



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

ECONOMY, ENERGY AND TOURISM COMMITTEE

Tuesday 29 June 2010

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Tuesday 29 June 2010

CONTENTS

	Col.
ENTERPRISE NETWORK INQUIRY	3891
PROTECTION OF WORKERS (SCOTLAND) BILL	3899
WORK PROGRAMME	3900
ENERGY INQUIRY	3902

ECONOMY, ENERGY AND TOURISM COMMITTEE
22nd Meeting 2010, Session 3

CONVENER

*Iain Smith (North East Fife) (LD)

DEPUTY CONVENER

*Rob Gibson (Highlands and Islands) (SNP)

COMMITTEE MEMBERS

*Ms Wendy Alexander (Paisley North) (Lab)

*Gavin Brown (Lothians) (Con)

*Christopher Harvie (Mid Scotland and Fife) (SNP)

*Marilyn Livingstone (Kirkcaldy) (Lab)

*Lewis Macdonald (Aberdeen Central) (Lab)

*Stuart McMillan (West of Scotland) (SNP)

COMMITTEE SUBSTITUTES

Nigel Don (North East Scotland) (SNP)

Alex Johnstone (North East Scotland) (Con)

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)

David Whitton (Strathkelvin and Bearsden) (Lab)

*attended

CLERK TO THE COMMITTEE

Stephen Imrie

LOCATION

Committee Room 5

Scottish Parliament

Economy, Energy and Tourism Committee

Tuesday 29 June 2010

[The Convener opened the meeting at 14:33]

Enterprise Network Inquiry

The Convener (Iain Smith): I welcome everyone to the 22nd meeting in 2010 of the Economy, Energy and Tourism Committee, which is our last meeting before the summer recess.

Before we begin, I just want to say that this is Gail Grant's last meeting with us, because she is moving on to the Equal Opportunities Committee after the summer recess. On behalf of the committee, I express our grateful appreciation for all the work that she has done for us over the past three years. She will be greatly missed. Thanks very much, Gail.

Members: Hear, hear.

The Convener: Agenda item 1 is consideration of an approach paper for our proposed inquiry on the enterprise network. Are there any comments on the paper?

Lewis Macdonald (Aberdeen Central) (Lab): I have one or two. Clearly, the topic is important. I particularly want to consider the inquiry's remit.

One of the most striking points in the paper is in the fourth paragraph of the background information, which is in annex A. That points out that the cut to the Highlands and Islands Enterprise budget was much greater and deeper than the cut to the Scottish Enterprise budget—43 per cent compared with 16 per cent, which is more than two and a half times greater. The committee will want to consider specific questions about the impact of that on HIE, which has a distinct role. I am keen that we should examine that issue properly.

That takes me to question 10 in the key questions, which appears to imply that because HIE's budget has been more savagely cut than Scottish Enterprise's budget, HIE's very existence is open to question. The interesting question in comparing HIE with Scottish Enterprise is about HIE's distinctive social remit and obligation, so rather than ask,

"Does the need still exist to have both SE and HIE operating within Scotland?",

which implies an answer, a much more positive approach would be to ask what distinctive contribution HIE's social remit has made to the

Highlands and Islands economy and what contribution it can make in future. Following on from that, we should ask whether the obligation to strengthen communities, which applies to HIE but not to Scottish Enterprise, could usefully be applied to the work of Scottish Enterprise in some or all of the area for which it is responsible.

Marilyn Livingstone (Kirkcaldy) (Lab): I do not know about Highlands and Islands Enterprise, but Scottish Enterprise is considering reducing the number of its directors. Anecdotal evidence says that that will hit its work in the regions. I would like to examine the current restructuring and its impact on the city regions and the city region staff. I have gone on about that issue in the committee. If the aim is to reduce staffing in the regions further, I would like to examine that and the balance between the central and the regional.

The Convener: The intention is that we will pick up some of those issues under key question 6, but there might be a means to widen it slightly.

