



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

RURAL AFFAIRS, CLIMATE CHANGE AND ENVIRONMENT COMMITTEE

Wednesday 27 May 2015

Wednesday 27 May 2015

CONTENTS

	Col.
CROWN ESTATE (WITNESS EXPENSES)	1
SUBORDINATE LEGISLATION.....	2
Outer Hebrides (Landing of Crabs and Lobsters) Order 2015 (SSI 2015/183).....	2
Less Favoured Areas Support Scheme (Scotland) Amendment Regulations 2015 (SSI 2015/185)	2
Waste (Meaning of Hazardous Waste and European Waste Catalogue)	
(Miscellaneous Amendments) (Scotland) Regulations 2015 (SSI 2015/188)	2
Carbon Accounting Scheme (Scotland) Amendment Regulations 2015 (SSI 2015/189)	2
CROWN ESTATE	4
ANNUAL REPORT	43

RURAL AFFAIRS, CLIMATE CHANGE AND ENVIRONMENT COMMITTEE
18th Meeting 2015, Session 4

CONVENER

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

DEPUTY CONVENER

*Graeme Dey (Angus South) (SNP)

COMMITTEE MEMBERS

*Claudia Beamish (South Scotland) (Lab)

*Sarah Boyack (Lothian) (Lab)

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

*Jim Hume (South Scotland) (LD)

*Angus MacDonald (Falkirk East) (SNP)

*Michael Russell (Argyll and Bute) (SNP)

*Dave Thompson (Skye, Lochaber and Badenoch) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

James Allan (Royal Yachting Association Scotland)

Roddy Burns (Moray Council)

Councillor Angus Campbell (Comhairle nan Eilean Siar)

Elgar Finlay (Glendale Trust)

George Hamilton (Highland Council)

Scott Landsburgh (Scottish Salmon Producers Organisation)

Lindsay Leask (Scottish Renewables)

Paul Maxton (Orkney Islands Council)

John McArthur (West Highland Anchorages and Moorings Association)

Fergus Murray (Argyll and Bute Council)

Alastair Nairn (Farmer, Glenlivet Estate)

Brian Swinbanks (Tobermory Harbour Association)

CLERK TO THE COMMITTEE

Lynn Tullis

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Rural Affairs, Climate Change and Environment Committee

Wednesday 27 May 2015

[The Convener opened the meeting at 10:01]

Crown Estate (Witness Expenses)

The Convener (Rob Gibson): Good morning, everybody, and welcome to the 18th meeting in 2015 of the Rural Affairs, Climate Change and Environment Committee. Before we move to the first item on the agenda, I remind everyone to switch off mobile phones or put them on silent mode, as they could affect the broadcasting system. Committee members may use tablets, which is because we provide the meeting papers in digital format.

Agenda item 1 is on witness expenses. Does the committee agree to delegate to the convener the responsibility for arranging for the Scottish Parliamentary Corporate Body to pay, under rule 12.4.3 of standing orders, any expenses of witnesses who have come to give evidence on the Crown estate today?

Members indicated agreement.

Subordinate Legislation

Outer Hebrides (Landing of Crabs and Lobsters) Order 2015 (SSI 2015/183)

Less Favoured Areas Support Scheme (Scotland) Amendment Regulations 2015 (SSI 2015/185)

Waste (Meaning of Hazardous Waste and European Waste Catalogue) (Miscellaneous Amendments) (Scotland) Regulations 2015 (SSI 2015/188)

Carbon Accounting Scheme (Scotland) Amendment Regulations 2015 (SSI 2015/189)

10:01

The Convener: Agenda item 2 is subordinate legislation. The committee is to consider four negative instruments, as listed on the agenda.

Members will note that the second of those—the Less Favoured Areas Support Scheme (Scotland) Amendment Regulations 2015—has been drawn to the Parliament's attention by the Delegated Powers and Law Reform Committee under reporting ground (h), as that committee believes that the instrument could be clearer.

I refer members to the paper and ask if there are any comments.

Claudia Beamish (South Scotland) (Lab): I seek clarification on the Outer Hebrides (Landing of Crabs and Lobsters) Order 2015. I understand that the order prohibits the landing in Scotland of “crippled female lobsters” that are caught in inshore waters. Why would that be the case? Can we ask for clarification on that?

The Convener: We could certainly write and ask the minister for clarification.

Graeme Dey (Angus South) (SNP): I seek clarity on the same instrument. The policy objectives state:

“These measures will apply only to landings from Scottish or other British fishing boats.”

That appears to imply that there could be landings by non-United Kingdom boats, in which case I would ask why the restrictions do not apply to non-UK vessels.

The Convener: I wonder whether that is because it is within the 12-mile limit. I think that we should ask the minister for answers to those questions.

Other than that, are we agreed that we do not wish to make any recommendations in relation to the instruments?

Michael Russell (Argyll and Bute) (SNP): We are just seeking clarification; we do not wish to hold back the instruments.

The Convener: It is always useful for members to understand what we are passing. Are we agreed that the committee does not wish to make any comments in relation to the instruments?

Members *indicated agreement.*

Crown Estate

10:04

The Convener: The third item on our agenda is for the committee to take stakeholders' evidence on the proposed devolution of Crown Estate assets to Scotland. We will be joined by two panels of witnesses. I refer members to the paper. I remind the witnesses that I will call people who indicate that they want to speak. It is important that you do not press any buttons; the microphones are dealt with by the sound system. They will be switched on—or off, if you speak for far too long.

I ask everyone to introduce themselves. I am Rob Gibson, the convener of the committee and the member of the Scottish Parliament for Caithness, Sutherland and Ross.

Sarah Boyack (Lothian) (Lab): I am a Labour list member for Lothian.

John McArthur (West Highland Anchorages and Moorings Association): I represent the West Highland Anchorages and Moorings Association, or WHAM. We have 60 members, most of whom represent mooring associations, marinas, sailing and boating companies and voluntary coastal community organisations. Our major objective is to ensure the protection of the coastal community.

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

Scott Landsburgh (Scottish Salmon Producers Organisation): I am chief executive of the Scottish Salmon Producers Organisation and I represent the salmon farmers of Scotland.

Dave Thompson (Skye, Lochaber and Badenoch) (SNP): I am the MSP for Skye, Lochaber and Badenoch.

Elgar Finlay (Glendale Trust): I represent community groups that aspire to develop marine-based assets for the benefit of their communities.

James Allan (Royal Yachting Association Scotland): I am the chief executive officer for the Royal Yachting Association Scotland, which represents 6,000 individual members across the country.

Michael Russell: I am the MSP for Argyll and Bute.

Alex Fergusson (Galloway and West Dumfries) (Con): I am the MSP for Galloway and West Dumfries.

Lindsay Leask (Scottish Renewables): I am the senior policy manager for offshore renewables at Scottish Renewables, which is the trade

association for renewable energy companies in Scotland.

Jim Hume (South Scotland) (LD): I am an MSP for South Scotland.

Alastair Nairn (Farmer, Glenlivet Estate): I am from the Crown's Glenlivet estate and I represent tenant farmers on the Crown's four rural estates.

Angus MacDonald (Falkirk East) (SNP): I am the MSP for Falkirk East.

Brian Swinbanks (Tobermory Harbour Association): I am chair of the Tobermory Harbour Association.

Graeme Dey: I am the MSP for Angus South.

The Convener: Let us make a start. As we are thinking about the devolution of the Crown estate, can you outline your current interaction with the Crown Estate and how the relationship has developed since the establishment of the Scottish Parliament?

