

# **ENTERPRISE AND CULTURE COMMITTEE**

Tuesday 4 November 2003  
(*Afternoon*)

Session 2

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## ENTERPRISE AND CULTURE COMMITTEE

### 8<sup>th</sup> Meeting 2003, Session 2

#### CONVENER

\*Alasdair Morgan (South of Scotland) (SNP)

#### DEPUTY CONVENER

\*Mike Watson (Glasgow Cathcart) (Lab)

#### COMMITTEE MEMBERS

\*Brian Adam (Aberdeen North) (SNP)

\*Mr Richard Baker (North East Scotland) (Lab)

\*Chris Ballance (South of Scotland) (Green)

\*Susan Deacon (Edinburgh East and Musselburgh) (Lab)

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

\*Christine May (Central Fife) (Lab)

\*Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD)

#### COMMITTEE SUBSTITUTES

Mark Ballard (Lothians) (Green)

Rhona Brankin (Midlothian) (Lab)

Mr David Davidson (North East Scotland) (Con)

Fiona Hyslop (Lothians) (SNP)

George Lyon (Argyll and Bute) (LD)

\*attended

#### CLERK TO THE COMMITTEE

Judith Evans

#### ASSISTANT CLERK

Seán Wixted

#### LOCATION

Committee Room 2



## Scottish Parliament

### Enterprise and Culture Committee

*Tuesday 4 November 2003*

*(Afternoon)*

[THE CONVENER *opened the meeting at 14:02*]

### Item in Private

**The Convener (Alasdair Morgan):** The committee is quorate, so we will begin. The first item on the agenda is to agree to consider item 4, the committee's draft report on the budget, in private. It is normal procedure for us to consider such reports in private. Is that agreed?

**Members** *indicated agreement.*

## Work Programme

14:03

**The Convener:** Item 2 is consideration of a paper that has been circulated to members on our work programme from now until Christmas. We are in the final stages of our inquiry into the introduction of top-up fees. We have already agreed that our next two major inquiries will be into renewable energy, and business growth and entrepreneurialism. We have also stated our desire to undertake an inquiry in the field of culture. The paper puts forward some ideas about how we can progress with those areas of work. We have also agreed to consider the intermediary technology institutes and to hold an evidence session with the Bank of England.

We have a separate paper on renewable energy, which is a separate item on the agenda. The business growth inquiry is slightly more complex. It is, potentially, a very broad area for investigation. Many initiatives in that area are fairly fresh or have resulted from decisions of our predecessor committee. There are significant areas for us to consider before we establish a remit. I wonder whether it would be a good idea for us to have a briefing session with representatives of the Scottish Executive, Scottish Enterprise and Highlands and Islands Enterprise to help us to focus on what we want to investigate, rather than for us to draft a remit right away.

**Brian Adam (Aberdeen North) (SNP):** The only difficulty with our hearing from witnesses from the Executive and the enterprise agencies is that they would be trying to steer us in particular directions. I thought that our role was to scrutinise what they are doing and to look for gaps in that. I have no difficulty with hearing what they have to say, but I am worried that they might wish to steer us away from areas with which they feel uncomfortable.

**The Convener:** That is a reasonable point, although I am sure that we could resist their blandishments.

**Murdo Fraser (Mid Scotland and Fife) (Con):** I concur with what Brian Adam said. Given that the enterprise companies run the business gateway, which used to be called the small business gateway, they will try to defend the status quo. Perhaps we will end up with the status quo, but we have to consider other options. If we are going to have an informal briefing, we should at least bring in people from business organisations or chambers of commerce, for example, who might have a different viewpoint.

**The Convener:** I am anxious not to turn the informal briefing into the inquiry itself, which is the

danger if we go too far down that road and open it up to everybody to come and talk to us. I want to narrow it down and hear from just one or two bodies. If we start talking to business, we might wonder where we should stop and to whom else we should or should not talk.

**Christine May (Central Fife) (Lab):** I agree that whoever comes to talk to us will put their particular slant on issues. The business gateway is delivered by the economic development people from local authorities, so perhaps if we got a view from the Convention of Scottish Local Authorities as well, we might get the warts-and-all brief that we seek. There is no harm in adding in a representative from the chambers of commerce. That would give us four folk who might well represent the broad spectrum of views across the business sector.