Rob Gibson (Highlands and Islands) (SNP): I have a question regarding Lewis Macdonald's comments. It does not surprise me that we want to ask why Scottish Enterprise does not have the social remit. It would be useful to know whether that has been raised at any point in the Parliament and whether any conclusions have been drawn. The issue seems to me to be obvious. This is the first time that I have discussed it in the Parliament, but I am sure that it will have been mentioned before. It would help us in framing the question to know whether any recommendations have been made on the issue. It would be valuable to explore that.

The Convener: That is a fair point. To an extent, Scottish Enterprise's regeneration work was its social remit, but that aspect was removed.

Gavin Brown (Lothians) (Con): I have three points. First, I assume that there will be a call for evidence and that we will seek written submissions during the summer recess. Given that the business gateway element has been transferred to local authorities, it is important that we strongly encourage all local authorities in Scotland to complete answers to the questions and give us their thoughts. If half a dozen local authorities respond it will be mildly useful, but to get a complete picture of what has happened on the ground we will need all 32 authorities to give us their feedback.

Secondly, question 5 refers to "local versus national regeneration". It would be useful to ask those who respond whether they know of any projects that have fallen by the wayside as a consequence of the shift in the enterprise network, rather than because of the downturn. Initially, various organisations made representations about

projects that had fallen by the wayside. It would be useful to know whether people still think that in some cases projects have fallen by the wayside because of the changes.

My third point is a question for the Scottish Parliament information centre, although it might also be answered by people giving evidence: what has happened to the business start-up rate and VAT registrations in Scotland over two or three years? The change to the enterprise networks will clearly not be the only factor that has affected those figures—many things affect them—but it is important to have the baseline data.

Ms Wendy Alexander (Paisley North) (Lab): I have several suggestions. We need to start with an historical overview. The SPICe paper is useful, but its longest time horizon is three years. HIE is now 40 years old and Scottish Enterprise is 30 years old, so we should begin the inquiry simply by setting the scene and examining the changes in their purpose and role over that time.

We should consider the purpose and function of regional development agencies and what difference they can make. The *Financial Times* has confirmed that all RDAs in England are to be abolished, so the policy area is highly contested. In work that was recently done for Northern Ireland on how that area stimulates its growth rate, McKinsey gave an interesting presentation on the role and purpose of RDAs in small regions and nations. Although McKinsey is never cheap, it might be prevailed upon to give us such a presentation, whether open or closed.

We should begin by hearing an outside perspective on how the role and functions of HIE and Scottish Enterprise have changed over 40 and 30 years respectively. Secondly, we should consider what RDAs around the world seek to do. McKinsey is the premier consultancy on that.

It will not surprise anyone to hear me say that an expert adviser would help us to sift what we hear. We will start from a base of relatively little knowledge and, to be frank, it is difficult to reach a judgment about an inherently soft, malleable issue even in four times four hours. It is not like scrutinising a bill; it is about whether we think that the boards are going in the right direction or whether we think that we can outthink them based on 16 hours' evidence. If we are going to outthink them on that basis, having alongside us at least one person who is completely steeped in the stuff would be a valuable addition to the resources at our disposal.

I am always in favour of doing more on the analytics. If we are to get up to speed with the role, purpose and function of the agencies in 16 hours, the challenge will be to keep the evidence analytical rather than anecdotal.

I am somewhat nervous about getting deeply involved in too many private briefings, as they are called. Such briefings do not lessen the time that committee members have to put in; they simply displace it to slots other than the committee's scheduled one on Wednesday morning. We are moving into the final term of this parliamentary session. Initial private briefings do not reduce the work; they simply force members to work harder over a shorter period. Given the pressures on members in the final term of the session, we need to avoid too much scope creep.

I do not suggest that we should rethink the agencies' whole role and function, but the questions start from the specific one about whether the rationalisation has been effective and go down to asking what the agencies' bigger role is. I would start with the bigger role and filter down.