Scott Landsburgh: The Crown Estate has been our landlord since salmon farming started in Scotland nearly 35 years ago. We pay an aggregate rent of approximately £3 million annually. In 2007, there was deemed to be a possible conflict for the Crown Estate in being the landlord and the consenter of licences to farm, so we were moved into the town and country planning system. That has proved to be reasonably efficient, although it obviously brings a lot of other facets into how we develop, which is fine. We have had one or two reviews and things are going reasonably well, although there are one or two issues still to sort out.

By and large, we have a good relationship with the Crown Estate. It has experience and skill sets that help us and give us some sense of consistency and dependability with regard to its function as a landlord.

Alastair Nairn: My relationship with the Crown Estate goes back about 33 years and, for many, it goes back an awful lot longer than that. We find it to be a good landlord. It is prepared to invest where necessary, and there is great fear that we will lose that investment in the rural estates.

Lindsay Leask: Scottish Renewables is in a similar situation to that of the other speakers. The Crown Estate is our landlord, but in many ways it is much more than just our landlord. It helps with the delivery of the industry and puts a lot into research for us—not just environmental research but technical research—which helps to reduce cost impacts on the industry. It has also recently become an investor in projects, and we have seen £10 million going into MeyGen. We have developed a great relationship with the Crown Estate over many years and we would like the

benefits that we receive from that relationship to continue post transfer.

James Allan: The Royal Yachting Association Scotland has a long-standing relationship with the Crown Estate, which has grown to be very positive recently, particularly on licensing applications. RYA Scotland has signed a non-disclosure agreement that allows us to give input to those applications at an early stage, which is to the benefit of the applicant and the authority making the grant. It is also to our benefit, as we can address any issues that the licence might bring up. We find that relationship to be positive all round and we would like something along those lines to continue.

John McArthur: The West Highland Anchorages and Moorings Association has worked with the Crown Estate for a large number of years. The association was founded in 1985, so I remember the years before it. Its main objective is to maintain safe and unobstructed access to anchorages and mooring areas across the western coast. We work with our members to ensure that planning matters, consent applications and coastal projects come to fruition in a harmonious way.

We have worked successfully with the Crown Estate, which has delivered a constant national approach to the management of the coastline over the past few years. The Crown Estate has upheld the obligations to maintain the public right to navigation, including anchoring. Through investment, the Crown Estate has supported local marine communities along the western seaboard, and the funds generated are being invested back into the infrastructure. I could cite Gigha, Lochaline, Ardfern, Tobermory, Salen, Tayvallich and many others.

All that hinges on a good understanding of the complex factors that control the marine environment and on a willingness to recognise where expertise exists, and to use it. Relations with the Crown have not always been sweetness and light, but the Crown Estate has always listened to reasonable arguments, and sensible conclusions have been obtained.

We would like the positive things about the Crown Estate to be maintained, and I respectfully ask the committee to note that we should not fix something that is not broken and that we should not dissipate the skills that exist in the Crown Estate. In other words, do not fragment the management of our Scottish coastline.

Brian Swinbanks: Tobermory Harbour Association has worked with the Crown Estate since 1983, with the first mooring agreement being in 1985, and we welcomed all the early work that was done to reorganise the moorings, which were

growing amorously across the Scottish west coast in a completely unregulated way. Now, we have ended up with regulated and very affordable moorings, and we work with WHAM and others.

We then moved on to a situation in which the Crown Estate, as landlord, was able to guide and help us with planning applications involving the ownership of sea bed where we wanted to infill parts of the bay. No other party was prepared to step up and go to courts in Edinburgh to work to secure ownership of the sea bed on behalf of the community, to infill for car parking and things like that.

Moving forward from 2002, we now work in a business partnership with the Crown Estate in which it actually owns some of the asset infrastructure that we have, namely the pontoons in Tobermory bay. In fact, we sold some of the pontoons that we had previously owned back to the Crown Estate to allow us to free up capital to invest in new buildings and facilities. That was a great advantage, because at that time banks were unwilling to lend on floating assets—I mean assets that are literally floating in the water—so it became difficult to use those assets, whereas the Crown Estate will lend us money at a certain rate with a prior charge that we then pay back. If the committee wants figures, we can give you details of what percentage goes back to the Crown Estate.

The investment has been worth while, for Tobermory and other small communities. As communities move forward, we now have a local management arrangement with the Crown Estate, and we are moving to some kind of devolved management agreement with the Crown Estate. That is where we stand today. The devolved management agreement will now probably go on hold, and we want some clarity as to what is to happen in the future as we take over ownership of the assets in our whole bay.

10:15

Elgar Finlay: The Glendale Trust has an excellent relationship with the Crown Estate, which has a significant skill base and expertise to put into community groups that have aspirations to take on its marine-based assets. We already have in place a legally binding local management agreement for our entire loch sea bed, and we are keen for our shore side to develop. The Crown Estate was a key funder and strategic partner in the development of our projects. All of that has happened in the past year, and we are concerned that we may be left with an asset that we have purchased from Highland Council based on the current framework under the Crown Estate and that our community could be left with a potential liability. Therefore, we are keen to see a strong

and clear path that retains that skill base and understanding of local communities and their aspirations.

A key part of the Crown Estate that we find useful is its relationship with other public sector bodies such as Highlands and Islands Enterprise and tourism-based industries. We have seen the linking up of smaller hub ports and harbours, and we have worked hard to tie in with other harbours to expand tourism into our community.

The Convener: With respect, how does the Crown Estate act as a bridge between those bodies? Do you not speak to them directly?

Elgar Finlay: We speak to them directly, but if we had to speak to each individual organisation, that would take a significant amount of time and energy. If there is a central point—for example, Paul Banks will speak to the guys from HIE directly—they will all have an understanding of our project and, because they are aware of all the other community projects that are going on in the industry, they can start to carry out strategic scoping of where to invest in future.

Graeme Dey: Obviously, the Crown Estate has built up considerable expertise in Scotland over the years, and I do not think that there is any argument about the need to retain that expertise. How do you want the process to happen in practice? For example, do you hope that the Scottish Government will inherit the organisation as an entity?

The Convener: Who wants to answer that first? It sounds as if some of you are already making hints in that direction. You do not need to go into detail; you could just agree.

John McArthur: Indeed. I tend to agree with the comments that have been made. We want to retain the expertise. To do that, the Scottish Government has to assume the management of the Crown Estate as it is and not devolve it too far further.

Brian Swinbanks: I know that you are not getting the ownership—it is the management. However, I see an opportunity to recognise a more holistic approach to working with the ownership of the Scottish estate—let us call it that—in which we join up with Marine Scotland, fisheries and the users of the sea bed. In many meetings, people have assumed that the Crown Estate has something that is pasted with pound notes, but that is not true. Not a lot of money is involved, but it is a tremendously valuable asset to Scotland.

I really welcome the devolution of the Crown estate to Scotland and the fact that we can take a new approach that involves joined-up thinking and working with other agencies. However, I would still like to retain things such as research that have

moved forward from the Crown Estate. That is my personal feeling.

Michael Russell: I want to push the point a little with Mr McArthur. A unanimity of view has certainly emerged early in this discussion that the Crown Estate as a body might be retained, but Mr McArthur talked about not devolving the responsibility too far further. I would have thought that an advantage for Tobermory would have been to devolve the Crown estate where that devolution can be usefully applied. We have heard that from the Glendale Trust, as well.