**Brian Adam:** Once we get that far we are into the inquiry itself, are we not?

**Christine May:** I would not have thought so.

**Mike Watson (Glasgow Cathcart) (Lab):** To some extent Brian Adam is contradicting himself. The point is that the briefing that the Executive and Scottish Enterprise would take part in would be informal, and we would decide what weight to give to various aspects of what they told us and use that to frame our inquiry. We would not be taking formal evidence. I am not quite clear what COSLA would add. It might be better, as a starting point, to hear from Scottish Enterprise, for obvious reasons, and from the Executive so that it can put its strategy to us. COSLA could well come in at that stage, but we have to remember that we are talking about an informal briefing, rather than something that will be the subject of a report.

**The Convener:** The session will grow like Topsy unless we stop it. It was supposed to be a short briefing to establish some of the facts, rather than opinions. It was intended to help us to focus on what struck the clerks and me as a fairly broad area. It was difficult to focus immediately on the remit with which I could come to the committee in the first instance. We could have the briefing, provided that we agree that we will not allow ourselves to be contaminated by what the Executive and Scottish Enterprise say to us.

**Mike Watson:** We are big boys and girls.

**The Convener:** I think so. With those caveats and given that this is all on the record, are members happy with the recommendation in the paper?

**Members indicated agreement.**

**The Convener:** We will move quickly on to tourism, culture and sport. The committee has also expressed a desire to focus on an early inquiry in the field of culture. The Scottish Parliament information centre has identified more than 20

bodies that it thought could reasonably expect to be involved in such an inquiry. A number of issues that we might wish to consider as inquiry topics are included in the paper.

Given the breadth of our responsibilities, it might be sensible to have a fairly broad-based culture inquiry, so that we do not close off our options before we start. A review of the Executive's cultural strategy, which is now some years old and therefore up for review, was an idea that presented itself to me. That strategy covers most of the areas in our culture remit—we could always ask why the strategy does not cover those areas that are not included. That could give us the broadest possible perspective, without involving us in having to make any difficult decisions before we start the inquiry. I invite members' thoughts.

**Murdo Fraser:** That points to the problem—the fact that the cultural strategy is so broad and covers so many different topics means that an inquiry into it will skim the surface of everything to such a shallow degree that it will be virtually pointless or will end up focusing on one or two things. In my view, it would better to focus on one or two aspects and to examine them in detail. The cultural strategy covers so many different aspects that to consider it in an inquiry would be meaningless, because we would not be able to get any depth.

**Mike Watson:** I have a similar view. After three years, it is appropriate to examine the strategy, but an annual report on the strategy is published—the third one should be out now or very shortly, as in the past two years the report certainly came out in October. As part of a review, we might want to consider the annual report as a sign of what has been achieved.

Although assessing the strategy as a whole would be a major task to undertake, it is not something that we could not undertake. However, to avoid the pitfall of being rather superficial, which Murdo Fraser rightly identified, we would have to have a major inquiry that involved all the players. Even though the paper does not mention it, we should not forget that the cultural strategy covers sport as well, if not sport in its widest sense. For that reason, it would be better to focus on what the strategy's achievements are, which are supposed to be outlined in the annual reports. We could then examine an area in the strategy other than those that are the subject of review by the Executive, which are highlighted in our paper. If we were to have as broad a brush as the convener suggested, it is inevitable that we would not be able to draw any firm conclusions.

**Susan Deacon (Edinburgh East and Musselburgh) (Lab):** I agree whole-heartedly with what Mike Watson and Murdo Fraser have said. That gives rise to the question of what we should

focus on, which is a subject on which I have expressed my opinion in previous meetings.

I would very much like us to examine that dimension of the national cultural strategy that addresses activity at local and community level, whether in communities in the broadest sense, in schools or through voluntary activity and so on. With the greatest respect to the national arts bodies, such as the national performer arts companies, whose huge contribution I genuinely acknowledge and respect, there is considerable debate in the wider media and in public life in general in Scotland about those bodies, their problems, their challenges and their funding. It is much harder to get a platform for much of the work that takes place locally, which is at the heart of the national cultural strategy.

I know that that would make it harder for the clerks to find appropriate witnesses and so on, but I would like us to try to get behind that issue. Part of that would involve speaking to the Scottish Arts Council about how it is bending its funding support to support the kind of community-based endeavour that is strongly rooted in the national cultural strategy. I make that proposal as a potential dimension for us to pursue. I note the connection with our enterprise remit vis-à-vis the wider issue of the development of confidence and so on among young people. We touched on that at one of our first meetings.