Stuart McMillan (West of Scotland) (SNP): Question 3 in the proposed key questions suggests that we ask for the experience of companies that are not account managed by Scottish Enterprise or HIE, but it might be worth while asking whether the companies that are account managed have noticed a difference in that management.

14:45

Lewis Macdonald: As I said, I am particularly concerned that question 10 should start differently, but I have a couple of suggestions on other questions. The answer to the proposed questions is often yes, but we want to explore a bit beyond that. Question 1 asks whether the rationalisation of the network has affected the quality or effectiveness of services. The answer is bound to be yes, so the question should be, how has it affected quality and effectiveness?

The phrase

"rationalisation of the Enterprise Network"

is not one that immediately explains itself to the casual reader; it would be far more useful to ask whether the abolition of the local enterprise companies and local economic forums affected the quality and effectiveness of the services delivered.

The second question is a good one:

"Has the transfer of activities away from the local enterprise companies, such as the Business Gateway service, to local authorities improved the delivery of services to local businesses?"

However, I would drop the phrase

"away from the local enterprise companies".

The LECs were abolished at the same time as the transfer, and had the business gateway not been

transferred it would have stayed with Scottish Enterprise, because the LECs had ceased to exist.

Question 5 is about local and national regeneration, which is significant, but regional regeneration is also significant, and responsibility for that appears to fall into a grey area in the current arrangements between Scottish Enterprise and local authorities. We should add a question after the first one that simply asks, what has been the impact on regional regeneration projects? I have in mind, for example, the Ravenscraig redevelopment and energetica in the north-east, but I am sure that there are other projects.

Question 6 is whether the regional advisory boards have provided

“a link between local, regional and national delivery”.

Of course they have, but the question should be, what links have they provided? I would split the question into two, end the first one after the words “engaged with local business” and then ask what links the boards have provided between

“local, regional and national delivery”.

If those changes are made, question 7 probably becomes redundant, because it refers to local regeneration, which is covered by question 5.

The Convener: I will come back to that in a second.

Christopher Harvie (Mid Scotland and Fife) (SNP): I have been finding it more and more difficult to square the sort of centralisation and general cross-Scotland organisation that we require, particularly in onshore developments for renewable energy, given the existence of two separate bodies. I am not saying that the situation causes me to demand the abolition of the bodies, but we need to look at ways in which the two bodies can collaborate under the general umbrella of providing, for example, facilities and infrastructure for renewable onshore developments. Paradoxically, most of the substantial activity will take place in HIE’s area, yet much of the construction work will have to be done in areas within Scottish Enterprise’s domain. We should examine whether collaboration can be built into the organisations for the foreseeable future to enable them to provide a one-stop shop for renewables, because currently we do not offer that. With the closure of the Redcar steelworks in the north of England there will be tremendous pressure on and from north-eastern England to construct a lot of the onshore facilities.

The Convener: Are there any other comments?

Rob Gibson: Only to say to Chris Harvie that a structure is in place at the moment—the national renewables infrastructure plan—and that the

Government involved HIE and Scottish Enterprise in developing it. We are working together.

Christopher Harvie: With respect, I think that we have to move further and faster in the direction of something like a renewables version of Statoil. Others will move in that direction if we do not.

The Convener: I hear the points that Chris Harvie and others have made, but I suggest that we have limited time in which to hold the inquiry, so we need to ensure that it is focused. The focus primarily is on the impact of the structural changes rather than some of the wider issues, although we will have to touch on them. It would be useful to have the kind of historical background briefing to which Wendy Alexander referred to put things in context. It would be of benefit if SPICe provided that to us after the summer recess. I see a helpful nod from the SPICe direction.

Are members content with Lewis Macdonald’s proposed changes to the questions?

Stuart McMillan: On removing some of the wording from question 2, if you transfer activities—as per the question—you must transfer them from somewhere to somewhere else. The question actually makes a bit more sense, compared with—

Lewis Macdonald: Could we say “away from the enterprise networks”?