John McArthur: Obviously, the body has to be the focus of the management of the Scottish coastline and it could well be the catalyst for other bodies linking into that focal point, which we have heard about from Brian Swinbanks. We should not lose the expertise that the Crown Estate has brought to local development, whether in the outer isles or Argyll.

Michael Russell: Yes, but subsidiarity applies where powers are appropriately exercised, as clearly they are. The intention is to exercise them appropriately in Tobermory and we have heard that they are being exercised appropriately in Glendale. Where that possibility exists on a local level, it is to be encouraged, I presume, although the expertise will be retained on a national level.

John McArthur: I do not disagree with that. In fact, I am involved with another body and consider local control and management to be useful. I concur with you.

Alastair Nairn: Farming tenants would like the present team to be retained at Bell's Brae. However, they are overseen by the Crown Estate Commissioners. Crown tenants would like a well-balanced board of directors that includes tenant farmers to be set up above that level of management so that the whole organisation runs smoothly.

Lindsay Leask: We agree about retaining expertise. There are some exceptionally talented and knowledgeable individuals in Bell's Brae and down in London, where some of the staff have Scottish roles.

We strongly believe that the offshore wind assets are strategic national assets and should be treated as such. We are looking at development at the moment, mainly on the east coast of Scotland. There is a bit of a geographical issue: if a development is 13 miles offshore, exactly which is the local authority? If it is in the Forth and Tay region, the developer could be dealing with four local authorities. Therefore, retaining the management of offshore wind assets at the national level is incredibly important for the smooth delivery of such projects.

It is important to note that we are in an incredibly competitive environment for offshore wind just now. Under the new electricity market reform regime and contracts for difference, £1 per megawatt here or there makes all the difference between a successful project and an unsuccessful one.

The devolution of the Crown estate must not add additional burdens or create additional risks for any such projects. We need to make the transition as smooth as possible. That includes being able to know exactly to whom all the responsibilities are being transferred and, importantly, when they are being transferred. We would like to ensure that it is not a long, drawn-out process.

A smooth transition is key, as is consideration of our offshore renewables assets as strategic national assets with management at a national level.

Jim Hume: We have already touched on this issue slightly. The Smith commission mentioned powers being devolved down to local authorities, in particular. However, bodies such as the Scottish Council for Voluntary Organisations and others that are represented here have said that devolution to communities would be a better option. What are the witnesses' views on the opportunities and threats in devolving the powers to communities as opposed to local authorities?

Elgar Finlay: I am keen for the powers to be devolved as far down as possible, so that offshore revenues can go directly to the communities and matters can be organised within them. Moorings and salmon farm leases could be devolved to the communities, for instance. We have already taken a lease for our sea bed.

I would be a little bit averse to the assets being directly under the control of local authorities, as they do not currently have the skills base or the funds to provide what we require. Already, losing the coastal communities fund will cost coastal communities millions of pounds this year. The stewardship fund can be accessed automatically—it has a very quick turnaround on funds to develop concepts. All those funds need to be in place to keep community aspirations alive, and we gear our sustainable projects around them.

I say yes to devolution to the local area and to people who have very local understanding. Highland Council organises an area that is the size of Belgium. To put that additional strain on it without its having the capacity and skills base would be a risk to longevity until things were up to scratch.

Lindsay Leask: All our developments and developers engage closely with the local communities that they are engaged with. However,

we are looking at some projects with capital expenditure similar to that for the new Forth road crossing and there are concerns about local authorities' ability to manage those projects. I would not want to impose anything like that on communities because it would be a huge burden for them.

In the wave and tidal sector, we have to be very strategic about how developments are planned, because we do not want one development upstream causing a negative impact on a development downstream. We must take a slightly broader overview of how the sites are developed. That goes back to the investment and support that we get from the Crown at the moment. I do not think that communities would be able to deliver the same resources that we get from the Crown or that we would get from a national body.

Dave Thompson: I find this conversation very interesting. Brian Swinbanks mentioned the devolved management agreement. There is a lot of agreement that, although the skills base and so on of the Crown Estate and the broad strategy need to be retained, there is also a need for the devolution of management down to much smaller areas and local communities. Is such a two-tier structure feasible, with the Crown Estate having overall Scotland-wide responsibilities but with the management—not necessarily for everything, given Lindsay Leask's point—devolved down? Are you generally agreed that that devolved management should not be devolved to local authorities? If so, what local bodies would be most appropriate? I am thinking of bodies such as harbour trusts and development trusts. However, even those bodies do not cover the whole of the coast, so how could we fill in the gaps or should they be left with the central body? If the panellists can tease that out a bit more, we can get a feel for what people are thinking.

The Convener: I know what Scott Landsburgh is going to say.

Scott Landsburgh: I hope that I do not disappoint you, convener.

There are competing interests in the sea bed, and it is very difficult to put that responsibility on certain single-issue bodies. The local authority is democratically elected and has experience in dealing with the democratic accountability of allocating natural assets. From my perspective and that of my members, devolving the management to the local authorities would give us more confidence in the process. The governance has to be clear and transparent to give investors confidence in the whole process.

Nevertheless, I agree with Lindsay Leask. We are dealing with multi-million pound investments in our locations and one of the key requirements for

a serious investment is confidence in the abilities of the authorities to deal with a prospective development appropriately and consistently. That is why everyone around the table is probably arguing for an element of Crown Estate functions to remain central, because of the expertise that has been built up over the years.

There is also a need for local accountability—as has been recognised in Parliament—and local involvement. I would not like to see the responsibility go further than the local authority, but there should be a local authority officer appointed to manage the sea bed and refer to a central body of expertise—I do not know what the new name for the Crown Estate in Scotland would be.

James Allan: I am happy to endorse everything that has been said so far. Our organisation has responded to more than 300 licence applications in the past year, and it would be a major concern if we had to do that numerous times through numerous local authorities, if that were to be the direction of travel. As a single body, the Crown Estate is an easy access point for what is essentially a voluntary organisation. We would absolutely endorse any local investment.

However, ensuring that a Scotland-wide interest group was connected at that local level would present us with a distinct challenge. We are a small, member-led organisation and we would need to connect with no fewer than 19 local authorities on a regular basis, yet we have limited voluntary capacity. I am sure that other organisations would be in a similar position. Dealing with a single body is far more effective, and the Crown Estate has the capacity to work with us closely. I am not sure that we would be able to match that capacity if we had to engage with local authorities time and again. In that regard, I endorse what my colleagues have said.

10:30

Michael Russell: We took evidence on the marine plan some time ago, and I think that the committee's view was that there is a genuine question mark over the ability of local authorities to have the expertise to undertake marine planning. I do not want to criticise local authorities, but what I am hearing from James Allan, Scott Landsburgh and others is confirmation that it is unlikely that individual local authorities would be able to add real expertise in marine planning to their existing skills set quickly or effectively. What you have told us is helpful.

John McArthur: I endorse particularly what the RYA representative has said. WHAM deals with the local councils along the western seaboard, and we find that they all have different takes on and

understandings of how they should manage their own bit. Some of those are well off beam, mainly because of local vested interests, and it takes quite a lot of diplomatic work to bring them back into line. The Crown has assisted greatly with that.

From a local community company development point of view, we have found the direct approach to the Crown Estate to be much easier to handle than the diverse lines into our local authority and into planning and other organisations.

The Convener: We will continue with some of those themes shortly, but Claudia Beamish has some questions specifically about Glenlivet.

