional transport strategies becoming more closely aligned with the strategic development plans. An opportunity is being missed in that respect.

To take things down a level of government, there are often opportunities in local authorities to improve integration. Opportunities can be taken even in the design of different services in councils to improve them.

Petra Biberbach: After carrying out a very short trawl, we found that only 13 of the 34 local planning authorities in the 32 local authorities had planning and transport in one department. A lot more could be done for the sake of integration.

On the other hand, I think that the planning reforms have been good news in allowing many people to get involved much earlier—and quite

rightly so. After all, people should be consulted and should participate in any process that affects their area, and there are statutory mechanisms in that respect. However, local transport plans are not in the same league and you will often find that it is up to individual local authorities whether they want to engage the public in such strategies. Members of the public might be asked to engage in their local development plan—as I say, quite rightly so—whereas elsewhere there is the community planning partnership, the local transport plan and everything else. You can understand why people might be slightly miffed that there is no joined-up thinking.

One way forward might be to have some expression of a spatial plan to tackle all these issues and allow the people on the ground to get involved at the earliest opportunity. Indeed, while we are talking about changing the system, I suggest that we also make community councils statutory consultees in the development plan process and not simply involve them in the development management side of things.

Paul Finch: Local transport strategies follow a very different regulatory and policy path from local development plans and, at the moment, they are not being universally adopted or kept up to date in Scotland. Unlike local development plans, they are not statutory documents. There is a real mismatch in that respect—for another thing, the timescales are different—and there might be opportunities to bring the two plans closer together. Getting these things right at the source might be useful.

Rob Gibson: Good afternoon. What is your view on the ability of current land use and transport planning structures and systems to encourage adequate transport provision for remote and rural island communities, including modes such as ferries and air services?

Paul Finch: From my work in Shetland, I am totally convinced of and indeed can demonstrate the absolute necessity of strong, viable, frequent and affordable ferry links and air services. However, in some of the more remote areas, land use planning policy is more relaxed, which can give rise to other issues with regard to developing and sustaining sustainable transport. If communities are more scattered or if development patterns are not necessarily controlled to enable more walking and cycling within individual settlements, tensions can arise.

Rob Gibson: How relaxed is the “more relaxed” planning policy in these areas?

Paul Finch: In Shetland, an alternative approach has been taken in the planning context. One might say that it is less rigorous—or perhaps that the boundaries are less firmly defined. In Shetland, there are more community-based

planning processes, which might be more appropriate to the land use on the islands but, again, just because of the way in which the houses and communities are dispersed, tensions might arise if you are seeking to encourage more people to walk or cycle.

Rob Gibson: As a Highlands and Islands member, I have to say that there is an awful lot of emphasis on large urban centres in this kind of planning. However, it is important that we understand how the rule-makers' urban thinking affects people in far-flung areas. Is sufficient attention given in transport and land use planning to reducing the need to travel, through the development of easily accessible local shops or allotments, for example?

Paul Finch: If transport and land use are going to contribute to the achievement of carbon change targets, they must be focused not on moving people further and faster but on ensuring that people move less and at a slower pace. If we are to go down that road, it is essential that services and opportunities are not simply centralised for the benefit of providers but, increasingly, are decentralised for the benefit of communities and are made more accessible to them.

Rob Gibson: Indeed. How, then, do we organise a supermarket society so that we get local shops?

Petra Biberbach: It is right to focus on transport, but I would not necessarily say that just because an area is excluded from that sort of society it is in any sense or shape disadvantaged. I have visited Shetland and Orkney many times and have found that communities there have an enormous sense of self-help and a different type of entrepreneurship. To give a particularly pertinent example, I know—although I wish to make no assertions—that an awful lot of glass bottles were previously imported to and exported from Shetland at considerable cost. However, some very creative people—some builders, I think—decided to grind the glass to create building material, which reduced the need to import other material. That proved to be very successful. Similar examples can be seen elsewhere. Rather than say that people should not move around, I think that the distances involved can create sustainable solutions.

