



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

RURAL AFFAIRS, CLIMATE CHANGE AND ENVIRONMENT COMMITTEE

Thursday 10 October 2013

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**RURAL AFFAIRS, CLIMATE CHANGE AND ENVIRONMENT COMMITTEE
30th 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:

Roderick Campbell (North East Fife) (SNP) (Committee Substitute)

Bob Irvine (Scottish Government)

Jamie McGrigor (Highlands and Islands) (Con) (Committee Substitute)

Dr Bob McIntosh (Scottish Government)

Neil Ritchie (Scottish Government)

Paul Wheelhouse (Minister for Environment and Climate Change)

CLERK TO THE COMMITTEE

Lynn Tullis

LOCATION

Committee Room 3

Scottish Parliament

Rural Affairs, Climate Change and Environment Committee

Thursday 10 October 2013

[The Convener opened the meeting at 09:30]

Draft Budget Scrutiny 2014-15

The Deputy Convener (Graeme Dey): Good morning and welcome to the 30th meeting in 2013 of the Rural Affairs, Climate Change and Environment Committee. Members and the public should turn off mobile phones and BlackBerrys because leaving them in flight mode or silent will affect the broadcasting system.

We have received apologies from Rob Gibson, Angus MacDonald and Alex Fergusson, so I welcome to the meeting Jamie McGrigor, who is substituting for Mr Fergusson, and Roderick Campbell, who is substituting for Mr MacDonald. As Rob Gibson is not present, I will convene this morning's meeting.

The first item on the agenda is scrutiny of the 2014-15 draft budget. I welcome to the meeting the Minister for Environment and Climate Change, Paul Wheelhouse, and his Scottish Government officials, who are Dr Bob McIntosh, director for environment and forestry; Bob Irvine, deputy director for climate change and water industry; and Neil Ritchie, head of natural assets and flooding.

If it is okay, minister, I think that we will move straight to questions.

The Minister for Environment and Climate Change (Paul Wheelhouse): Would it be appropriate for me to make a few opening comments, convener?

The Deputy Convener: You are very welcome to do so.

Paul Wheelhouse: Thank you.

I thank the committee for the opportunity to discuss this year's budget decisions, and would like to make some very brief opening remarks. Obviously, the committee has taken a considerable interest in a number of issues that I consider to be priorities for the Scottish Government. For example, you have spent a lot of time on "Low Carbon Scotland: Meeting our Emissions Reduction Targets 2013-2027. The Second Report on Proposals and Policies", for which I am grateful, and I have identified your interests as being, among others, climate change adaptation, flood risk management and the biodiversity strategy. They are important issues for

not only the rural affairs and environment portfolio but the wider Scottish Government, so they feature heavily in my and the Scottish Government's programme of work.

We are providing leadership, particularly through the work of our public bodies such as the Scottish Environment Protection Agency, Forestry Commission Scotland and Scottish Natural Heritage. Last week, the committee heard from David Pirie, SEPA's director of science, about the work to produce Scotland's first-ever national flood risk assessment and how that is being used to drive local flood risk strategies. Those strategies will help to prioritise resources and drive real reductions in flood risk to the benefit of many of our communities and businesses. The collective work of SEPA, Scottish Water, local authorities and other stakeholders is a classic example of effective public service delivery.

We are also working closely with and are supported by other portfolios; I have my ministerial colleagues' support for delivery of our RPP2 ambitions. Across the Scottish Government, we understand the collective challenge of meeting our climate change targets, and last year I outlined my intention to engage closely with other portfolios to ensure that we identify opportunities for collective action. That has helped with the development of RPP2, and I am committed to continuing that engagement as we act to deliver against our commitments. I particularly appreciate ministerial colleagues' support in increasing low-carbon investment to just under £1.3 billion over the period to 2015-16.

However, I do not wish the delivery of Scottish Government ambitions with regard to the environment to be a matter solely for the public sector, and am keen to promote actions that protect and promote the environment. Where appropriate, legislation will be required. I appreciate that the committee has spent time looking at our work on better environmental regulation, but we also need to support and encourage the actions of individuals and communities. The committee will be aware of changes that we have made to the climate challenge fund in order to maximise its potential and to fulfil our ambition of supporting communities in achieving the transition to a low-carbon future.

Thank you, convener, for the opportunity to make those brief opening remarks. I am happy to take members' questions.

The Deputy Convener: Thank you, minister. I will kick off the questioning.

Many of the indicators in the national performance framework that are relevant to the rural affairs and environment portfolio are deemed

to be “worsening”. How was the performance of key indicators taken into account when determining the draft budget?

Paul Wheelhouse: You make an important point. I am acutely aware of our continuing negative position, particularly in respect of, for example, terrestrial birds; the decline in that index over the past few years is of concern to ministers. Such issues feed into our thinking about how we redesign the Scotland rural development programme and target support more effectively at tackling the kinds of challenges that we are facing in the national performance framework indicators.

There is also additional funding for air quality because we are conscious that there are issues in that regard, with an increasing number of air quality management areas.

With regard to RPP2, one of our key indicators is Scotland’s carbon footprint. We are satisfied that we are making good progress on delivery in terms of our production emissions—emissions that are produced in Scotland. However, we also have to take account of our impact in terms of our carbon footprint globally. A lot of the work that we are doing through the behavioural framework, which the committee is looking at, will I hope help to steer consumption patterns in Scotland towards reducing consumption of products that are produced in ways that generate a lot of emissions.

There are a number of themes there, but clearly we are very sensitive to the issue that we have poor figures in terms of terrestrial birds. It is a complex picture. It is not the case with all species of birds—some are in recovery—and we have a particular challenge with upland birds. The investment that we are making through the SRDP and in areas such as peatland restoration should feed through into biodiversity benefits and therefore help with some of those indicators.

Claudia Beamish (South Scotland) (Lab): Good morning, minister. It was a very positive climate change conference yesterday, which is an exciting step forward.

I am keen to see the national performance framework threading through Scotland’s future, whatever Government and whatever form of constitution we have. Specifically, how can the direct link between the national performance framework and the budget be reinforced and made more robust? You have highlighted one or two things that are worsening and things that are improving—I hope that future budgets will not go down because of those improvements. You highlighted the terrestrial birds issue, but with regard to the responsibilities of Scottish Natural Heritage and the national parks, another indicator that they are responsible for, which is to increase people’s use of Scotland’s outdoors, is not

improving either. There is a concern that funding for SNH shows a 4 per cent fall in cash terms and a 5.8 per cent fall in real terms, and funding for national parks shows a 12.2 per cent fall in cash terms and 13.9 per cent fall in real terms. How do you address specific issues within an annual budget?

Paul Wheelhouse: You are absolutely right to raise those points. With regard to outdoor activity, the proportion of the population making use of the outdoors declined in 2012. I hope that we will see quite a strong bounce back in the 2013 figures. I say that because we had particularly bad weather in the summer of 2012. It was very wet with a lot of rainfall, which had flood risk implications. Therefore, for many people the attractiveness of going out to enjoy the countryside was reduced.

We also had the Olympics, which probably meant that a lot of people were staycationing, possibly even in their own homes, watching the Olympics. That may have had an impact. If there is a downward trend, we will see it in the figures for 2013. However, I suspect that we will see quite a strong rebound, given the very good weather that we have had this summer.

That decline in 2012 shows—like many indicators when it comes to RPP2 and meeting our climate change targets—how vulnerable some of our targets are to fluctuations in, for example, the weather. We have to try to make ourselves more resilient in achieving those targets. Clearly the work that we do through SNH and others will help to support the national parks.

Claudia Beamish: Can I just ask, on that point—

Paul Wheelhouse: I was just going to move on to the budget issues, but yes—

Claudia Beamish: I am sorry. Go ahead.

Paul Wheelhouse: As regards the national parks, it is true to say that the overall budget for grant-in-aid funding for national parks is going down by 12 per cent—a £1.8 million reduction—between 2013-14 and 2014-15, but it is a complex picture. In 2013-14, we used shovel-ready money—I do not particularly like that phrase—to support the national parks in that year. That meant that there was an extra £1.8 million in the capital line in 2013-14. If that had not been in there, we would have had an increase in capital. As it happens, we have a 57 per cent decrease in the capital line in 2014-15.

