



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# RURAL AFFAIRS, CLIMATE CHANGE AND ENVIRONMENT COMMITTEE

Wednesday 28 September 2011



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## RURAL AFFAIRS, CLIMATE CHANGE AND ENVIRONMENT COMMITTEE

### 6<sup>th</sup> Meeting 2011, Session 4

#### CONVENER

\*Rob Gibson (Caithness, Sutherland and Ross) (SNP)

#### DEPUTY CONVENER

\*Annabelle Ewing (Mid Scotland and Fife) (SNP)

#### COMMITTEE MEMBERS

\*Graeme Dey (Angus South) (SNP)  
\*Alex Fergusson (Galloway and West Dumfries) (Con)  
\*Jim Hume (South Scotland) (LD)  
\*Richard Lyle (Central Scotland) (SNP)  
\*Jenny Marra (North East Scotland) (Lab)  
\*Aileen McLeod (South Scotland) (SNP)  
\*Elaine Murray (Dumfriesshire) (Lab)

\*attended

#### THE FOLLOWING ALSO PARTICIPATED:

Stewart Stevenson (Minister for Environment and Climate Change)

#### CLERK TO THE COMMITTEE

Lynne Tullis  
Simon Watkins

#### LOCATION

Committee Room 1



## Scottish Parliament

### Rural Affairs, Climate Change and Environment Committee

*Wednesday 28 September 2011*

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

### Decision on Taking Business in Private

**The Convener (Rob Gibson):** Good morning and welcome to the sixth meeting in session 4 of the Rural Affairs, Climate Change and Environment Committee. Members and members of the public should turn off their mobile phones and BlackBerry's, as leaving them in flight mode or on silent will affect the broadcasting system. We have received no apologies at present.

Agenda item 1 is to seek the committee's agreement to take item 5, on the committee's work programme, and all future consideration of its work programme, in private. Do members agree to do so?

**Members** *indicated agreement.*

## Subordinate Legislation

### Climate Change (Annual Targets) (Scotland) Order 2011 [Draft]

10:00

**The Convener:** Agenda item 2 is subordinate legislation. Members will take evidence from the Minister for Environment and Climate Change on the draft Climate Change (Annual Targets) (Scotland) Order 2011.

The order was laid under the affirmative procedure, which means that the Parliament must approve it before its provisions come into force. Following the evidence session, the committee will be invited to consider the motion to approve the order under agenda item 3.

I welcome the minister, Stewart Stevenson, and his officials, whom he will introduce to us.

**The Minister for Environment and Climate Change (Stewart Stevenson):** Thank you very much, convener. I will first say something briefly about the draft order and its background.

The draft order sets our emissions targets for 2023 to 2027 and maintains our planned trajectory from our interim target of a 42 per cent reduction in emissions by 2020 towards our ultimate target of a reduction in emissions of at least 80 per cent by 2050. We have accepted the advice that the expert independent Committee on Climate Change, which is chaired by Lord Adair Turner, provided to us. The proposed targets represent year-on-year reductions of 3, 3.7, 4.7, 4.9 and 5.1 per cent over the period 2023 to 2027. They build on and surpass the 3 per cent minimum that is required by the Climate Change (Scotland) Act 2009. That translates into a 51 per cent reduction by 2025 and is consistent with a 60 per cent reduction by 2030.

Setting those targets sends a clear signal about the Scottish Government's long-term commitment to the low-carbon agenda by extending and strengthening the pathway to meeting Scotland's climate change aspirations. It is clear that the path that we have embarked on is not easy and the targets are challenging, but achieving them will mean that Scotland will move ever closer to becoming a low-carbon economy and to getting the associated benefits that that will bring.

Yesterday and in parallel with today's session, Edinburgh has been hosting the second Scottish low-carbon investment conference, at which the First Minister and Al Gore are among the keynote speakers. The conference is fast becoming an important part of the international low-carbon

calendar, and it shows the significant position that Scotland is taking on the global stage.

I have with me Gabby Pieraccini and Andrew Henderson, both of whom work for the Scottish Government's energy and climate change directorate.

I am happy to answer members' questions.

**The Convener:** Thank you very much for that, minister.

What specific input, other than from the Committee on Climate Change, did the Scottish Government seek in developing the targets?

**Stewart Stevenson:** As some members will be aware, we met Adair Turner on Monday for an informal sit-down discussion about some of the background. The members who were present at that discussion will be aware that we have asked for further explanations of the background to the recommended figures that have been put forward. One of our officials, who is paid for by us and the Welsh Assembly Government, has been seconded to work specifically on targets that come from the Committee on Climate Change. We make substantial inputs into the process by that means and otherwise.

**The Convener:** Is there increasing knowledge of Scotland-specific information with regard to the calculations that are made?

**Stewart Stevenson:** I think that there is. It is worth noting that the smaller the area that one studies to calculate targets, the greater the distance there is between the upper and lower boundaries for potential outcomes. We seek to ensure that special provision—on peatlands, for example, which are likely to play a part in Scotland's response to climate change but are less important in other areas of the United Kingdom—is part of the Committee on Climate Change's thinking.

**Alex Fergusson (Galloway and West Dumfries) (Con):** Good morning. This is probably a bit of a daft laddie question, for which you should forgive me. It strikes me that in any savings exercise, the greatest savings tend to be made at the start when it is easier to identify and hit on particular items. In the targets for 2023 to 2027, that seems to be reversed: the percentage savings are less to begin with and then they increase. Can you explain why that is the case?

**Stewart Stevenson:** I do not think that it is a daft laddie question; it is very relevant. Many of the initiatives will take a long time to deliver. The most obvious example that everyone will understand is the replacement of our electricity generating capacity, which is currently focused on two coal-powered stations, a gas-powered station, a couple of nuclear stations and a substantial

inherited capacity in hydro power. It is clear that until we replace some of that thermal capacity, we will not make the necessary progress.

