



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

RURAL AFFAIRS, CLIMATE CHANGE AND ENVIRONMENT COMMITTEE

Wednesday 1 May 2013

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RURAL AFFAIRS, CLIMATE CHANGE AND ENVIRONMENT COMMITTEE
15th Meeting 2013, Session 4

CONVENER

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

DEPUTY CONVENER

*Graeme Dey (Angus South) (SNP)

COMMITTEE MEMBERS

*Jayne Baxter (Mid Scotland and Fife) (Lab)

*Claudia Beamish (South Scotland) (Lab)

*Nigel Don (Angus North and Mearns) (SNP)

*Alex Fergusson (Galloway and West Dumfries) (Con)

*Jim Hume (South Scotland) (LD)

*Richard Lyle (Central Scotland) (SNP)

*Angus MacDonald (Falkirk East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Bertie Armstrong (Scottish Fishermen's Federation)

Lloyd Austin (Royal Society for the Protection of Birds Scotland)

Steve Bastiman (Scottish Sea Angling Conservation Network)

Andrew Binnie (Community of Arran Seabed Trust)

Mick Borwell (Oil & Gas UK)

Annie Breaden (Crown Estate)

James Bromham (Convention of Scottish Local Authorities)

Calum Duncan (Marine Conservation Society)

Patrick Jordan (British Ports Association)

Lindsay Leask (Scottish Renewables)

Alistair Sinclair (Scottish Creel Fishermen's Federation)

Alyn Smith MEP

Cathy Tilbrook (Scottish Natural Heritage)

CLERK TO THE COMMITTEE

Lynn Tullis

LOCATION

Committee Room 2

Scottish Parliament

Rural Affairs, Climate Change and Environment Committee

Wednesday 1 May 2013

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

Decision on Taking Business in Private

The Convener (Rob Gibson): Welcome to the 15th meeting in 2013 of the Rural Affairs, Climate Change and Environment Committee on this May day. Happy May day to you all.

Members and the public should turn off mobile phones and BlackBerrys, because if they are left on flight mode or silent they can affect the broadcasting system.

Agenda item 1 is a decision whether the committee will take in private item 4, which is on a possible business planning event. Do we agree to take that in private?

Members *indicated agreement.*

Common Agricultural Policy

10:00

The Convener: Agenda item 2 is an evidence session on the common agricultural policy. Today, we take evidence from Alyn Smith MEP on the CAP reforms. I welcome Alyn to the committee, face to face, and I will invite members to ask questions. We will have a dialogue as we go along.

I invite myself to ask the first question. What are the benefits of the new CAP for taxpayers, farmers and the environment?

Alyn Smith MEP: Convener, committee members—thank you. It is great to be here to join up the two bits of this process. What you are doing domestically is crucial to our understanding of how we implement what we are deciding over in Brussels. It has taken long enough for us to co-ordinate diaries to get me here. I am impressed to see that you get croissants at your meetings; we have to struggle by with coffee. I am learning about how different Parliaments do things already.

There is a pretty good story to tell about the wider benefits of the new CAP, as opposed to where we are just now. We will see a much greater emphasis on rural development pillar 2-type activities. I have specifically sought out the shadow rapporteurship on rural development regulation. George Lyon, a fellow Scottish MEP on the Agriculture and Rural Development Committee, is the shadow rapporteur for his group on direct payments regulation. That pretty well represents where Scotland needs to be and the key dossiers for us.

On rural development, I stress that we are midway through the sausage-making process, so there is only so much that I can tell you that is definitive. However, I think that we will see a greater focus on rebasing the greening of CAP's environmental benefits.

Farmers are land managers as well as food producers, and the reason why our landscape looks the way that it does is because it has been actively managed by our land managers over the centuries. Scottish agriculture has made a massive contribution of environmental benefits that has not been recognised or rewarded. I think that CAP will be much more amenable to rewarding us for the best practice that in Scotland we have got going on in spades.

We will see a much greater focus on things such as rural development support for small-scale rural abattoirs, which I am keen on. That will cut down on journey times for slaughter, ensure that animal welfare—which is close to my heart—is better

maintained, and be good for short local supply chains, and thereby it will allow us to push towards niche, quality products, rather than volume.

We see a number of positive things coming through. There is a question mark over what the budget will be, but frankly in Brussels there is a question mark over what every budget will be. The budget will be hotly contested, but I think that we have a good story to tell about the overall legislative structure of CAP—pillar 1 and pillar 2—and I think that we will have a pretty positive outcome.

The Convener: So taxpayers can be happy that we will spend the money wisely.

Alyn Smith: I think so. If anything, I have been pushing the various folks in Scotland to be a bit more on the front foot about what we get back for our CAP spend.

With regard to economic development, some parties in the discussion forget that farms are rural businesses, employers and land managers. The direct payment element of the CAP payment is a direct subsidy into job creation and retention in some of our most fragile areas, and it is money well spent. Likewise, from pillar 2 funding we get vast benefits with environmental management and the countryside that we all enjoy.

We all eat food, and the key objective of CAP is to maintain the critical infrastructure of food production in these islands and on this continent. If we are dependent on foreign imports of T-shirts, it is no great problem if the global supply chain breaks down, but it is unwise for us to allow ourselves to be as dependent as we now are on imported food in a world that is unstable politically and climatically. Bits of the world are getting drier and bits of it are getting wetter, but all of it is becoming climatically more unstable. We have a petrochemical-dependent agriculture in terms of transport costs and fertiliser.

For us to allow our food production infrastructure to wither away, as is happening in parts of Scotland and across much of Europe, is ruinously short-sighted. CAP is about long-term food production and maintaining food production. That is a public good in itself. There is an awful lot more public good that stems from CAP as well. I will look any taxpayer in the eye and say that CAP spend is well worth maintaining and promoting.

The Convener: Thank you for that starter. I am sure that there will be much more detail in a wee while.

Angus MacDonald (Falkirk East) (SNP): Good morning, Alyn. It is good to see you here.

I do not want to dwell on specific issues, but you mentioned your views on local abattoirs. Clearly, there are issues with island slaughterhouses. The

Isle of Mull has had difficulties, the Isle of Lewis regularly reports an annual loss and we have seen the difficulties with Orkney Meats. Will you expand a bit on how you expect to be able to deal with those issues from a European point of view?

Alyn Smith: Sure. I proposed a number of amendments that were accepted in the March plenary vote on the rural development regulation. Forgive me while I run through the screeds of notes on them.

I stress that this is work in progress, but the European Parliament accepted a proposal that we encourage short supply chains and short animal transport distance to slaughter. The corollary to that is that we need to open up wider avenues of public support for small-scale rural abattoirs, even perhaps part-time abattoirs that would not otherwise be economic. We have opened the door to that.

The flip-side is that we will need to consider the state aid implications, because they have tripped us up a number of times in the past. If we set an objective in one dossier that is then tripped up by another, that is just silly—although sadly it is not unprecedented.

The problem in Scotland is not that we lack kill capacity. We have a problem with the market and where the supermarkets want their animals to be slaughtered. However, for the wider national and public interest, there is a clear case for opening up the door to avenues of support on the rural development side—pillar 2—for small-scale rural abattoirs, especially on the islands. That infrastructure is particularly under stress, which is regrettable.

Angus MacDonald: I certainly appreciate the fact that you are considering that issue.

The Convener: Let us move on to the wider question of money.

Graeme Dey (Angus South) (SNP): Where are we on the European Parliament approving the budget? Where is the process ultimately headed?

Alyn Smith: Upwards—that is about as good an answer as I can give you at the moment. The European Parliament claims a lot of relevance in the budget process, but it is worth remembering that it is the budgetary authority for how money is spent; it is not responsible for raising it. The money-in side is a member state discussion, and that is happening in the Council of Ministers at the moment across the 27 member states.

In the European Parliament, we are not part of the money-in process in any meaningful sense. That would be a controversial statement in Brussels, but I really do not think that we are. That does not prevent us from talking about it a lot or a few MEPs from claiming great relevance to things

that are completely beyond our control. The money-in side of the European Union budget is entirely the choice of the member states. It is being hotly contested at the moment and is work in progress.

Graeme Dey: It has been suggested to us that there could be a vote by July but that it could slip into September. Would you go along with such a timescale or could it go beyond that?

Alyn Smith: That is certainly the latest working assumption. We will start to see real problems if it drags on beyond that. The Council negotiations seem to have been getting a lot more real in the past few months than previously, so that is positive. Some of the Council proposals seem to be a lot harder edged than they were.

The European Parliament will be involved in the last stage of the process, and September seems more likely to me than before the summer. We will need the summer to rattle the proposals around, not least because that is the way the EU does business. It works tolerably well in what we need to do, but it is slightly counter-intuitive. We are reforming the CAP from the point of view of its legislative form, what the outcomes will be and the priorities that we want to see, but we are doing much of that with the numbers in brackets. In the real world, of course, if you have £100 as opposed to £10 in the budget, you draw your priorities differently. We are looking at the CAP very much on the basis of what it might be in a range of outcomes rather than what it will be in a specific outcome.

I would hope that things will be much clearer in a budgetary sense by midsummer or September.

Jim Hume (South Scotland) (LD): Good morning, Alyn. It is nice to see you again; I hope that you recall where you started your agricultural apprenticeship, some nine years or so ago.

Alyn Smith: I hope that you remember where you started your political one.

Jim Hume: That was exactly the point I was going to make.

When George Lyon gave evidence to the committee, it was confirmed that member state allocations for pillar 1 for the transitional period were known. However, at that stage the figures for pillars 1 and 2 for 2015 to 2020 were unknown. Has there been any progress on that?

Alyn Smith: I read through the *Official Report* of your evidence session with George Lyon last night. I was looking to see whether there has been any movement about which I could speak with certainty, but frankly the answer is no.

The transitional arrangement is just that—a year's transitional arrangement. Essentially, it is

the same programme but with a new budget. That is well telegraphed. In the longer term, the matter is still a bun fight in the Council of Ministers across the member states.

Jim Hume: That is fine. My other point is about the allocation key for pillar 2 funds. Again, when George Lyon talked about that, it was not known what that would be or what weighting would be given to criteria such as land area or historic spending. Do we know whether there is any progress on establishing that mix?

Alyn Smith: That is still under discussion.

Jim Hume: My last question relating to the discussion with George Lyon is on how you would advise rural land users and businesses to make plans when all those points are unknown and when the Scottish Government's plans for its devolved CAP are also unknown.

Alyn Smith: We should bear it in mind that, if any business is dependent on the single farm payment or on rural development spend, its business model probably needs to be looked at in the round and not just in terms of the public support that it receives.