14:15

**Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD):** I completely back what Susan Deacon said. If we go down the national companies route to excess, we will unwittingly fall into the high arts or elitist arts aspect of the subject. I agree with Susan Deacon. Art can touch and change young people in communities that are the poorest of our society.

I hope that we are going to look at the delivery of arts to young people in our schools. I very much hope that we will take a bottom-up rather than a top-down approach to the subject. I know that it is complicated for the clerks, but we should get into issues such as the fèisean movement and what is happening in terms of language, song and music. We should be getting into those organisations—they do exist—that get up shows for kids who take great pride in taking part in them.

One of the most enlightened appointments made in recent times was that of Bryan Beattie as adviser to the Minister for Tourism, Culture and Sport, Frank McAveety. I am not sure whether civil service rules preclude our doing this, but if we had an informal chat with Bryan Beattie, he could steer us in a tidy direction towards the witnesses who could be called and who could tell us what happens.

**The Convener:** We can take informal briefings from anyone we want, but it is perhaps going a bit far to take an informal briefing from a minister's adviser to tell us what we should investigate.

**Mr Stone:** Bryan Beattie has a great knowledge of the arts. He knows what is happening out there at the level that Susan Deacon and I are talking about.

**Christine May:** I entirely support what Susan Deacon said. It is appropriate that we consider this area. I recall from my time on the Scottish Arts Council lottery committee that the groups that operate in the communities are the most difficult to get funding to. Generally speaking, their revenue support streams are so poor that they cannot put forward a good economic case. The minister said that those groups are the groups that he wished to see being closely involved in the new national theatre strategy. As long as whatever we do complements or informs what the minister does in implementing his strategy, that can only be a good thing.

**Mike Watson:** There is a considerable amount that we could look at in the area of community cultural activity. The Scottish Arts Council has done a lot already: it has staff dedicated to that kind of work and it puts funding streams into that activity. There would be no difficulty in finding people to give us evidence.

It would be difficult and a bit unusual to have Bryan Beattie before the committee in his role as a special adviser. Nonetheless, Bryan is a special adviser because of his vast experience in the arts and particularly in community arts. If he were to be allowed to take off his special adviser's hat for the session, which I am sure that he would be well capable of doing, he could advise us in general and specific terms about some of the organisations that we are going to look at. What I am talking about is an informal session.

There is a lot that we could do. I feel that we could get a lot more out of an inquiry into what is happening in the community than we would by looking at the national companies or institutions. I do not advocate that we do that. This sort of inquiry could be much more worth while. We would be looking at an area that I do not think a committee has looked at before.

**The Convener:** We seem to be heading down a particular direction. Do members have any reservations about that?

**Members indicated disagreement.**

**The Convener:** I am conscious that we have talked about culture before. We return to the subject and then we seem to go off in another direction. In any event, there is another fortnight until our next meeting. We do not have a formal

meeting next week. The clerks and I will try to come up with a draft remit that encompasses what we have been talking about. If any member has any further ideas or wishes to amplify anything that they have said, I ask them to e-mail the clerks within the next seven days. We will be considering tourism once the ministerial group has reported. I note what Mike Watson is saying about the national cultural strategy including sport—is “including” the right word?

**Mike Watson:** It should encompass sport.

**The Convener:** Clearly we have to consider sport on an on-going basis.

The final major part of the paper has to do with our consideration of the budget. One problem is that formal consideration of the budget is a fairly time-constrained process. Given that almost everything in the remit of the Minister for Enterprise and Lifelong Learning and absolutely everything in Frank McAveety's remit is to do with the budget of another body, it is quite difficult to investigate the budget in such a short time. Should we adopt a longer-term process whereby, over the next four years, if we are all spared or at least not promoted—

**Christine May:** Or worse.

**The Convener:**—we try to examine most of the bodies that we have been talking about? By the time we get to the end of that process, we will know a fair bit about what those bodies do with the money that the taxpayer so generously gives them. Are there any comments?

**Mike Watson:** I have a comment on a general issue although it impacts on the heading of business growth and entrepreneurialism. As you are aware, the Finance Committee has initiated an inquiry into economic development. It seems to me that that is queering this committee's pitch. I speak as a former convener of the Finance Committee and of course our convener was a member of that committee for some time. I find it strange that the Finance Committee has gone into that area. I do not know whether that is something that you and the convener of the Finance Committee might discuss, but it seems to me that we should avoid any duplication. We will have to ensure that what we do does not get into the areas that the Finance Committee is considering.