The Convener: Or the local enterprise companies, which were clearly affected by the changes. Other than that, are members content to make the proposed changes?

Members indicated agreement.

Ms Alexander: There is a lot of information in the background briefing that has been provided for us today. It would be helpful at the beginning to have SPICe present the main findings. I think that it is without precedent for us to be looking at organisations that have had a 43 per cent reduction in their budget in the past three years. A presentation by SPICe early on, I hope in PowerPoint form, would set out to members what has been happening. Perhaps that could be shared with everyone from whom we are requesting evidence, so that they have a common baseline with us. My instinct is that we should deal with that in the order budget, staff then property, rather than staff, property then budget. That ordering would be helpful when we discuss the information as a committee and when we share it with those organisations that we want to comment.

The Convener: It is certainly important that we have a shared understanding of the baseline figures with SPICe, the two enterprise agencies and the Government. In some of our recent budget discussions, we have not had such a shared position, which has not helped. It would be helpful if some work was done over the summer on

reaching agreement with all parties about the baseline figures.

We are content with the remit as presented, subject to the changes that have been proposed. The next question is whether we wish to appoint an adviser. If anyone has any suggestions, they can make them. Do we feel that we require an adviser or do we feel that the resources provided by our clerking team and SPICe would be sufficient to provide advice to the committee?

Gavin Brown: I have not given any thought to who the adviser should be, but the principle of having one is good. We ought to have one.

Rob Gibson: The principle of economics applies: can we afford one?

The Convener: I think that there is money for advisers in the committees budget this year. I suspect that we will be able to afford one this year. Whether we will be able to afford one in future years is another matter. I would be surprised if there was not sufficient funding in this year's budget for an adviser.

Rob Gibson: We would need to have someone whose experience is not just in one part of Scotland. We cannot make an instant judgment on this. Could the clerks make some suggestions if members do not have anyone specific in mind today?

The Convener: If anyone has ideas, it would be helpful if they fed them back to the clerking team. Obviously, we have to get agreement from the parliamentary authorities to appoint an adviser and then agree a shortlist of people to appoint. In any event, we will not be able to agree on an adviser until we come back after the summer. If the committee agrees that we should appoint an adviser, we can set the wheels in motion. Is that agreed?

Members indicated agreement.

The Convener: Do members wish to receive any initial informal or private briefings? Wendy Alexander suggested that we should have one on the budgetary issues. Would members find it useful to have one or two briefings before we start the formal inquiry?

Stuart McMillan: I recommend that we have just one, rather than two.

The Convener: If members have issues that they want to be covered in that briefing, in addition to the budget stuff, please feed them in. We will have one initial session. We do not have to make a final decision on this now, but members might wish to suggest that we make visits. They could think about that over the summer and feed back suggestions. We ought to have at least one evidence session outwith Edinburgh. I am thinking

particularly of the Highlands and Islands area in that regard, because it is important that we have a separate evidence session on that area. We will have to decide exactly where we should have that session.

Lewis Macdonald: Given our visit this morning, I think that Arnish has a bit of a claim in that regard, but there may be other claims from around the Highlands and Islands.

The Convener: There are two other items. The traditional position is that we agree that dealing with any witness expenses claims be delegated to me and the clerks. Is that agreed?

Members indicated agreement.

The Convener: We can also decide now that consideration of the draft inquiry report be taken in private. Is that agreed?

Members indicated agreement.

Protection of Workers (Scotland) Bill

14:55

The Convener: Item 2 is the Protection of Workers (Scotland) Bill. I am afraid that the Parliamentary Bureau has decided not to reconsider the matter; or rather, it has reconsidered it and declined to see sense. This justice bill has therefore been referred to our committee and I am afraid that we will have to deal with it. The proposal is that we issue at this stage a call for written evidence on the bill's general principles. We can consider after the summer recess which witnesses to call to give oral evidence. Is that agreed?