Rob Gibson: Of course another disincentive was the landfill situation, but if such waste can be put to better use by being kept on Shetland, that is fine. However, my question is about travel and planning. Other than through more local delivery of services, how might travel reduction become a feature of the systems that we are trying to set up?

Petra Biberbach: Is your focus on islands and ferries?

Rob Gibson: Not necessarily, as the issue also applies to rural communities and towns. We know that people in certain kinds of communities are disadvantaged because if they want choice, they need to travel a considerable distance. Other than by making things more locally accessible, how might travel reduction become a feature of the systems that we are trying to set up?

Petra Biberbach: Bearing in mind the particular and different needs of island communities, I think that island communities can do, and have done, an awful lot themselves. For travel reduction, we need to create an environment that encourages people to walk and cycle irrespective of distance. For example, situating a housing development a mile and a half from Kirkwall centre might be difficult to sustain. We want young people to walk and cycle wherever they live, be that on the mainland or on the islands.

Paul Finch: There is a tension with economic development prerogatives or realities in some remote islands, where people choose to travel further to gain economic employment opportunities. That is very hard to overcome without some degree of relocation of origin for those trips. For example, following the closure of the salmon processing factory on Whalsay due to the rise in salmon prices, the lack of other employment opportunities probably means that more people are putting pressure on the ferry networks and are travelling greater distances to take advantage of fish processing opportunities in Lerwick. It is difficult to see how, without some sort of compromise, travel reduction can be squared with maintaining a vibrant healthy community on Whalsay. We might need to start looking back at the original reason for populating those islands, which were previously self-contained fishing communities. However, it would be difficult to go back to that. There is a real tension on that issue.

Rob Gibson: There is, indeed. However, I had better move on to my next question.

Are local and national economic development priorities compatible with the development of sustainable settlements and transport networks?

17:00

Paul Finch: I will again provide a couple of examples from the north-east of Scotland. In the last local structure plan review in Aberdeenshire, in order to meet the housing allocation targets by a means that at that stage was thought to be as sustainable as possible, the settlement of Kintore on the outskirts of Aberdeen was significantly expanded—I think that it doubled or tripled in size. That resulted in significant traffic growth on the A96 into Aberdeen, and only now are Transport Scotland and Nestrans beginning to think about a

new station at Kintore, which could ameliorate some of the unsustainable car-use impact. In the forthcoming local plans in Aberdeenshire, we are seeing things the right way round: Laurencekirk, which has a new station, is now seen as a centre for growth in the next 10 years or thereabouts.

Those two examples show how guidance or structure plans 10 years or so ago perhaps did not take full account of the opportunities, but they are doing so now. There is a significant time lag between the original thinking on the plans and when we actually see the houses, factories and shopping centres on the ground—it can be more than 10 years.

Rob Gibson: Of course, the question of whether many people will work in Laurencekirk and/or Kintore is also at the centre of the discussion. Is the implementation of national planning and transport policies by local authorities hampered by a lack of resources to tackle some of the problems? We have talked about the difficulties of local delivery. Are local authorities in a position to help—in this case to match national planning and transport policies to the aims that we have?

Petra Biberbach: We perhaps need a reality check. Local planning authorities throughout Scotland are under considerable constraints. One large local authority is losing 25 per cent of its planning professionals at a time when a new planning performance system is being implemented. That means that an awful lot more is being demanded of the planners who are left behind.

To some extent, we all need to start thinking again about whether, in the next few years, we can deliver on the hugely ambitious 42 per cent target, considering the reality in local planning authorities and where local planners are situated in local government hierarchy. In our opinion, local planners hold the key, alongside their transport colleagues, to delivering the sentiments of the Climate Change (Scotland) Act 2009. The challenges that are posed are real, so we cannot just ask, “Can we do it?”; we must try to find a way of doing it with diminishing resources.

Rob Gibson: Are you talking about people who are being laid off—deliberate reductions—or people moving from planning into other spheres?