**The Convener:** I had a conversation with Des McNulty about this and I am fairly happy that he is not going to stray into our remit any more than is almost essential for a committee such as the Finance Committee, which we could say has an interest in almost every aspect of government. I do not believe that there will be a problem and I am determined that we will not overlap. Committees are busy enough without duplicating what other committees are doing. We are aware of that and I will keep in touch with Des McNulty so that I know what is going on.

## Renewable Energy Inquiry

14:22

**The Convener:** We move on to the next agenda item, the draft remit for the proposed renewable energy inquiry. I have had a couple of amendments suggested to me that we will cover as we go through the brief.

Some of us have already attended briefings on renewable energy. There is a considerable amount of well-orchestrated opposition to wind farm proposals in certain parts of the country. Although the issue impinges on the planning system, which is not within our remit, the workings of the planning system could have a considerable impact on the Executive's ability to deliver on its targets, so we should not exclude it from our inquiry.

We want to cover as many aspects as possible of the development of electricity from renewable sources instead of talking about only, say, wind energy. We should also consider how the grid performs and how we produce electricity when the wind is not blowing, and so on. The inquiry should have as wide a remit as possible, which will allow us to get into as many areas of interest as we can.

**Mr Stone:** I have no doubt that, as you have said yourself, people will flood you with submissions or requests to put forward submissions. However, I am concerned that the inquiry should be balanced at all times. Although some groups are very vocal, others are less so.

Perhaps this is not the moment to ask this question. Should we make suggestions now on from whom we should take written or oral evidence, or should we make those suggestions to the clerks? For example, the Highlands and Islands Enterprise network would seem to be essential in that respect—indeed, there might be similar organisations in your part of the world, convener—as it is very much involved in the matter and has much to say about it.

Equally, if we hear from people who do not like the idea of wind farms or tidal energy, will we hear from experts or from people who have developed or constructed wind farms? I am just anxious that we have balance at all times, because that will allow us to produce a considered report that will advance the Parliament's understanding of the issue.

**The Convener:** I take that point. The inquiry is not about wind farms but about all aspects of renewable energy, and we are undertaking it not just because we have responsibility for energy, but because we have responsibility for enterprise and



the economy. We need to consider all aspects of the issue and to ensure that all points of view are represented. However, that does not mean that we will take evidence from everyone who has written to me. If that happened, the queue would be down to the end of George IV Bridge and beyond.

**Christine May:** Let us hope that if the queue continues over the Forth bridge the people in it pay their tolls.

**Mr Stone:** As long as it also stretches to the Skye bridge.

**Christine May:** Indeed. On the convener's point that the committee is responsible for examining not just the issue of renewable energy but its enterprise aspects and economic benefits, that is not stated in the remit—I apologise for not putting in that comment. Nothing in the remit sets the issue in its enterprise and economic context. Unless we do that, we will miss a significant body of evidence as well as the opportunity to have any significant influence or to make comments.

**The Convener:** Point taken. With that in mind and since specific amendments have been proposed—*[Interruption.]* I did not notice you there, Brian.

**Brian Adam:** Mike Watson rightly pointed out that the Finance Committee is examining an area that is of significant interest to us. It is somewhat dangerous for us to stray beyond the issue of the economy if we do not set matters in context. However, I do not think that we can examine the issue in isolation. For example, someone rightly mentioned planning issues. We need to specify all the important areas within the remit and to indicate within it that we will concentrate primarily on the economy, the continuous supply of energy and the balance of energy resources. It is up to others to examine the planning and environmental issues, because they do not fall within our remit.

I would prefer it if we knew exactly which aspects of the issue we should concentrate on before we set out on any road. I am not saying that we should ignore the other issues, but if we end up concentrating on planning or the environment, we will tread on other people's toes. As we can be sensitive about people treading on our toes, we should be sensitive in the other direction.

**Christine May:** Perhaps we could concentrate on sustainability.

**The Convener:** Perhaps the answer is that, when we consider areas where we are in danger of straying outwith our remit, we should examine them at a macro rather than a micro level. In other words, although we might conclude that there needs to be a robust planning framework, I do not think that we would need to go beyond such a

statement and get into the detail of that framework. Certainly, as far as the environmental issues are concerned, we should take it as read that the Executive has set a target of 40 per cent or whatever from renewable energy because of environmental reasons. Perhaps I am getting on to dodgier ground here, but we do not necessarily need to ask the Executive to justify that target on environmental grounds—we should take the target as read and ask about its consequences for what we are considering.