That will not happen overnight, for two reasons. First, the economic life of the existing capacity is not yet exhausted, and it would create difficulties if we were to make a transition before we had maximised that economic benefit. Secondly, it takes time to build the new capacity, so it should not be a huge surprise that the benefits will come further down the track.

The same is true for many other policies. We must also take into account the fact that the numbers that we use for reporting are running some two years behind the current calendar date, so there is a significant lag in that part of the equation. Alex Fergusson's question is therefore anything but daft, as we would expect to see the figures behave in the way that is described.

There is one point about the numbers that relates not to the draft order that is before us today, but to the order that set out the previous batch of targets, which show a reduction of 9.86 per cent for 2013. That is simply because of the change in the way in which the emissions trading scheme will work; it is a numerical change rather than a change in the actual environment. Occasionally the numbers can throw up those little surprises, which are not really about Government action.

**Alex Fergusson:** So the return on investment will just take a wee while to come through and show up in the savings.

**Stewart Stevenson:** That is correct. The programmes that will produce substantial offshore wind will take some time to deliver. We also have abatement initiatives such as woodland planting, by which we seek to increase the amount of Scotland's land mass that is covered by forest from around 17.5 to 25 per cent. It is clear that that will take some time, and the carbon capture that is associated with planting forestry has a profile over the life of the trees. Almost anything that we look at has a relatively lengthy timetable for delivery.

**Annabelle Ewing (Mid Scotland and Fife) (SNP):** Good morning, minister. I am looking ahead a wee bit to the second report on proposals and policies that the Scottish Government will be required to produce to indicate what we must do to hit the targets for 2023 to 2027. Can you give the committee a bit more information about the process for drawing up that document, with regard to whom you will consult, when it will be published and what resources you will put into such an important report? Perhaps you can explain how it all comes to pass.

**Stewart Stevenson:** I can certainly do that. I remind the committee that when we lay an order

that relates to setting targets, we are required to follow it up with a report on proposals and policies.

When we laid the order for the first set of targets, which take us through to 2022, we produced the RPP with which members are familiar. The current draft order on targets has been laid before the committee on the assumption that it will be passed, and we will then need to produce an updated document.

The timelines in the documents are similar to the periods that the targets cover. RPP2 will revisit what has happened in relation to the first set of targets, and address the second set of targets. On the question of method, the RPP is required to be laid before Parliament in draft for a period of 60 days so that Parliament can consider it, and we would expect the committee to play a leading role in examining our proposals and policies. The Parliament will provide the Government with a view on RPP2, and we will then lay a final version of the document.

On the timescale, we received feedback following the previous process to the effect that we should not introduce the draft RPP in a way that conflicts with the budget process timetable, so we expect the draft RPP2 to be laid in the first half of next year when the budget has been completed. We will continue to work on the exact date, but that is the broad timetable.

On the question of whom we will consult, we will hold a series of sectoral consultations to ensure that we understand the needs and opportunities that exist. We would expect, for example, that some of the proposals in RPP1 may not be carried forward to RPP2. Proposals will be prioritised differently in the light of new information, and others will appear, but the document will continue to serve the purpose of showing in aggregate what needs to be done to meet the targets.

The consultation will be conducted not simply by publishing the draft document but by running a series of workshops in advance of that, and by ensuring that we reflect the information and understanding that exists in business, in heavy industry, in the non-governmental organisations and of course in Parliament. We will then arrive at the 60-day period in which Parliament will assess the draft proposals that we publish after the budget and decide what it will say in response.

**Annabelle Ewing:** I thank the minister for his comprehensive answer. On the question of which proposals and policies will be included in the second report, how does the Government prioritise the policies that it will focus on? Is that just a function of the base targets?

**Stewart Stevenson:** That opens up an important discussion about what targets are for and why they are set in the way that they are. The

targets are challenging, and they are meant to lead the debate, but they are also meant to lead the search for policies and proposals that will enable us to meet those targets. In other words, the targets are not a reflection of what we already know is possible and what we can do—they set the challenge.

Therefore, when we consider what will be in RPP2, as happened when we created RPP1, the prioritisation process will be based on the need to meet the targets, which is a key factor, but equally it will be based on the timeline of opportunity that is associated with proposals and policies. An example that the convener and others have been interested in is peat. We have been working hard internationally and with the UK Government to ensure that peat is incorporated in the United Nations Framework Convention on Climate Change counting mechanism, which it currently is not. We expect it to be incorporated in Durban at COP 17, the 17th conference of the parties. That is important to us because, with that in the bank as part of the counting, there will be greater emphasis on using peat as part of what we might do.

10:15

This is perhaps the appropriate time to let the committee know that we have offered to host an Intergovernmental Panel on Climate Change wetlands meeting early in 2012, and the offer has been accepted. We are at the leading edge of working with the IPCC to work out the details of how peatland can make its contribution to the carbon agenda. I look forward to working with UK experts and others when that happens.

There is a mixture of being driven by the targets and by the opportunities. We should remember that we are talking about a report that covers a period up to 2027, so not everything will be described in detail. That is for good and proper reasons: there will be technical and policy environment change and the funding streams and how they become available to us will become known to us over that period.

**Jim Hume (South Scotland) (LD):** Our carbon emissions dropped in 2008 and 2009, but the Committee on Climate Change has reported that it expects to find that emissions rose in 2010; that is slightly concerning, as we will perhaps not meet the targets. However, we have yet to find out what the emissions were for that year. What actions has the Government taken to lock in the savings in 2008 and 2009 and to prevent the trend from being upwards rather than downwards?

**Stewart Stevenson:** We are at a 27.6 per cent reduction on the 1990/1995 baseline. That is two thirds of the way to the 42 per cent target, which is good news. The commentary on 2010 has

specifically been on the issue of heat, rather than the whole agenda. As I understand it, it is expected that the carbon emissions from heating homes will have risen in the light of a fairly harsh winter. That is no great surprise. When we look at individual areas of the economy and individual contributors to greenhouse gas emissions, we find that seasons and weathers have an effect. The line is never smooth—the targets are smooth, but the achievement will be jagged.