We want people to be in the best position that they can be—namely, where they are getting a proper return from the market. That is what the legislative structure is for, for example in using competition law to ensure that the supply chain gives everybody a fair shake. We have had some movement on that, having seen the very welcome appointment of the United Kingdom supermarket adjudicator, but we will need to see what comes out of that process. There are things that we can do in legislative terms to encourage people to get a return from the market.

The best advice I can give is "Watch this space." Until we know what the numbers are—until those numbers are decided by the member states—we will not be able to work out in much detail what the allocation keys are or other such matters.

I can say that avenues of support that currently do not exist will be opened. I had a meeting with a group of farmers recently. On the back of a number of amendments that I proposed on rural development, we will see increased support for renewable energy developments on farms. Farm-scale renewables are win-win situations several times over, in that the farm gets an income stream that defrays wider costs and provides assistance with capital expenditure and the facility helps to reduce emissions and to meet climate change targets. There is also a return for the rural economy. People can therefore start thinking in that direction without necessarily knowing what the numbers are.

I must stress again that we are midway through a process that we are not entirely in charge of. Until we get clarity from the member states about the budget, we can do only so much on the legislative form.

Graeme Dey: You have mentioned a couple of times already the question of support for rural businesses through the Scotland rural development programme. Do you recognise that many rural businesses are not farm-related? Do you think that we have got the balance right, historically, in taking account of that—or have we too often supported agricultural businesses through that programme at the expense of not encouraging other businesses in rural communities?

10:15

Alyn Smith: We had that discussion as we debated the rural development dossier when it was going through committee. There was almost an existential or philosophical question about whether a rural taxi company is a rural business. It is clearly rurally related. Its function is not food production, although it is ancillary to that—or is it? Should it be supported or should it not? Is an agricultural plant hire business rural, given that it, too, is not directly involved in food production?

We are broadening, to an extent, the type of businesses that will be eligible for support. That support will be based on the projects that businesses are involved in rather than their general activities. That approach gets us to a pretty useful place in which we can encourage co-operatives, local food supply chains, local quality marks, local innovative practices and, in particular, advisory services, which are crucial to bringing together the actors in particular projects. We will, I think, see a greater focus on what people are doing in projects, rather than on what they do as their business.

We have discussed the issue. There has been a degree of, “If you’re not an active farmer, you’re not getting in.” However, that applies only to the direct payments dossier. We will see a much greater degree of flexibility in rural development support, which should be that bit wider. Historically, the programme has been dominated by rural businesses that are farms, rather than just rural businesses, largely because of the farms’ familiarity with the CAP and how to get EU money out of it. Particularly through beefing up advisory services, more energy will be put into encouraging a greater diversity of rural activities that are based on food production or that are ancillary to it. The programme will be broader than has historically been the case.

The Convener: I want to dig into the move from historical payments to area payments. The average pillar 1 payment per hectare for the EU is about €260; for the UK it is €250; and for Scotland it is €107. The European Council has agreed to move to equalise pillar 1 payments, so that by 2020 all member states reach an average payment of at least 75 per cent of the EU average, which is €196 per hectare—the so-called external convergence.

The proposal to converge payments is being done irrespective of the relative quality of land in different member states. Under external convergence, as the UK currently has close to the EU average, I presume that the allocation to the UK will not change much, apart from through its taking a share in the CAP budget cuts. Since the average payments in England, Scotland, Northern Ireland and Wales vary considerably and Scotland’s average payment is the lowest of the four countries, what will happen to Scotland’s share of the pillar 1 CAP budget?

Alyn Smith: Throw me an easy one, why don’t you? [*Laughter.*]

Convergence has been hotly contested and the numbers are pretty stark. Historically, Scotland has had a poor allocation when we consider what our chaps are getting versus what those in the rest of the continent get. We have been active in raising that issue. I will not get into the constitutional reasons for the situation, but the Lithuanians, Latvians and Estonians have been particularly exercised by external convergence, because they, too, have had an historically poor allocation. That is being remedied.

I might sound like a broken record, but I stress again that we are midway through the process. The European Parliament’s mandate and stance in the negotiations on direct payments and convergence, led by our rapporteur Capoulas Santos, is at variance with the Council’s position. The Council wants an awful lot more member-state flexibility both within and across member states. It is going for strong proposals on flexibility to avoid full convergence before 2020. The member states are looking for a much shallower lead-in to convergence. There is a strong argument that we would be better served if internal and external convergence proceeded at a much faster rate. However, that is very much a hot point between the Council and the Parliament.

Alex Fergusson (Galloway and West Dumfries) (Con): Good morning, Alyn. Do you accept that Scotland’s position is a direct result of this Parliament’s unanimous decision to go for a system based on historic payments on an area basis? Do you agree with what George Lyon said on the subject two weeks ago? He said:

"If Scotland decides to abandon that historic basis for distributing the payments, and if Northern Ireland and Wales do the same"—

as they will obviously have to do under the CAP proposals—

"there will have to be a negotiation within the United Kingdom about what the new distribution key will be. However, that can happen only once we have moved away from historic payments"—[*Official Report, Rural Affairs, Climate Change and Environment Committee*, 17 April 2013; c 2054.]

in discussion with the other constituent parts of the United Kingdom. To what extent do you agree with that?

Alyn Smith: There is certainly a grain of truth in it. However, we now have the year's transition, which perhaps gives us a great deal more flexibility than we thought we had in the internal convergence within the UK as the member state. The decisions that will need to be made in implementing what we are doing over in Brussels will have implications. Under the present constitutional settlement, four sets of decisions need to be made in these islands about how the transition will be implemented. There are therefore knock-on effects from the budgetary allocations, but that is the case for this side of the North Sea rather than for my side of the North Sea.

Discussions on those decisions will need to be taken forward. Frankly, though, they have not happened yet in any meaningful sense. We are still working out the knock-on effects from the decisions that have been made. In addition, the member states have still to decide what the overall budget is going to be. Therefore, a game of several-dimensional chess is going on at the moment. Things will work out, but the decision that will be made in Scotland about the best method of implementation will not only be about getting the most money but about using that in the best way. That is a matter for the Government and, indeed, this Parliament.

Alex Fergusson: I think that we might come back to that one but, in the meantime, thank you.

The Convener: Indeed. What precedent is there for the UK to distribute money on a more equitable basis according to need? We know what decisions were taken in 2003, but we now expect the member state to have flexibility. Do examples come to your mind of the member state taking an approach that favours Scotland's particular problems?

Alyn Smith: Frankly, no. However, that will be a discussion about the future rather than one about the past. The future is unwritten because the negotiations have yet to happen. Anything can happen and the omens might not be as positive as

we like. That is the constitutional situation that we find ourselves in.

My job is to ensure as much member state flexibility as possible in how things are implemented in order to allow the constitutional settlement of these islands to be respected. I think that we have achieved that. We have devolved competence for the agricultural environment in Scotland. That continues, and it is right that the EU should reflect that. However, you should not underestimate the extent to which there have been proposals in Brussels for things like a single payments agency: one per member state. That would not fit our constitutional reality and how we do things, but the attitude in Brussels really is binary: either you are a member state or you are not—and if you are not, then you are very much second division.

That is the reality of the position that we find ourselves in. My job is to ensure as much flexibility as possible to hand over to the domestic authorities, however one defines domestic. There then needs to be a discussion within those authorities.

The Convener: Thank you. Alex Fergusson wants to continue this line about money.

Alex Fergusson: My question is on the subject of the ability to transfer from pillar 1 to pillar 2 payments. I think that we would probably accept that there is not going to be much temptation to transfer from pillar 2 to pillar 1. I found interesting what you said about the wider remit for rural development. I think that we all know that there will be huge pressure on any rural development budget, because of the wider remit and lessons learned from previous experience.

George Lyon told us that the European Council's position is that member states believe that transfers up to 15 per cent would be allowed without any match funding from the member state but that the European Parliament's position is that the same amount could be transferred only with match funding. Can you give us your views on that and on what you see as the potential implications of that decision for Scotland's rural development budget?

Alyn Smith: You call it a decision, but there are two conflicting positions, which are subject to negotiation.

I will give you a flavour of how the trilogue discussions work. The Council is represented by the Irish presidency and is speaking to a mandate that has been agreed by the 27 member states. The Parliament is represented by a rapporteur, whoever he is—they are all he, sadly—for each of the four dossiers. In our case, it is Capoulas Santos, who is speaking to the mandate that was voted on at our March plenary session. The

Commission is represented by the director general of the directorate-general for agriculture and rural development.

There are three sets of negotiations, but there are 27 voices from one side and about 750 voices from another side, so it becomes difficult for people to grab a place in the discussion. You are right that there are two conflicting positions between the Parliament and the Council, and they are being negotiated. As for which will win through, I cannot call it.

There are two aspects to the matter. One, on the direct payments side, is about the capping of the single farm payment. I am in favour of capping as long as the money that is top-sliced goes into a national reserve for use on other things that benefit the sector as a whole. If the money that is top-sliced goes back to Brussels, I see little advantage in that from a Scottish perspective, but it seems that that is where things will go.

Secondly, on the flexibility mechanism, the European Parliament has called for transfers from pillar 1 to pillar 2 to be done at regional level—which is how the European Parliament defines Scotland. That is positive for us, in that it is likely that Scotland would transfer less from pillar 1 to pillar 2 than the UK Government will, which will mean a bigger pot for direct payments. There are implications for the rural development side, however.

I must be frank. Anyone who is saying that they can tell which of the two positions is going to win has a better crystal ball than I have.

Alex Fergusson: I will follow up on the subject of capping. I am concerned that given the sizes of Scottish farms—which are what they are for historic reasons—a cap would set a dangerous precedent. Once a cap has been set, the level is unlikely to go up. The pressure will always be for it to come down. Do you not feel that there are serious potential implications for Scottish agriculture if capping is introduced?

Alyn Smith: No—I am agnostic on that, and I run a consultation for farmers on my website for that reason.

From memory, I think that if the cap is set at €300,000 it will affect about 47 Scottish holdings. You are correct to highlight big farms, but a cap would not necessarily affect a lot of people. If the money that is top-sliced from that went to the wider benefit of Scottish agriculture—for example, to a small abattoirs fund, to a support for local supply chains fund or to expand the LEADER budget—that would benefit the sector as a whole. To my mind, the impact for Scottish agriculture as a whole would be positive, although it would be financially negative for the holdings that are affected.

You are right to highlight the question whether, once the cap is set, it will get tighter and tighter. It will do so only if we vote for that, and it is up to us to ensure that our position is sensible and robust and puts the wider interest of Scottish agriculture above the particular financial interests of a few big landowners. That decision will need to be made by the Scottish Parliament and ourselves going into the future. As the proposal stands at the moment, the cap is €300,000, which would not affect a huge number of Scottish holdings.