Members *indicated agreement.*

The Convener: My view is that we should call the Justice Committee to give oral evidence and perhaps the Parliamentary Bureau, too, to explain why the bill is an economy bill.

Work Programme

14:56

The Convener: Item 3 is an update on our work programme. Are there any comments? Have any issues been missed from the paper that we should consider?

Gavin Brown: According to the paper, we have to agree today whether we wish to appoint an external adviser for our budget scrutiny.

The Convener: I will come to that. Are there any other comments on the work programme?

Lewis Macdonald: It is already a very crowded work programme, so we should exercise caution in how we approach it. Paragraph 5 says that

"no further legislation is anticipated",

but we know from experience that legislation can appear unexpectedly from left field, so we should be aware of that possibility.

On paragraph 8, clearly, the appraisal of homecoming 2009 and the gathering may take up a bit of time. I know that a parliamentary statement on the gathering is scheduled for tomorrow; nonetheless, there are wider issues that will merit the committee's attention.

The Convener: Thank you for that information. I was not aware of the statement on the gathering.

Lewis Macdonald: I am reliably informed.

The Convener: If there are no other points on the work programme, we can look specifically at the issue of the budget adviser. My recommendation on this occasion is that we do not seek to appoint a budget adviser, partly because we are one of the committees that receive additional support from the financial scrutiny unit in SPICe. We will probably receive as much advice on the budget from that unit as we require. However, I am open to other thoughts on the matter.

Rob Gibson: That is a vote of confidence for SPICe, as far as I am concerned.

The Convener: There do not seem to be any dissenting voices, so on this occasion we—

Ms Alexander: I think that we should have an external budget adviser, as we had before. Peter Wood served us well in the past, although I do not insist that he should be the budget adviser. Certainly when I was convener of the Finance Committee, we were anxious to see that all subject committees had an external budget adviser. Given that the Cabinet Secretary for Finance and Sustainable Growth has said that the cuts are the deepest since 1948, that they cover a

four-year horizon and that we have already seen cuts of 30 and 40 per cent over the past three years in the two principal agencies that we cover, I think that we should have an external budget adviser. Of course, the work of the adviser should be supplemented by the financial scrutiny unit, as usual. However, I think that an external perspective is always helpful.

Lewis Macdonald: I think that that is right. At the moment, it is not clear whether the budget timetable will follow precisely the dates set out in the work programme but, in so far as we can predict the timings, I think that it would be helpful to have an expert adviser. They have certainly been helpful in previous years and, given my suspicions that this budget process will not be any easier than previous processes, I think that it would probably be good to do the same again.

The Convener: I will not go to the wall on this. I am not convinced that we get that much value out of budget advisers, but that is just my personal view of the quality of some of the advisers I have had on previous committees. If the committee in general is content to have a budget adviser—

Rob Gibson: I would like to be able to choose from a wider range of people, if that is possible. It is always good to get a fresh pair of eyes.

Stuart McMillan: If we put out the call and get a range of CVs, do we still have to appoint an adviser?

The Convener: No.

Stuart McMillan: Okay.

The Convener: We will seek CVs for a potential budget adviser and then decide nearer the time whether anyone fits the bill.

Energy Inquiry

15:01

The Convener: Item 4 is consideration of an update that the committee requested from the Scottish Government on the implementation of recommendations from our energy inquiry. Do members have any comments on what is quite a lengthy document? I also point out that a supplementary paper on recommendation 148 has just been submitted.

Lewis Macdonald: When I looked through the updates, one or two points caught my eye. This might be a question as much as a comment, because it might simply be an oversight on my part, but, when I read through the update on recommendation 118 on page 13 of the paper, I could not for the life of me find anything about the Beaulieu to Denny line, which seemed to be the single most important aspect of that recommendation. Is there any explanation for that? Has the Government not provided an update on that, or have I simply overlooked it?

Rob Gibson: I think that it has.