The bonus in the recently reported figures for 2009 is welcome. The Committee on Climate Change has indicated that it does not expect that the recovery of economic activity will result in our losing that abatement, because the policies that we have in place will ensure that we can exploit that benefit.

Through our energy assistance package, we have helped nearly 200,000 people on low incomes with energy bills in keeping their homes warm. Policies are not always simply about climate change—tackling fuel poverty is important, too. Our universal home insulation teams have undertaken 30,000 insulation measures and 6,800 households have had the latest efficiency boilers installed. We have also given consent to large quantities of renewable energy projects—44 since 2007—and between 2007 and 2009 we have increased by a third the proportion of electricity consumption that is met from renewables. These are all laying the groundwork to ensure that we are able to exploit and benefit from the minor bonus that stemmed from a substantial economic problem and which was reflected in the 2009 figures.

**Jim Hume:** Is there perhaps a mismatch between the aspirations of the budget, the annual targets and the RPP? After all, there have been cuts in agri-environmental schemes—including, as you have pointed out, in forestry—and in sustainable transport. As for the insulation targets that you mentioned, there are many who say that more should be put into that area. After all, heating accounts for 52 per cent of UK energy use. I do not have the specific figure for Scotland but I imagine that the figure will be even higher.

**Stewart Stevenson:** Let me make an important point that I have not yet raised. Climate change is not being tackled with Government money alone; in fact, others will spend substantially more money on it than Government will. For example, I understand that Scottish and Southern Energy expects to make investments of £1.5 billion in each year going forward. That is, of course, subject to confirmation; I might have to check that figure, but that is the figure that I have in my head. As a result, the RPP sets out not only what we are doing but what others will be doing.

Almost £200 million is being put into sustainable housing over the next three years; £69 million is being invested in reducing the impact of transport; £100 million from the futures fund is being spent on warmer homes and future transport; we have a budget of more than £40 million to expand woodland creation to 10,000 hectares a year; and there is £70 million for the zero waste programme. Even in these very difficult and challenging times, we are making substantial investments that, of course, should be coupled with the substantial efforts that the private sector is making to decarbonise. For the next five to 10 years, reducing energy consumption, improving insulation and so on will bring economic benefits for many businesses. In addition to Government efforts at all levels—European, UK, Scottish and local—the many quick wins that are to be had out there are contributing to the reduction of greenhouse gases.

**The Convener:** Last week, Dr Andy Kerr told the committee:

“It is worth noting that until a Government has 100 per cent control over emissions through its policies, say through trading schemes and so on, there will always be volatility year to year.”—[*Official Report, Rural Affairs, Climate Change and Environment Committee*, 21 September 2011; c 153.]

Do you wish to comment on that?

**Stewart Stevenson:** Given that 40 per cent of our emissions come through the European Union emissions trading scheme, that is clearly an area in which we have no power but some influence. At the last environment council that I attended with Chris Huhne and Caroline Spelman—[*Interruption.*] Perhaps I should roll back a bit. The current EU target is 20 per cent by 2020. The European Union has committed to move to 30 per cent—if others make a move.

We want to persuade the European Union to commit to a 30 per cent reduction before others make that commitment, because that will change the international agenda. At the most recent environment council, there was a discussion that would have led to a weak commitment to that, although that would have been an improvement on the target of 25 per cent. However, part of the work that the UK ministers and I were doing was meeting, in the margins of the environment council, many of the countries that were represented there in order to gain their support for that commitment. We managed to move two countries' positions and the UK managed to move probably four countries' positions, and we ended up with 26 out of 27 countries prepared to sign up to that commitment.

The one country that did not sign up is Poland. Poland has substantial problems, and I understand why it takes that position. Ninety-five



per cent of its electricity is produced from coal in pretty old and inefficient power plants. We have, nevertheless, made substantial progress—Poland did not expect to be the only country on what we would regard as the wrong side of the argument. I have, in the past few weeks, met both the Polish finance minister and the Polish environment minister and have had useful discussions with them.

Scotland is not doing this on its own; an alliance of other countries is involved, including the UK, Germany, Spain, Denmark, Portugal, Sweden and Greece. A number of major international companies have also signed up to the WWF petition, including Google, Ikea, Coca-Cola, Unilever and Marks & Spencer. A lot of movement is taking place that will change what is happening with the 40 per cent that we cannot control but which we can influence.

This is a difficult point to get across. Because of the profile on the 20 per cent target for the European emissions trading scheme, we already know what our numbers will be, although that is quite independent of what we will end up doing. We expect to make a much bigger contribution to the reduction of carbon dioxide emissions within the European emissions trading scheme than we will benefit from in our numbers. There will be economic benefit, as we will be able to sell our allocated share of carbon dioxide to those who are polluting, but that does not benefit the Government or our numbers. That is a substantial amount that we do not directly control, but we will continue to try to influence other countries. The UK Government is in exactly the same place—let us not pretend that it is otherwise.

The next opportunity for discussions will be the next environment council in Luxembourg, at which we will discuss how the European Union will approach COP 17 in Durban in December.

**The Convener:** That is very helpful, minister. Thank you.

**Graeme Dey (Angus South) (SNP):** Dr Andy Kerr also touched on the fact that we have moved beyond the stage at which Government can simply say that it will spend money on the problem. We need to get individuals and communities, as well as businesses, to invest in the measures. What has the Scottish Government done to encourage that by getting the framework and the structures in place and by removing the impediments to that involvement—I am thinking specifically about the areas of planning and information—so that community groups, for example, are not constantly reinventing the wheel?