If we find ourselves with access to funding at the end of the year, or if capital funding becomes available during the year, we will look at whether there are opportunities to invest in our national parks. I have primed Grant Moir and Fiona Logan to think about projects that they could have ready

if we find ourselves in a position to do them. It will be a case of constantly looking at whether there are opportunities for investment. We have invested in long-distance trails and visitor facilities in the national parks to encourage more people to use them, because they are a tremendous asset for the nation.

You are correct that there is a small decrease of the order of 4 per cent in the budget line for SNH. That was announced in last year's budget and has been carried forward as one of the areas of portfolio that has taken the proportional reduction in budget that we are seeing throughout the Scottish Government. I am confident that SNH is already planning on that basis and can cope with that reduction. I would not have chosen to do that if we had not had to do it. I hope that that gives you a bit of context.

The national parks figures are slightly misleading in that we had a large allocation in shovel-ready money last year, which is responsible for the apparent decline in that budget. Taking that out, however, there is only a £0.2 million drop in the resource budget—or 2 per cent—for the national parks.

Claudia Beamish: Do you have any thoughts on making the links between the budget and the national performance framework more robust, not for this year but in future planning?

Paul Wheelhouse: That is a fair point. When I was on the Finance Committee I made similar comments about the need to reflect the national performance framework and the budget. I think that that is the intention.

We have had a good degree of support from Mr Swinney and colleagues on delivering additional investment, in RPP2 terms, to help us to fulfil our commitments. We recognise that, so far, the European Union has not moved to a higher level of ambition, and that we may need to fall back on more domestic action. We are therefore accelerating investment where we can. My intention is to continue that dialogue and see whether we can encourage ministers to look for similar opportunities, going forward. That is linked to some of our key national performance framework measures.

On terrestrial birds, that is certainly feeding through into our thinking about designing the SRDP and how we better target those resources in the future to help with our biodiversity indicators.

On yesterday's discussion at the climate justice conference, it is about looking beyond simply gross domestic product, to other measures of the wellbeing of Scotland. Those are important issues to take on board.

Nigel Don (Angus North and Mearns) (SNP): I want to extend precisely that point. It is generally recognised that a significant amount of exercise is the best protector against heart disease. I wonder, therefore, in very general terms, to what extent you can shift the health and wellbeing budget towards getting people into the outdoors because it will help them?

Paul Wheelhouse: Mr Don makes a good point. Through our investment in WIAT—woodlands in and around towns—we are working closely with colleagues including Michael Matheson to understand the impact that getting outdoors can have, in improving our nation's health and in terms of preventative spend.

I recently visited the NHS Forth Valley hospital in Larbert, where I saw an impressive network of paths around the hospital that is the result of a partnership between Forestry Commission Scotland, the NHS board and other partners including Falkirk Council. The hospital grounds have been used for the benefit not only of patients but of the wider community, which can use that path network, which is in attractive woodland and the policies of a former stately home. We can look for such opportunities. As you know, the wider national forest estate is important for tourism and recreation. It is a good example of how we can deliver wider ecosystem services and benefits to the public from our natural resources.

09:45

Jim Hume (South Scotland) (LD): You mentioned the flood risk back in 2012. Luckily, we have had a good summer to make that risk a distant memory, but it is never far away. Last week, Aberdeenshire Council gave evidence, in which it said that there is a need for improved accuracy in flood forecasting. What is the Government doing to improve that, how will it be funded, and when will more accurate forecasts be available for councils and other stakeholders?

Paul Wheelhouse: I share your concern. We have had a good summer, but we have had the recent Intergovernmental Panel on Climate Change report and we know about likely implications for the climate. We are still evaluating the messages that are coming out of that, but we feel confident in saying that our future weather will be more erratic and that the rapid and intense precipitation events that preceded some of last year's floods are likely to be more regular. A key part of our adaptation programme is that we are looking to make sure that we are resilient to severe weather and flooding so that we can manage the flood risk.

We are also working on the flood warning side of things and on 28 January this year, SEPA

launched 28 new coastal flood warning schemes that will help by giving an improved alert facility for authorities in the north and the east coast of Aberdeenshire. That facility will give those areas more protection and earlier warnings of when flood incidents might occur. The Forth and Tay coastal areas are also covered. I am conscious that there is also a desire to improve flood warning and protection in the Moray Firth area more generally by making more information available.

Addressing flooding is a priority in the funding that has been identified for SEPA and other partners. The current draft budget includes an increase in the funding for dealing with pollution and flooding from £1 million to £3.99 million. That funding is for addressing specific pressures on the water environment, and it covers flood risks and issues such as diffuse pollution. It is the headline budget that covers our investment in flood risk objective more generally.

If I may, convener, I will bring in Neil Ritchie to discuss what we are doing on flood risk warnings.

Neil Ritchie (Scottish Government): It might be helpful to remind the committee that in December last year, SEPA published its flood warning strategy for the period up to 2016. It highlights how SEPA will roll out further improvements to the existing flood warning service. That includes a number of coastal schemes; we have, historically, been very good at river coverage, which was the main priority, so now that we have done that work, we are moving to cover the coasts. We will soon launch the Stonehaven flood warning scheme, which will give information to that community. We have been able to do that in the light of the recent flooding events there.

In addition, I highlight work that is not visibly in the public domain around the joint SEPA and Met Office Scottish flood forecasting service. That provides a daily readout of flood risk over a five-day period to allow local authorities and other emergency responders to identify what is coming along and to get their plans in place to take appropriate action. We continually review and revise how the detail of that information is provided. SEPA and other agencies are working on the key technical challenge of refining that information so that it is better targeted. Once that has been cracked, we will be able to roll out the precise targeting of information for the public through the floodline warning system.

Paul Wheelhouse: I will make another couple of points, if I may, convener.

Mr Hume asked about the accuracy of the information. What I am about to describe does not apply in every case, and I do not want to be complacent about it.

Almost a year ago, just after I had taken up my post, I discussed with East Lothian Council its perceptions about the quality of the service, following a flood in Haddington. It had been told that morning that the flood was likely to happen at about half past 1 in the afternoon, and the prediction was so accurate that it was only one minute out, which is quite a decent result. The council was able to prioritise its resources to be there in time to minimise the flood. It affected a couple of businesses in Haddington, but the council was able to take the edge off that flood and ensure that fewer properties were affected. Ray Montgomery at East Lothian Council was complimentary about the accuracy of the prediction in that case. I am not saying that it will be accurate in every case, but that example shows that the model can work. I suppose that it is the case that even a broken clock can be right twice a day, but that is just one example of the kind of message that I am getting. Generally speaking, the modelling is quite accurate and gives people an accurate view of when the flood risk will be at its maximum and when to get the resources in place.

Aberdeenshire has been mentioned; we hope to have a flood warning scheme for Stonehaven in place soon to give a greater amount of information to that community, which I was saddened to see being affected by two severe floods in December last year. We are working on a case-by-case basis to improve the level of local service.

To put the issue in perspective, I mentioned earlier the line that relates specifically to flooding, but more generally the budgets for natural assets and flooding are up £3.7 million—which represents a 70 per cent increase between 2013-14 and 2014-15. In terms of resourcing that area, we are in a much better position in the current year.

The Deputy Convener: As we are on the subject of Stonehaven and Aberdeenshire, it will not surprise the minister to know that Nigel Don has a contribution to make.

Nigel Don: It is surprising how often Stonehaven seems to come up in this context. What happened there was so extraordinary that it took quite a few people by surprise. The minister has mentioned the flooding in Haddington. My observation of what happened last year in Brechin is that people knew the timing but did not take the precautions early enough, so there were people standing there waiting for the water to come over and, when it came over, they said, "Oh dear, where are the bags?" That is part of how people respond, and that leads me to my first question.

Every time we ask about climate change, people talk in the first sentence about floods or the risk of floods as one of the consequences, because we get major downpours, they are more unpredictable

and cloudbursts seem to be bigger—I do not know whether that is an artefact of history or our observation of it. Given that that is always at the forefront of people's minds, what are you able to do to ensure that all the organisations—there are several, and there should be—are pulling together so that we get the maximum result for the budget? Plainly, it is a subject that is not going to go away, and we really do need to make it work as well as we can.

Paul Wheelhouse: That is an important point. There is an expectation on the part of many people in the community that the protection of their property is someone else's responsibility, whether it lies with the local authority or with some other body. The sad reality is that, as the legislation stands, it is an individual's personal responsibility to protect their property. When I went to Stonehaven to see Nigel Don's constituents, the impact of the floods on people in low-income households was obvious. They had not made provision, and perhaps they could not afford to do so.