Claudia Beamish: I will direct one or two questions to Alastair Nairn. Other members might like to follow them up.

What opportunities—if any—do you think that transferring the rural estate to local authorities will bring for Crown estate tenants? NFU Scotland has called for any new landlord to continue what it sees as the good track record of the Crown Estate in making land available for rent. You might have other perspectives on the issue. Can you give us your thoughts on that?

Alastair Nairn: I do not think that transferring the management of the Glenlivet estate to Moray Council would bring any benefits. I do not think that the council has the expertise to run the estate, nor do I think that it has the money to run it. In our newspapers, we continually read about the cuts that the council is having to make, so I do not see a transfer having any benefits whatever.

Because we live in such a rural area, we are dependent on money being transferred from other parts of the Crown estate to invest in the Glenlivet estate so that we can go forward.

Claudia Beamish: I understand that the Crown Estate is responsible for more than 200 farms and four estates. If those assets were to be transferred, what safeguards would you like to be put in place to ensure security of tenure and reinvestment in the tenanted sector? You have highlighted the issue of involvement in policy decisions. Can you tell us a bit more about your thoughts on that?

Alastair Nairn: We held a meeting with the cabinet secretary, Richard Lochhead. He expected something along the lines of 12 to 15 tenant farmers to attend, but 73 farmers turned up from the Fochabers, Auchindoun and Glenlivet estates and he was left in absolutely no doubt about the deep concern regarding our future.

Two or three bodies were mentioned that night—this is rumour, because we really do not know; we are very much in the dark. They were Moray Council, the Forestry Commission and Scottish Natural Heritage, and they were all

rejected out of hand by the tenants who were at that meeting. We asked for a show of hands on whether the present management should be retained, and more than 90 per cent of the people in the room put up their hands in support of that.

Claudia Beamish: The Scottish Tenant Farmers Association has highlighted a range of concerns to us in written evidence, asking whether there would be reinvestment following a sale of land and also asking about policy issues. Do you think that the association's concerns are valid? Do they reinforce what you are saying?

Alastair Nairn: I cannot see how the Scottish Government could sell the land. As far as I am aware, the land will remain the property of the realm. At the moment, I do not think that selling land to reinvest will happen.

Graeme Dey: Mr Nairn, the implication of your comment that you do not think that Moray Council would have the money to run the estate is that the Glenlivet estate is a loss-making venture. Is that what you are saying? Is that the case for the other three agricultural estates?

Alastair Nairn: As you are probably well aware, agriculture is in the doldrums at the moment and all commodities are at rock bottom. I see that Rob Gibson is laughing about this, but I am not trying to put on a "poor farmer" act.

The Convener: Yes, you are. [*Laughter.*]

Alastair Nairn: It is a fact, anyway. I very much doubt that the Glenlivet estate could have invested in what it has invested in with money that was generated on the estate. We have put in a 20km cycle track and have a ski centre that has been heavily invested in. There is much recreation available, and there is tourism. The Crown Estate has invested in that and in many other things, and we need that investment to stay alive. We also have the village of Tomintoul, which is the second-highest village in Scotland, in the middle of the estate. All the streets are owned by the Crown Estate, and they all have to be maintained.

Graeme Dey: A number of us have visited the Glenlivet estate. You are right about the investment that has been made there, but it has already been made and it will generate income for the estate.

I am entirely sympathetic to your point about where ownership should transfer to, but I want to be clear about whether you are saying that, even with the investment that has been made, the Glenlivet estate, as an entity, is a loss-making venture—perhaps not just now, when things are bad for farming, but over a period of time. Are you saying that it has been in that position historically, and do you anticipate its being in that position in the future?

Alastair Nairn: Things would need to improve before Glenlivet could become a profit-making estate. We would not like to see it broken away from other parts of the Crown estate. It would probably stagnate and die if there was a severe lack of investment from other parts of the Crown estate.

The Convener: Do you have any other questions, Claudia?

Claudia Beamish: Not unless Alastair Nairn wishes to add anything.

The Convener: You might have a chance to come back in later.

Angus MacDonald has a question about offshore interests.

Angus MacDonald: As we know, the proposed transfer includes property, rights or interests in land in Scotland, including in the Scottish marine zone, and powers to lease for renewable energy installations and some cables and pipelines, and we also know that it is proposed that, post-devolution, the Crown Estate's role will pass to the new Scottish manager. Some of the written evidence submitted to the Devolution (Further Powers) Committee confirms that the foreshore and sea bed, in particular, are complicated to manage and that devolution relating to such powers must take into account factors such as udal law and the right to navigational moorings. Can you elaborate on those complicating factors? Are they surmountable?

The Convener: Surmountable or insurmountable?

Angus MacDonald: Whichever.

James Allan: It needs to be acknowledged that those responsibilities will be conferred on the body in question, whether that be a local authority or a single entity. Udal law, which is complex, applies to Shetland, and I think that the case for giving such responsibilities to an island authority is a reasonable one. The issue, however, is the coastal authorities whose boundaries might not be coterminous with marine planning areas or which share the same patch of water. The Forth estuary is a very good example of an area with multiple authorities that might well approach this matter with different opinions on areas of ground and sea that lie very close together. Another example is the Sound of Mull, where two local authorities have a coterminous boundary right in the middle of the sound itself, with the potential for completely different approaches to be taken within a few hundred yards of each other. That is not going to be helpful for the recreational boating sector.

You might also find in those localities different approaches to certain responsibilities that have historically fallen within the remit of the Crown

Estate, such as the clearing of abandoned fish-farm tackle and abandoned moorings. A very good example is an anchorage to the south of Oban called Puldoran, which was heavily fouled with ground tackle. The Crown Estate cleared it away, and we as an organisation are not entirely convinced that a local authority would have the wherewithal to undertake the same activity over a period of time.

With regard to the patrimonial rights of the Crown to the sea bed, the burden placed by the public right of navigation would have to be transferred, and we would certainly seek assurances that any further developments do not materially affect that right, unless, of course, there are safety issues around areas that are set aside for development.

John McArthur: WHAM has been very active in ensuring the right of navigation and the right of anchoring and in removing moorings and other obstructions. We have also been active in the planning and laying down of fish farms and, in the past two years, have, through mediation and discussion, advised fish farms to move a little bit here or a little bit there. Generally, that advice has been accepted—often to the fish farm's benefit—due to the Crown having expertise above us. We therefore feel that those rights must be retained. We doubt greatly whether local authorities, which have diverse views on what happens in their own areas, are competent in that respect and want whatever body devolves from the Crown to be the kingpin for these activities.

Brian Swinbanks: I want to make three points, the first of which is about the study for the Sound of Mull marine protected area. One part of the remit of that very detailed study, which went on for a number of years, was the need to ensure that no boundary ran down the middle of the sound; it was to end up taking a reasoned point of view on the matter. After all, lobsters do not recognise a line on a sea bed; they kind of walk across it. However, that did not happen and, with local authority assistance, we ended up with a line down the middle of the Sound of Mull spatial plan.

The second area where we have problems with authorities, and I refer to Lindsay Leask, who can tell me whether I am right, is tidal streams. If we implement the full 400 units of tidal stream arrays in the Pentland Firth, we would knock one knot of tide out. That would mean millions of metric tonnes of water that will not go into the North Sea. If responsibility is devolved to separate authorities, there is the problem that one local authority may do something and not realise the downside—Lindsay Leask talked about down tide effect. That is a problem to us. If there is a central authority, it recognises and understands what is happening.