14:30

**Mr Richard Baker (North East Scotland) (Lab):** As Brian Adam and Christine May said, we need a clear understanding of, and we need to focus on, the economic context of the matter, although we will obviously consider the sector's environmental impact. Under "implications for the reliability of supply", I hope that we consider where current providers of energy are going and how they will play into the mix of energy provision. That issue has come home to me from discussions in other committees about, for example, Longannet power station's coming to an end earlier than we would have thought.

We should consider the possibility that we are restricting our potential base of energy supply and we should consider the people who provide that energy. Doing that would also be to focus on economic issues. When we consider witnesses, we should consider not just providers of renewable energy, but current providers. Scottish Power might be controversial. Perhaps it will have an idea of where pricing is going, as pricing influences its future, and an idea about the viability of renewable projects in future.

**The Convener:** I certainly do not want a remit that rules out issues that we should consider, which is obviously a danger if we try to draw too narrow a remit. Equally, if we give ourselves a broad remit, we must not use it to stray into matters in which we should not be involved. We will need to discipline ourselves. There will always be a temptation to stray widely as a result of the breadth and importance of the subject.

**Brian Adam:** People will soon know that we are having an inquiry into renewable energy. I am not singling out Views of Scotland because I support or do not support it, but if it gets wind of the fact that we are conducting an inquiry into renewable energy, it will inevitably have a view and will want that view to be heard. I would have thought that it was not appropriate for the committee to hear such views, but that—as Richard Baker mentioned—manufacturers of equipment and various power companies should give evidence rather than those with a particular interest in the environmental and planning side. I say that in case

we end up focusing more on environmental and planning processes.

**The Convener:** That is a fairly fundamental point, but I am not sure that I would like to go as far as that. Are you saying that we should not take evidence from anyone who wants to say that wind farms would be fine if they did not despoil the landscape?

**Brian Adam:** In essence, I agree with you that we should take it as read that goals for renewables have been set and that perhaps we should hear how those goals might be achieved and about the balance between the goals. However, I would not have thought that organisations whose primary interest is the environment or planning would be the first port of call for evidence, albeit that they might have something to contribute. Such organisations will not discuss the economy, enterprise and jobs that might be provided. Instead, they would discuss the consequences to society as a whole, although such consequences are important.

**The Convener:** I remind the committee that, at a meeting a considerable time ago, we agreed to put on hold a couple of petitions that had been sent to us about wind farms on the basis that we would have an inquiry later. As one might expect, the petitions oppose wind farms.

**Mr Stone:** I hear what Brian Adam says, but the fact is that the word about the inquiry is already out there—that is why the convener has been deluged by petitions and letters.

Mr John Campbell—is he not connected with Views of Scotland?—has already been in contact with the committee. I received a letter from him yesterday on this matter. There is a counter-argument to what Brian Adam says. Some people will say that wind farms will affect the economy of Scotland, will frighten tourists away and so on. If we do not hear from such people, we will be open to accusations of not listening to concerned people and of holding an inquiry that is not balanced, for the obvious reasons that I outlined earlier.

The clerks will have to do a lot of work sifting and trying to marshal all the different aspects of the inquiry so that we can have a relatively small number of evidence givers and avoid endless repetition. If those who wish to give evidence have to choose among themselves who will do so, it will impose a certain discipline on them. I again make the plea that we have a balanced inquiry.

**The Convener:** Regardless of how we frame the remit of the inquiry, any objector worth their salt will be able to frame their objection so that it falls within that remit. As Jamie Stone says, a commonly used argument is the economic one that wind farms spoil the view and scare the tourists.

**Murdo Fraser:** I will agree with Jamie Stone and take issue with Brian Adam. If we are having an inquiry into renewable energy, the public will not consider the minutiae of our remit but will expect the inquiry to be comprehensive. If we do not cover all the aspects, the public will ask what other committee will consider, for example, the environmental aspect or the planning aspect. Of course, other committees will not do that: if we do an inquiry into renewable energy, it will be the only opportunity for such a committee inquiry in this session of Parliament. We have to have a comprehensive inquiry. However, our main focus must be on economic development.

**The Convener:** Okay, we have kicked this around a fair bit. I suggest that we go through the draft remit, amending, inserting or deleting as we do so.