Lewis Macdonald: I do not see it. The paper mentions the Beaulieu to Dounreay, the Beaulieu to Keith, the east coast and various offshore transmission lines but does not appear to give an update on Beaulieu to Denny. The committee has already looked at that, but the fact is that it is the single most important project. If I am right and the Government has not provided an update, we should ask it to do so, because none of the rest of the projects around Beaulieu can happen until the Beaulieu to Denny line has been completed. We need to know the timescale in that respect.

The Convener: There is a brief mention of “consent for the Beaulieu Denny upgrade”

on page 17, but it is a matter of opinion whether that consent has come through yet.

Lewis Macdonald: When the Minister for Enterprise, Energy and Tourism came to tell us about the project in January, he said that there was a whole range of further developments that he expected to happen within a relatively short time, including the potential undergrounding of feeder cables and mitigation along the length of the Beaulieu to Denny line. There appears to be no update on any of that in this paper.

The Convener: It is worth asking for a specific update on progress on dealing with outstanding planning issues with regard to the Beaulieu to Denny line.

Do members have any other comments?

Rob Gibson: We certainly need more clarity about community benefit, which is a subject that some of us were beginning to debate. After all, anyone who begins to collect information about the current situation in the country will find that there is a wide range of different kinds of benefit. In that respect, I found this morning's discussion with Vattenfall very interesting. The fact that a high volume of oil was coming ashore at Sullom Voe led to a particular agreement for the Shetland Islands in the Zetland County Council Act 1974. However, smaller volumes with higher value are being proposed for wind and other renewables projects for community benefit purposes. We need to get some kind of overview of what is an acceptable paradigm for that. The matter affects a lot of people, it affects how people view the process of renewables and, in particular, it helps to strengthen people at the local level so that they can do things off their own bat. A much more comprehensive view needs to be taken. The examples show that councils are already taking control of resources; they are spreading their interests more widely. Indeed, there is talk in Highland of a levy, albeit that people are questioning its legality. People want to see a definite outcome for many aspects of the strategy. We should investigate the area, but we should also ask the Government for guidance.

Ms Alexander: Last week, we got the answer to our question on planning consents and community benefit. In effect, the answer was, "Sorry, we do not collect the data." We have written again to say, "Don't you think you should? Please do so." I agree with Rob Gibson that we should ask the Government whether it has thought about creating a framework for community benefit in Scotland. In particular, we should ask whether legislation is required to facilitate agreements between local authorities and communities, and developers. Perhaps we should also ask the question of the Crown Estate, as that will put the issue on the horizon for it and put what it says on the record.

Gavin Brown: We made recommendations on the energy efficiency action plan. I think that we said that any delay beyond the end of 2009 would be unacceptable. A draft action plan has been published and a working group will meet over the course of the summer, but the final action plan will not be published until later in the year—it has slipped quite a lot. Reading through the 53 pages of the response, I note that three or four elements rest quite heavily on having a finalised energy efficiency action plan. We were robust in our view that the action plan should not slip beyond the end of 2009, but it is now doubtful whether we will get it in its final form in 2010.

Lewis Macdonald: I have a couple of points, first on reserved matters. The update on paragraph 128, on the fossil fuel levy, says simply

that the United Kingdom Government has given a commitment to "review" the matter. From press coverage a few weeks ago, one might have deduced that the commitment goes a bit beyond that, so we should ask the Scottish Government for an update on any developments since that was drafted. In the update on paragraph 121, the Government says that it welcomed the cross-party support for a review of transmission charging in the debate on 21 April, but it does not say what developments or discussions have taken place since that time. It might be useful to have an update on that.

Rob Gibson: The Secretary of State for Energy and Climate Change has been in contact with the Scottish Government. I got that information from John Swinney last week in an answer to a parliamentary question. I suspect that discussions are taking place in that regard.

Lewis Macdonald: I am sure that that is right, but it would be helpful for the committee to know as early as possible the substance of that.