10:45

The third thing is devolution to the local authorities. Obviously, there is a middle way forward. We could devolve aquaculture to small ports and harbours. We had a problem in the past where the local authorities controlled the moorings on the west coast for many years and, I am sorry to say—with no detriment intended to our lovely local authorities—the moorings were left lying and the Tobermory Harbour Association had to clear up the mess, including the sea bed mess. That was unfortunately the reality.

The Convener: Surely the water that flows through the Pentland Firth ends up in the North Sea, whether quickly or slowly.

Brian Swinbanks: Not if the rate of flow is reduced by the number of arrays underneath. They take the energy out of the water and reduce the flow.

The Convener: That is what I said. The water ends up in the North Sea, whether faster or slower.

Brian Swinbanks: No, because the tide changes every few hours so less water transfers if the rate is slower and therefore there is less water in the North Sea.

The Convener: We will find out whether that is so from—

Brian Swinbanks: I will defer to experts. I am sorry to say—

The Convener: Experts would be really useful in this case. This is almost the point at which we should bring in Lindsay Leask anyway. We have questions on renewable energy from Sarah Boyack.

Sarah Boyack: I want to ask Lindsay Leask about renewables and how we move forward.

You talked earlier today and in your submission about the strategic oversight that the Crown Estate has had and the capacity to develop national assets around the coast. There has clearly been significant investment by the Crown Estate thus far. There is the MeyGen project at £10 million, which is quite a radical project in comparison with those in the rest of the world, and there is the general £100 million investment that has gone into offshore renewables.

What impact will the transfer of responsibility for Crown Estate assets to another authority or community have, and what arrangements could be put in place to mitigate against either the stalling of investment or the loss of impetus on renewables?

Lindsay Leask: Building on what I have said before, I think that it is very important that we retain a national oversight for offshore renewable

energy developments. That means not devolving the management to local authorities or down to community groups. We can mitigate the risks that come from the transfer of powers by having clarity on who we are transferring the responsibilities to, and when those responsibilities are being transferred.

As with everything, where there is a risk there are always opportunities as well, and whichever body takes over the management of the assets should think about how it uses the powers to ensure that Scottish projects are on a level playing field with projects in the rest of the UK.

That comes back to what I said before about the competitive environment that we are working in and the competition for revenue support and contracts for difference—CFDs. There are things that we believe make Scottish projects play on a slightly unlevel playing field at the moment. They are competitive projects. We have already seen one Scottish offshore wind farm achieve its CFD, so we know that they are competitive, but there are things inherent in the system that make it slightly more difficult for us.

To be blunt, I am talking about transmission network use of system—TNUoS—charging. We believe that that creates unlevel transmission charging and an unlevel playing field for some of the Scottish projects. We would like the manager, whoever it is that takes those responsibilities over, to consider how they could use the new powers to level out that playing field. There are risks inherent in the uncertainty that always comes through change, but there are also opportunities that could and should be explored.

Sarah Boyack: You said that we need clarity on who the responsibilities will be transferred to and when that will happen. What is your view on who it should be and how the process should be managed, particularly if we are going to retain the existing skills and knowledge? You also made a comment about local authorities not having the skills and knowledge, and others have commented on the drive. How do we keep that drive going to ensure that we do not miss out on some of the huge offshore opportunities?

Lindsay Leask: We need a fixed date that is clear and transparent and that is not too far in the future. We do not want a long drawn-out process. Just giving that certainty will put lots of minds at ease and will ensure that we do not lose momentum.

I apologise, but I forget the first part of your question.

Sarah Boyack: It was about who and when. What would be the model?

Lindsay Leask: We want the responsibility to be retained at national level. At present, the Crown Estate is speaking to Marine Scotland, which is a national body that might be able to take on some of the responsibilities. We have a concern about that, because, for us, Marine Scotland is the consenting authority and the regulator. We are concerned that there might be a conflict of interest, whether real or perceived—it might be more perceived than real. We have questions about how that would be managed if the responsibilities go to that body. However, the new approach should be something similar. I have always said that, for our industry, if we did not have the Crown Estate, we would want to create something that was very close to the Crown Estate to take forward the industry.

Sarah Boyack: Is the key thing the team that has the responsibility of managing the process? I presume that part of the issue is to have £100 million available to invest in projects before they are anywhere near the point of making money. How do we retain that?

Lindsay Leask: Absolutely. The offshore renewables industry in Scotland creates virtually nothing for the Crown Estate at the moment, but we benefit from a lot of investment from it, which comes in anticipation that the industry will generate revenue. That happens because the Crown Estate can draw on its strategic assets around the rest of the UK. Other bodies that might be given the responsibility might not be able to do that, which is a concern for us. The question is where such funding would come from if the body cannot draw on resources in the same way as the Crown Estate does now.

Among the individuals involved, there is huge talent and a huge body of expertise. Those people have been working with the projects in Scotland incredibly closely for several years. We would like that talent to be retained.

The Convener: This session is building up to our inputting to the bill that will be published on Thursday. It is important that we hear your evidence. We will hear from local authorities, the Crown Estate and then the Scottish minister to talk through the issues. What you say will have a big knock-on effect on the questions that we ask.

I think that we have finished the questions for Scottish Renewables, so we will move on to the salmon producers, with Alex Fergusson.

Alex Fergusson: Yes—I will move on to the aquaculture sector. As Scott Landsburgh said in his opening remarks, any fish farming operation requires a lease from the Crown Estate. I think that he mentioned that the sector pays around £3 million a year in rent. What value for money do you get for that?

Scott Landsburgh: That is a good question. As I was listening to Lindsay Leask, I was thinking that we are a net contributor to the Crown Estate. We have a good relationship with it and we like it as a landlord. It behaves in a consistent and predictable manner, which is good from an investor's point of view. Do we get a lot of investment back? We do one or two community initiatives and some social research work with the Crown Estate, and it has helped us to do some groundwork for development of a community engagement tool.

I have to say that, beyond that, the investment does not amount to very much. Nevertheless, the Crown Estate is a reasonable and dependable landlord. The rent that we pay is £22.50 per tonne, with the exception of the islands. In the northern isles and the Western Isles, there is a 10 per cent reduction to reflect the higher distribution costs of production in the islands. We think that that is reasonable. There is an open and transparent five-yearly review of the rents that we pay. We went a number of five-yearly reviews without any uplift, although we had one recently. We have 25-year leases.

There is a lot of consistency from an investor's point of view and, obviously, we want that model to continue. Devolution to the local authority level and having more than two tiers of rent to pay could be complex. It could be argued that it would create competition between regional authorities and attract investment, but I am not convinced that that would pan out in the global scheme of things. Most of our farmers have assets in the northern isles and north-west of Scotland.

You need a certain amount of tonnage to create a viable economic business of scale. We still have a couple of indigenous Scottish companies, but they are at the smaller end of the scale and have to do their marketing and production and build their business according to that scale, which is quite challenging for them.

Alex Fergusson: Would any benefits over the current situation or opportunities arise if the Crown Estate's assets were devolved to local authority level?

Scott Landsburgh: With change there could be opportunity, but there could also be concern. Our main point is that Crown Estate was the consenting body and landlord eight years ago, and that was considered to be a conflict of interest. Are we going back to that model? It seems odd to us to go back to something that was considered to be a conflict of interest. I put that out there.