The first three paragraphs on page 1 are simply an introduction for the committee. The first paragraph of the remit begins with:

“There has been widespread support”.

Does anyone have any comments on the paragraphs on the first page, or are we happy to turn the page and discuss the meat of the remit?

**Christine May:** Can we come back to those paragraphs if necessary?

**The Convener:** By all means. Okay, we will go through the three bullet points on the second page. If anyone then wishes to add a further bullet point, by all means do so. The first bullet point asks whether the Executive targets will be met. Chris Ballance has suggested an amendment that I suspect will lead to a fourth point under that heading. Perhaps Chris, not I, should explain it, so that his meaning is exactly clear.

**Chris Ballance (South of Scotland) (Green):** I want to suggest insertions rather than amendments, because the draft remit is very good. However, there are two or three areas in which we could insert extra points. Under the first bullet point, I would suggest inserting, “What are the implications for production if the Executive’s targets are not met?”

**Brian Adam:** Production of what?

**Chris Ballance:** Of electricity.

**Brian Adam:** So you are not asking about the general economy, only power.

**The Convener:** I am not sure what the word is—is it a dash point, or something?—but Chris is suggesting that, after the third dash point under the first bullet point, we insert another dash point asking, “What are the implications for electricity production if the Executive’s targets are not met?”

**Christine May:** That is fair enough, but we are not confining our remit to the production of electricity; we are talking about energy. Could we find another word, Chris, that might achieve the same end but not be restricted to electricity production?

**Chris Ballance:** That is possibly why I did not use the word “electricity” when I was thinking about my suggested addition.

**Christine May:** Can we think of something that would cover the broad range of areas?

**The Convener:** We could just put, “What are the implications if the Executive’s targets are not met?”

*Members indicated agreement.*

**Christine May:** Earlier, I said that we should set the inquiry firmly in the enterprise and economic contexts. If that point does not go in the preamble, it should probably go under this first bullet point.

**The Convener:** So, you are suggesting a question along the lines of, “What are the implications of these targets for the economy?”

**Christine May:** Something like that.

**The Convener:** Or perhaps, “What are the opportunities and implications of these targets for the economy?”

**Christine May:** Yes, that covers the pros and the cons.

**The Convener:** Would that be reasonable?

*Members indicated agreement.*

**The Convener:** As we have consensus, we will move swiftly on to the second bullet point. Chris, do you have another suggestion to go under “global issues”?

**Chris Ballance:** It is another dash point.

**The Convener:** It is another subheading.

**Chris Ballance:** As well as global issues and local issues, I felt that there were two—

**The Convener:** Hang on; let us go through what is there first of all. Are we happy with what is under the “global issues” subheading?

*Members indicated agreement.*

**The Convener:** Chris, do you want to insert another subheading called “local issues”?

**Chris Ballance:** Yes. There are two local issues that are potential barriers to the Executive’s targets being met. The first question that I suggest should be inserted is, “What opportunities are there/should there be for local community involvement in and benefit from renewable energy schemes?” We have not considered the

community’s role in relation to its local wind farm development, for example, at all. To include that question would allow that aspect into the remit as a possible line of inquiry.

The other question asks whether Scottish Natural Heritage, which must comment on all proposals, and the relevant planning departments have the resources to make the planning system work and enable the Executive’s targets to be met.

**Mr Stone:** I warmly support Chris Ballance’s first suggestion. All rural members know that there is a cash question of the money stream that goes to communities. Some say that it is not what it should be—that it should be far more—and some say something else, but what if, in a 30-turbine development, the community owned one of the turbines or a 31<sup>st</sup> turbine? Where appropriate, that could be a wonderful way of making the money and the accounting much more visible and could underpin communities.

On his second suggestion, I think that all planning applications for developments for over 50MW require ministerial approval, rather than the local authority’s approval. The local authority is allowed to give an opinion, but does not actually say yea or nay.

**Christine May:** It is 40MW or 50MW.

**Mr Stone:** In my constituency, a number of truly huge developments are coming forward. I wonder whether the relevant Executive department has sufficient resource to handle that—I do not know the answer. I suggest that we add reference to SNH, planning departments and Scottish Executive departments.