The Convener: On the first point, we wrote to ask for an update and have been told that we will be kept informed, so we will keep an eye on that. On the second point, we wrote to ask for a copy of the correspondence between Chris Huhne and the Scottish Government, but we have not yet received it. We also wrote to Chris Huhne to ask him to meet the committee at some point. Sources tell me that that may be being looked on favourably. We will wait and see.

Lewis Macdonald: Excellent. My other point is about new wind power developments. I am looking in particular at paragraphs 130 and 131. Paragraph 131 says that, in its response, the Scottish Government indicated its commitment to processing all new applications under the Electricity Act 1989 within nine months, other than those that have been referred to a public local inquiry. I am surprised that we have not been offered an update on how the Government is doing with that commitment. Without having added up the number of those applications, I suspect that the Government might have slipped somewhat behind its target. It would be useful to get an update from the Government on how many applications it has indeed completed within nine months, and how many it has not, with the figures split between those with and without a PLI. That would be helpful. That was a clear commitment, and I suspect that the Scottish Government might be struggling with it.

Still on those two questions, we also raised issues to do with consents. We pointed out that the record for approving new wind power developments has been pretty poor since 2007. I checked with my own sources to try and get an update on that this morning before the committee

meeting. My understanding—just from accessing the website—is that the record since 2007 remains pretty poor. It appears that 16 applications for new wind power developments have been decided since May 2007—11 have been approved and five have been rejected. The 11 approvals account for 1,676MW and the five rejections count for 1,153MW. By my calculation, that means that more than 40 per cent of potential new wind power has been turned down over the past three years. We raised that point in our report. I consulted my own sources, but it would be helpful to get an official Government update on those numbers for new wind power developments determined by the Scottish Government since May 2007.

Rob Gibson: Did the sources that you used establish just how large the Lewis wind farm was going to be, and whether that accounted for a large part of the total?

Lewis Macdonald: Yes. The Lewis wind farm was to be 652MW. It would have been the biggest in Europe, had it been approved. Clearly, however, it was rejected, along with those at Calliacher, Clashindarroch, Greenock and Kyle. There is a long list of substantial projects that have been turned down. We need an update from the Scottish Government on how well it has been doing with consents for new wind power developments since May 2007.

Marilyn Livingstone: I have two questions about paragraph 146. It mentions the forum for renewable energy development in Scotland and I was wondering about the timescale involved, as we raised a lot of points about institutional clutter.

Secondly, the second subparagraph covering the Government's response says:

"the Scottish Government will bring forward a refresh of the Skills for Scotland Skills Strategy ... This will be published in the next few months."

Considering the criticism of that strategy and the lack of consultation, I wish to know, before that refresh is published, what consultation will take place, and whether Parliament will get the opportunity to discuss any updated skills strategy. It is a hugely important aspect of the document before us.

The Convener: I have some of my own points to raise, but I will let other members speak first.

Christopher Harvie: There is not much happiness about relations with the Office of Gas and Electricity Markets. Judging from private conversations that I have had with people in the energy directorate in Glasgow, they are disturbed by an organisation that is based in the south and has no real commitment to renewables in Scotland having such an important say.

There also seems to be a strong grass-roots notion that it would be a good thing if the property of the Crown Estate off the Scottish coast were vested in the Scottish Government.

15:15

The Convener: I am sure that there are people who say that.

We need to ask the new UK Government whether it intends to refocus the policy direction that is given to Ofgem, to enable Ofgem to concentrate more on how to develop renewables.

Ms Alexander: On that point, I am encouraged to hear that Chris Huhne might be available to come before the committee at some point. It is important that we structure that meeting to cover the areas that are of most value to us. There is a huge piece in today's *Financial Times* about the new Government's plans for a green investment bank and how it might be structured. According to the article, the Government wants to take away some of the institutional clutter, which would have profound implications for the Carbon Trust, the Energy Saving Trust and so on.

Top of my list for discussion with the secretary of state are the role and function of the green investment bank, including in relation to financing offshore investment; the role of Ofgem and the transmission charging regime; energy efficiency, in relation to which I think that significant changes are under way to consolidate things; smart meters; and tackling fuel poverty.