As we discussed in the chamber, 10 per cent of people in Stonehaven did not have flood insurance for one reason or another, either because they could not afford it or because they had been refused flood insurance. The flooding there had a practical impact and it is distressing to see families in such a traumatic situation. There is a need to tackle the substantial and seemingly intractable problem of there always being some people who have not made provision to protect themselves or their property, so we must do a number of things. We have not reached a conclusion yet, but we are having discussions with the Scottish Flood Forum and others about tackling the specific issue of personal flood protection. If we can reach a conclusion, I will come back to the committee with more information on that.

As a result of the proposed approach by the United Kingdom Government to take forward flood re as an insurance product, we are working with the insurance industry to develop a memorandum of understanding with it to cover us for the interim period and to help to ensure that properties are at least able to access flood insurance.

The more significant issue is how we go forward with the major flood prevention schemes that are necessary in some communities. In autumn 2013, there will be a second round of applications under the current arrangements with the Convention of Scottish Local Authorities. The timing is still to be agreed by the panel—no doubt, it will keep us informed of that. Further guidance will be issued, building on the experience gained from round 1, in which there were issues with allocation of funding, as Mr Don is aware.

Specifically on Brechin, which I visited at the member's request to see for myself the impact on the community, we are still in discussions with Angus Council to confirm its scheme and ensure that it is compliant. There are a couple of things to be done, but we should be in a position shortly in which that is confirmed and the scheme will then proceed. We will look sympathetically at the case for communities such as Brechin in the next round, which I hope will be announced this autumn, as I said.

Nigel Don: I am grateful for that specific point, as I would of course have come to it. The minister will appreciate that communities are grateful for all the warm words and sympathy but, as he knows perfectly well from his region, the only thing that they care about is getting the bricks and mortar—or whatever it is—in so that they feel protected.

I want to return to the issue of insurance. I am hearing about folk who are struggling to get insurance and others who say that it is not worth their while taking precautions because doing so does not reduce their insurance premium. Surely we need to be nudging somebody on that.

Paul Wheelhouse: That is a valid point, which I have raised with the Association of British Insurers and asked it to come back to us on. I have asked whether, in the same way as people who put in double mortise locks and various other things in their house get a reduction in their insurance premium, if people take all the steps and it can be demonstrated that the equipment was deployed at the time of a flood but they still had damage, that will be taken into account. We have raised that point with the industry, but we have yet to have feedback on it.

We have had more positive engagement with the industry on how to ensure that, in communities in which some community-level flood prevention scheme or other measures have been deployed, that is taken into account in calculating community-wide the insurance premiums that individuals and consumers face. We have had much more progress on that. We have the agreement of all 32 local authorities in Scotland to supply their data on a real-time basis to SEPA, which is co-ordinating the activity to ensure that the information is available to the industry, so that it can see, for example, that since the most recent flood risk assessment was done, there has been subsequent investment and therefore the flood risk has been lowered.

We are updating our flood risk assessment, and we will shortly have updated flood risk maps that indicate the risk at local level, which we hope will inform that discussion with the industry and ensure that it uses the most accurate data in calculating the risks to communities and the assets in them.

Nigel Don: I want to raise another issue that is at the top of a number of people's minds and which I am sure applies across Scotland and not just in my area. We have talked about some of the things that people can do to protect themselves—literally, that can be gates across front doors, if they happen to have solid walls at either side. However, as the minister alluded to, some people just do not feel that they have sufficient funds to do that, for whatever reason. Some of the measures are quite expensive.

I put it to one of the local councils in my area that it might provide a loan scheme to help people in that situation. That is not stupid, because it is bound to reduce the local authority's costs if there is subsequent flooding. However, it told me that, in effect, such a scheme would need to fit in with an existing scheme, so the minimum loan would probably have to be £5,000—certainly not £500—and it would have to be on a property that was otherwise unsecured. In other words, in effect, it would have to be a commercial loan. I hope that, the moment I say that, it is pretty obvious that that is nonsense in the context of what we are talking about. It would practically never apply, and the sums of money are not appropriate anyway.

As minister, perhaps you can use your good offices in the Government to provide some other mechanism that would let people access, perhaps at sensible rates but nonetheless without the paperwork, the kind of money that will enable them to put in sensible floodgates and non-return valves into their sewerage systems. They need to put in pretty elementary measures, such as air bricks. That is pretty much all that we need to talk about. We need a way of allowing people who do not have access to funds—in the current economic circumstances, they may not have it for a while—to get the money that would allow them to do that kind of stuff now.

To come back to Jim Hume's point, although the winter is on its way, we should not think that flooding happens only in winter. Flooding can happen at any time of the year, although it is marginally more likely to happen in winter. People need to be able to put in such measures, which they need to be able to fund. Some of them will need some help with that.

10:00

Paul Wheelhouse: Convener, I should apologise to the sound man that, if he hears any roaring going on, it is just my stomach, I am afraid. The sound equipment is absolutely fine.

Mr Don raises an important point. As I alluded to earlier without going into much detail, we are discussing such matters with the Scottish Flood Forum. Mr Don is right that it would be unrealistic

to expect individuals on low incomes to be aware of how to go about getting a loan, even if loans were available for them at the kind of sums that are necessary. We will probably need to take a different approach.

Fortunately, because of pioneering legislation in the Flood Risk Management (Scotland) Act 2009, we know where Scotland's flood risks and potentially vulnerable areas are. We know how many properties are potentially at risk, so we can funnel our efforts into those communities and areas that are potentially vulnerable rather than take an indiscriminate approach across Scotland. In discussion with COSLA, we can look at which areas or schemes are likely to need major capital projects, which will often reduce the flood risk in those areas quite dramatically.

Whether for reasons of timing, because a capital project may take a while to get up and running or may need to go through a consultation as part of the planning process, or for reasons of cost, because it may not be viable or attractive to put in place a flood prevention scheme that would totally alter the appearance of a community or its environment, there will remain communities in which we may need to look at how we protect individual properties. Therefore, we may need to take a differentiated approach. In those circumstances, we could not tolerate a situation in which some people were too poor to participate while others were able to afford it.

To cite a good example—Mr Hume and Ms Beamish may be aware of this—Scottish Borders Council already provides equipment at cost, and has done so for many years, as part of a very successful scheme. I have taken advantage of that for my local office in Hawick, which has been able to get floodgates at cost. That is a great service that the council provides for the community. There are local flood groups such as the Hawick flood management group that advise members of the community. Where communities are at risk of flooding, I would encourage them to consider setting up a similar group that could advise people—particularly the most vulnerable in the community, such as the elderly, those with infirmities and the disabled—to ensure that everyone is protected.

I will look sympathetically at ideas about how we can deliver some form of funding to assist those individuals who cannot afford to put in the necessary measures. We are in discussion with the Scottish Flood Forum on that. I give an undertaking that I will provide more information to the committee once we are in a clear position as to how we might go about that. Potentially, local social landlords or the local authority could be used as the delivery mechanism rather than individuals being required to apply for grants. If we

go down that route, we will want something that is easy to deliver and whose efficacy is easy to monitor.

Mr Don makes a very valid point. I can certainly commit to come back to the committee on that issue once we know more.

The Deputy Convener: Before we move on, I remind members that we must try to focus strictly on the budget, if we can.

Richard Lyle (Central Scotland) (SNP): Good morning, minister. The natural assets and flooding budget line includes a sum of £0.5 million for 2014-15

“to address historic impacts on the water environment”.

Last week, Lisa Webb of RSPB Scotland told the committee that, compared with the cost of some projects, £0.5 million is a small sum that is insufficient to address historic impacts on the water environment. Which historic impacts on the water environment will the budget line address? Is the sum of £0.5 million sufficient? Are there any other sources of funding that can also be used to address those impacts?

Paul Wheelhouse: I am aware that that issue has been raised. You are quite right that that budget line aims to address historic issues. Some of those might be old weirs that are no longer used for industrial purposes but which act as a barrier preventing fish from spawning upstream. We can either remove the weir entirely, if it is possible to do so and there are no local heritage reasons to maintain the weir, or put in alternative means by which fish can traverse those barriers.

This is part of a wider programme to try to improve the water quality in Scotland. We have made progress on that, but our achievement on compliance with the water framework directive is consistently low, in the 60th percentile. We want to push on and improve our performance in that area.

There is water framework directive money that picks out some of these historic impacts. I saw an example of that when I visited a project in Almond Valley where there is an historic weir. This sum is only half of the money. SEPA also has approximately £500,000 in its budget. I will check with Neil Ritchie whether that is correct.