**Brian Adam:** We could shorten the question and ask, “Are the resources in place to make the planning system work?”

**Christine May:** I would prefer that.

**Mr Stone:** Okay.

**Susan Deacon:** I am supportive of the sentiments behind, but uncomfortable with the detailed wording of, both suggestions. In light of the detailed points that Jamie Stone raised on the first one, I would like it to be reworded so that it is at least specifically about economic benefits, because local community involvement is widely talked about as an end in itself for all sorts of purposes and the question is too obliquely worded at the moment. However, I am happy to embrace the point.

I have two concerns on the second suggestion. One is about references to specific organisations, partly because the Executive has a role, as has been mentioned, and partly because the reference to the planning departments should more correctly be to the local authorities. My second, more

substantive point is that I find myself reacting automatically to the question “Do they have the resources?” as everybody always says that they need more resources for things. We could probably word the question better, in a way that would still get at the issue, which is a real one about the planning system’s capacity to deal effectively with those issues. I am sorry that I do not have an alternative formulation at my fingertips, but I would prefer something that asked a more open question to assess the planning system’s capacity to consider issues that arise from applications. Something of that order would be better.

14:45

**The Convener:** Okay. Do we agree that it makes sense to include something on local issues? We could certainly add the word “economic”, or some reference to economic activity.

I am not so sure about Chris Ballance’s second suggestion. First, I do not think that the planning system is a local issue; it strikes me as more of a national issue. Secondly, if we were to include what he suggests, we would be in danger of straying outwith our remit. Whether or not the planning system works, it is certainly well outside the remit of this committee. Problems with the planning system will come up in evidence, so I am not sure that we need to include the matter in the remit. If we do not include it, we would not be preventing someone from saying that the planning system is not working because it does not have the resources—if that is the case. However, I do not think that that aspect is important enough to be included in half a page that already encompasses a vast number of issues.

Does Christine May want to comment on that?

**Christine May:** Sorry, I wanted to raise a different point.

**The Convener:** Do we agree to include local issues under that point, albeit with the insertion of the word “economic”?

What about Chris Ballance’s second suggestion? I do not think that we need specifically to state what he suggests in the remit. We would not be excluding that type of evidence if it were to come up.

**Chris Ballance:** I hear your point. However, the point has been made to me that there are barriers in relation to the speed at which some of the statutory authorities can respond. Perhaps that will come up anyway as part of the question on what the current barriers are.

**The Convener:** I suspect that wind farm developers sometimes think that it takes for ever and a day to move their proposals forward.

**Christine May:** Could we not incorporate the word “constraints” into the bullet point? We are really talking about constraints. That would include capacity within the planning system or the consultation system and the relationship between the Executive’s national planning policy guidelines and local capacity to implement them—all those aspects could be incorporated into that point.

**The Convener:** What we are discussing might relate to the Subordinate Legislation Committee’s work this morning—perhaps members did not watch the meeting on their monitors this morning, for reasons that I can hardly understand. We have included illustrative, rather than prescriptive, lists under each bullet point and our illustrative lists do not necessarily exclude other items from consideration. If we make that clear somewhere in the remit, would that solve the problem?

**Chris Ballance:** Yes.

**The Convener:** Okay.

**Christine May:** I wanted to make a separate point. I apologise for not raising the matter when we were discussing global issues and I need to take the convener’s guidance on whether it is appropriate to raise it. The proposed Westminster energy bill, which is currently in consultation, must have some relevance to the economic case for renewables in Scotland. Am I treading on all sorts of toes by raising that matter?

**The Convener:** I suppose that we could expand the point about the renewables obligation to include the general legislative framework. That would cover anything.

**Christine May:** Proposed legislation is going through Westminster that will have a profound impact on the economic situation in Scotland and I think that it is only right that we take account of that.

**The Convener:** Okay. We will widen out the point to include that.

Do we want to add anything under the heading “examination by sector”?

**Mr Stone:** I do not know how members feel about flagging up the grid in that section or elsewhere.

**Christine May:** That is covered by the reference to the transmission network.

**Mr Stone:** Is it? I am sorry; you are dead right.

**The Convener:** Are you happy with that point?

**Mr Stone:** That was easily settled.

**Brian Adam:** We talked about local benefits, and many wind farms and other renewable energy projects will be on a relatively small scale. Once electricity is in the grid, it is in the grid, but the

further it is transmitted, the less value it has, because it is dissipated. Is there value in considering where electricity goes and whether electricity generation will provide a local economic benefit? We should at least doff our caps to the idea that we should generate electricity where it is needed and used, rather than somewhere far away in a safe environment where nothing can be polluted.