Members might want to raise other issues; I set out my list to illustrate how meaty the agenda is. I am struck that much of what is in the Scottish Government's response is contingent on the approach that the UK Government will take. A serious session that covered some of the issues would be immensely valuable and would help us in further sessions with Scottish Government ministers.

Lewis Macdonald: In paragraph 138 of our report, we talked about supporting the oil and gas industry in relation to diversification and skills development. When we took evidence in Aberdeen, the witness from OPITO—the oil and gas academy—raised an issue about the application of the offshore oil and gas safety regime and training standards to the offshore renewables industry. The same issue has been raised in informal discussions with oil and electricity companies. It would be helpful to know whether the Scottish Government supports the application of the offshore regime, which has been developed over 40 years of oil and gas exploitation, to the new sector of offshore wind and marine renewables.

The Convener: Gavin Brown's point about the energy efficiency action plan is important. It is unacceptable that the Government is using the short-life working group that is considering the climate change targets as an excuse to further delay the plan's publication. If there is no movement on the energy efficiency action plan, it will not matter what targets are set, because we will never meet them. The plan is crucial to meeting the targets.

The plan has been in the pipeline since 2004 and it is unacceptable that, in the middle of 2010, it has still not been published. As Gavin Brown said, a number of other important matters relate to the plan. We should make clear to the Government in no uncertain terms that further delay to the plan's publication is not acceptable to the committee. We have made it clear that we should have had a published plan—and not just another consultation—by the end of last year.

There does not seem to have been much progress on permitted development rights for microrenewables, in particular air-source heat pumps. The response refers to the granting of permitted development rights for air-source heat pumps from March 2010. However, that applies only to installations that are not within 100m of another property, which is not much use to anyone. I think that the Minister for Enterprise, Energy and Tourism has visited Mitsubishi Electric Air Conditioning Systems Europe since we last spoke to him, but progress on the issue seems to be slower than it should be. We should raise the issue again.

On the saltire prize and wave and tidal energy support scheme funding, we should ask the Government whether the money to which it referred in the budget discussions has been made available for investment in wind, wave and tidal support schemes in the current financial year, as the Government indicated that it would be, and, if so, how the money has been allocated.

I want to ask a question on the fossil fuel levy fund. It would be useful to ask the Government not just what discussions it is having with UK ministers on having that money released but what discussions it is having on how that money will be used once it is released. The general requirement is to "promote renewable energy", which is a pretty broad phrase. I would like to know exactly what the Government considers that to include.

Rob Gibson: You could try to ask a supplementary to my question on that on Thursday morning.

Lewis Macdonald: Jim Mather has already said in Parliament that he supports the proposition that there should be wide consultation on that issue.

The Convener: I think that that consultation should be starting sooner rather than later. If the money becomes available, we should be in a position to spend it as quickly and efficiently as possible.

The final point, which I meant to mention earlier, is similar to the point on the Beaulieu to Denny line. I want to get an update from the Government on progress on the supergrid, as that is a key issue. I should declare the interest that I was at a Climate Parliament meeting in Seville last week, which was paid for entirely by the Climate Parliament with support from the European Climate Foundation. One point that was made was that, if we get the supergrid in place for the North Sea and for the solar farms in the south, we will reduce the capacity that we require from renewables projects by 30 to 40 per cent. We will balance the different needs much more effectively if we have the supergrid in place, so it is important that we make that progress.

The clerks are looking like they have plenty to be getting on with over the summer. Are we content to raise with ministers the issues that have been mentioned by members?

Members indicated agreement.

The Convener: That takes us to item 5, which will be in private. Let me say, before I conclude the public part of the meeting, that I hope that everyone has an enjoyable, if all-too-brief, summer recess. I am sure that you will all be working very hard, as I will be and certainly as SPICe and the clerks will be after the work that we have given them today. Have a very good summer.

15:21

Meeting continued in private until 15:51.

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