Alex Fergusson: I accept that—I agree that that cap would not affect a huge number of holdings—but the temptation would be to bring the cap down, in which case it would affect more and more. The holdings concerned are probably those that employ most people in Scottish agriculture, so there is a people aspect to the matter, too. I hear what you are saying, but I think that it is a dangerous precedent to set.

Alyn Smith: Sure—and that argument has been made by people representing the 47 holdings. There is of course the idea that, once the principle has been accepted, it is the thin edge of the wedge. There were proposals for capping at €100,000, but they were roundly defeated by the Parliament. A compromise at €200,000 was proposed, and then one at €250,000, but they were rejected.

Beyond certain parts of the European Parliament and some member states, I do not detect a huge appetite for the measure to be limited. My view is that a single farm payment is big because there is a lot of farming, food production, employment and public benefit going on.

However, we knew that something had to give when the problem was given a name. In Brussels it was called the “Queen of England problem”: namely, it is iniquitous that a very small number of very big landowners get lots of public money. That is damaging the integrity of the CAP in the eyes of the public.

My red line on capping is that the money “liberated”—in inverted commas—by the cap needs to be used for the wider benefit of Scottish agriculture. If that happens, I am pretty content. The money would still be coming into the country and would still be used for the Scottish rural environment. However, if we are talking about the future risk that the cap on the CAP may be tightened, we should note that that has not been proposed thus far. Even if it is proposed, we are talking about post 2020.

Alex Fergusson: The danger lies in the words “thus far”, but we will agree to have a little bit of difference on that.

10:30

The Convener: That was a useful discussion. Richard Lyle has a process question.

Richard Lyle (Central Scotland) (SNP): I have listened intently to Alyn Smith's points about the 27 countries, the number of MEPs, the number of negotiations, and all the different things that are being done. From your experience of being in the European Parliament, do you think that it will be possible for the Parliament to stick to a timetable of concluding a final agreement on CAP reform by the end of June 2013? Have there been any significant developments on that over the past fortnight?

Alyn Smith: We are still on track. We have had two or three trilogue negotiations—depending on which of the dossiers you are thinking about—and several more are scheduled to happen. From the Parliament's side, the process is a bit easier, if anything, in that we have our mandate. That mandate is not going to change until such time as we have another full plenary vote, which will be a mess.

The Council's mandate will need to be recalled, which will happen during that process. The watchword is that nothing is agreed until everything is agreed. When we think that we have made a bit of progress, we go to the next meeting, where it is said, "Well, actually we've not decided that; it's all still in square brackets." The biggest uncertainty in the whole process is over the budget. If the member states' CAP budget allocation is not what we need it to be—and that is a moving target in itself—the Parliament has reserved its right to go back and rejig where our mandate is. There is certainly no appetite on the part of the Parliament to do that.

We are all ageing in dog years at the moment; we really want to get shot of this by June, not least because the European election is coming up in May next year. Although we are very focused on getting this done, getting it done right is important as well. From our side, our mandate is set and is pretty strong. On each of the four dossiers we had a substantial vote of the Parliament in favour of the mandate, so the vote was not 51:49; it was a substantially agreed Parliament mandate. However, the negotiation is on-going and to say that we are smoothly sailing to a safe harbour would be to give a misleading impression. The member states themselves could throw this up; particular member states could object to some of the provisions. If the member states do not agree to the budget, which is a parallel discussion even within the Council, we could see further delay in the whole process.

Richard Lyle: It sounds very frustrating for you.

Alyn Smith: We have our moments.

Claudia Beamish (South Scotland) (Lab): Good morning. Could I ask you about the transitional measures? As I understand it, the new CAP will not be implemented in 2014 and transitional measures will apply. How did the Commission come up with the allocation figures, first, for the pillar 1 budget in the annex to its transitional measures proposal?

Alyn Smith: On how the Commission came up with that and the methodology that was used—forgive me, that was above my pay grade. The Commission officials looked at the various member state programmes, the principle being that it is old rules, new budget. The measure is very much a temporary one to get us through to the next funding round. There is an on-going question about new financial commitments that are going to be made in 2014. There is a question about eligibility. It is likely that I will lodge amendments to address situations where funds will end and have a year's hiatus because of the allocation rules. My position is that it is old rules, new budget but anything that is going to come to an end under the present proposals should have the option of continuing for the transitional year. If anything is missed by that, we will introduce amendments to bring it into the transitional measures. A couple of quite good schemes could be left out. There is a degree of ambiguity over that at the moment, which we are digging into.

Claudia Beamish: How do new applicants fit into the transitional arrangement?

Alyn Smith: We have been doing a great deal of work with the new entrants forum to get them into the system, particularly on the evidence that they need to demonstrate for the activity component. I think that there will have to be a number of amendments, particularly with regard to crofters, food processing, skills development and young farmers, who would otherwise be at risk. New applicants will be part of that process. Where I need to introduce amendments for them, I will certainly do so.

Claudia Beamish: Do you have any comments on schemes such as the Scottish beef calf scheme or on the fact that the less favoured area support scheme could continue with reduced budgets?

Alyn Smith: For the transitional period?

Claudia Beamish: Yes.

Alyn Smith: My attitude is that all the schemes that we have should be eligible for the transitional period; if they are not eligible under the proposed methodology, it needs to be amended. The budget will be for a year, so where there is a budget hit—well, I am working on ensuring that they are part of the scheme at all. Presently, there is a risk that a few of the schemes, which are very good and have proven to deliver value, could just fall

through the crack. However, as I said, there is a degree of ambiguity about what has been proposed. We are digging into that at the moment to ensure that we can build the bridge into the new sunlit uplands of the CAP post-2015, as it will be now.

Claudia Beamish: Can I broaden that out a little bit? The committee has been working a lot on biodiversity issues. As you will know, the most recent targets for biodiversity were missed Europe-wide, not just in Scotland and the UK. We see the SRDP having a key role in implementing our biodiversity strategy. At European level, are the institutions aware of the importance of the rural development programmes for the strategy and the wider implications of the transitional delays for biodiversity?

Alyn Smith: Yes, very much so. This area concerns not only the directorate-general for agriculture but the directorate-general for environment and the directorate-general for climate action, which have a great deal of input into the rural development side. Nobody wanted there to be a transitional period. Nobody, not least the Commission, wanted us to be in this position. The fact that it has come up with a bridging mechanism and budget is very much to be welcomed. There is scope for further refinement, if that is needed.

It would be unconscionable if projects, particularly ones in biodiversity and ones with hard-won wider environmental benefits, collapsed because of a year's hiatus. I certainly want to see them continue through the transition year. Where we need to broaden the scope of the transition mechanism from the Brussels side, we are certainly up for doing that.

If you are aware of any specifics, please let me know. We are working on the issue.

Claudia Beamish: Thank you.

The Convener: Angus MacDonald has a supplementary question.

Angus MacDonald: It is just a brief one. As we know, an announcement from Luxembourg last week has resulted in the transitional arrangements being secured for single farm payment, LFASS and agri-environment schemes, which are going to avoid a break in SRDP funding. However, the Scottish Parliament information centre provided the committee with research statistics that highlight that the European Commission's proposal for transitional measures includes a table that amends the UK's pillar 1 allocation. It shows that the UK allocation for 2014 is €3.987 billion and that the proposal to amend that to €3.548 billion means a reduction of 11 per cent. However, the research shows that Spain will have a reduction of 6 per cent. Can you explain why

there is that differential between the two member states? Are there any other examples of where things are not exactly fair?

Alyn Smith: I, too, am aware of that research, which is very helpful.

To be frank, your guess about how the Commission's budgetary proposals were worked out is as good as mine. However, I am glad that there are transition mechanisms, because there was the possibility that all sorts of things could just fall off the cliff for a year while we sat in meetings talking about the future shape of agriculture.

On where the budgetary allocations came from, we are seeing different states being treated differently. I suspect that there has been horse-trading in the Council, which there always is, but that is beyond my ken. The Council meets in secret; as an MEP, I am not privy to its negotiations. We hear what we hear by the by, and certainly not in any formal sense.

You are right. There has been a degree of inequity in how the member states have been treated with the one-year transitional funding allocation. I put that down to horse-trading in the Council; I think that the Commission will have played with a pretty straight bat. The Commission can only make a proposal to the Council, which will have negotiated that point. If the UK has lost out in those negotiations, perhaps the question should be addressed to the UK minister.

Angus MacDonald: We will do that. Thanks.

Jim Hume: On the transition, I am the committee's European reporter, and I met Paolo de Castro in Europe last year. At that stage, his view—it may be only his view; it will be interesting to find out yours—was that there would probably be a more ambitious mid-term review that would be led from the Parliament. Obviously, you have heard that before. He thought that it would be more focused on productivity and perhaps less on greening. Was that his personal view, or is that the way that the European Parliament is going?

Alyn Smith: Given that we are currently in Europe, you went to meet Paolo de Castro in the rest of Europe, of course.

Paolo de Castro is good value and good craic, and is mentioned as a potential next Italian commissioner. He has certainly been angling for that.

There has been some discussion of the mid-term review, but we are midway through reforming, never mind having a mid-term review. I would be keener to see us getting things right now rather than parking them to the mid-term review and the next reform. Paolo de Castro has talked about a Parliament that has not been elected yet relative to a Commission that has not been

appointed yet. Those things will happen early next year. Some people claim to have a better crystal ball than others have—let us put it that way.

The Convener: Okay. Let us think about changes to pillar 1.

Nigel Don (Angus North and Mearns) (SNP): Good morning. I would like to address the issue of greening. What is your take on what is likely to happen with greening and what you would like to happen?

Alyn Smith: What is likely to happen and what I would like to happen are not necessarily the same.

The European Parliament has accepted greening as something that needs to be done. The point of the greening proposals is that they will raise the baseline of the CAP's environmental outputs. The double funding of the greening component of the single farm payment has been hotly contested, and that remains a controversial issue. I suspect that the idea that someone should be recompensed from two different budgets for doing the same thing is illegal under World Trade Organization rules, and it is flatly bizarre. I think that that would undermine public confidence in how we allocate things under the CAP and how it looks in the eyes of the public.

I am fiercely pro the CAP budget and fiercely defensive of the vast public outputs from our land management techniques and food production. There is a good story to tell about CAP spend. It is one of the most effective European budgets in delivering outputs on the ground across vast swathes of our territory. The point of greening is that it raises the environmental baseline; if it does not do so, let us throw it out. However, I am very much in favour of raising that baseline.