**Christine May:** Can we quote Brian Adam on that in debate?

**Brian Adam:** I am talking about an element that is more local than global.

**The Convener:** I am sure that that is a big issue that will arise throughout the inquiry, so I do not know whether we need to change the remit. Local generation for local consumption has implications not only for wind farms, but for hydro schemes. Many more large-scale hydro schemes are unlikely, but very small-scale hydro schemes have a clear role. That has an impact on the grid and on whether the grid is needed to the same extent, although the grid is needed in dry summers when the wind is not blowing.

Chris Ballance has an amendment about transport to the list for examination by sector.

**Chris Ballance:** My amendment would add just one word, but it is a large word. Christine May mentioned the concern that everything in the remit is about electricity, which represents less than 20 per cent of total energy in Scotland. Transport is a major matter for which renewable development is at an early stage and on which our research and development could have important knock-on economic benefits in the next 20 or so years, through measures such as the development of hydrogen cells and other methods of powering transport.

**Mr Stone:** That point is well meaning and I hear what you say. Are you talking about cars that are powered by chicken manure and that sort of thing?

**Chris Ballance:** No.

**The Convener:** That will be just for cars in Caithness. The rest of us will use fuel cells.

**Mr Stone:** The only trouble that I have is with where the line is drawn.

**Chris Ballance:** I think that hydrogen energy is more important. The line is drawn according to the serious development proposals on which developers tell us that more emphasis needs to be placed.

**Mr Stone:** Could that be the subject of a later inquiry?

**The Convener:** Chris Ballance has raised a fundamental point. Our inquiry relates to the

Executive's targets, which are clearly about renewable electricity generation—I say that subject to correction. The question whether we want to consider the totality of energy generation and consumption is valid, but the problem is that if we do that, we need not bother discussing the rest of our work programme for the next four years, because we will have enough to keep us going. That is the only caveat. If members want to go down that road, let us hear from them.

**Christine May:** If we are being practical, we can say that the biggest element of the debate will be renewable energy, which involves the production of power to put into the electricity grid. However, other elements that will probably be peripheral to the economic case should not be ruled out. We could get round that by changing the word "electricity" in the second indent of the list of global issues to the word "energy", because we are dealing with a global energy, rather than electricity, market. That would allow us to consider work that is being done in universities to develop hydrogen cells, which are probably still 20 years from any viable commercial application and will probably not be central to our inquiry in the way that power generation for homes will be. My suggestion does not discount the consideration of other issues. The issue is covered in the final indent, which mentions "non-electricity"—we should leave it at that.

**Mr Baker:** I take that point on board, but I highlight the importance of the direction of the electricity market and of the economic viability of future renewables schemes. We must not lose sight of those issues. The transport issue that Chris Ballance raised is hugely important, but, like you, convener, I am concerned about the breadth of the inquiry. We could spend a huge amount of time on the inquiry and it is important that we do justice to the issues that are laid out in the paper. We should not water down the amount of time that we can spend on those issues by broadening the inquiry too much.

**The Convener:** As Richard Baker said, we certainly need to leave in "the electricity market" as a separate phrase, because it is there to allow us to consider BETTA—the British electricity trading and transmission arrangements. The question is whether we want to provide flexibility—although we may already have it—by including a general point about energy consumption. That would allow us to cover the matter when we want to, although we do not intend to make it an overwhelming part of the inquiry.

**Chris Ballance:** I support Christine May's point. The issue will by no means be central, but it is important and we should not rule it out.

**The Convener:** Would it give too many hostages to fortune if we put energy consumption

as a fourth point under “global issues”? That would allow us to cover matters such as insulation.

**Christine May:** “Non-electricity” is mentioned in the final indent under “examination by sector”, beside “other/longer-term”. Perhaps that is sufficient.

**The Convener:** That is reasonable.

**Chris Ballance:** As long as that does not rule out someone saying to us that they would like Executive support on a certain issue. We might say that the issue is not relevant because it relates to transport.

**The Convener:** I do not think that the suggestion will rule out anyone.

The rest of the paper is just a little summing-up paragraph. To ensure that members are happy with the changes, we will e-mail them a copy of the revised remit. Members should respond if it does not reflect the discussions accurately. If no member suggests corrections, we will want to make it public that we have agreed the remit. Are members happy that we should do so before the next meeting?

**Members** *indicated agreement.*

**The Convener:** We have agreed to take agenda item 4 in private.

14:57

*Meeting continued in private until 15:37.*

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