**Stewart Stevenson:** In the previous parliamentary session, the climate challenge fund produced money for 461 projects—I am pretty

sure that that is the number, but I might need to get back to you on that. *[Interruption.]* I am advised that it was 461 projects across 345 communities—I will use the big number if you do not mind. That has created a huge sense of engagement among communities. Some of the grants have been very big, some have been modest and a substantial proportion of them are leading to the outcomes that we were looking for. Because we are pushing the boundaries, some may show us that certain options may turn out to be dead ends—at least at this point, although they may become more fruitful at a later point.

10:30

We have a public engagement strategy and we are already working with a range of people. I spoke at a conference on climate change for Young Scot. Today, I met people from keep Scotland tidy, which works to minimise waste and to keep our towns and cities tidy and attractive. We are developing a series of social marketing campaigns. We are providing support through Scottish Business in the Community. The carbon masters programme has identified potential cost savings of around 600 tonnes of carbon dioxide equivalent a year. We are doing research on the impact of workplace initiatives on low-carbon behaviours. It is clear that we are doing a lot of different things. In addition, the public engagement strategy requires to be reviewed within five years of publication. The current strategy will be reviewed at the end of this year, and we will look at opportunities for a refresh thereafter.

**The Convener:** Thank you very much. We now move on to the first RPP.

**Richard Lyle (Central Scotland) (SNP):** Good morning, minister. I have two questions. There are always climate change inquiries in my mailbox. You mentioned RPP1 and RPP2. Can you assure the committee that RPP1 will be delivered in full? Approval of the proposed targets for 2023 to 2027 could be viewed as something of an academic exercise unless the Scottish Government decides to purchase carbon credits.

**Stewart Stevenson:** I draw the committee's attention to the fact that RPP1—it is not actually called that; that is shorthand—covers the period up to 2022. That was the period that we set targets for, which the Parliament agreed in autumn 2010.

When we replace RPP1 with RPP2, we will look again at the period from now until 2027, so some of the things that are in RPP1 that might have been done in—just for the sake of argument—2019 will look different in RPP2. The objective of having a report on proposals and policies that, in aggregate, shows how you can get there and what

needs to be done will be met by RPP2, as it was by RPP1.

When we are looking at long-term planning—RPP1 and RPP2 are long-term planning documents—it is inevitable that the detail will have to be and should be modified in the light of emerging understanding, the development of new technologies and difficulties in some areas that mean that things that we thought would come good will come good later than expected. We would expect to see changes in the detail, but there should not be a change in what the objective is, which is to show how it is possible to deliver on the targets that I hope the committee will support today and on those for the period up to 2022, which the Parliament supported previously.

**Richard Lyle:** With the greatest respect, I asked whether you could give us an assurance that the RPP1 targets will be met.

**Stewart Stevenson:** Oh yes—I can give that assurance.

**Richard Lyle:** Thank you.

Do you agree with Stop Climate Chaos that there is a real danger that some policies—on energy efficiency and transport, for example—are already in danger of not being delivered?

**Stewart Stevenson:** It comes back to whether the document will meet its objectives in the round. We are spending significant amounts of money on energy efficiency. I come back to the point that it is not simply about what the Government spends, but what it facilitates and how we work with others. One of the groups that we work with is the 2020 group, which is essentially a group of key businesses. Increasingly, work is being done with businesses across Europe to ensure that the carbon agenda is not left to Government. It is too big an agenda for Government to tackle it alone.

Our job is to describe what needs to be done. Our job is to promote and take forward those activities for which we can be responsible. Our job is to deconstruct barriers that stop others being able to take forward initiatives that will enable us to remain on the trajectory, which, as I said in my opening remarks, should take us to 60 per cent reduction by 2030, which is about the mid-point between the position that we are in now and 2050, when we have the 80 per cent target. You have to look at the thing holistically, rather than at the details.

We continue to make investments that address all the points that Stop Climate Chaos Scotland has been making. For example, there are the universal home insulation scheme, the futures fund for emissions reductions, warmer homes and the solid wall insulation pilot scheme, which Mr Ewing announced just last week. We will see a

series of announcements over time, as we bring forward the policies that will help us to deliver on RPP1 and, of course, contribute to what we will read in due course in RPP2.

**Jim Hume:** One of the targets in the RPP is almost a doubling of the carbon abatement within the housing sector between 2011 and 2012. I think it goes from 97 to 223 kilotonnes. Can we be assured that that target will be met in 2012?

**Stewart Stevenson:** We do not have targets in the RPP at all. Targets are what are in the orders in front of us. What we have in the RPP are proposals and policies. I am not quite sure that I recognise what the member is saying.

**Jim Hume:** Oh well. I will write to you.

**Stewart Stevenson:** The minister knows 99.9 per cent of everything, but there is always the odd bit that he does not know. It would be unwise to assume that he knows 100 per cent. I would be happy to interact with the member.

**The Convener:** Perhaps you could reply to the committee.

**Stewart Stevenson:** Of course, convener.

**Elaine Murray (Dumfriesshire) (Lab):** I want to return to something that Jim Hume touched on earlier, which is the question of how you align the budget and the economic strategy with the RPP, particularly the first RPP. As Jim said, this year's budget for the agri-environment scheme is being reduced. How do you calculate the expenditure in different areas?

We will return to this when we look at the budget but, for example, it is reasonably straightforward when insulating houses to have a fair idea of how much energy you will save and, therefore, how much that would reduce carbon emissions. In other areas, the science is much more complicated, as you know. We all hope that forestry planting or peatlands will come into the equation, but the science of that is fairly inexact at the moment. Can you say more about how you make those sorts of decisions and how you align the budget and the RPP?

**Stewart Stevenson:** That is an absolutely fair point to make. We should remind ourselves that the financial review that we have just gone through covers a three-year period, whereas the report on policies and proposals covers the period right up to 2022. You will not see an alignment of the budgets with RPP1 until you get within three years or so of the end of RPP1. That is a rather obvious point—I absolutely know that the committee members will understand that.