We have had discussions about the two dossiers. We had to have a joint meeting on the rural development and direct payments dossiers, because what they were talking about in terms of greening was different from what we were talking about. That became apparent as the two dossiers were going forward. A variety of points need to be ironed out. The double payments issue was a red line for the Parliament and that puts us at variance with the Council's position. I think that the Council is putting up a straw man, but it is, at least nominally, in favour of direct payments. That strikes me as an odd place for the Council to be and it will not be sustained.

10:45

We have not discussed the greening issue in the trilogues as yet, although there has been a wee bit of shadow-boxing. The Parliament's mandate is very clear; we have set our face firmly against double payment. We need the flexibility

that comes with the Council's position. In particular, the three strict measures in the European Parliament's position would be difficult for us to implement in big old chunks of Scotland because the geography just does not permit it. I want to see flexibility in greening. We have talked about the idea of a menu-based approach, which would say, "If you can do this, this and this, you're in."

We need greater flexibility in the Parliament and I am very pro greening, but there is a great deal to work out around what greening is going to be. We can get it to a point at which it will be a range of opt-in menu options that will be available to land managers to carry out. There will also be the benefit of the activities that we are already doing.

We also have the issue of environmental focus areas. It is misleading to call it "set-aside" because I have yet to see a 100 per cent productive holding. There are always, for example, watercourses or bits of land on which we are doing good stuff but not necessarily being recompensed for it. Environmental focus areas will encourage Scotland's farmers to look at their holding and decide to, for example, put in a beetle bank or water management and be recompensed where they are not necessarily being recompensed just now.

The whole issue is still hotly contested, but the key points are double funding and making sure that greening is as flexible as it needs to be to suit our climate.

Nigel Don: Do you believe that those who are on the other side of the North Sea understand the Scottish climate and land? We are at the edges for all sorts of good geographical reasons and what happens in some of the more remote parts of Scotland bears no resemblance to what happens in much of the rest of Europe. Is that really understood by those who need to understand it?

Alyn Smith: I am reminded of a story that my dear dear predecessor, Neil MacCormick, used to tell. He was sitting at his desk in Brussels—the one that I am now privileged to use—when he received a call from one of his constituents in the Western Isles, who said, "Is the European Commission not aware of the prevailing wave and tidal conditions in the Sound of Barra?" The waves there are different and the constituent was talking about an animal transport regulation.

Everyone has tricky climate issues. Where we are wet and windy in parts, other areas are dry and windy. Spare a thought for those of us who are trying to cover a hugely diverse continent that has lots of climatic and geographical issues. Flexibility is being demanded from all points of the compass—north, south, east and west—and I am confident that greening will come as a range of

menu options that land managers will be able to dig into.

Some of the proposals have been about monoculture in the low countries and the vast extent of maize production, for example. That is what the European Parliament is for. We have been vociferous in making our points and I think that we have won the argument. Greening will be something for Scottish agriculture to embrace rather than something for it to be afraid of.

Graeme Dey: Perhaps I am about to betray my ignorance. You talked about land managers opting into a range of measures. How will that work in practice? The original proposal was to link 30 per cent of the direct payment to greening, so how would the opt-in work in practice? Would 30 per cent be gained by those who opt in or would they be 30 per cent down if they did not? Have I picked up what you said wrongly?

Alyn Smith: Forgive me—I am sure that that was because I was not clear. The greening will be compulsory. In order to qualify for it, there will be a range of measures that you will be able to choose to fit your holding.

Graeme Dey: That is fine. However, it was the use of “opt in” that I was querying.

Alyn Smith: Forgive me. We spent a lot of time on a proposal whereby you were not green unless you carried out a three-crop rotation. That just does not fit for us. We have got the proposal to a place where greening will be compulsory and, frankly, it should be. We have nothing to fear from that from a Scottish perspective; we are already doing lots of good stuff. The greening will be a series of things that you can choose that will best suit you.

Graeme Dey: Thank you for clarifying that.

The Convener: Would the reseeded of permanent pasture from time to time be allowed as part of greening?

Alyn Smith: Let me dig out the latest position on permanent pasture. Yes. There are two positions on the definition of permanent pasture. The first is the herbaceous issue, which I am sure Norman Leask has bent your ear about, as well as mine.

The Convener: He is behind you.

Alyn Smith: I do not doubt that; I thought that I felt his hot breath on my neck. Norman has been great in coming out to Brussels on behalf of the crofters to ram the issue home.

The European Parliament position agreed at the March plenary was not as good as the one that we wanted. My view is that forage is forage and whatever historically the animals are foraging on should be viewed as eligible. However, the

European Parliament now seems ready to accept—certainly it did at the first plenary vote—the Council definition of permanent pasture, which would set the basic eligible pasture as herbaceous forage but would allow exceptions for established local practices where grasses are not predominant. The issue is that the European Parliament’s position removes the notion that herbaceous forage as the default setting for eligibility is better. That is a live point in the negotiations. I think that we will get that to a place that will respect local practices, so that it takes account of beasts foraging on a particular thing, be it olive trees, seaweed or whatever else—there was some strange thing that animals in Finland eat, too. Nobody loses anything by allowing flexibility in the definition.

The Convener: I understand the flexibility argument. We move on to other questions without exploring heather and whins and things like that.

Jayne Baxter (Mid Scotland and Fife) (Lab): Good morning. How will the requirements to ensure a minimum level of activity work? Will that allow support to be restricted to active farmers?

Alyn Smith: That is a key point. We have had a grievous slipper farmer issue. I have yet to meet a slipper farmer: they are like the Loch Ness monster—you hear a lot about them, but you do not necessarily see anybody standing up in a meeting and saying, “I am a slipper farmer.” The fact is that most people who were claiming for land that was not as active as it should have been were farmers in other places. That is tied into the naked acres issue and the tradeability of entitlements.

I am sceptical that a single farm payment should be tradeable to the extent that it is. I lodged amendments that were much more hard edged in that they would tie that to the land and the activity. We saw tradeable fishing quotas cause all sorts of unintended consequences; we have seen that with single farm payment tradeable quotas, too. It has become too tradeable in that sense, which has caused knock-on issues.

We have the Scottish clause, which calls for a minimum activity requirement as part of the active farmer criteria. That would allow us to deal with our slipper farmers. Both the European Parliament and the Council support the position, so the clause will be included in the negotiations. That is something to be positive about. However, the precise wording is being discussed so that conflicts with the WTO are avoided. Its rules do not permit tying that in with the green box and the wider implications in the way that I want to, so I am conscious of the legal reality. I think that that matter is in a good place post the European Parliament vote, and the Council seems to have accepted the argument, too.

Jayne Baxter: When George Lyon appeared before the committee, he said that if the final agreement followed the position of either the Council or the Parliament, Scotland would be able to implement a better beef calf scheme. Do you agree?

Alyn Smith: The proposals give us a number of extra arrows in our quill, which we can deploy. The Government can decide in the RDP going forward how best to do that. As things stand, we are in a pretty good place with that as well.

The Convener: There might be one final question.

Graeme Dey: Where are we at with regard to the capping of payments, which we touched on earlier? There seems to be some doubt about where we are headed. The Council appears to favour a voluntary arrangement whereas the Parliament appears to favour an obligatory cap of €300,000. What is your best guess about where we will end up with that?

Alyn Smith: Knowing the Council, I think that my best guess is that it will become voluntary, on a member state basis. If it is going to be voluntary, I want to see it on a home-nations basis rather than the UK being allowed to make that decision for us, because it has core implications for Scottish agriculture. My preference is for that to be obligatory across all member states, which is clearer, takes the heat out of the issue and allows us to give a clear signal that CAP spending will be directed to those farms that are doing lots of good stuff. Where a payment gets above a certain point, there is a legitimacy problem. I am perfectly comfortable with that as long as the money so top-sliced remains for the benefit of Scottish agriculture.

That is a fairly big ask of some of the elements of the Council at the moment, though, so I suspect that it will be a voluntary, member state measure in the round. However, that is a bet and not necessarily to be relied on.

Alex Fergusson: On the subject of your preference that any money saved from the CAP would be top-sliced and kept within the Scottish budget, have you any idea how much that would be at the current rate? That question is not a test—I do not know what the financial implications would be and I wonder whether you do.

Alyn Smith: We looked into that as we were working out what we were talking about. Forgive me, but I am terrible with numbers, which is why I went into law a million years ago rather than anything else. From memory, though, it was about £8 million—not a vast amount of money but significant. It is also significant in terms of setting the signal for the holdings themselves. If you want

more specifics, I will happily provide them, but I am afraid that I would need to refresh my memory.

Alex Fergusson: If you are able to do so without much trouble, it would be useful information.

The Convener: The UK Secretary of State for Environment, Food and Rural Affairs, Owen Paterson, is coming here in June to take part in this round of discussions before we make our report. Do you have any final message to him regarding the UK Government's approach to the allocation of the share of the CAP that is finally agreed?

Alyn Smith: My wider advice would be to ask his colleagues to stop talking nonsense about opting out of human rights conventions. I cannot tell you the horror with which that was viewed in Brussels. I am concerned about the extent to which we are being looked at as just an odd bunch of people. That is damaging our credibility in talks—and we did not do so well in the transition mechanism for the interim funding. There is a credibility point here. Forgive me—I am a lawyer and this is close to my heart. That our Government, at member state level, could even hint at abandoning the human rights convention, blithely, deliberately and wilfully ignores the fact that that would mean automatic suspension of EU membership. It does not make us look sensible or credible.

The UK approach to CAP and budget issues is entirely driven by the Treasury. The Treasury position is setting the flavour of all discussions and UK representations on this. It is all about save the rebate, save the rebate, save the rebate. There is a strong argument that says that, from a Scottish perspective, we would see an awful lot more money coming back from each of the EU budgets—be it the Erasmus budget, the horizon 2020 budget, the CAP budget, the structural funds or the social funds—if we engaged properly. Instead, we get the booby prize rebate, which becomes a block to constructive engagement with many of those funding streams, which are otherwise not as available as they would be.

I suspect that the extent to which we will be able to shift the Treasury on that is pretty minimal, which is regrettable. Of course, we are not unique in that, and there are other rebates; for example, there is a Danish rebate. The solution is to ensure that we are engaging with all the projects in the same way as all the other countries do. If we are properly engaged, the rebate should not be necessary. However, because the rebate exists, the UK Treasury is hugely attached to it, which has negative implications for all the other EU budgets that we could be engaging with.

I would like to see that change although I do not hold out huge hope for it. If you could get Owen Paterson to put some nudges in that direction at the Treasury, that would be very welcome.

The Convener: Thank you very much for your attendance. It has been most useful and gives as up-to-date a picture as we can get of the escalator on which the EU negotiations take place.

Alyn Smith: It is more like an M C Escher drawing. For my part, you are welcome. We will keep you in the loop as things go forward. Please keep in touch—let us keep the dialogue going.