Petra Biberbach: In the current economic climate, planning applications have gone down and people are being laid off. Of the 100 or so young planning graduates, only a handful found jobs. We were lucky to employ some of them under the futures fund, but a serious crisis is hitting us at a time when, under Stern, it is recognised that the planning profession holds the

key to delivering sustainable development. The situation really concerns us.

On the upside for an organisation such as Planning Aid, we have an unprecedented number of volunteers, who want to volunteer to keep up their continuing professional development. That is great news for us, as we can go out and work with communities. However, there is a real crisis at hand.

Cathy Peattie: My questions are for Planning Aid. Some may have been answered in some ways, but I would like to develop the points a wee bit.

Do you think that the current system of transport and land use planning is understandable to the general public? If not, what can be done to improve awareness of the systems that are in place and to make them easier for people to understand and participate in?

Petra Biberbach: I am very pleased that you asked that question because we are a long way from having a universal knowledge of planning. All of us in planning are passionate about that. In our opinion, planning is one of the critical public services where people can shape the environment. I know that you have engaged with many professionals, but you should go out and ask members of the public whether they know about planning—and they will look at you with blank faces.

We have teamed up with some major retailers over the past few months and have spoken to people in shopping malls. We are taking planning to them. We feel that it is really important first to raise awareness, then to give the information and then to try to demonstrate to people that planning is a very positive and enabling force. At present, people who come across the planning process see it as something very negative that stops things happening. Most recently, we have been taking planning to schools. With planners and teachers, we hope to launch that work as part of the active citizenship subject in the curriculum in Scottish primary schools. It will be endorsed by Learning and Teaching Scotland.

Cathy Peattie: You spoke about Denmark earlier. Are you aware that some Scandinavian countries have very good participation? My experience, both in the voluntary sector and as a full-time politician, is that people become involved in planning when it is too late. Awareness of planning and participation in future plans seem to be lost. What is Planning Aid for Scotland doing in that regard?

Petra Biberbach: Although I mentioned looking at other countries, there is always a danger in importing something that is seen as good elsewhere. I know that the committee has travelled

to Scandinavian countries, and we know of examples elsewhere. The fact is that there is a different culture in those countries. In many of the Scandinavian countries there is a trust in the professionals and in the politicians because the structures are very different. At the same time, there is a real willingness and appetite among people here, once they learn about how planning works, to get engaged. We find that up and down the country. We have to make sure that everybody, and not just single interest groups, has the same knowledge and information and can get the necessary confidence.

We are targeting particular communities in regeneration areas because planning is also about empowerment. If you have an empowerment agenda and you get into civil engagement, planning can play a very big role. This brings us back to the convener's earlier question about responsibilities. This is important: if people feel empowered, they also feel that they have responsibilities. I hope that that answers the point.

Cathy Peattie: It does, thank you.

Do you think that recent changes to planning legislation will improve the quality and location of development in Scotland, particularly the integration of new development with existing transport systems?

Petra Biberbach: There is a real push by ministers in Scotland towards master planning, which links new development and transport infrastructure right at the start. We are looking at that together and it is to be welcomed. We also require retrofitting to make sure that we are creating more shared spaces where people, including children, who walk and cycle feel that they are on a par with people who use cars. In fact, that should be higher on the agenda so that people really feel that they can safely walk and cycle, while the car also has its place. What is coming out from Government is welcome but a lot more can be done.

Cathy Peattie: When we take evidence the issue of communication always comes up. People seem to be doing things in isolation and not talking to one another. Research into the operation of Scottish planning policy 17 indicates that poor links between national and local government and between transport and planning staff hampers the implementation of national planning policies. How might those barriers be overcome? How do we get people and departments, or folks in Government or local authorities, to speak to one another?

Petra Biberbach: Scotland is a very small country but we have silos that seem to have worked quite well. One of the difficulties relates to what I said earlier about planning professionals being put centre stage—and not alongside waste

or, if they are lucky, the environment—in local government and the corporate structure so as to link it all together.