We have to remind ourselves that not all the spending is Government spending. I have made that point a number of times, so I will not

particularly revisit it. We have made quite substantial achievements—I referred to the 200,000 people who have seen their energy bills reduce because of our energy assistance package. Simply making sure that we are supporting the pace of approvals for renewable electricity capacity is an important contributor to that. The number of consents between 2007 and 2011 were double the number for the preceding four years. Opportunities come along for doing that sort of thing, but it is important that we drive them forward. I think that we will see an increasing focus in the next few years on offshore renewables and see huge capacity there. I certainly know from some constituency conversations that I have had, as distinct from ministerial ones, that infrastructure planners are looking at as much as 6GW—roughly equivalent to Scotland's total consumption—from offshore wind turbines to be available to be exported. Huge numbers of things are happening that are not necessarily aligned to the timescales of the budget or the spending review that John Swinney has just brought to the Parliament.

**Elaine Murray:** As you said, there are many consents, but the problem is that there can be a considerable time lag between a consent being given and a project being up and running. It can be many years before some actually produce electricity and are at the stage of saving carbon emissions. How do you monitor what is happening with consents? What is the Government doing to monitor what is happening on the ground? Is it achieving what you hope to achieve from the first RPP?

**Stewart Stevenson:** There are several answers. First, I accept Dr Murray's point about consents being given and there then being a timeline for delivery. Indeed, there is the possibility that some consents will never be taken up as projects. That is the warp and woof of life in business, as one would expect. However, a substantial stream of consents and projects are being delivered. I will pick out some numbers in that regard.

The amount of electricity generated by renewable sources in 2008 was 22 per cent of the gross electricity consumed in Scotland, compared with 12 per cent in 2000. We are looking to get 30 per cent of energy from renewables by 2020, with electricity generating 100 per cent of demand; the interim target is 31 per cent of gross electricity consumed to come from renewable sources by 2011. We can compare that with the 22 per cent in 2008 and see that very substantial progress is being made. We are, of course, monitoring what is being delivered.

I have just twigged, as I look at the figures in front of me on heat, that I may have

misunderstood what Jim Hume said. However, production of heat from renewables has gone up to 2.8 from 1.9 percentage points in 2009, so that has doubled. It involves small numbers, but it is an important contribution.

We monitor what is coming out of the system because that is what matters at the end of the day, rather than individual projects. Of course, there are other issues that are more to do with planning and which are for planning authorities and the relevant ministers in the Scottish Government in relation to aggregate impact. In that context, it is important to realise what consents may not be operating, what the timelines are and, indeed, what consents may ultimately go forward, because that will influence decision-making in a planning sense. However, that is for others rather than for me.

**Elaine Murray:** When Lord Adair Turner and David Kennedy spoke to a number of us on Monday, they mentioned problems with some financial institutions that are still much more interested in investment in real estate than in carbon-reduction projects and so on. That is a potential barrier to achieving what is proposed. Are there other barriers? What sort of influence can Government have in getting over such barriers?

10:45

**Stewart Stevenson:** Today's conference on financing is an excellent example of Government taking the initiative and working with others. I am not quite sure that I would tune into David Kennedy's view that is difficult to get money for renewable projects and that money is going instead into real estate. If anything, the experience is that the traditional lending institutions are seeking to reduce the proportion of their lending that is secured against conventional offices and houses. There is an enthusiasm for good-quality renewable projects with a clear long-term timeline for what they will deliver. That illustrates why it is important that one has consistent, reliable Government policies in the energy sector over the long term as a whole and why it was particularly unhelpful for the previous generation of energy industries that the tax regime for North Sea oil suddenly changed, given the fact that the timeline for returning money on projects in that sector—it is the same for renewables—depends on a consistent view of what Government policy will be over the long term. There is a clear message that the current UK Government should think about taxation policy and its energy policies generally.

A significant number of companies have come to Scotland to invest in research and development and, we hope, production and manufacturing as well. The traffic lights are pretty much set at green

all the way down, although there will be challenges to come—there is no doubt about that. There seems to be substantial capital out there. The problem for people who are sitting on capital that they want to invest is in finding projects that meet their criteria. Some committee members were at the meeting that I had with Adair Turner on Monday. Financial institutions are beginning to recognise that there is greater value in securing lending against property that is environmentally sustainable over the longer term. That is one of the first signs that there will be a shift—it may turn out to be sudden or it may be gradual—towards investments that are secured against projects that are sustainable environmentally as well as economically—the two are interlinked—in the long term.

**The Convener:** Let us move swiftly on. We have discussed the EU emissions trading scheme cap. In the RPP, you state:

“In the event that it becomes clear that the EUETS will not deliver the required trajectory within the required timescale, the Scottish Government will consider whether existing policies and proposals may be accelerated or expanded”.

What consideration has been given to accelerating the timescale for existing policies and proposals?

**Stewart Stevenson:** The European Union can change its target for 2020 at any time up to the day before and we will get the whole benefit, but that will be retrospective. The difficulty takes us back to our previous discussion, in this useful session, about the time lag between taking an initiative and getting the benefit from it environmentally. There comes a point at which we must assume that the European Union ain't going to change its targets to the extent that we think would be helpful. That time will come, but it has not come in the financial review period that we have just been through; it is likely to come in the middle of the period between now and 2020.

The question is the extent to which the European Union is likely to change its target. The discussions that I have had with other Governments have focused partly on what has happened in Germany. Chancellor Merkel and her Government have decided to close down their nuclear power stations. That has apparently led—I say “apparently” because I do not have a formal brief in front of me; this comes from conversations with a variety of people—to a gap in supply to meet Germany's electricity needs.