11:01

Meeting suspended.

11:10

On resuming—

Marine Issues

The Convener: Agenda item 3 is a round-table evidence-taking session on marine issues. In considering its work programme, the committee agreed to take evidence on marine issues. Last week, we heard from Marine Scotland. This week, we have a round table with stakeholders. We will hold our final evidence-taking session with the Cabinet Secretary for Rural Affairs and the Environment next week before writing to the Scottish Government with any views ahead of the Government's planned consultations in the summer.

I remind the witnesses that the microphones are controlled by the broadcasting team, so they do not have to switch them on and off.

I welcome all the witnesses. It is not easy to go around and shake hands with everybody, but we are delighted to have them all present. I ask the witnesses and everybody who is taking part in the discussion to introduce themselves. As the convener, I will start.

I am Rob Gibson. As the member for Caithness, Sutherland and Easter Ross, I have a lot of sea around my constituency, like many other MSPs.

Calum Duncan (Marine Conservation Society): I am the Scotland programme manager for the Marine Conservation Society. I also convene the Scottish Environment LINK marine task force, which has eight members who represent, in turn, 470,000 members.

Lloyd Austin (Royal Society for the Protection of Birds Scotland): I am head of conservation policy for RSPB Scotland and am Scottish Environment LINK's nominee on the Scottish Government's marine strategy forum.

Jayne Baxter: I am a regional list MSP for Mid Scotland and Fife.

Lindsay Leask (Scottish Renewables): I am senior policy manager at Scottish Renewables for offshore renewables.

Andrew Binnie (Community of Arran Seabed Trust): I am marine project officer at the Community of Arran Seabed Trust.

Claudia Beamish: I am an MSP for South Scotland and the shadow minister for environment and climate change.

Annie Breaden (Crown Estate): I am policy and consents manager with the Crown Estate in Edinburgh.

Steve Bastiman (Scottish Sea Angling Conservation Network): I am with the Scottish Sea Angling Conservation Network.

Richard Lyle: I am an MSP for Central Scotland.

Cathy Tilbrook (Scottish Natural Heritage): I am the acting head of the coastal and marine ecosystems unit in Scottish Natural Heritage.

Nigel Don: I am the MSP for Angus North and Mearns.

Alistair Sinclair (Scottish Creel Fishermen's Federation): I am the chairman of the Scottish Creel Fishermen's Federation.

James Bromham (Convention of Scottish Local Authorities): I am aquaculture development officer for Highland Council and am based in Inverness. I am here to represent the Convention of Scottish Local Authorities.

Alex Fergusson: I am the MSP who represents the Galloway and West Dumfries constituency, which also has an extensive coastline.

I have to leave just before 12 o'clock. It is unavoidable and will not be because of anything that anybody has said.

The Convener: We do not know that yet.

Mick Borwell (Oil & Gas UK): I am the environmental issues director with Oil & Gas UK. We are the representative body for the upstream oil and gas industry on the UK continental shelf and represent 350 companies.

Jim Hume: I am an MSP for South Scotland, which has a more extensive seacoast than just the Galloway and West Dumfries part of the region.

Bertie Armstrong (Scottish Fishermen's Federation): I am chief executive of the Scottish Fishermen's Federation and I think about the sea all the time.

Angus MacDonald: I am MSP for Falkirk East and I have a short coastline on the Forth estuary.

Patrick Jordan (British Ports Association): I am the environmental adviser at Aberdeen harbour. I am here to represent the British Ports Association.

Graeme Dey: I am the MSP for Angus South and the deputy convener of the committee.

The Convener: If you want to speak, please raise your hand. I will choose people in turn.

A point that has been very well made by renewable energy developers such as the European Marine Energy Centre in Orkney is that, as far as renewables development is concerned, we are at the Orville Wright stage rather than the Airbus stage and that the parallel circumstance is

our understanding of the seas and the sea bed. Discuss. Does anyone want to comment on our ability to formulate a marine policy?

11:15

Calum Duncan: I think that we know a bit more about the sea bed than that—we are not at the Orville Wright stage.

There is a huge and very good body of scientific evidence on the marine protected area process, and I very much welcome the collective agreement that science should underpin the MPA selection process. Although we think that there are gaps in what has been delivered through the process, we would support the process going forward for consultation.

Lindsay Leask: There are definitely some areas of the seas that we could understand better. I find the comparison with marine renewables very interesting; the work on deploying marine and offshore wind is driving more environmental research than we have had for a very long time and we are using the huge body of information that we are collating to deliver the most environmentally sensitive planning regime possible for offshore renewables. The very inclusive process that we are going through is a very good example of how planning should be done in the offshore environment and is also helping us with the MPA process. In short, our work on delivering renewable energy is helping us to understand our environment a lot better—in fact, better than ever.

Mick Borwell: Following that comment, I note the interesting point that many of the sea bed features that have been designated as special areas of conservation have been found by oil and gas surveys. I certainly think it important that we contribute to the science. A recent challenge for us is that industry-provided information and science are seen as somehow tainted and not valuable, and I make a plea for more central research and monitoring funds to be made available.

The Convener: We might well return to that specific point.

Annie Breaden: A huge amount of information is being gathered in offshore renewable developers' environmental impact assessments. I hope that it is not considered to be tainted, because it is making a massive contribution to knowledge of what is going on in our seas, especially with regard to birds, marine mammals and fish. I also hope that all that information will be fed into the continuing process and that it will help to improve people's understanding of the marine environment.

Lloyd Austin: I think that there are gaps in our knowledge. I agree with Lindsay Leask and Mick Borwell and suggest that, over the years, the fishing industry has also contributed to the knowledge that is available. On that basis, I agree with Calum Duncan that we have a lot of knowledge, even though, as others have said, there are gaps.

Of course, such gaps are no excuse for inaction. Where they exist, it is our responsibility to look at the best available evidence and analysis of that information and take action to fill them. I agree that there is a need for more central funds and direction in the collation and analysis of the information that is available and for action to be taken to fill those gaps.

Environmental marine planning, like any other planning, is only environmentally sensitive if concerns that are raised about environmental impacts are taken into account in the decision-making process and we take a strategic, precautionary approach to try to avoid any damage to the environment.

Cathy Tilbrook: We are building up much better data through all the processes that have been going on. It is also worth pointing out that we have a much better approach now to the co-ordinated collection of data and to surveying and monitoring, through a lot of different bodies working together. We are also better at making that data available through platforms such as the national marine plan interactive database, which is constantly being built up, along with the work that was done to produce "Scotland's Marine Atlas: Information for The National Marine Plan". We are getting better at sharing our approach to collecting the data and at making that data available to the public, developers and everyone who needs access to it. We are taking big steps forward in that regard.

Andrew Binnie: The no-take zone in Arran and the proposed marine protected area have stimulated a lot of scientific debate, not just around Arran but across all the Clyde—and nationally, to a certain extent. Quite a lot of that has been pushed, or facilitated, by COAST.

We currently have one guy about to finish a PhD on the no-take zone, and three other PhD students from the University of Glasgow are about to start. They will not work directly with COAST, but they will look at the marine protected area. Quite a lot of good work is being done but to a certain extent it is ad hoc and unplanned. There is a real need to have good baseline data not just for our MPA but for all the MPAs so that we can monitor and evaluate them and can properly see whether we are achieving the MPA management goals.

Bertie Armstrong: I have a general observation with regard to the Orville and Dean analogy. I am sure that we agree that—

The Convener: The Orville Wright analogy.

Bertie Armstrong: I cannot believe that I just said that. Can I give the official report 50 quid to have it struck from the record? [*Laughter.*]

The Convener: And that remark, too.

Bertie Armstrong: With regard to the early aviators analogy, the reference may have been to the state of development of the technical kit for renewables rather than to the rest of marine planning. We live in the real world and things happen in the sequence that they happen in. However, marine spatial planning in Europe and on a national level is astern of where we would like it to be, given the number of developments that are happening very rapidly, specifically renewables and the MPA regime—but there we are.

I will make two observations downstream from that. We need to be careful about presumptions in favour of new developments; we need to take care. That is not an accusation; it is just something that we should bear in mind—we need to take care to take proper account of established and legitimate activity that is already in the sea and the cumulative effects of all the rest. Also—Lloyd Austin will expect me to say this—the precautionary principle is the best that we have, but scientific evidence is much better.

The Convener: A number of things flow from that. I am sure that you will all find a point to come in.

Jim Hume: Many of our guests have mentioned science and how they have been in a good place to judge the data and so on from our seas. In some areas, the original documents regarding the proposed MPAs are quite different from the current proposals. For example, the Firth of Forth proposal was one large proposal, but it has been broken up into three smaller parts. The Firth of Forth is an important area for sand eels, which are important for the fishing industry and for nature. Also, the south of Skye proposal has been taken out altogether. I questioned Marine Scotland about that and it said that that was a result of developing knowledge. What are your opinions on that?

The Convener: We will start with Cathy Tilbrook.

Cathy Tilbrook: In developing the MPA proposals, the process started with areas of search and looking for the features that were of interest. We have collaborated with stakeholders right through the process. We were very open about the areas that we thought we wanted to investigate, which were large areas. Within those

areas, we started to refine the boundaries of what might constitute an MPA proposal per se. We began with large-scale areas where we looked for the features of interest. Through a process of refinement, we came up with much more focused areas that were the subject of the advice that went to Parliament on where the MPAs should be. That is all that I want to say by way of explanation.

Bertie Armstrong: I would like to respond to that. The committee might be interested to learn that the general reception that has been given to the Scottish MPA process has been highly favourable and contrasts sharply with how some of the processes that are happening elsewhere, particularly south of the border, have been received. I say that as someone who sits on the north-western waters regional advisory council for fisheries management, in which the French and the Irish participate. I am sure that Sebastian Howell, who I think is sitting in the public gallery, will be happy to hear that the eminently sensible process of looking for the least-used, least-damaged areas in the first place and then talking to stakeholders has been an inclusive one.

We are not there yet. We still have to discuss the management measures for all the areas in question, but at least common sense has prevailed thus far in the process. We make a commitment that the fishing industry will continue its engagement.

Lloyd Austin: Cathy Tilbrook described the process very well. It is good to hear Bertie Armstrong agreeing that it is a good process. The key issue is to underline that the process must be based primarily on science. That was part of the Marine (Scotland) Act 2010, and it was agreed by all parties and all stakeholders as that act was passed and moved into implementation.

For that reason, it is extremely important that all the sites that have come forward so far, including the areas of search that Jim Hume referred to, should go forward to consultation at this stage. We should also look for a commitment that the network will be completed at a later date, because I think Scotland would be put in a very odd position if the idea were accepted that the MPA network could be complete without including as features for which sites are selected seabirds, cetaceans and basking sharks.