Neil Ritchie: That is correct for the water restoration fund.

Paul Wheelhouse: There are other measures, through the SRDP and other routes, by which landowners can do things such as riparian planting and contribute to the improvement of the water environment. I had the great pleasure of fulfilling a lifelong ambition when I drove a JCB at Eddleston Water to reopen a meander there. Partnership

between SEPA, local land managers and the council can deliver that kind of investment, in that case to reopen a meander, adding just under a kilometre of river. Doing that achieves multiple benefits. It improves the quality of the river environment for fish and increases biodiversity, which in some senses happens almost immediately, but it also slows the rate of progress of water down the river system, which protects properties further downstream, in Peebles in that case. There are some practical examples of where it has been done.

There are measures that we are using. The SRDP, for example, will take these kinds of issues into account. If we invest in peatlands, will that have an impact on the river environment further downstream? Will it help to restore the habitat of a river? Will it help with flood management? Can we use our forestry planting more sensitively and proactively to try to help with flood management and river environments?

One of the issues that came up in the discussions about the Aquaculture and Fisheries (Scotland) Bill was the impact of climate change on the health of our wild fishery. In many cases, rivers have been completely stripped of trees, which has contributed to a rise in river temperatures that threatens salmon. They really struggle when temperatures get above 25° and head for 30°. That can kill the fish because of the lack of oxygen. They cannot survive in that environment.

When we take all these things together, we will try to use our funding as proactively as possible to help even with the landscape scale investments to improve the habitat of an area, which will have a benefit for river systems. We are also working on river basin management plans to ensure that we take account of flood risks, diffuse pollution and progress on the water framework directive.

That £500,000 is matched by funding within SEPA, but it is very much the tip of the iceberg and we will use other funds that we have at our disposal to try to improve river habitats.

Richard Lyle: I am very happy to see that you are using it to—if you will pardon the expression—pump prime.

The Deputy Convener: I do not want to dwell too long on this point, but I would like to develop it slightly. When this kind of work is carried out—you kindly visited a project in my constituency recently—as you mentioned, there is improvement in the quality of the habitat, which ultimately improves fish numbers. Is there not a role for the riparian owners on these rivers to contribute to these costs?

Paul Wheelhouse: Yes, indeed. If we are using mechanisms such as the SRDP, there will be

financial contributions from outwith European and Scottish Government resources. It might be a 50-50 split.

Any work will be to the advantage of those along the South Esk and Rottal Burn to whom you referred. That was a very interesting visit to see the work that is being done there to restore meanders. I saw similar works at the River Dulnain, near the Spey. There is a lot of that sort of work going on, and the quality of the work that is being done is very much appreciated by the likes of the Scottish Wildlife Trust and the Woodland Trust. Such investments can benefit multiple species—various fish, the freshwater pearl mussel and other species.

The landowner may benefit through improving the sporting performance of their estate. They can get more income into the area with a more productive fishery, and they might be able to maintain a higher catch, within sustainable limits, in their estate. There are multiple benefits to be derived, including many for the landowner. There is also a wider externality, to use an economic term—in other words, there are benefits for the wider community, and indeed for the environment.

Jim Hume: My question follows on quite neatly from that. Last week, a few stakeholders attended the committee, including representatives of the RSPB. Your draft budget states that we should

“make best use of all the available delivery mechanisms, including ... SRDP”,

which you have just mentioned. The RSPB thought that SRDP and common agricultural policy funding should not be used for flood management, and that funds for that should come from a different budget. You said “if” SRDP funding was used. Is it your intention for SRDP or CAP funding to be used for flood management?

Paul Wheelhouse: The SRDP will be the vehicle for delivering our peatland investment. There is £5 million for next year and £10 million for the year after. One of the reasons for having that is to attract match funding and to lever in more money from other sources, whether it is from landowners, the Heritage Lottery Fund, the RSPB or other non-governmental organisations. We could potentially double the amount of money. That might not be possible in the first year, for technical reasons, but certainly in the second year. We would hope to be leveraging in match funding by 2015-16. We might get a total of £25 million to £30 million of investment in peatland from a £15 million Government investment. That is using the SRDP as an effective means of getting a bigger bang for our buck when it comes to attracting funding. That will have a benefit for natural flood management.

Match funding would also come in for the Forestry Commission's activities that use the SRDP as a vehicle for allocating funding for forestry or woodland planting projects. Although we feel confident that we have enough money identified in the draft budget to meet our planting target—I could explain why I think that, if that would be helpful—we will be able to use the funding on projects that involve commercial species as well as native broad-leaf species being planted in locations where they will mitigate the level of flood risk for downstream agricultural land and communities.

We need to be smart. We are living in times when funds are constrained. However, we can use the money effectively to get multiple benefits where possible. The primary purpose of the application might be for forestry or for flood management—it will have a benefit for biodiversity or flood management respectively.

Jim Hume: We will come on to peatland and forestry matters later—I do not want to stray on to other members' questions. We get hanged in this committee for doing that—usually when we are in private session.

The Deputy Convener: Just mildly chastised.

Jim Hume: You have made it clear that SRDP and CAP funding would not be going to specific flooding projects, although it may be part of peatlands and forestry funding, which I will come to after I finish this point. You mentioned the Hawick flood group, which does a very good job. There is another flood project that I believe has been explored, involving the use of agricultural land up the Teviot water. There were problems initially because, although the project went into some details, there had not been discussions with any of the landowners early doors. However, I think that the matter has been sorted now.

Also, if one's MSP office is in a place called the Sandbed, that provides a little bit of a clue that it might be in danger from flooding.

Scottish Land & Estates is concerned about how we would fund natural flood management. I would be interested to hear how you think that we can fund it, apart from as a side effect of forestry or peatland management.

10:15

Paul Wheelhouse: SLE members may have a wider role in that. I will leave the peatlands issues for the moment and make some more general comments. Under our biodiversity strategy, we are looking at larger, landscape-scale projects, and they will involve individual private landowners, Government land, NGO land and farmers, as we

need to take a partnership approach to deliver the projects.

In many cases, the investment that we make in supporting biodiversity and habitat restoration, as with the investments in the Rottal Burn, the Dulnain catchment and Eddleston Water, may well also have the benefit of reducing flood risks for communities downstream. Some of the projects involve prime agricultural land, which is sometimes badly affected by flooding, not through the destruction of habitat, but through past man-made changes to habitats, such as straightened rivers and canalised sections of waterways, which push water downstream at a more rapid rate.

The more that we can do to look at landscape-scale projects, the better, and we will involve SLE and others. That might involve funding from sources such as the Heritage Lottery Fund, which is keen to invest in such projects in Scotland. It has increased the value of projects to which it can award funding and changed the criteria of its awards so that it can work with private operators as well. There are some potentially attractive opportunities. In addition, the renewables industry is involved in many cases, partly through the planning system, as in the Borders, but also in other ways, and is voluntarily investing to try to achieve benefits in terms of habitat restoration.

There are many non-Government sources of funding that we can look at, and we will evolve and tailor our solution as we go on.

Richard Lyle: I have a question on climate change and RPP2. I note that the 2010 and 2011 Scottish climate change targets were missed. We all know the reasons for that, but we are still disappointed about it. Were the missed targets taken into account in developing the draft budget? What action is being taken, given the budget constraints, to get back on track in delivering on Scotland's important annual climate change targets?

Paul Wheelhouse: You will not be surprised to hear that I consider that climate change is one of the most important issues in my portfolio. It is a strength of our legislative framework that we have such strong scrutiny of the budget, and that helps me in my role. All Government ministers are climate change ministers in that respect, and they are answerable for their investments.

It has been a healthy process. As I said when I lodged the final version of RPP2, I had productive discussions with John Swinney in his role as finance secretary and we recognise the need to compensate for slow action at an EU level and the fact that we are still, unfortunately, vulnerable to fluctuations in the weather. We have yet to see what impact the bad weather in 2012 had on our figures—we will know that in June next year. The

UK figures showed that there was a deterioration in terms of carbon emissions in 2012. Those are draft figures and we need to wait to see the final impact at the UK level, but if Scotland follows that trend, it is obviously not a particularly healthy position to be in.

The Government has reflected on that evidence. I hope that the committee has seen our document "Draft Budget 2013-14: Details of funding for climate change mitigation measures", which we submitted to the Scottish Parliament information centre and, I think, copied to the committee. As that sets out, whereas we previously had about £1.1 billion-worth of investment in low carbon measures over a three-year period, that has been increased in the current draft budget to £1.277 billion—almost £1.3 billion—so an increase in resource has been put in.