The Germans appear to be signing up for contracts with the French electricity industry, which has excess capacity. For Poland, Germany's neighbours to the east, that energy gap represents a huge opportunity. Poland has huge thermal energy capacity, although it is limited in other respects—it has some hydro power

potential but not much. In the discussions that I have had with people from Poland, we have focused on the fact that Poland will not really be able to sell its electricity to Germany unless it becomes greener than it currently is. The decision that Angela Merkel and the German Administration have taken is essentially environmentally driven, so it would be somewhat bizarre if Germany was then to buy electricity from somewhere that is probably the most polluting, outside of Bulgaria and Romania. Poland sees an opportunity in what Germany has done.

Poland is also a bit sceptical about the follow through on that because, 10 years ago, Germany announced that it was going to close its nuclear power stations, but it did not do so. However, Germany is likely to need to import electricity, which presents Poland with an opportunity, but it can capitalise on that only if it can re-engineer its existing quite elderly power stations. That requires a large investment and because the electricity industry in Poland is state owned, there will be some issues about where the funds come from. It is looking at ways of getting private funds to support its industry.

If all that happens, and the policies to make it happen are put in place, the dynamic of the European debate on what the targets should be will change. It will then be in Poland's interests to sign up to the environmental agenda so that it can be part of the potential supply of green electricity to Europe, and in particular to its neighbours in Germany, which has taken a particular policy decision.

I have become more optimistic in the past few weeks than I was a year ago about that dynamic, coupled with the fact that 26 out of the 27 members of the EU at the last meeting of the environment council supported a move that would have had support only just into double figures last year. There is a whole series of straws in the wind that suggest that we should not write off the possibility of Europe adopting a different target.

Interesting things are happening elsewhere. China has seven brand new carbon capture coal plants, so it is rapidly moving to an environmental agenda. India is beginning to pick up on the agenda, too. However, there appear to be some setbacks across the Atlantic and, given that a presidential election is coming up, I suspect that they will not be resolved until after that political contest has finished. We shall see.

There are encouraging, but uncertain, signs in Europe.

**Jenny Marra (North East Scotland) (Lab):** If the EU decides to keep its target at 20 per cent and we in Scotland do not meet our RPP

commitments, is money set aside to purchase credits?

**Stewart Stevenson:** I have a couple of comments. If the European target remains at 20 per cent, compared with 30 per cent, that translates into about 4 percentage points on our targets. That is what it boils down to. We can give you detailed workings if you want to see why.

The issue of purchasing credits will not arise during the current spending review so there is no budget for it.

**Aileen McLeod (South Scotland) (SNP):** The committee heard last week from several witnesses, including Scotland's 2020 climate group, that the general perception is that the EU is unlikely to move to a 30 per cent target before Durban and certainly will not do so in the short term. However, I am glad that the minister is optimistic that that target can be met at some point.

The 2020 climate group said that the point has been reached at which new policy initiatives that are additional to those in the RPP must be developed, in case the EU does not agree to the 30 per cent emissions reduction target. Does the minister agree with that group's statement?

**Stewart Stevenson:** I do not want you to overreact to my mild optimism about the European Union moving its targets. I say merely that I am more optimistic than I was a year ago, which does not mean that my ecstasy has reached stratospheric levels. That such a move is unlikely must still be in our longer-term thinking. On the other side of the balance sheet, subject to a considerable amount of further work that requires to be done, if peatland comes into the numbers, it might contribute in the order of 5 per cent. That is not in the figures.

I return to the general theme that has run through what I have said—that things change and continue to change. You ask whether we should develop further initiatives. That is precisely what we will do as we prepare RPP2, run our workshops, consult and take advice from Parliament and produce the final document.

I am trying to remember a saying—it is that optimists are never satisfied and pessimists are never disappointed. I suspect that being a little pessimistic on the subject is the safe place to be. That is the basis on which we will move forward.

**Graeme Dey:** Does the Scottish Government need to be more prescriptive with citizens, organisations and sectors? For example, the agricultural sector UK-wide accounts for 45 million tonnes of emissions. As we look to drive down emissions, do we need that sector to contribute more? If so, should that contribution be voluntary

or prescribed? What ideas does the Scottish Government have?

**Stewart Stevenson:** I have a few comments to make on that. Common agricultural policy reform, which is a major European initiative, will provide the opportunity to focus support for farming and to include the encouragement of climate change behaviours.

In the summer, I visited one of four climate change focus farms, down in the south-west—I see the former Presiding Officer nodding. The farm was organic—some suggest that organic farms are higher emitters than regular farms are, but I am not sure whether that is proven. It was interesting that simple steps were making an early difference there.

I will show members how low tech we can get. At that farm, the farmer has put a board on the side of the fuel tank for the farm vehicles. Whenever fuel is taken out of the tank, the amount taken and the vehicle that it was taken for are written on the board. As a result simply of recording the amounts against each vehicle, he has reduced fuel use substantially, without appearing to change what is done on the farm. By the way, he captures that information electronically by photographing with his mobile phone's camera the paper on the board when it is filled up and storing that image on his personal computer. Sometimes, incredibly simple measures can be taken.

11:00

I saw other low-tech stuff that the Scottish Agricultural College, or perhaps it was the James Hutton Institute—it was one or the other—is doing to measure emissions from fields. There is considerable uncertainty and a range of opinions about what is going on. We went to a field that had been newly sown with grass. Ploughing releases carbon dioxide, although they say that if you keep ploughing, after 10 years there is none to come out. Work is also being done on nitrates pollution, which is not only related to climate change—there are other issues associated with it. There is a lot going on in the demonstrator farms through which the farmers are benefiting by taking fairly simple steps.

We also have significant emissions from the rumens of bovines. Work has been going on to find out whether change in diet can reduce the amount of methane that comes out. A pill was produced by, I think, the Rowett institute of nutrition and health that dramatically reduced the amount of methane coming out of the rumens of cows, but the difficulty was that it adversely affected the conversion of cellulose into useful energy for the beasts. So there was less methane,

but the cows were very thin. That was probably one of those dead ends in research.