The Convener: We will try to stick to the same general area before we move on to specifics.

Lindsay Leask: I want to follow up on some of the things that Bertie Armstrong said. I reiterate that Scottish Renewables gives a commitment to continue to work as productively as we can and to be as constructive as we hope that we have been so far in the MPA process.

Of most interest to us at the moment is understanding the management measures and the implications of MPAs for our developments. We have requested more detail on exactly how Marine Scotland would like us to take proposed MPAs into account in environmental impact assessments, for example, and we would like further guidance on the interpretation of some of the provisions of the 2010 act to do with designation and the definition of "significant impact". From our perspective, those are all quite important legal aspects of how we need to treat a potential MPA, and we are keen to get further guidance on how, as an industry, we are meant to go about that.

Mick Borwell: The key point for the oil and gas industry is uncertainty. I echo Lloyd Austin's comment that we need all the areas, including the areas of search, to be included in the consultation so that we can have a proper discussion about them. That is important for the oil and gas industry.

There are two such areas in the west of Shetland; there is also an enormous area north of Shetland. We expect significant oil and gas productivity from those areas in future. However, we must not get into the position that we now have in England, to which Bertie Armstrong referred, of huge uncertainty around the designation of future sites. We just do not know where that is going. We need the information out on the table for full consultation.

11:30

Alex Fergusson: I want to follow up on the process that we have been talking about. At last week's meeting, we had a very useful discussion with three Marine Scotland officials, a certain amount of which was spent on what was called "conflict avoidance" in drawing up the proposals. If I were being cynical—which would be very unlike me—I would think that it would be difficult not to come to the conclusion that in some instances potential MPA sites have been put to one side for potential offshore wind farm development. In order to try to put that issue to bed, can the parties around the table say whether they feel that the right balance has been reached in drawing up the proposals?

Lindsay Leask: We have been involved in the process since the outset. I think that it was Bertie Armstrong who referred to the least-damaged, more natural sites. The aim was first to find areas that were in a more pristine condition and to try to protect them, and then to look outwith those sites. We have been involved in that and have tried to offer as much scientific evidence as we can to shape the process. We are working through strategic environmental assessment processes and socioeconomic impact assessment processes

for MPAs, so we are feeding in as much information as we can.

It is true that there are a couple of potential MPAs over offshore wind developments. Had we tried to get them moved, we would not be in that position. I do not accept the assertion that offshore wind and MPAs being together does not work or that we have in some way blocked the process. The position is that we still have MPAs over potential offshore wind developments, so I do not think that that has played out as might be suggested. We have tried to engage as constructively as we can and to provide as much science-based evidence as we can to help develop and produce the best and most ecologically coherent MPA network that we can.

The Convener: I think that we will just stick to the renewables stuff just now, before moving on to other, minor areas.

Graeme Dey: I have a relatively small coastline in my constituency, which is terribly important for seabirds. However, the seas off Carnoustie and Arbroath will—I hope—contribute hugely to renewable energy generation. I was particularly struck by the evidence from Phil Gilmour of Marine Scotland at last week's meeting. He suggested that only six areas are currently designated for offshore wind development, with another six being looked at. He told us that, even then, only 10 to 25 per cent of the area would actually be utilised. If that is the case, is not the footprint of offshore renewables going to be relatively small in the grand scheme of things?

Lindsay Leask: Yes. The new plans that Phil Gilmour spoke about last week have produced, for very large areas of search, a number of deployment scenarios, ranging from low to high. The footprint of the development that would take place in those very broad areas of search to meet the deployment scenarios varies significantly. Marine Scotland projects that the maximum deployment scenario for the areas of search for offshore wind would involve only a quarter of the site; for wave and tidal, about 1 per cent of the site would be taken up.

We are working very much with an environmental agenda at the centre. We have used constraint mapping to map the best areas for development using environmental sensitivities, while looking at where other industries are active in the seas. We—and Marine Scotland, with its geographic information system mapping—have come up with areas that we feel represent the best opportunities for development from an environmental perspective but which are sensitive to the impact on other industries. Within the large areas of search, we are given a bit of scope to locate smaller areas, and we can then focus our

search on even smaller areas to find the very best development sites.

Lloyd Austin: The simple answer to Graeme Dey's question is, unfortunately, yes and no. A lot of what Lindsay Leask described is absolutely right, and we strongly support the Government's climate change targets, with renewables as part of the response to those targets.

However, footprint can be measured in terms of not only geographic area, but impact. If a small development is poorly located it can have a big impact, and therefore a much bigger footprint. We have evidence from early wind deployment on land that poorly sited developments—most of the examples are, fortunately, overseas—had a big impact. The UK, and Scotland in particular, learned from that, and we now have a much more sophisticated planning system for onshore wind and other onshore developments. The national planning framework 3 document that was published yesterday has taken that a step forward, and we are very supportive of it.

This is a historic period in which to develop and put in place offshore renewables, and it is the wrong time to risk making a historic mistake and damaging everyone's reputation: that of the Government, industry, environmentalists and so forth. We must do everything that Lindsay Leask mentioned, but we should take a strategic approach, put forward all the best monitoring and analysis that we possibly can and learn from the early steps to feed into later planning. We need to select sites where we get the best power generation with the least environmental impact. That might mean that we do not grant all the licences immediately, but deploy the developments with the least impact, carry out some good monitoring and learn from that to encourage even better developments in the future.

Patrick Jordan: Lloyd Austin put the point very neatly that the impact of a development can vastly exceed its geographical footprint, and that applies not just to environmental impact. One thing that is sometimes forgotten in the discussion of marine protected areas is how those areas fit into the wider marine planning framework, which is a tool for managing conflicting demands on the marine resource. Demands can conflict with environmental necessity, but also with some of the established industries—such as oil and gas, ports and shipping—that already operate in the Scottish marine area.

Marine protected areas are part of a planning framework, but they are sometimes considered outside that framework. It is important that we are mindful of the fact that they belong in the management regime, too.

Annie Breaden: Picking up on the reference to the areas that Phil Gilmour talked about at last week's meeting, I make it clear that the timescale for those developments is pretty far into the future. The strategic environmental assessment report to which a number of us round the table are contributing is considering a likely build-out scenario for 2023. Therefore, although the plans are being developed at the moment, there is still a great deal of time for further assessment work to refine the option areas so that the most suitable areas for development are identified. Just because the plans are being prepared now, that does not mean that there will suddenly be a whole new tranche of wind farm developments in the next five years.

Andrew Binnie: We totally believe in the whole thrust of the national marine plan—obviously, the marine protected areas fit within that—but we would like to think that marine planning is a bit more than just conflict management. Marine planning is a way of realising our vision for Scotland's seas.

Steve Bastiman: One area of the impact of offshore energy in which I feel our knowledge is deficient is the effect of electromagnetic forces on sharks and elasmobranch species. The impact of EMF is not understood, but it could have a major impact on species on the west coast of Scotland.

The Convener: Does anyone have a concern or information about sharks and so on?

Lindsay Leask: I do not have further information on that—Steve Bastiman has put that point forcefully and well in the SEA work that we have done to date—but I want to pick up on the point that Annie Breaden made. I should stress that we have in place what we call an iterative plan review process. The idea is that, when we set up the plans, we assess where we can increase our knowledge and where the knowledge gaps lie. We then go away and do the work, coming back in two years' time to sit down and look at the plans again to see how we could refine them in light of the new research that we have undertaken.

Some work has been done on EMF, but I agree with Steve Bastiman that it might be worth doing some more, as a lot of that work is in grey literature reviews that are quite old. I would like to see some of that work being fitted into the new research programme that will stem from the new SEA that is being worked on at the moment.

Lloyd Austin: I am afraid that I cannot help Steve Bastiman on sharks, other than by reiterating the call for more and better—and better co-ordinated—research. I agree with Lindsay Leask about the iterative approach to planning. Plans can be changed when more information becomes available, but we need to be a bit more

careful when we grant consents. When the Government grants a consent, it needs to be sure that it is making the right decision. The recipient of a consent would be rather concerned if the certainty that Mick Borwell talked about was not there because there was an ability to iteratively vary consents.

The Convener: We will hear further on this issue from Bertie Armstrong, Steve Bastiman, Calum Duncan and Claudia Beamish, but I then want to move on to a different area, so I ask people to be brief.

Bertie Armstrong: Briefly, we have talked about the footprint of renewables developments, but for completeness I want to mention the power transmission thereof. Getting the electricity ashore is itself a subject of planning—particularly for us in the fishing industry—about the routes of the cables and the siting of other parts, such as collection points. That is also important in the entire planning process.

The Convener: Does Steve Bastiman want to make another comment?

Steve Bastiman: I will pass, as the point that I wanted to make has already been made.

Calum Duncan: I echo what was said about the importance of having a national planning framework that delivers sustainable development. MPAs are an important component of that. I just want to reiterate that the historic context for that, as we have heard, relates to oil and gas expansion, the ambition for renewables, the aspirations to expand aquaculture and the plans to increase recreational tourism. All those things are very much welcome, but those ambitions highlight the importance of ensuring that we get a comprehensive network of MPAs. Although a lot of the discussion around MPAs has been about how activities can work around them and the possible constraints on activities, I want to make the point that MPAs are a key component of halting and helping to reverse the decline of our seas, so that we have healthier, more productive seas that we can all benefit from.

The Convener: Claudia, do you have a question on that point?

11:45

Claudia Beamish: The Marine (Scotland) Act 2010 includes an obligation on us to enhance our seas. Do our witnesses have any comments on that? It is an on-going process, and it is not just about halting or preventing further decline.

The Convener: I am sure that there will be quite a lot of comments on that. I thought that you were going to ask specifically about the renewables element.

Claudia Beamish: I am sorry, convener. Perhaps people could bear my question in mind when they answer other questions.

The Convener: We will certainly bring in that point. Angus MacDonald has a question. Let us hear your take on the MPAs and the issues around the 2010 act that Claudia Beamish has just raised, and get round-table responses on those matters.

Angus MacDonald: Earlier, we heard about gaps in knowledge and the need for better co-ordinated research. As part of the announcement a couple of weeks ago about days at sea for prawn fishermen in the Western Isles, we heard that some local boats will be involved in scientific research, which will go some way towards helping to fill in the gaps in knowledge of the area, which was a point that Lloyd Austin made earlier. Panel members will be aware of local issues on Barra regarding plans for an SAC. What can be learned from events in Barra and what more should be done to encourage community engagement in areas such as the Sound of Barra, where SACs or MPAs could be contentious?

The Convener: Those two questions go together. We will start off with Cathy Tilbrook, who is in the firing line.