Particularly in relation to rural land use, I was delighted that the finance secretary recognised the need to convert some of our proposals to policies as early as possible, and the peatlands investment is a good example of that. I am not sure whether any member wishes to pick up on peatlands, but I am happy to come back to the issue. That is an example of an early step in trying to convert a proposal to a policy.

We know that, if the EU was to stick with 30 per cent, we could—even if we deployed just our policies and not our proposals—achieve the 42 per cent reduction that we need by 2020. Given that the EU is not acting, we need to implement our proposals to get there, so I welcome the fact that the Cabinet Secretary for Finance and Sustainable Growth has delivered more money in the budget for a number of measures. Those measures include rural land use projects and accelerated investment in home energy efficiency, which I am sure the Infrastructure and Capital Investment Committee will discuss with ministers. There is also additional money for sustainable active travel, which, while it might not go as far as some would like, is clearly a welcome investment in that direction.

Richard Lyle: With regard to the budget, are you happy that you have to wait for nearly two years to know whether you have missed or met a target?

Paul Wheelhouse: I suppose that is the nature of Government accountability. There is a bit of irony in the fact that I stood up and defended the 2010 figures, which are from a year before I was elected, but such is the nature of the beast. We rely on the Committee on Climate Change, the Office for National Statistics and others to produce some of the data, but there is a timing issue.

We have pressed the Committee on Climate Change to help us in getting more timely

information when it can, and it has taken that on board. However, we are frustrated that we are not getting real-time information. We can get some estimates; Bob Irvine may want to comment on that.

We try to estimate where things are going. On some indicators, such as renewable energy, we get the information a bit quicker and have better access to figures for the level of power that is being generated, so we can estimate the share of our energy needs that is being met from renewables.

That does not feed directly into the climate change figures, but it gives us an indication of how dependent we were on fossil fuel generation in that year and of the impact on the traded sector. It is a roundabout way of assessing how good or bad we were in that particular time period. Richard Lyle is right that it is frustrating, and we will keep on pressing as much as we can for more timely information.

Would it be helpful if Bob Irvine were to comment on the specifics?

The Deputy Convener: That would be all right on another occasion, but we want to focus on the budget today, if that is okay with Mr Irvine.

We will come to peatlands in a moment and focus on that for a spell, but we will stick to this particular topic just now. Claudia Beamish has a question.

Claudia Beamish: I hope that we would agree that we are all working together on the RPP. I was interested to find highlighted the Rural Affairs, Climate Change and Environment Committee's recommendation on the RPP from December 2011. I will read it out, because it is important to emphasise the continuity between past, current and future budgets. It says:

"The Committee urges the Scottish Government to ensure that all proposals and policies in the RPP, and any future revisions of the RPP, are fully funded, in order to meet the targets set out in the Climate Change (Scotland) Act 2009."

Your recent letter to us, minister, including the mitigation table, was helpful in identifying and perhaps giving confidence not only beyond this committee but beyond the Parliament on the issues that are being driven forward. It is helpful—as a wide range of groups have acknowledged—that there is more money in the budget for active travel. The range of issues that you highlight in the table show the ways in which we can work towards modal shift, which is encouraging.

I am interested in the degree to which any particular budget line can help with behavioural change, whether that is in terms of transport, housing or land use, which I think you would agree

are the main issues, apart from consumption emissions. I heard just this morning on the news that the whisky industry—as you may have heard, minister—is moving its freight, or bottles or whatever we want to call them, off road and on to rail, which will make a difference that will equate to one in seven heavy freight journeys on the A9. Can you help us with information on budget provision for behaviour change in relation to business and communities?

Paul Wheelhouse: Such matters are important. I recognise the committee's previous comments about demonstrating that the proposals and policies are fully funded. I can refer to specifics. We are investing an extra £10 million in sustainable and active travel in 2014-15 and 2015-16 and I understand that the intention is for local authorities to match fund that. As with the peatlands investment, we intend to lever in more money from outside the Government and therefore to ramp up the investment.

Claudia Beamish referred to transport, housing and land use, and it is true that they are three key areas that we must address. I have not caught up with today's transport announcement, but I was aware that the initiative was being talked of a few weeks ago as possibly happening. That is a tremendous initiative for the whisky industry to take. The industry has traditionally been seen as a big emitter, so any positive steps that it can take to reduce its impact on emissions must be welcomed. The industry actively engages through groups such as the 2020 climate group, which was at yesterday's climate justice event.

We need to work with such groups on behavioural aspects and on understanding what will trigger business to make investments. Corporate social responsibility is one driver. Under the emissions trading scheme, we have had league tables of emissions by sites and operators, and such reputational drivers can help.

Consumers can play a role in influencing companies from which they purchase products by saying that they want companies to do more. If they have shares, they can turn up at annual general meetings and challenge directors to act.

Under the Climate Change (Scotland) Act 2009, businesses—if I can call them that—in the public sector such as SEPA and SNH have a public duty to address climate change, and they report annually on that. They might go beyond what most businesses can do to monitor and report on their emissions, but they can set a high benchmark for driving down emissions.

I am pleased that one positive aspect of the draft budget is that the Government is to reduce its emissions from 7.3 megatonnes in the current year to 6.6 megatonnes in 2014-15. We need to

try to do that and set an example. That might not always be possible, and we might have bumps along the way, but we are trying to do what we can and to show businesses in the private sector how to go about reducing emissions. We can demonstrate the techniques.

Aberdeenshire Council, which is beyond central Government, is doing important work by having distributed working centres, so that people do not have to travel all the way in to go to the corporate headquarters. Such examples really count. The Carbon Trust's work and the work that we can do through fora such as the 2020 climate group can help to drive the agenda forward.

I totally accept that we need to do as much as we can on transport, housing and land use. I am pretty confident that we are going in the right direction, but we will have to keep a watching brief and not be complacent about the direction of travel.

Claudia Beamish: Could you let the committee know which budget lines support behaviour change? They are quite hard to identify. I know that there is a behaviour change strategy, but which lines in the budget relate to business, for example?

Paul Wheelhouse: The climate challenge fund and the sustainable action fund are kind of hidden in the homes and communities table. I believe that the £1.1 million for work on behaviour change also falls under that heading. I ask Bob Irvine whether that is the case.

Bob Irvine (Scottish Government): Yes—that funding is within the sustainable action fund.

I think that Ms Beamish is asking about action under other portfolios. We will certainly try to help the committee as far as possible to identify things, but quite a lot of behavioural initiatives and actions are part of other national and local activities and activities by voluntary organisations. We are trying to heighten the awareness that a vast range of behaviours, which cover all the policies to which Ms Beamish referred, are critical to achieving the targets.

The development of all policy that RPP2 supports and identifies should have a behavioural element. I think that the minister is looking forward to engaging with the committee next month to explain that, but we will try to present information that will assist the committee before that.

Paul Wheelhouse: I know that we are coming on to peatlands, so I may well bring in Bob McIntosh at that point on what we are doing to try to influence land managers to get involved with peatlands schemes, for instance. That is a relevant example. We rely on behavioural change

because it is not our land but theirs and we need to get them to come on board.

10:30

The Deputy Convener: That information would be useful. We have the forthcoming opportunity.

Earlier this month, the Scottish Government announced a further £10.3 million for the climate challenge fund, which I read as extending the fund for a further year. Am I correct?

Paul Wheelhouse: That is correct.

The Deputy Convener: We all welcome that level of financial commitment but, in the fund's early years, generating take-up was difficult—I think that only £4 million was taken up in the first year—so are you confident that the money will be deployed? Will you give us a flavour of what it will be spent on in 2014-15 and 2015-16?

Paul Wheelhouse: It is certainly true that we struggled. The CCF is a demand-led scheme and it had a number of years of success. It generated its own publicity and people came forward to apply for grants without too much marketing push, if I can put it in those crude terms. However, there was a substantial fall-off in demand last year, perhaps because communities that were aware of the fund had done or were delivering their projects and new communities had not come forward.

In response, we had a refresh exercise last autumn to broaden the range of projects that people could do and deepen the level of engagement, so that communities that already had a project could do more. We wanted to bring in groups that had been underrepresented, such as black and ethnic minority communities and those in more deprived communities as identified by the Scottish index of multiple deprivation. We have had success with that exercise.