**The Convener:** Too much information.

**Stewart Stevenson:** Most people think that the methane comes from the other end of the beast, but it does not—it comes out of the mouth.

**The Convener:** That takes us to the end of our questions.

We now move to agenda item 3, which is the formal debate on motion S4M-00909, which calls on the committee to recommend approval of the draft Climate Change (Annual Targets) (Scotland) Order 2011. The motion will be moved, after which there will be an opportunity for a formal debate on the order. Procedurally, that can last up to 90 minutes, but in practice most issues are covered in the evidence session with the minister, so the debate should not last that long. The Scottish Government officials cannot take part in the formal debate. I invite the minister to speak to and move the motion.

**Stewart Stevenson:** I take the implicit point that you are urging me not to speak for 90 minutes, and I see support for that among members. Therefore, I merely formally move the motion in my name.

*Motion moved,*

That the Rural Affairs, Climate Change and Environment Committee recommends that the Climate Change (Annual Targets) (Scotland) Order 2011 [draft] be approved.—  
[Stewart Stevenson.]

*Motion agreed to.*

**The Convener:** I thank the minister and his officials for their contribution.

We will have a brief break before we move on to the next item, which is also on subordinate legislation.

11:03

*Meeting suspended.*

11:04

*On resuming—*

## Subordinate Legislation

### Inshore Fishing (Prohibition of Fishing for Cockles) (Solway Firth) (Scotland) Order 2011 (SSI 2011/319)

**The Convener:** Let us proceed rapidly with agenda item 4, which is subordinate legislation. The committee has to consider three negative instruments, as listed on the agenda. Members should note that no motions to annul have been received in relation to the instruments. I refer members to committee paper RACCE/S4/11/6/2. The first instrument is the Inshore Fishing (Prohibition of Fishing for Cockles) (Solway Firth) (Scotland) Order 2011 (SSI 2011/319). Is the committee agreed that it does not wish to make any recommendations in relation to the instrument?

**Alex Fergusson:** As I intimated to the clerk earlier in a telephone call, I have some reservations about the order. I do not, at this stage, wish to move a motion to annul, but I have a number of concerns, not the least of which is the handling of the matter by the Government and the late laying of the order.

The Government stated in its response to the Subordinate Legislation Committee that it has been engaged in discussions with stakeholders. I would like to know whom those discussions were with, where they led and why the parties were unable to reach agreement. There is a considerable lack of detail in the Government's response. The subject is one that my constituents are not slow to raise with me—I am sure that Elaine Murray's are the same—yet I have not had representations from any of the stakeholders who have been involved in the discussions, although Dr Murray might have had. Therefore, I would like more detail on the discussions before I am prepared to rubber-stamp the instrument.

Back in the first session of Parliament, I think, the issue was discussed extensively by a predecessor committee. It received considerable evidence—although I appreciate that it was not entirely scientifically based—that there was potential to have a sustainable cockle-fishing industry on the Solway, especially if it were confined to hand gatherers. There was talk of up to 100 permanent jobs being possible in the area.

One of the problems of cockle fishing, of course, is policing. Paragraph 2 of the committee paper states that,

“unlike the 2006 Order, this Order does not allow hand gathering of cockles for personal consumption. This is so that the Order can be enforced as effectively as possible.”

Frankly, given the length of the Solway coast and the lack of any resident policing authority along it, that will be impossible to police.

One of the problems, over the past number of years, has been the lack of policing of what has been happening, with the result that there is considerable local evidence of poaching and related issues. That has meant that the Solway Shellfish Management Association, whose remit was to regulate the fishery and to encourage a sustainable fishery, has, regrettably, completely failed to do so. There are several reasons for that. For instance, it is the only area in Great Britain in which suction dredging from boats is still allowed, which I find strange because the practice is very environmentally damaging.

A number of issues relating to the order, should, I feel be put to the Cabinet Secretary for Rural Affairs and the Environment before he comes before the committee. I am totally happy with and understand the Government's thinking, but I find it worrying that we are being asked to agree to what is supposed to be a temporary order that has no time limit on it—the previous order had a time limit on it. The Government has given reasons for that, but I do not find them entirely convincing. I seek more detail from the Government on the reasoning behind the statements that it has made in its letters to the Subordinate Legislation Committee and others.

**Aileen McLeod:** I concur. A lot of questions remain unanswered. As Alex Fergusson has said, the instrument is intended to be a temporary measure, but it does not seem to contain any provisions to achieve that objective. Paragraph 6 of the Executive note states:

“Once Marine Scotland Science has determined that stocks have recovered sufficiently, and subject to the requirements of relevant environmental legislation ... the fishery can be fully or partially reopened.”

When will Marine Scotland Science undertake that work? Who will agree an appropriate management regime? Unlike the 2006 order, the instrument prohibits the hand gathering of cockles for personal consumption and justifies that by saying that a blanket ban will allow effective enforcement. Is there any evidence that the provision in the 2006 order presented an obstacle to effective enforcement? A number of questions remain unanswered and we should write to the minister for clarification.

**Elaine Murray:** I agree with the Government—the last thing that I want is the reopening of an unregulated cockles fishery on the Solway. This is not just about the stocks; it is also about the danger to human beings. Even when the regulated

fishery was reopened, some of what we saw was horrendous. There was a lot of poaching. People were turning up in inflatable boats, having to be rescued and then going straight back out again. The impetus for people is that the product is so valuable. Once a fishery is open it is extremely difficult to control. There were a lot of issues previously, and I am with the Government in not wanting to reopen an unregulated fishery.

However, as Alex Fergusson and Aileen McLeod have said, there are a number of issues with the way in which the matter has been handled. Is it possible to prolong consideration of the order so that we can get some answers on those issues?

Like Alex Fergusson, I have had no representations, which is most unusual. Usually, once a fishery is reopened and people are applying for licences, we get surgeries full of people with complaints about licences and so on. We have not had the sort of traffic that we would normally have on this issue. I share the Government's concern about reopening an unregulated fishery and that is not what we want to achieve; we just want further information.