There is more and more willingness. The recent planning reforms require a culture change, and that culture change requires a new way of working. There is a new way of thinking and engaging among the professionals. With fewer resources, we will have to do more and do it better, so talking to one another will help.

I sense that there is an appetite for that. The number of people and community groups that are involved in the sustainable development agenda, especially through allotments, for instance, is extremely positive—people are starting to take a huge amount of interest.

Cathy Peattie: What opportunities need to be provided for local communities to contribute to discussions on the location of new developments and the required transport provision? The question takes us back to participation. How do we pool information on local people's feelings about transport needs? What needs to be done to ensure that planning is not top-down and that there is participation?

Petra Biberbach: The new planning system is plan led and has moved to a five-year cycle in most areas, which is helpful to continuous engagement. There is a move away from consultation to participation and the expression of that through the main issues report.

Planning Aid has just launched a new mentoring service, in which we help local community groups through all the stages of a project that they propose, be it a small wind farm or a change of use for a community facility. Through that, we can help people to understand how the planning process works. The community group itself can become a developer and, perhaps, engage in pre-application consultation. That is self-help and we hope that, in the longer term, it will help to ensure that the public is better informed. Participation is key.

Paul Finch: I suggest that moving the regional transport strategy and the local transport strategy—even though that is voluntary—into the same time cycles as development plans would provide an opportunity. It would mean that we would not finish consultation on the future of transport and then be on to the development plan. Perhaps it is utopian to hope that we could run the two in parallel, but taking them at the same time would provide opportunities. If we could do that, there would be wonderful reductions in effort and efficiencies could be gained.

Cathy Peattie: Is there an opportunity for local people to participate in transport planning and transport partnerships?

Paul Finch: The transport planners try incredibly hard to ensure that such participation is effective, but they have varying degrees of success.

Cathy Peattie: So it is not yet happening generally.

Paul Finch: I suggest that it is happening, but I also suggest that it could be improved.

Cathy Peattie: Perhaps I have missed it.

Charlie Gordon: I have some questions for Mr Finch. What impact does the lack of local or central Government control over public transport provision have on effective integration of land use planning and transport provision?

Paul Finch: As you know, the majority of public transport—I am talking about the buses—is commercial. We find that, although cognisance can be taken of the main corridors at the development plan stage, there are often pre-application negotiations with public transport providers when planning gets down to the level of the individual site. However, unless some sort of detriment to public transport services can be demonstrated, there is not always an obligation on the developer to make a contribution so that the public transport provider can improve services. Therefore, such integration is sometimes successful and sometimes unsuccessful—perhaps because the local transport provider tries to serve the development but inconveniences his service or incurs a net loss, meaning that he has to pull out after a short period.

I guess that the question is whether a more centralised, publicly provided system would provide better integration. It probably would, but would such a system provide, in every case, a better public transport service for the majority of users? Perhaps it would—but perhaps it would not.

17:15

Charlie Gordon: Do national and local planning and transport bodies pay sufficient regard to the needs of the freight and logistics sectors? If not, what needs to change?

Paul Finch: At local authority level, there are quite low levels of understanding of the requirements of the freight and logistics sectors, but I am pleased to say that in each regional transport partnership, there is, typically, at least one officer who has a good degree of knowledge of the relevant requirements and aspirations. Planning for freight in the public sector is a reasonably young discipline. I think that it was in around 2000 that guidance first came in, with the local transport strategies, that said that planning

for freight would be a good idea, so people are still getting up to speed.

However, there are initiatives such as the Scottish Government's freight best practice scheme, which is helping to spread the word on the relevant requirements and helping local authorities to think about the issue. We are getting there, but although local authorities and RTPs have wonderful models on and know an awful lot about the movement of cars and other vehicles, when it comes to information on freight movements, they are at a real disadvantage. We are trying to build up knowledge and expertise on what the key freight movements are and how the public sector can meaningfully influence that. We are talking about a highly dynamic commercial industry, which in many instances can probably look after itself quite well, thank you, without too much public sector intervention. We will see.

The Convener: Cathy Peattie has a supplementary.