Another step that has been taken to make it easier for communities to identify viable projects is that we have created an ideas bank in which proposers of projects—local authorities, NGOs or others who have ideas about projects that could be done in an area—can participate. The fund must still be demand led, but the ideas bank flags up concepts that people could deploy. A community can look at the list of projects in the bank and find one that could apply in its area.

Those steps are all important. We introduced £750 development grants to help communities that have capacity issues—that includes black and ethnic minority communities in relation to their historical engagement—and take-up of them has been quite good. To meet the criteria, a community must fall within the lowest 15 per cent in the Scottish index of multiple deprivation; be made up of members of an ethnic minority or

young people; or must be able to demonstrate that it suffers from disadvantage or vulnerability, so that could include disability groups. That has been quite successful.

I can give you a wee update on the refresh, if that is helpful. From January to September, Keep Scotland Beautiful awarded 54 development grants out of 64 applications, which was just under £40,000 worth of development grants. There were 25 applications from areas in the lowest 15 per cent of SIMD areas, 12 from ethnic minority organisations, eight from remote rural areas, seven from youth groups and two from disability groups. We are seeing early evidence that the refresh is beginning to help to broaden the range of communities that are involved with the CCF. We hope that that will have an impact.

The projects that we are delivering include sustainable and active travel projects—there have been highly successful cycling projects—and grow-your-own projects. Energy efficiency is a common theme, whether it concerns village halls or eco-congregations getting involved in ensuring that communities are aware of existing energy efficiency opportunities. Those are practical things that help to inform and change behaviour at a community level.

Claudia Beamish: That answer was helpful and has pretty much covered a question that I was going to ask.

You gave us the figures for ethnic minority groups that applied for development grants, which was helpful. There are communities of interest, such as eco-congregations, rather than geographical groups—I think that you will know where my question is going. The Council of Ethnic Minority Voluntary Sector Organisations Scotland, which is an umbrella organisation for ethnic minority groups, highlighted to me some difficulties in that groups cannot apply if they are not geographically located in, say, Glasgow. Has that difficulty been addressed?

Paul Wheelhouse: Ms Beamish is quite right. We are looking sympathetically at communities of interest such as eco-congregations, many of which tend to coincide with geographical areas. It is more challenging to define a community that goes beyond local authority boundaries or is in different areas.

I encourage any black or ethnic minority community—whether groups are small or large, as in Glasgow and other cities in Scotland—to consider proposing projects. We are keen for such people to engage with the agenda. Such communities have every bit as much of an interest in climate change, and perhaps we have not engaged with them properly in the past by, for

example, providing information in other languages or using other routes to engage their interest.

We recently held a successful event at Victoria Quay—I am trying to remember what month it was held in—with many representatives of ethnic minority communities. We wanted to make them aware of the climate challenge fund and how it is relevant to them and to engage them in seeking advice from us about how they can develop their projects. Such groups are not on their own; they do not have to do everything from scratch. We are keen to use Keep Scotland Beautiful to assist communities to develop their projects and ensure that they are as successful as possible with their applications.

Perhaps Bob Irvine can comment on the definition of community.

Bob Irvine: I endorse the view that we have had positive engagement with such representative groups. We were very encouraged by the response through the development grants and we see that as a springboard.

The climate challenge fund is still community based but, through the ideas bank and aspects of the refresh, it is now possible for other organisations to participate with communities and support them to prepare, develop and implement applications. The approach has softened and I hope that that helps such organisations without diluting the community emphasis and community ownership of what is delivered on the ground.

Paul Wheelhouse: I know that time is pressing, but I have a brief comment to add on the issue that CEMVO Scotland has raised. We have so far engaged with more than 60 ethnic minority organisations. In developing our CCF, we hosted five events that 153 people attended, and we have attended another three events that the CCF team organised. At this point, 20 projects from ethnic minority organisations are being funded with a full grant or a development grant, so there are encouraging signs that they are beginning to engage with the CCF.

The Deputy Convener: We touched on peatlands earlier, for which there is allocated funding of £5 million for 2014-15, which rises to £10 million in 2015-16—is that correct? That falls some way short of the £12 million to £13 million that has always been talked about as the annual spend that would be required to secure the restoration of and returns that we are looking for from peatlands, but I am mindful that we have always talked about unlocking additional funding sources. What will the funding levels that are in the budget deliver? What do you expect to draw down from other sources, and what are those sources? What total funding is required to hit the

peatland restoration targets that have been talked about?

Paul Wheelhouse: I will start with your last point. RPP2 sets out the whole-economy cost of £230 million for investment in peatland restoration for the period up to 2027. That is a substantial increase in the investment that we have made historically in projects such as the one at Forsinard, which cost £2 million or thereabouts. That gives a sense of the scale of our levelling up of investment.

As I said, we are talking about whole-economy costs. We have to make an assumption about the split in funding between the Government and other partners.

You are correct that we are allocating £5 million in the next financial year and £10 million the year after. We propose to do that through the SRDP, because that will allow us to draw in co-financing and, I hope, to double the funding to £30 million over the two-year period. As a result, the investment in peatland restoration will increase dramatically over quite a short time.

I think from memory—I would need to check the documents—that, in RPP2, we allocated about £13 million in the first year. I realise that the proposed £5 million does not go the whole way but, to pick up the points that you and Ms Beamish have made, I make it clear that we are looking to draw in match funding to raise the money towards that level.

I ask Bob McIntosh to describe how all that might work in practice, how we might attract match funding and how we might get land managers to engage.

Dr Bob McIntosh (Scottish Government): As the minister said, we are in the early stages of a very long-term programme to deliver up to 500,000 tonnes of CO₂ equivalent abatement by 2027. We have made a small start this year, but the additional funding that has been granted in the budget and which we think that we can double with EU co-financing will allow us to make significant progress over the next couple of years. That progress will happen through grant-aiding land managers; the gains are to be had through rewetting drained peatlands. From the small start that we have made this year, initial indications are that there is a lot of interest from the land management sector in the issue and in finding out how to apply for funding. We are reasonably hopeful of a good response.

The Deputy Convener: What will be the criteria for accessing the funding? Are we looking to tackle the most or the least damaged peatland? Which will be prioritised, or will you cover a mix of both?

Dr McIntosh: To go back to the earlier discussion, we will look to get as many benefits as we can from each pound that is spent. Some projects will deliver only carbon reduction, while others might deliver carbon reduction, flood defence and mitigation, and botanical and ornithological benefits. We will want to score each project against those criteria and try to get as many benefits as possible for each pound that is spent.

The Deputy Convener: That answer was useful.

Jamie McGrigor (Highlands and Islands) (Con): How will land managers, crofters and farmers access the funding for the peatland projects and will the schemes be accessible and very simple?

Paul Wheelhouse: In proposing the SRDP as the main route, I acknowledge that the current SRDP is not the easiest programme to access and navigate, and I entirely take on board your implied message that we need a simpler funding allocation method. In developing the next SRDP, we are trying to make the process easier for the applicant. I think that I am correct in saying that our priorities will be broadly similar to those in the previous scheme, but we will try to take a more targeted approach to the allocation of funding and to be clearer about the strength of the projects that we are looking for and what people can do—through, for example, highlighting multiple benefits—to make their applications stronger.

I ask Bob McIntosh, who is quite close to the discussions on the SRDP, to explain the general principles behind making the process easier for people to understand.

Dr McIntosh: We are at the end of the current SRDP and we are just beginning to design the next. We are still waiting for European Commission regulations to enable us to finalise things. All that we can say at this stage is that we are looking to target funds better in the next rural development programme, and there is no question but that we hope to make the process less clunky and bureaucratic for applicants. That work is ongoing, but it will probably be another 12 months before the new scheme is designed and ready to roll out.

Jamie McGrigor: As far as you and the Forestry Commission Scotland are concerned, will the scheme refer to peatland above the planting level?

Dr McIntosh: It will refer to peatland anywhere that has been degraded. Peatland with trees on it is quite a difficult issue, because the peatland has been drained to grow the trees on it, so it is now emitting, but the trees are absorbing. There is a fine balance to be struck, and the science is not

exactly precise. The position is much more straightforward when the peatland that has been drained has no trees on it—we know what we are doing there. Peatland with trees on it will need a bit of working through if we are to be sure that we are getting the right solution.

10:45

The Deputy Convener: You touched on the fact that you are trying to develop the science to deal with the issue. What investments are being made in Scotland-specific research? Research is available from the north of England, but that is not necessarily compatible.