As far as opportunities and threats are concerned, we have good relationships with the local authorities in the five regions that we operate in. The problem is consistency. That is the key

thing. Some regional authorities are more inclined to aquaculture than others and there is inconsistency in the application of the planning system. That is where the inconsistency manifests itself. I have been round to most of the people in this room to talk about these things, so we are all well aware of them.

The national marine plan and the regional marine plans should iron out those problems in due course. Rome was not built in a day; it will take time, but once all the frameworks that are established under the national marine plan get going, it should iron everything out.

I am not as concerned about devolution to local authority level as some who are at the table today are. However, there is a certainly a case to be made for a centralised body of expertise. It might only be two or three people—we do not need to get into big hierarchies—but there should be a central base of experience and expertise.

Alex Fergusson: If I could use one idea to express your concern about devolution to local authorities, it would be about the potential breaking up of the consistency that you now enjoy.

Scott Landsburgh: Yes, I think that that is right. Our aquaculture industry is small in international terms. In the UK it is huge; we are the biggest by miles, and we have the largest salmon aquaculture industry in the European Union. I am not explaining this very well. From an international investor's point of view, we are small beer. They want consistency.

Michael Russell: Can I ask you for clarity on the rental payment? How is it calculated? Is it calculated at harvest time? Is it calculated on weight? How is it calculated and what is the rate?

Scott Landsburgh: It is harvest.

Michael Russell: If there is no harvest, is the rent forgone?

Scott Landsburgh: Yes.

Michael Russell: Does the rent not kick in until the harvest has been done?

Scott Landsburgh: It is a declared outturn.

Michael Russell: In terms of developmental costs then, your landlord is not a problem until you start earning money.

Scott Landsburgh: That is right.

Michael Russell: That is interesting. Thank you.

Graeme Dey: I just want to tease something out. Presumably the concerns that you have expressed about local authority involvement—which I understand—could be addressed if we were to hold fire for now in further devolution until

the regional bodies are up and properly functioning, when it would be appropriate to devolve responsibility to them.

11:00

Scott Landsburgh: I would say “could” be appropriate. There would need to be a demonstration of understanding and, for the framework plans and the local marine plans, a clear understanding of what the plan is

A planning system is a really good thing to have if it is clear and concise. It is designed to give the community confidence that it will not be exploited and investors confidence that there is a very consistent and understandable route to development. At the moment, I do not think that we have that, and it may take time to develop it.

Graeme Dey: We could have it.

Scott Landsburgh: We could have it, yes. As I said, the word is “could”.

The Convener: Does Mike Russell want to move on to boating and harbour interests?

Michael Russell: Yes. I do not want to take too long. From the evidence that we have heard from James Allan, John McArthur and Brian Swinbanks, it seems to me that there is unanimity that the retention of national expertise would be helpful to your sectors. Indeed, James, in your terms, it is essential for the functioning of your organisation. However, there is a case for some localised devolution, such as the arrangement that Brian and Tobermory Harbour Association are trying to come to. Is that a model that you think will be widely supported in the recreational sector and your organisations?

John McArthur: Yes. That would seem to work; it is working at the moment. Also, the funding of some community operations has been and would be beneficially organised through that tier.

Michael Russell: Which ones in particular are you thinking of?

John McArthur: We are looking at some of the funding that coastal communities fund grants facilitated in the past two or three years. That has now ended, and a community looking for funding on the coastal level has to plug into LEADER and other funds with far greater competition.

Michael Russell: Would you like to see the development of a specific coastal communities 2 fund, funded from a Scottish Crown estate that would be applied to the coast at Tayvallich and other areas that are worthy of support in my constituency?

John McArthur: Yes. That is absolutely right.

Michael Russell: Starting with Argyll.

John McArthur: Starting with Argyll—I endorse that as well.

Michael Russell: Moving on when possible.

I would like to talk about contacts with local authorities. Brian Swinbanks, as the chair of a putative harbour authority with full legal powers, must have a regular interface with the local authority in Mull. How does that work?

Brian Swinbanks: It works very well. We have a very good interface with the local authority. We have even taken over some of the local authority's roles in working with it. We now run the town toilets and we do the landscaping in the local car park, which we built as a community park with Strathclyde Regional Council, with the help of the Crown Estate to get the sea bed asset at that time.

There have been other things like that. We have enjoyed working with it on the strategic thinking and the Crown estate. We are trying to develop a joined-up series of hub ports and stepping-stone harbours, which is a national policy to drive people through to all the harbours, right up the west coast, round to the east coast and all the way around Scotland. It is bringing in more than £100 million of spend. I am sorry—I have digressed from the issue of local authorities.

Michael Russell: You are suggesting an interesting model. Rather than the Crown Estate simply devolving powers to local authorities, local authorities themselves might devolve powers to bodies such as harbour authorities. They would take Crown Estate powers and other powers in order to do—if I may embarrass the Tobermory Harbour Association—the excellent job that you have done in Tobermory.

Brian Swinbanks: Thank you very much for that.

Our next phase would have been to be a devolved manager of the sea bed. That would have given us the ability, through the Crown Estate—and we will be looking for this in the future from the new body—to charge the rent on the three fish farms in Tobermory. We would work with them. We would encourage more or less. That is the position at which we stand today with the Crown Estate; the sea bed would be devolved to Tobermory Harbour Association and those small leases—there are only tiny leases for the three farms in Tobermory—would be handled by us on a local level.

That is where the strategic thinking would be needed. The rentals and all the things that you are talking about would be set, and we would be working within a strategic framework to do that.

Michael Russell: As the body on the ground.

Brian Swinbanks: Yes.

Michael Russell: James Allan said that the RYA has signed a non-disclosure agreement, which means that it can discuss developments with the Crown Estate. That would apply right across the board, and would include undersea cable developments and other such things. Is your body essentially a statutory consultee on those processes?

James Allan: We are a non-statutory consultee.

Michael Russell: You are a non-statutory consultee for the Crown Estate, so you can comment on those activities.

James Allan: Yes. To date, we have managed to comment on every single activity that has come across our desks. That takes quite a considerable effort, with quite considerable expertise from the volunteers who do so on our and the boating community's behalf.

We find it beneficial to have the opportunity for an open and honest discussion early doors, so that the applicant can benefit from the expertise that lies within the RYA. As was alluded to earlier, a small shift in the location of a particular application can facilitate its going through without any objection and resolve many of the contentious issues up front.

We use that opportunity as a mechanism to support the applicant, rather than simply to be a body that objects to applications. We are very much engaged in the process as a body that wants to facilitate everyone's access to the marine bed, while obviously protecting the recreational boating interests in that process.

The Convener: Does Elgar Finlay have any points to add?

Elgar Finlay: My aspiration is to get to the stage that Tobermory is at at the moment. There are quite a number of community organisations across Scotland that are in the same boat. We have made legal agreements with the Crown Estate. We are at the stage of cleaning up the mess that was left by the local authority, for the benefit of our local area.

We see scope in the huge sail-around link and its benefit to tourism. We can reference other projects that are just slightly ahead of us. The economies in those areas with marine developments has increased by 20 per cent.

My main point is that we need that clarity, so that we can maintain those aspirations and are not left in limbo with decrepit facilities. We need to access the coastal communities fund—or even a smaller fund—to keep that going. We are volunteer managed, but marine developments are key revenue generators for local, rural, fragile communities.

The Convener: Thank you very much, everyone. We have a very good flavour from your different perspectives of some of the questions that we need to ask local authorities, as well as the Crown Estate.