Cathy Peattie: I am interested to know what discussion takes place on planning for freight because although I am a strong supporter of freight, I live in and represent a town in which there is a junction through which a heavy articulated lorry from the freight depot or the petrochemical industry passes every minute. It is not particularly pleasant to be in the area at 5 o'clock in the evening or early in the morning.

I am interested in the planning that takes place. I welcome the idea of increased freight, but I want to know what discussion takes place to stop heavy lorries from a depot going right through a town. How can that be stopped in the future or put right for local communities? It is not particularly pleasant to have a heavy lorry going past your house every minute.

Paul Finch: No, it is not. I can imagine the detrimental environmental impact that that must have on the local residents. As well as affecting safety and amenity, it must cause intimidation.

There are tools that are available to help control the impact of heavy goods vehicles. Routing advice can be provided and restrictions can be applied through traffic orders. Such opportunities might have been taken—indeed, they are probably still being taken—to control the impact of the freight movements that you mentioned.

I do not know the specifics of your area—I am guessing where it might be, but I do not know specifically—but when it comes to the location of a freight depot, that might be a difficult issue to overcome permanently, unless there is alternative road provision or the depot is relocated. Engagement with the freight operator, perhaps through the Road Haulage Association, might provide opportunities to limit movements at

particular times, but there are no clear ways of overcoming the issue—it would have to be tackled on a case-by-case basis.

Increasingly, freight depots are located in strategic locations, and the planning guidance reflects that, so a proposal for a freight depot that would involve lots of HGV movements on the outskirts of a town or village where there was no clear alternative route that would avoid an impact on the town or village centre would not necessarily be approved.

Cathy Peattie: I guess that that is what I wanted to hear. I know that planners, the local authority and hauliers in the area are working together. I am not criticising the planners, but it seemed to be quite normal to give approval to a proposal to have a freight depot outside a large town. I was interested to find out what is happening to try to avoid such situations arising in future.

Charlie Gordon: Should transport planners pay due regard to the needs of walkers and cyclists when they consider the transport elements of new developments? If not, how could that situation be improved?

Paul Finch: The guidance that we have ensures that all developments are linked into the walking and cycling network, as appropriate. Typically, that is as far as planners can make the developers go.

A really important issue is the wider underinvestment in the pedestrian and cycling network, which needs to be addressed and overcome before all the incremental developments that might place through new development make a difference. Otherwise, we will end up with a rack of cycle sheds outside a new business development and nice new pavements that take people to the local distributor road. Ultimately, it then becomes the local authority's responsibility to make sense of those and start joining them up into a coherent network. The guidance and the way that it is applied to specific individual developments is good, but it is important to get the bigger picture and the wider networks in place before we see much cumulative impact.

Petra Biberbach: Can I add to that?

Charlie Gordon: I am still trying to figure out whether Mr Finch's answer was a yes or a no, but please intervene and help us if you can.

Petra Biberbach: We have opportunities now under the new SPP and the combined SPP, and then of course there are initiatives around designed streets. A hierarchy is now emerging where planners, including transport planners, are required to look at walking and cycling as part of the drive for sustainable development over and

above public transport. Planners have to take that into account now.

Charlie Gordon: I am clear that there is guidance and that there is a hierarchy, but my question was whether transport planners pay them due regard.

Paul Finch: Increasingly, yes.

Petra Biberbach: Yes, but we must not forget the role of the elected members in all this. An officer might design something appropriate, but the elected members' role is also important. They need to understand the future requirements, and there is a huge requirement for training for elected members so that they are aware of the rise in the importance of sustainable development and the climate change challenges that surround decision making.

Paul Finch: I have an example. In Aberdeen, a high-quality cycle path has been designed that goes from Kingswells and Westhill almost to the edge of Aberdeen. That is where it gets interesting, because that is where the planners face difficult choices about road space allocation, the removal of parking and so on.

The will is increasingly there, but there are difficult constraints against taking it to the level that transport planners and other planners would like to achieve.

The Convener: I would like to press you a bit further on that—

Charlie Gordon: I thought that you might.