Dr McIntosh: We are trying to increase the funding that goes into research. ClimateXChange is a really useful body that brings together the research effort that is going on and makes it easy to access. Through the funding that we are putting into the research institutes, we are trying to up the ante in the whole area. The science is not precise and we could do with some more information.

The Deputy Convener: That is good to know.

Jamie McGrigor will lead on forestry.

Jamie McGrigor: Concerns have been expressed in the forestry sector that the planting budget for the Forestry Commission might be affected by the gap in EU funds that the delays to the CAP reform agreement caused. That would mean that the £19.8 million of EU funds that form part of the £36 million that is available for tree planting might be reduced. Digby Guy of Aitchesse, in the private sector, tells me that, according to newly published forestry statistics, we are replacing only 33 per cent of the area of productive forest that is harvested annually. Therefore, we are going backwards in addressing climate change. There are general concerns that not enough planting is being done in Scotland in comparison with what used to be done and that a huge gap is building up that will affect the harvesting of trees in the future.

In the light of all that, do you think that the £36 million—if it is available—is sufficient to support the new planting that is required to meet all the targets in the future? Will the £36 million that is provided in the draft budget for woodland grants include the predicted £19.8 million of EU funding that is set out in the draft budget, given the transition in the relevant EU funds?

Paul Wheelhouse: My answers to your two questions are yes and yes.

The Deputy Convener: That is fine—we can move on.

Paul Wheelhouse: I will put my answers in context. In the past two years, we have not

managed to hit the 10,000 hectares target that would have meant that we were keeping pace. We have a target to plant 100,000 hectares by 2022, as Jamie McGrigor knows, and ideally we would plant 10,000 hectares a year to achieve that. We had a particularly cold spring this year, which meant that we achieved only 7,000 hectares, but we are confident that we can catch up.

In the two most recent years for which we have data, about £66 million was committed to forestry planting, which delivered an average of 8,000 hectares per annum—I think that 16,000 hectares were planted in total. Broadly speaking, we believe that the £36 million that we have identified is sufficient to deliver on the expected planting rate this year and next year. We have checked the co-financing and believe that we will have access to it both next year and the year after, so we should be able to commit the full £36 million.

You asked whether productive forests are being planted at a sufficient rate to compensate for those that are being felled. The RPP2 figures and the announcements on meeting our targets last year show that we have a shrinking carbon sink, in the sense that forestry is still reducing. That is a side-effect of historical planting rates, which were too low. We are addressing that now, but it takes eight to 10 years for a commercial species such as Sitka spruce to be at its peak sequestration rate for absorbing CO₂. We hope that the trees that we are planting now, which will have their peak impact in eight to 10 years' time, will reverse some of the decline and increase the value of Scotland's carbon sink.

It is important that we plant productive species as well as native broadleaf species. That is why, in discussions with Confor and others, we have concluded that we can broadly maintain the recent level of planting of broadleaf species and, in the context of increasing planting to 10,000 hectares per annum, achieve a 60:40 split between commercial softwood and native broadleaf species. That is not a hard target but a guideline.

Jamie McGrigor: According to Confor, only 3,300 acres of conifers were planted in 2011-12. Confor also makes the point that, although birch and rowan may look very nice, they are not competitive with conifers in terms of carbon capture and they do not do much for the sawmills. What is your answer to that?

Paul Wheelhouse: We have had productive discussions with Confor and individual commercial businesses on the appropriate balance of forestry planting, and we recognise that there has recently been a low rate of planting of commercial species. In taking that into account in making our projections of wood availability for processing, biomass, fibreboard manufacture and so on, we recognise that we need to do more to improve that

performance. I am keen to do that in a way that does not see a substantial decrease in the planting of broadleaf species, which Jamie McGrigor knows are very important for biodiversity and for enabling us to fulfil our biodiversity strategy. For example, the number of woodland birds is one of the terrestrial bird indicators.

We must keep the balance right and we think that an appropriate mix would be in the region of 60:40. Alongside roughly 4,000 hectares or thereabouts—the figure will vary from one year to the next—of native broadleaf planting, we can achieve nearer to 6,000 hectares of commercial forestry planting per annum. That conclusion is one of the outcomes of the discussions that we have had with Confor and others in the forestry sector. We recognise the importance of the issue.

Roderick Campbell (North East Fife) (SNP): Good morning, minister. The EU is in the early stages of developing a new forestry strategy. Have you given any consideration to that in drafting the budget proposals?

Paul Wheelhouse: Bob McIntosh will probably be able to give you a more accurate answer.

Dr McIntosh: The EU does not have competence in forestry policy, which is a domestic issue; the EU forestry strategy is therefore a guide. However, there will be nothing in the strategy that is not reflected in our domestic forestry policies, so I do not envisage that there will be any impact on the budget. Most of the principles that will be in the strategy are already enshrined in our domestic forestry policy and are, therefore, reflected in the budget.

The Deputy Convener: How does the level of tree planting in Scotland compare with levels in the rest of the UK?

Paul Wheelhouse: We can give you accurate figures in correspondence, if that would be helpful. Broadly speaking, in 2011-12 the level of planting in Scotland was about three times the level of planting that was taking place in the rest of the UK. Scotland has a large share of the UK's forestry activity, so it is natural that we have a higher planting rate. It was roughly three times the planting rate in England and Wales—is that accurate, Bob?

Dr McIntosh: That is about right.

The Deputy Convener: That is useful. Thank you.

Claudia Beamish: This is not my question, but I want to ask about what you just said about the timber industry. I seek reassurance about your perspective on large and small-scale biomass. I do not want to put words in your mouth, minister, but might small-scale biomass be the way forward?

Paul Wheelhouse: Fergus Ewing is the lead minister on biomass, so I refer you to him for the detail. He has taken an approach that is based on the availability of wood supply. We have had detailed discussions with him about forward projections of demand for wood and the supply of wood that not only could be harvested but would be usable.

An issue is that it is biologically possible to harvest some wood but physically impossible to extract it. We must have a realistic discussion about the supply of wood. The policy that we have evolved is to encourage combined heat and power but to have relatively small projects—there are obviously a number of larger projects but, generally speaking, we are looking at local-scale projects where that is appropriate.

Bob McIntosh might be able to add some comments about the implications for our forestry.

Dr McIntosh: Scotland has taken a different approach from the rest of the UK by trying to cut back on the incentives for large-scale biomass and, as the minister said, incentivise small-scale biomass and combined heat and power. That is because of the possibility that large-scale biomass could divert material away from our traditional sawmills and other wood-using industries in Scotland.

Claudia Beamish: Thank you. That is helpful.

This question—which is my question—is on an issue that has been drawn to my attention by a group in South Scotland: agroforestry or the silvopastoral model. I think that silvo means wood in Latin, but I am not sure. It seems like a very interesting model that I am only just beginning to learn something about. To what degree will it be possible to make provision for it in the budget? It has been highlighted to me that the mix of woodland and grazing will help with many of the issues that we have talked about today: flood prevention, because of the planting of trees; help for farmland birds, which the minister has mentioned; and, possibly, coppicing one's own wood on a small scale. I highlight it because it is an interesting model. Is there any provision for it in the budget?

Paul Wheelhouse: I will maybe come back to you on the specific question of whether there is any funding for that activity in the budget or from the Forestry Commission. That is not something that has been flagged up to me.

On the principle, I am aware of at least one constituency case, which I had to deal with as a minister, in which someone had invested in a silvopastoral practice and was growing wood for coppicing for biomass. Unfortunately, they had planted what was the right species for a different part of the country, and the land was not as

productive for forestry. I think that Bob McIntosh is familiar with the case—it was not as productive an opportunity as the land manager had hoped.

It is therefore important to consider the practice in the context of land-use strategy, to look at the quality of land that is available and to ensure that an appropriate species is planted in an appropriate location, which will obviously also have biodiversity benefits. We must be sensitive to the fact that people are making long-term investments. Even with coppicing, it is still a long-term investment, so we have to get the project right for the location.

Obviously, the market will be a big determinant in the price of what is produced. It is something that people have to enter into with the blindfolds off. They must be clear that, although there are potential upsides and potentially good revenue opportunities, they have to be careful that they do not expose themselves to too much risk.

Bob McIntosh might want to comment briefly.

Dr McIntosh: It is an attractive proposition that we could mix trees and, in particular, livestock grazing on the same piece of ground by perhaps having widely spaced trees to enable the livestock to continue to graze. The approach is quite popular in other European countries and there have been some trials of it in Scotland. I think that I am right in saying that we made provision for grant aid for the activity in the last SRDP, but so far we have totally failed to excite any landowners to do it.