**The Convener:** We are still in public session, of course, and members have asked a lot of questions so far. We can get some of those questions clarified before we need to make a decision.

**Jim Hume:** I tend to concur with the three members who have already spoken, probably because we all represent the Solway region in some way.

I have been on parts of the Solway on which there are plans to seed cockles, to manage them in a proper farmed way, which is a totally sustainable form of cockle fishing. The order would effectively kill those plans stone dead. I am not sure whether Alex Fergusson is saying that we should defer a decision, but I think that we should defer it until we have had some good evidence.

**Annabelle Ewing:** In paragraph 7 of the Executive note attached to the order, the Government indicates that it wrote to those who held licences under the 2006 order, as well as other stakeholder organisations, setting out the position and inviting comments. It goes on to say that it had a limited response to that consultation and that the response was mixed. Other committee members' suggestion that we ask for more information about that stakeholder consultation is fair comment. The extent of the consultation was not clear and it is not particularly informative to say that the response was mixed. What was the response?

From a legal point of view, the order would extend the existing ban to cover hand collection

and would stay on the statute book until anything else happened. In that sense, it is potentially temporary. However, I agree with other committee members that further clarification of that point would be useful, including what the next steps would be for coming up with a management regime, and the timetable for those next steps.

The point on enforcement is a fair one but only up to a point because if the order is implemented, it will be a breach of it to collect by hand or in any other way, so there would be an automatic consequence of proceeding with that action. I mention that, as a lawyer by trade.

**Richard Lyle:** I totally agree with the desire to defer a decision and with the request for further information. However, I am concerned about what it says in paragraphs 4 and 5 of the Executive note. Paragraph 4 says that

“The Solway Firth’s cockle stocks remain too low to allow the fishery to be fully reopened, or entirely unregulated”,

while paragraph 5 says that

“The objective of this Order is to allow sufficient time for cockle stocks to recover to levels which can be exploited sustainably”.

I am quite happy for members to ask for further information, but I am content with the order.

11:15

**Alex Fergusson:** I absolutely agree with Elaine Murray that the last thing we want is to reopen an unregulated fishery—that would be a fast route to disaster. However, local knowledge reveals that there are areas in the Solway where cockle stocks are more than sufficient. That is admitted to in the Government’s letter to the Presiding Officer, which refers to pockets that could be reopened.

Jim Hume made the important point that there are initiatives and people along the Solway who are keen to undertake seeding projects to develop an aquaculture industry there. In his introduction to the common fisheries policy debate last week, the cabinet secretary spoke of the importance of encouraging our aquaculture industry. There is an important resource in the Solway that has been mismanaged only because of an understandable desire to include all stakeholders along the banks of the Solway, which is incredibly difficult, as all of us who have been involved with the issue appreciate. That big issue will be completely hit on the head if we cannot get some answers to the questions that members have raised.

**Elaine Murray:** I have another piece of background information on something that may have a bearing on why the Government felt that it had to lay the order. The licences were issued by the Solway Shellfish Management Association, which, because the fishery has been closed for a

period of time and no licence money has been coming in, was supported by the Government and Dumfries and Galloway Council for a while but has now packed up. Therefore, there is nobody who can issue licences at the moment. We need to ask the Government how that will be dealt with in the future. It may be that we cannot have anybody fishing for shellfish in the Solway because there is nobody to issue licences just now.

**Richard Lyle:** Alex Fergusson could stand next to the bridge and issue a slip.

**The Convener:** I ask members to address their remarks through the convener.

**Richard Lyle:** Sorry, convener—I was just being flippant. I said that Alex Fergusson could stand at the side of the bridge and issue a slip.

**Elaine Murray:** We could ask the Government how it is going to handle the issuing of licences and the policing of the fishery if the fishery reopens.

**The Convener:** I will sum up members’ views. We note that the order has been in force since 15 September and that, if we want to alter things, we need to get further information. The *Official Report* of this meeting will be available only at the beginning of next week; therefore, I propose that I write to the cabinet secretary with the concerns that members have raised and reinforce that using the *Official Report* when it is available. As Richard Lochhead and his officials are coming to the committee next week to speak on other matters, we can ask that he bring officials who can speak on this matter so that we can question them at that stage. That will allow us to decide whether we want to lodge a motion to annul the instrument.

**Alex Fergusson:** Such a motion would have to be lodged next week, convener—is that correct? Can we confirm that?

**Lynne Tullis (Clerk):** If there were a motion to annul, on the basis of our current timetable it would need to be lodged by next week’s meeting. However, the motion would not need to be moved once it had been lodged if members were satisfied with what the cabinet secretary said. The other way around the issue would be to schedule an additional meeting.

**Alex Fergusson:** Not a good idea, but thank you for the advice.

**The Convener:** I am glad to see that cockles have moved up the political agenda and that members across the parties are concerned about the issue. That should allow us to make up our minds about whether we need to take further action next week. Is that agreed?

**Members indicated agreement.**



**Bananas (Enforcement of Quality Standards) (Scotland) Regulations 2011 (SSI 2011/325)**

**Bees Diseases and Pests Control (Scotland) Amendment Order 2011 (SSI 2011/326)**

**The Convener:** We have two other items of subordinate legislation to deal with. There have been no notes from the Subordinate Legislation Committee on SSI 2011/325 or SSI 2011/326 and no motions to annul have been lodged. I take it that the committee agrees that we do not wish to make any recommendation on the instruments.

**Members** *indicated agreement.*

**The Convener:** We may want to look into the issues at some point, but we are content with those pieces of subordinate legislation.

I now close the public part of the meeting and we will have to clear the public gallery. I apologise to those who have arrived very recently, but they have learned more about cockles than they might have known otherwise. The next meeting of the committee will be on 5 October.

11:20

*Meeting continued in private until 11:39.*



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