I have a dual role, because I am also a member of the Devolution (Further Powers) Committee, which has taken the evidence so far on the issue. The Rural Affairs, Climate Change and Environment Committee must feed into the Scotland Bill, which is coming our way on Friday, and which will be interrogated further in this Parliament. The Crown Estate is an important part of that, and I thank the witnesses for their evidence.

I suspend the meeting briefly to allow a changeover of witnesses.

11:07

Meeting suspended.

11:15

On resuming—

The Convener: I welcome our second panel of witnesses on the devolution of the Crown estate. Fergus Murray is head of economic development and strategic transportation at Argyll and Bute Council; George Hamilton is head of environment and development in the development and infrastructure department at Highland Council; Roddy Burns is the chief executive of Moray Council; Paul Maxton is a solicitor at Orkney Islands Council; and Angus Campbell is the leader of Comhairle nan Eilean Siar.

Good morning gentlemen. We have some questions for you, and I will start with a general one. How would you describe your current working relationship with the Crown Estate, and what policy areas are involved?

George Hamilton (Highland Council): Our relationship with the Crown Estate and my own experience of it have been pretty good. We have a dual relationship, because we pay harbour rental and we conduct quite a bit of coastal management planning work, to which the Crown Estate has contributed in the past. We have been involved in marine stewardship projects around marine planning activities. The council and the Crown Estate meet regularly to discuss strategic issues that might be of mutual benefit, such as Fort William's renewable energy developments. Over and above what might happen with the transfer of the estate, there has always been a desire to work together to make sure that Highland communities benefit from our joint activities.

Fergus Murray (Argyll and Bute Council):

Our relationship with the Crown Estate has improved in recent years, and we have been in more regular contact. We hold high-level meetings to discuss a range of issues. We have a lot of shared interests that relate to our coast and investment in our communities. We also discuss growing our interests in the marine leisure market, work with communities, the investments that the Crown Estate has made in Argyll and Bute, such as at Rhu marina, and other areas of its work.

We are also involved with the Crown Estate in relation to the aquaculture industry and the practicalities and permissions that are associated with the offshore renewables industry. There was a lot of interest in offshore wind in Argyll, and although that might have been pushed back into the longer term, there is still a lot of interest in wave and tidal energy.

We have involved the Crown Estate in our consultations on strategic documents such as the local development plan, which has a coastal development strategy attached to it. Some of our marine officers are working with it on that strategic overview of the development of the coast.

Roddy Burns (Moray Council): Moray is home to Glenlivet and Fochabers, which are two of the Crown Estate's four rural estates in Scotland. We also have some small coastal harbours. By dint of that, there is regular dialogue with key officers in Scotland. Incidentally, 15 per cent of the Crown Estate's gross income comes from Moray, so we have quite an interest in it.

On the specifics, our relationship might be categorised as relating to economic interventions. I have three quick examples to give the committee. First, Tomintoul has been mentioned, and the Crown Estate has played a significant part in relation to the Tomintoul and Glenlivet Regeneration Trust, which is a community-based organisation. The cycling facility at Glenlivet has also been mentioned, and the Crown Estate provided a lot of the capital for that. Secondly, we are working to try to redevelop one of our coastal harbours as an operations and maintenance base for offshore renewables in the Moray Firth. The third example is our work with one of our smaller harbours on a potential community-based buy-out project.

Overall, our working relationship with the Crown Estate is very constructive and forward looking.

Paul Maxton (Orkney Islands Council):

Things have been improving and the relationship has stepped up since the publication of the Smith commission recommendations and the draft clauses in the command paper. The Crown Estate's Scottish leadership team has engaged with council officers. Chief officials of the Crown

Estate came to Orkney to meet council members and officials fairly recently, and there were informal discussions at the annual summit in connection with the island proofing of the draft clauses.

Councillor Angus Campbell (Comhairle nan Eilean Siar): I have seen more of the Crown Estate in the past 18 months than I did in the previous 13 years. A lot of the contact has been generated by the activities of the our islands, our future campaign, which is looking at the devolution of the Crown Estate.

For many years, there has been quite a lot of Crown Estate activity in the outer Hebrides. The experience has been very mixed. For instance, the Crown Estate's commercial offer of a loan for the South Uist development was more than the development could get from a commercial organisation elsewhere, and a small community in North Uist has ended up with quite a large borrowing. We are more concerned about the 40 megawatts of renewables off the west coast of Lewis that was consented—the news of that came to the council through the press.

I think that it is fair to say that our relationship with the Crown Estate has not been particularly good in the area of planning together and seeing how we can maximise the assets that we have in the islands.

Graeme Dey: Can you outline for us the case, as you see it, for the devolution of Crown Estate assets to the local authority level?

Councillor Campbell: We did a stock take of the assets that we have to deal with the issues that our communities are facing. I think that the island communities all face similar issues, but some are more extreme in the Western Isles—for instance, in relation to population, retaining young people and providing jobs.

Renewables and marine assets were the two things that stood out, and we believe very strongly that they should be used to the best advantage of the people who live in the islands and that we must be involved in both the planning for and the community benefit that comes from the use of those assets. I do not like the thought of local authorities having the benefit of those things—that is not the aim of what we are trying to do. We want to reach below that level—we want to reach communities.

A negative aspect of moving to local authority control is what happens in harbour areas, where there are particular issues. Right from the start, we said that the rental money that is paid at the moment should be reinvested back into those harbours, whether they are trust harbours or are owned by someone else. It is important that you are aware of that issue.

I have also heard some people say that local authorities are not capable of holding a dual role in the licensing and planning regimes, but we have a long history of doing so. I point out that the Crown Estate itself has also been in the position of being the owner of and getting benefit from land, and giving permissions. I think that having local authority representatives involved is a more democratic solution. The whole idea is to capitalise on the assets and feed the benefits into the communities that we serve.

The Convener: Does anyone else want to come in on that point before Dave Thompson asks a supplementary question?

Paul Maxton: I concur with the views expressed by Councillor Campbell. As part of the our islands, our future initiative, Western Isles Council, Shetland Islands Council and Orkney Islands Council all work closely together and share the same ambition and aspirations, particularly with regard to the devolution of both the management of and the revenue from the Crown Estate. I ask members to note that we produced a proposed model for such devolution for the Devolution (Further Powers) Committee. We shared that with the UK and Scottish Governments—it was very much a paper to start the discussion.

Roddy Burns: Moray Council has not taken a position on the matter. The bill is not being published until later this week, so all that I can say about the wider policy is that it is more about how local authorities meet the needs and aspirations of our local communities, which then fits in with community planning, community engagement and other aspects of wider public policy. I listened to the earlier panel of witnesses, so I know that the committee is aware of the concerns of our communities in Moray, including tenant farmers and the people of Tomintoul.

Graeme Dey: I welcome your mentioning that, because I was struck by a comment from one of the tenant farmers, who was quoted in *The Press and Journal* in February as saying:

“The idea that Moray Council should take over fills us with horror.”

How mindful are you that that concern is being expressed locally, and how do you reassure people that devolution down to local authority level is appropriate?

Roddy Burns: I am glad that you used the word “appropriate”, because I really do not think that it is about competence. You would expect me to mount a defence of local authorities, and I think that we can prove that local authorities are capable of undertaking quite substantial tasks, if appropriate, and this is about appropriateness. As I said, the council has not taken a view yet. A lot of discussions take place at the Highlands and

islands level, through the convention of the Highlands and islands, and the matter has not been discussed yet.