Paul Wheelhouse: I know that the approach has been tried on Whitmuir farm, which might be the one to which Claudia Beamish refers. There is some evidence that it might be possible to create a microclimate between the trees to improve productivity on the farm and compensate for the fact that it is otherwise a relatively cold location that is lacking natural warmth through sunlight. The farm has been able to create suitable conditions. I am happy to look at the matter and discuss it further.

Jamie McGrigor: On Dr McIntosh's point, although I can see that to have animals such as sheep and possibly even cattle grazing among mature trees might be fine, wherever there are young plantations there is a possibility that they might be eaten, as they are by deer, which can also exist in a plantation. Unless young plantations are fenced off, it will surely be impossible to allow animals to graze.

11:00

Dr McIntosh: That is one of the issues. If wide-spaced trees are planted within a pasture, they have to be individually protected until they are old

enough not to be damaged by the stock. That can be quite expensive and management intensive, which is probably why we have so far not excited many landowners to do it.

Jamie McGrigor: But what about Forestry Commission premises? The Forestry Commission owns land. Are you trying to advertise the approach? If so, where?

Dr McIntosh: One of the best examples in Scotland is on the James Hutton Institute farm in north-east Scotland, which has been running a trial on proper agroforestry for the best part of 20 years. It has a lot of data on what agroforestry has meant for livestock production, grass production and the cost of trying to manage trees in that situation.

The Deputy Convener: Thank you. We will focus back on the budget if we can.

Roderick Campbell: The draft budget for 2014-15 includes an additional £1 million for tree health issues. I am not sure whether it is intended to continue that into 2015-16—perhaps you could comment—but is it sufficient in any event?

Paul Wheelhouse: One of the features that we encounter with the presentation of budgets is that it does not necessarily tell the full story. You are right that an additional £1 million has been allocated specifically for plant and tree health issues, but, in addition, in each of the next two years we are looking to make use of a further £2 million of Forestry Commission budgets.

A judgment has been taken that Forest Enterprise did not need as much money, so there has been a transfer from Forest Enterprise to the Forestry Commission. That money will top up the £1 million to which you refer, so we should have a total of £6 million over the two years. That is in line with what we believe may, sadly, be necessary because of—as I am sure members know—the significant outbreak of *Phytophthora ramorum*, and the other key tree diseases that we face.

The Deputy Convener: We move on to equalities.

Claudia Beamish: After discussion, the committee agreed that our focus this year for equality issues would be disability in rural areas—although not to the exclusion of the other eight protected characteristics. The equality statement is a strong document, which focuses minds on taking things forward.

You mentioned collective action in Cabinet in relation to other issues to do with climate change. I wonder about the degree to which you work with colleagues across portfolios on equalities issues such as disability in rural areas. We have been thinking particularly about housing, transport and education.

Paul Wheelhouse: If there is a cross-portfolio linkage, it is most likely to be in transport, where we have had discussions about issues such as active travel.

I am also involved with the health inequalities working group. I talked earlier about the path network in Larbert. That is one example, but we would love it—for health reasons—if people were able to access the national forest estate and other forest assets. We need to ensure that such paths are designed in such a way that they are useful for people who are wheelchair bound or have other disabilities. We try to do what we can. The national parks are very proactive. When they are designing measures such as visitor facilities or investing in trails, they try to make them as accessible as possible.

That is an important issue. I know that you raised it in the budget discussions last week, Ms Beamish. Although it is not a theme at this stage, I will try to take it forward whenever I am engaging with ministers.

There is a rural dimension when it comes to equalities issues more generally, including ensuring that people who have disabilities, health issues, educational disadvantages and so forth have access to services in rural areas that they might take for granted in an urban context. It is an important theme in what we have to do and I will take it forward. I perhaps need to do more on that, too.

Accessibility comes up in discussions about transport, active travel and transport investment, and we need to make sure that people living in rural areas have access to similar transport services so that they can get to the health facilities and educational opportunities that they would take for granted elsewhere.

Claudia Beamish: That is helpful. It might be useful if the committee could hear from you in the future, possibly in writing, about the crossovers in the rural affairs budget and the initiatives that can be accessed through the budget. The situation is a little opaque, and I am trying to draw out some information.

Paul Wheelhouse: I fully accept that and I support the principle of mainstreaming that kind of discussion. It is an important point and I suppose that I am admitting culpability but the nature of the pressures on my portfolio in the past year mean that it has mainly been about climate change. I will inform the committee about any bilateral discussions that I have with my fellow ministers.

Claudia Beamish: I appreciate that. We should all be working on it, so I am not trying to point fingers.

Jayne Baxter (Mid Scotland and Fife) (Lab): Following on from Claudia Beamish's question, I am the community transport rapporteur for the committee. There will be a debate about community transport during the first week after recess. Community transport plays an important role in rural communities so it might be useful to look at how we can support it through the budget. That is not my question; it is just a point of information.

My question is about equality groups and access to the outdoors. The groups could be people who have disabilities, black and minority ethnic communities, or people who just do not have any money to travel. Minister, I believe that you touched on the point earlier today but, just for the record, could you say a wee bit about the initiatives and programmes that target equality groups? How are those programmes monitored?

Paul Wheelhouse: We alluded to the CCF earlier so I will not go over that ground again, but it is clearly an area in which we are specifically conscious of the need to do more. Thankfully, the work seems to be bearing fruit.

When it comes to national parks and the wider national forest estate, good projects have been put in place. Whether it is through conventional capital funding or bringing in additional so-called shovel-ready investment, we are investing and trying to ensure that those investments are well designed so that they take into account the needs of a full range of users that might need to access them.

I referred earlier to an important initiative—woodlands in and around towns. That is not just about hospital estates; woodlands in and around towns could be in urban areas anywhere, particularly in central Scotland where we have seen a degradation of the environment, loss of tree cover and damage to ecosystems because of industrialisation. We have seen initiatives such as the central Scotland green network and other very important initiatives that form a national project under the national planning framework, and our continued investment in that network is a very important feature of our public policy. We have seen some tremendous examples in places such as Castlemilk and Grangemouth, where people would not expect to see the kind of project that is there. They have been well designed with level paths, and they focus on being as accessible as possible.

Such projects are happening, thankfully. I take on board the point that it might be useful to monitor the extent to which all projects comply with accessibility considerations. Anecdotally speaking, the ones that I have seen take accessibility into account, and it is a great feature of the sites that, when we have visited, we have

seen people who have physical or learning disabilities who are actively using the sites.

Jayne Baxter: I was a volunteer for a disabled ramblers group and I have seen the benefits that come to people when they are able to get out and about on their scooters.

In Fife, people can now get all the way around Loch Ore, which is a bit controversial because it involved laying a tarmac path and not everyone was happy about that. However, the evidence is there for all to see every time they go to Lochore meadows. There are people on scooters and families with buggies spending time walking around the loch. Such projects are really important for all sorts of communities, so I very much support you on that work.

The equality statement highlighted a statement from the Galloway forest park. Do you want to say a wee bit about the successes and lessons that can be learned from that? If you feel that you have covered the point already, please feel free not to.

Paul Wheelhouse: I welcome your interest in the area. Now that I know that you have expertise, I might well borrow it at some point.

Such projects are important, and not just when they come from the Government. I have seen some NGOs making welcome investments when they have assets. The RSPB reserve at Loch Leven has taken a similar approach. It is quite controversial for NGOs, particularly environmental ones, to consider putting in permanent path surfaces, but it is important to do what we can to provide some opportunities for people to have accessible sites. I very much welcome the project at Loch Leven, and I will look at the Loch Ore one as well.

I know that a similar approach has been taken in Galloway; Bob McIntosh is closer to it than I am, but I assume that you are all familiar with the detail. We certainly welcome investment. The Forestry Commission is already doing good things, and we encourage it and the national parks and others to continue to do good work and take those points on board.

The Deputy Convener: That was a useful and informative session. I thank the minister and your officials for coming along today. If you have any points that you wish to expand on as a result of today's meeting, please do write to the committee. We look forward to that.

I wish everyone a restful recess. We look forward to the committee resuming its work. Our next meeting is on Wednesday 30 October when we will hear from stakeholders on climate change adaptation and consider petition PE1441 on flood insurance problems—two subjects that are close to the minister's heart.

Meeting closed at 11:11.

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