Cathy Tilbrook: On Claudia Beamish's point, we welcome the duty to enhance our seas that is in the 2010 act. Marine protected areas will play a big part in that. Some sites have a conservation objective to recover the features within them, as it is felt that the features have been degraded in some way. We hope that, by bringing them up to a better standard through management, we will start to see some enhancement of our marine area.

We do not, however, think that the use of marine protected areas is the only way in which that will take place. The Government's three-tiered approach to marine conservation and nature conservation is important and works on many different fronts. MPAs are part of that, but there are measures to protect species outwith MPAs, as not all species are well suited to site-protection measures. There is also the idea of wider measures that include things such as marine planning, as it is important that the marine plan and the regional marine plans that follow look to enhance the health of the seas in the area.

I was going to answer the other point, but I have suddenly forgotten what it was. Could you remind me, convener?

The Convener: Barra.

Cathy Tilbrook: There are lessons to be learned from Barra, certainly with regard to how to bring the local community along with us in relation to MPAs. The Sound of Barra is covered by the

EU legislation, and there is perhaps less flexibility in the involvement of stakeholders in those European sites. We have been keen to have good stakeholder involvement in the MPA process from the start. During the consultation process this summer, we will go out to all of the local areas that are affected by MPA proposals to talk to people and local communities and to discuss management options and ways in which we can involve local stakeholders in the management of sites. That is something that we would encourage.

Andrew Binnie: There are a few interesting points there. It is apparent from the MPA literature from around the world that MPAs are much more likely to be successful if they have stakeholder buy-in from local communities and the various sectors. There are issues of scale. MPAs must mean something to the local community, and the local community must have the management capacity to manage them.

Although I accept that a lot of stakeholder engagement is going on, it has largely been a top-down process so far, initially kicked off by the EU. Very few communities in Scotland realise that they might have the opportunity to put in a third-party proposal for an MPA. At the moment, most do not have the capacity to properly review or understand the literature. Everybody is struggling to stay on top of the amount of literature that is being produced—even Marine Scotland, SNH and my organisation.

We argue that it is really important for the success of the MPA process that communities are involved in the whole process right from the start. That is difficult to do, because it involves a lot of groundwork, but if that approach is applied across the board, we will probably be able to avoid some of the more contentious issues such as those in Barra. If the resources had been available to have more of a grass-roots approach, the process might have been more positive.

James Bromham: The Barra case is interesting. A lot has been made recently of local distrust of the process. Many years ago, we had a similar experience with the designation of the SAC in Loch Duich, Loch Long and Loch Alsh. Issues were raised to the extent that folk left public meetings in disgust.

In working on that SAC through the planning process for marine fish farms and the SAC management forum, we found that there was no real change to the fishing activities that took place in the SAC as a result of the designation. The designation did not necessarily result in the prevention of existing activities such as fish farming, or the prevention of their expansion. Uses that are in keeping with the conservation objectives can still be allowed, so designation is not necessarily a barrier to development. That is

our experience in Highland, anyway. I use Loch Alsh as an example, but there are other SACs.

Calum Duncan: I will echo some of what James Bromham and Cathy Tilbrook have said. As is clear in the guidelines, the MPA proposals are not for no-go areas or no-take zones. Community engagement is welcome to see off any fears to that effect early on. There is a presumption of sustainable use, provided that conservation objectives are met and activities are managed to ensure that those objectives are met.

We also have to recognise that, in line with the enhancement duty, there are enhancement opportunities for MPAs. Cathy Tilbrook touched on scope for recovery, but we think that there is a bit more scope for recovery than has been presented in the advice. Only three of the 33 MPA proposals have sub-features that are set to recover. On the one hand, we have to recognise the sustainable use and sustainable enhancement opportunities but, on the other hand, we have to realise that there is a requirement to think about enhancement and to enhance.

We need to look at the proposed management options for the different MPAs so that we are comfortable that what goes into the consultation come the summer properly reflects the features of the proposals. With the precautionary approach, which we would support, we feel that if the information is not certain we would be more comfortable thinking about recovery until the evidence emerges that features are not being unduly damaged or compromised.

The Convener: I want to sharpen this up a bit, because I am conscious that we have not heard much from fishing interests, creelers and so on. I will give them a chance to speak in a minute, but first I just want to mention that, according to the International Council for the Exploration of the Sea in 2006,

"In the Minch fisheries alone, the fishing method—bottom trawling—results in 70+ million undersized nephrops (25% of the catch) and millions of cod, haddock, whiting, hake, monkfish and megrim being discarded".

I know that we are beginning to deal with discards and so on, but the fact is that if the seas are to recover, the MPAs and the fishing effort are going to have to play a part and the creel people are going to have come to an agreement with fishing. As a result, I want to extend Claudia Beamish's question into that area.

Bertie Armstrong: I welcome the opportunity to respond to that, convener.

Let me make a number of short preliminary observations. I have heard several references to halting decline; however, I am delighted to report—and hope that the committee will feel optimistic—that things are going in the right

direction with regard to overall biomass and fishing mortality.

I, too, will reinforce—for the third time this morning, I think—the case for science-based management measures instead of no-take zones. No one expects everything to be a no-take zone; for instance, in the MPA for black guillemots, all that is required is that there is no line fishing or gill netting. Given that no line fishing or gill netting happens in that area, there will be no change in the situation, but we will ensure that in future those techniques are not used.

As for your quotation about the Minch in 2006, convener, all I can say is that things now are very different. For example, we have done several things with the prawn industry and its specific problem with small mesh—which, after all, catches more than larger mesh. For a start, we have introduced certain technical measures in the design of the nets that can be used and where those new nets have been used they have made a significant difference to the problem. You will certainly find that the Minch is a different place from what it used to be. That said, this kind of recovery takes time; we have noted the points that were made and we are engaged in that work.

There is sometimes a presumption that bottom trawling or touching the bottom is a bad thing. The issue is often raised in relation to the scallop industry. There is no doubt that such methods alter the topography; however, the same could be said of ploughing the flood plains of Stirlingshire, and that is not necessarily seen as a bad thing. Where such techniques can be used safely—and I note that the sea's normal movement causes more topographical upheaval than bottom trawling—there is a strong case for continuing them. I think that it should be a case of all things in their place; all things should be backed by scientific evidence and done for a reason. I am glad to hear that everyone agrees that not all MPAs should be no-take zones, because such an approach would be silly.

The Convener: That is important. I ask Alistair Sinclair to respond for the creel fishermen.

12:00

Alistair Sinclair: I agree entirely with Bertie Armstrong that, according to the science, there is more biomass. However, the biomass is small. The main reason that the fish are no longer able to grow to a takeable or marketable size that would be suitable for Steve Bastiman and the Scottish Sea Angling Conservation Network is that the prawn trawl takes juvenile fish with every sweep of the trawl and the fish are not being allowed the opportunity to grow on.

I have witnessed that personally in Loch Fyne, in Argyll, where we had a very good stock of haddock in the upper loch five or six years ago. We witnessed the depletion of the haddock stock, with fish that were 1kg to 2kg in weight disappearing to the point that we were catching fish of 60g or 70g. Unfortunately, word had got out that there were haddock in Loch Fyne and it became a bit of a honey pot. The boys charged up the loch and totally decimated the haddock stock. The only fish that we now have in upper Loch Fyne—in fact, the only fish that we have in many of the sea lochs on the west coast of Scotland—are juveniles. I would not suggest for a moment that Paul Daniels is working some magic trick and taking all the big fish away; the fish are just not being given the opportunity to grow.

The Convener: One or two people want to come in on that subject. Graeme Dey wants to raise a point with Bertie Armstrong.

Graeme Dey: I approach the subject with great respect, as I am a layman and you obviously understand the subject far better. Like many people, I watched a series on television recently in which Hugh Fearnley-Whittingstall talked about fishing techniques. One programme showed an area that had been impacted on by bottom-trawling-like activity and contrasted it with an area that had not. As a layman, I thought that the damage that had been done was absolutely devastating.

Bertie Armstrong: That is a fundamental and serious point. There is a technique that is used almost continuously in television. Cue Wagnerian music and show a shot at 25m, in which everything is green, then select your footage showing some form of striation. Take away the Wagnerian music and cue spring music. Look at a piece of sea bed at 3m or 4m, where you can see the surface on which the sun is shining brightly. Show some coral and things. The public then think, “Oh, my God! That is not good.” We could do the same thing in the terrestrial world. You could have a shot of a spring flower meadow accompanied by light music, saying, “This is nice.” You could then have the Wagnerian music accompanying footage of horizontal rain at twilight and a plough. You could use words such as those that Hugh Fearnley-Whittingstall used and say, “These vicious metal blades are ripping their way through the surface of the earth, tearing all asunder.”

It is entirely appropriate to plough fields; it is not appropriate to plough the Loch Lomond national park, and we do not. It is entirely appropriate to rake for scallops in gravel and sand sea beds; there are other areas in which it is entirely inappropriate to do that, and fishermen do not do it because it damages their gear apart from anything

else. The Hugh Fearnley-Whittingstall programme was regrettable, and its quality was exposed in the response of the British Antarctic Survey girl who appeared in another episode. The point that was being made was simply not correct. In that matter he was not correct about the damage to the sea bed and the public were left with the wrong impression, which we find wholly damaging.

Graeme Dey: I take that point on board. How would you characterise the impact of such activities on the sea bed?

Bertie Armstrong: Are you talking specifically about scallop dredging?

Graeme Dey: Yes.

Bertie Armstrong: It happens only on the parts of the sea bed where scallops are sensibly available for that technique. That tends to be flat sand and gravel. The industry is not new; it is 40 or 50 years old. As long as it is properly regulated and everybody recognises that continued scallop dredging depends on sustainability, there is no problem. It is like ploughing the flood plains of Stirlingshire. There is no particular problem with modifying the topography temporarily. The activity does not devastate whole areas of sea bed.

Here is a useful statistic. According to a recent study that was done in the northern North Sea and around Shetland, about 25 per cent of the sea bed is touched in some way by fishing in any given year. The rest of it is not touched. There is no point in going to some areas such as rocky or coral reefs with fishing gear, because fishermen will not catch anything, or they will ruin their gear.

The situation is not as bad as it sounds. I advise caution in dealing with programmes whose intention is to exaggerate. In my personal view, that is more to do with the personal branding of the presenter than with a sensible, scientific approach to the effect of fishing on the sea bed.

The Convener: Six people wish to contribute on this subject. In order, they will be: Lloyd Austin, Andrew Binnie, Alistair Sinclair, Calum Duncan, Lindsay Leask and Mick Borwell.

Lloyd Austin: Calum Duncan comes later in that list, so I will leave him to talk about scallop dredging, sands and such matters.