The Convener: It seems to me that you are being a bit too forgiving in your answers. We are talking about not just high-quality cycle paths, although we recognise the value of those, but normal streets, roads and pavements—the whole built environment where people walk and cycle. Most people are walkers, even if they are also drivers for part of the time, but developments are still taking place in which the car park is far more important, both to the developer and in the local authority's planning decision, than whether people can get there on foot or on a bike. We are still not seeing enough emphasis on that—or am I wrong?

Petra Biberbach: A transition is occurring, and we need to be realistic. Some of the things that are being built at the moment were designed quite a few years ago, and some of the decisions that were made a few years ago might not be made now. However, if the local community—the people on the ground—were asked to become much more involved, we would get much more of the kind of environment that everyone wants to live in. We are not planning with people at the forefront of our minds, which is one of the difficulties. People want to walk and they want safe routes where their children can cycle. They want to be able to walk to

the shops. Of course everyone would like to be able to cycle—people do not necessarily want to go to the gym, and cycling is one of the best ways of getting fit and dealing with obesity. We do not even have to talk about the health aspect because we know about all those connections.

If we continue to design things in the abstract and fail to bring people in right from the start, in five or 10 years' time we will still have places that are not fit for people. We need to make a complete shift by designing with people in mind right from the start, instead of putting the professionals first. When we talk about transportation, we are talking not just about roads but about the whole hierarchy of transportation.

Shirley-Anne Somerville: Do planners and transport engineers receive sufficient training in each other's disciplines, so that they can understand each other's work and have a cross-cutting way of working, rather than the silo mentality that has been mentioned?

Petra Biberbach: Lamentably, so far they do not get enough understanding of each other's work; the planning schools will tell you that. Equally, they do not get enough information about how to speak to members of the public, instead of hiding behind jargon and exclusive language. We used to criticise doctors for doing that. There is a lot to be done, both to open up the simple concept of doing the best for the people who live in an area and to join up the different disciplines—transport professionals, planners, and architects and designers—and increase interaction between them, as happens in many other countries.

Paul Finch: From a transport point of view, there is an appreciation of how the development process works, but often there is not enough early or proactive engagement at the right time or in the right places. There is some good practice at the moment, but it could be developed and improved.

Shirley-Anne Somerville: Speaking of good practice, are there examples of effective joint working between planners and transport providers?

Petra Biberbach: Yes, in most of the master plan areas. In the new sustainable community initiatives that we have been piloting, planners and transportation people are coming together. We must not leave those as exemplars—joint working must be extended to the whole of Scotland. It can be done, but at the moment there are only some examples—it is not the norm.

Shirley-Anne Somerville: How do we move the situation forward, so that joint working is not restricted to exemplars and becomes the norm?

Petra Biberbach: The politicians must send a clear signal that it is welcomed. Local government

should talk to the various bodies that embrace the professions. We should also go to the planning schools. A seamless approach is required. There are already ideas for fostering greater dialogue between planning professionals and architects, so that they know about each other. The Scottish Government, through Jim Mackinnon, is actively involved in that work, which we can strengthen and widen to include energy use, in particular, and transportation.

Paul Finch: Up in the north-east, as part of the development plan process, there has been a lot of joint working between planners and transport engineers and professionals on future infrastructure requirements for services. When sites come forward, FIRS groups look at the infrastructure that is required not just on those sites but in the surrounding areas, so there are opportunities to put in place what is required.

The Convener: That brings us to the end of our set questions. Thank you for taking the time to give evidence to us as part of this inquiry. We apologise for keeping you a bit later than we intended.

Annual Report

17:29

The Convener: Item 3 on our agenda is consideration of a draft annual report, a copy of which has been circulated to members. I am tempted to suggest that it may not be particularly controversial. Are members content to agree the report?

Members *indicated agreement.*

The Convener: We have agreed to take in private item 4, which is consideration of our draft report on the budget strategy phase 2011-12.

17:29

Meeting continued in private until 17:31.

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