I will talk more strategically about the issue of recovery. We have heard about how MPAs contribute to recovery, but it is important to underline the fact that the requirement under the Marine (Scotland) Act 2010 applies to all the responsibilities of the Scottish Government and decision makers. It is important that the plan has the protection and recovery of Scottish seas as its overall objectives, and that the various responsibilities of Scottish ministers and the other public authorities concerned are lined up to

achieve both those objectives. That includes the fisheries management objectives.

I agree with Bertie Armstrong that some things have got better in some places, but that is due to good processes such as regional advisory councils, inshore fisheries groups and other bodies working up better management systems.

I also agree with Alistair Sinclair that not everything is good yet—more needs to be done and more needs to be invested in the processes. The important thing about the right thing being in the right place and not in the wrong place is that management measures and controls are required to prevent the wrong thing happening in the wrong place. To take two extremes, we can say, “That’s the right place, and we’ll do it there,” and, “That is a wrong place, and we’ll never do it there.” However, there are big grey areas in the middle, where Government has to make a judgment and implement management measures to get the right systems in place.

The issue of community conflict and MPAs has been raised, and it is important to illustrate it, referring to the distinction that everybody made during the development of the process under the 2010 act between how one selects MPAs and how one makes management decisions in MPAs. The first should be done on the basis of science—we select MPAs on the basis of science, in the way that we discussed before. However, everybody involved—communities and all stakeholders—should have buy-in on the management decisions. Government has to take the ultimate management decisions at times. Sometimes, it has to overrule one stakeholder in favour of another—that is the democratic system that we have.

To achieve that buy-in, it is important to ensure that everybody has the right to have their say and the right to engagement. As people said earlier, it is important to stress that MPAs are not no-go areas. However, it is equally important to stress the benefits of MPAs, not least their economic benefits. Experience from around the world shows how MPAs have helped us to mitigate against weather events, how they have boosted fisheries in the long term through providing nursery areas and how they underpin our wildlife tourism industry. MPAs bring benefits to local communities, which we need to keep stressing.

The Convener: A lot of people want to speak. We do not need to write theses about these things. We have heard much about them in detail before, but we can certainly get bullet points.

Andrew Binnie: I will deal with some of the points and use a real example. Marine Scotland described the Clyde as being like

“used agricultural land in need of restoration”

and said that the Clyde has

“great potential for future sustainable use.”

It summarised the Clyde as being in a poor state of health and in need of a broad management plan, not just MPAs. The whole system needs to be looked at.

I do not want to get into the Wagner and Hugh Fearnley-Whittingstall debate, but I find the general argument that it is somehow good for the sea bed to be ploughed a bit like the tobacco industry’s productive cough argument—that it is somehow good to cough up phlegm, as that shows that we are alive. I just do not buy the argument.

I would like to see a real vision for the whole MPA network and the Arran MPA network in particular, so that we are not squabbling over who can do what in them; rather, we should look at what can be done sustainably with them and how we can make the most of the opportunities in tourism, diving for scallops, diving or sea kayaking. There is huge potential there.

We have already put in an application for an economic development officer to realise the potential of the Arran MPA, which we think will have benefits for Arran and all the communities around the Clyde, not just in preserving the marine ecosystem but in developing local economies.

Alistair Sinclair: It is entirely wrong to compare scallop dredging with farmers ploughing their fields. There is a huge difference. A farmer can go back to his field and reseed it, but once what is in the sea is gone, it is gone.

Calum Duncan: I agree that there are parts of the sea bed in which it is inappropriate to carry out certain activities. Scallop dredging in the wrong place can be very damaging, but it is recognised that it is a legitimate activity in the right places. Obviously, there is a bigger debate about that.

That brings to mind the wider measures that the Scottish Government is committed to as part of its nature conservation strategy and three-pillar approach, which includes marine planning, fisheries management and other such tools. That is why we welcome a social, economic and environmental review of scallop dredging, which is important to provide the space to discuss some of the issues. I do not think that anybody disagrees that certain activities cannot happen in certain places. It is a question of extent and location.

There are other topical features in the proposals that are—we should be up front—potentially at risk from other types of bottom gear, nephrops trawling and impacts on burrowed mud features. That does not sound very exciting, but I am talking about a very rich and productive place with anemones, sea pens and so on. There are discussions to be had

around some of the burrowed mud proposals. That does not mean that that activity is not suitable, although perhaps it is not suitable in some places.

I reinforce the point that Lloyd Austin made about economic benefits, and draw attention to a report from the Institute of Natural Resources and Spatial Planning—INDUROT—that was peer reviewed by Dr Salman Hussain at Scotland's rural college. He is an environmental economics expert who put a monetary value on the benefits that a theoretical MPA network could provide. It is important to be clear that they are not just direct cash benefits; it is about trying to put a figure on all the other things that the sea does, including storm protection, climate regulation and nutrient cycling. The figure was £10 billion over 20 years.

12:15

The Convener: We are going back a wee bit. Lindsay Leask and Mick Borwell can go next.

Lindsay Leask: I will try to answer in bullet points. With regard to enhancement and environmental protection, the one thing that we have not discussed is climate change. We are already seeing the impacts of climate change on our marine environment, but figures from the Department of Energy and Climate Change show that renewables displaced 8 million tonnes of carbon in 2011. Renewables have a huge role to play, and offshore renewables have a massive role to play and are central to any strategies for marine enhancement and protection of the marine environment.

To return to the point about community involvement, an understanding of the implications of designation for communities and industries such as ours is central. To pick up on what Bertie Armstrong said, we would be keen—as the management options for MPAs are now being considered and discussed—to ensure that there is some sort of engineering input from our industry. We can then ensure that the management options that are proposed are feasible and viable, and that things that are very well intentioned do not have unintended consequences from an engineering perspective.

The Convener: We have had a lot of experience with oil and gas, so Mick Borwell may well have some useful things to say.

Mick Borwell: I will make two points, which both relate to improvement and enhancement to an extent. The industrial activities in the marine environment—apart from fishing, which is dealt with under the common fisheries policy—are subject to environmental impact assessment. Irrespective of whether there is an MPA in a certain area, we are looking after the marine environment through the EIA process, which is

very vigorous for such activities. If there is to be any enhancement above holding the status quo, that is where it would happen.

Enhancement or recovery in an MPA where there is existing activity is not necessarily easy to achieve, and the economics and socioeconomics of that pre-existing activity must be taken into account. I do not have a mandate to talk about climate change, but we know that we need baseload electricity and energy from the oil and gas industry while the renewables are installed.

Several of the proposed areas have considerable existing oil and gas activity or considerable potential, and the socioeconomics of anything that is done in those MPAs must be considered.

Steve Bastiman: Much of the discussion so far has focused on the enhancement or recovery of the commercial stocks, but there are more than 90 or 100 species of fish in Scottish inshore waters. The major problem is that we do not know what the baseline is now, so it will be difficult to measure any enhancement or recovery, but that is something that we should focus on.

Bertie Armstrong: First, I say to my colleagues from Scottish Environment LINK that I am pleased with our discussion so far, because there has been a balance. We have recognised the proper reasons for an MPA network and the approach that we are taking to it.

Like Lindsay Leask, I will answer in bullet points and be succinct. Haddock on the west coast is one of the success stories. There may be issues in certain areas such as the upper Loch Fyne, and various local effects, but haddock is recovering very nicely in area 6: that is a fact.

I take exception to Andrew Binnie interpreting my comments as saying that scallop dredging is good for the environment just as the tobacco industry indicated that coughing was somehow all right. I never said that in any shape or form. What I am defending is reasonable activity in reasonable places. On the point that, when the sea bed is gone, it is gone, I point out that scallop dredging has been happening around Scotland for 50 years and is still a £20 million productive industry. The sea bed has not gone, and there is no prospect of it going if we manage it correctly.

The Convener: Marine Scotland made a point about developing “Scotland's Marine Atlas: Information for The National Marine Plan” so that it is available in electronic form. What do you feel about material that is collected by firms working on new projects being shared for general use? Would that involve conflict? Would commercial confidentiality be involved? It is important for us to understand such matters.

James Bromham: Our experience in Highland is that the majority of fish farm applications are accompanied by environmental impact assessments. Some of the information that we get from those is of considerable use for our coastal plans, aquaculture framework plans and the like.

I noted in the *Official Report* of last week's meeting that in the discussion with Marine Scotland there was reference to the use of aerial surveys for rapid surveying of features of the coastline. It is essential that such data or information is shared among all the regulating authorities, no matter what industry they deal with.

My background is in aquaculture, and I know that Marine Scotland is granting planning permission for fish farms with leases that existed prior to 2007, which are often not in locations where they are supposed to be. However, if we had aerial images that could capture the sites, that would help the industry. The point is that such information is useful not just for external organisations but for internal bodies such as Marine Scotland, so the data should be shared among such bodies.

Annie Breden: As part of our lease agreement with the offshore renewable developers, they are required to provide us with their environmental survey data. Once they are through a certain point in the consent process, we make the survey data available through the marine data exchange website. The information is publicly available and can be used by others.

The Convener: Do you feed into the Marine Scotland database? Is there a link?

Annie Breden: Yes. We have been discussing with Marine Scotland how the various mechanisms can work together. I think that we are looking at how there can be specific links between each of the various databases.

The Convener: So we have not reached that point yet. How soon will we reach it?

Annie Breden: I do not know, but we have been discussing the issue with Marine Scotland for the past few months. We are working on it together at the moment.

The Convener: That is interesting. Thank you.

Mick Borwell: The oil and gas industry has a very large amount of survey data, which we release through the UK Benthos database and which goes back 20 or 30 years. We are discussing with Marine Scotland having that data imported into the marine atlas. We are doing a project to look at how we can manipulate the data to make it available as a layer.

The Convener: Sure; I understand that. Patrick Jordan is next.

Patrick Jordan: My points have just been made.

Lindsay Leask: Some of the industry is slightly concerned about the problems of data bias. Large areas have not been surveyed as intensely as those that are proposed for development. The developers have done a lot of work and a lot of information is available, for example on MPAs, which can be used to drive up their processes. There is a conscious concern about issues around data bias, but we acknowledge the value of working, as we do, through the Crown Estate to share information as much as we can to help advance knowledge.

The Convener: That has all been quite helpful to committee members and I think that we have got a fair flavour of the key issues. I hope that all members of the panel feel that they have had their say. We are always happy to receive in writing any afterthoughts that you might have.

Thank you very much for taking part in the discussion. I look forward to challenging ministers on how we will take the issue forward and to the consultation in the summer, which will become a major and positive step forward for Scotland's waters and sea bed.

12:25

Meeting continued in private until 12:37.

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