Having said that, the reassurance that I can give is that, before coming here today, I canvassed the views of the local councillors whose wards the two large estates are in. I also met one of the tenant farmer colleagues of the gentleman who gave evidence earlier, so I am fully aware of the concerns.

In terms of wider public policy on how we conduct community planning and community engagement, particularly once the new legislation comes in, I think that all the reassurances will be there. We will engage with communities to ensure that we meet their needs and aspirations in a way that works with them, not against them. I hope that that answers your question.

The Convener: I ask Dave Thompson, Mike Russell and Alex Fergusson to make their points together.

Dave Thompson: I would like to tease out a wee bit further the position of the island authorities. We heard earlier that a two-tier approach seemed to be favoured: keeping the Scotland-wide expertise of the Crown Estate, but devolving right down to smaller communities. The island authorities are in a particular situation, so I am interested to hear from the representatives of those councils about the special case for the three island authorities having a different settlement from that for the mainland, given that they are relatively small authorities.

The Convener: That is one question. We shall hear three-part answers in a minute. Next is Mike Russell.

11:30

Michael Russell: Those who were here earlier heard a pretty strong degree of unanimity around the view that a national body should be retained and that, if there were to be devolution beyond that national body, the bodies that were most popular in that regard were the smaller trust harbours or harbour authorities.

Angus Campbell mentioned keeping revenues in harbours and Roddy Burns mentioned a harbour buy-out. Clearly, then, you are thinking about those levels. Does a hybrid model attract more support? It would involve a level of devolution to a national body, with the rights of the island authorities being respected through the our islands, our future campaign, and, for the rest, some variation according to capability, need and aspiration. We do not need a single national pattern; all those patterns can develop quite well. For example, the Glendale Trust told us that it had

an aspiration to emulate what might be happening in Tobermory.

Alex Fergusson: In the earlier session, the Scottish Salmon Producers Organisation said that it was a net contributor to the Crown Estate, but we also heard, from the tenant at Glenlivet, of the investment that comes in from the Crown Estate.

My question is particularly for Mr Burns, whose council would not, I guess, have a huge income from aquaculture if the management of the Crown Estate were devolved. How do you keep that investment coming in if, for example, the income from aquaculture goes to other local authorities? If the management of the Crown Estate were devolved to local authorities, how do you maintain that national input and investment from the Crown Estate to its farm assets, which is obviously important?

The Convener: I ask the witnesses to respond only to the questions that are relevant to them.

George Hamilton: To tidy up the earlier discussion, I would like to make a point about why we felt that the process should now be under way, and talk about the report of the Crown Estate review group.

Highland Council has set out clearly why it would wish devolution to take place. It did so in a report called, "The Crown Estate in Scotland—New Opportunities for Public Benefits", and the subtitle explains exactly our view at the time. Highland Council's position is that it would like the Crown estate to be transferred to the Scottish Government and, from there, to local authorities that have interests in the Crown estate and then down to lower organisations such as harbour authorities and appropriately constituted community groups. Our position is quite clear.

Fergus Murray: Argyll and Bute Council has not made a definitive decision about what its role would be. I can say that it wants to have a role in working in working with the Crown estate locally.

We have worked in partnership with many communities to take forward initiatives, and we welcome what they have achieved. The written evidence before you contains many examples of situations in which the council has had a role, through planning, engineering, tourism or community development, in assisting communities.

We must have an interest in what happens with the Crown estate, given that we cover 3,000 miles of coastline and 23 island communities. About 80 per cent of our population lives on the coast, and our members represent all those people. We need to be involved.

On the point about the island authorities being treated differently, as I said, Argyll and Bute

Council has 23 islands. Today, its islands task force is meeting in Lochgilphead with North Ayrshire Council and Highland Council to discuss special issues in relation to islands and remote peninsular communities. We want to take account of those issues in relation to any changes.

Roddy Burns: On the issue of future models, like many authorities, Moray Council is divesting a lot of its assets to communities and is already experiencing quite different models, depending on the nature and drive of particular communities. In some cases, a community association takes the asset, in others, it is a social enterprise, and in others it is another body or vehicle that was set up for a specific purpose. It would be difficult for a local authority to deny that a hybrid approach is relevant, given that that is what we are experiencing on the ground.

I mentioned the Tomintoul and Glenlivet model. The trust represents 300 members and has submitted a £3.6 million bid for National Lottery funding to regenerate Tomintoul and the wider community, which is in one of our most remote areas. That is a good example of how that model can be made to work.

The funding issue is a real moot point. We have two extremes in Moray. First, we have the estates. One of the farmers I spoke to mentioned his concerns about the long-term nature of estate management. He reckoned that, realistically, farming needs tenancies of a minimum of 15 years, and the funding to go with that. In the context of the wider public funding constraints that everyone is aware of, that is not a point that I can address, but clearly it has to be addressed. That perhaps points to the retention of national expertise and a national body.

The second extreme in Moray relates to a small commercial harbour that, as I mentioned, we are very keen to develop as an operations base and for management purposes. It has the potential to create 200 jobs, which is quite a big deal for Moray, given that there are probably only about 10 employers of that size in the area. Part of the sea bed is owned by the Crown Estate, but we know that there is significant private investment interest in the development. If we can release that asset—and we are having constructive discussions with the Crown Estate at the moment—we can lever in private funds.

It is not all doom and gloom, but I have highlighted a moot point that is important, particularly for the farming sector. I hope that the committee will take it away.

Paul Maxton: I will deal first with the question of why the responsibility should be devolved to island authorities and what makes us special. The island

authorities are different and special by the very nature of their being solely concerned with islands.

We have a substantial track record on the management of the sea, particularly through the works licence schemes in Orkney and in Shetland, which were provided for through the Orkney County Council Act 1974 and the Zetland County Council Act 1974. We managed the sea in our harbour areas well before Marine Scotland was constituted. Thereafter, aquaculture became quite big, and we managed it through the works licence system until the sector was transferred to the planning system.

On whether devolution should go even further, beyond local authorities, our position on the proposed model does not entertain that, but that is not to say that the islands could not consider it through the our islands, our future campaign. That would be something for the leaders and chief executives of the island authorities to look at further.

The Convener: I do not know whether Angus Campbell has anything to add, because he made his position on the devolution structure clear.

Councillor Campbell: I will be very quick, convener. Paul Maxton clearly said that we are island authorities—we are not authorities with islands. There is a difference in relation to assets, although there is common ground with a lot of other authorities. The hybrid model that Mr Russell talked about could very well be an outcome that would work for different reasons, and we have very clear ideas about how it should work for us.

I will talk quickly about the profit and development issues that have been brought up. No one is keener than we are to see development going ahead, jobs created and profit made. We do not see the issue as a barrier to that.

However, we experience huge leakage from our local economy in relation to many development activities. For instance, fish farming in the Western Isles today is a mechanised, large-scale operation. A lot of the local jobs have gone, and almost all the processing has gone. Leases are given out without any benefit coming back to the communities that are affected by the visual impact and by not being able to use that area of the sea. We think that it is only fair that we should try to maximise the local benefit in terms of jobs and get something back. We also think that we should have a say in how such things are managed through the planning process. That can sit very well beneath a national planning strategy. We are trying to move ahead with subsidiarity and the Community Empowerment (Scotland) Bill, and all these things fit very well with giving local areas more say about how things happen.

The Western Isles are a little bit different from Orkney. We have had discussions about how we can deliver change further down the line. We set up the Western Isles Development Trust for renewables on land, and it delivers benefits to every single part of the Western Isles, whether activity happens on their island or not. That is a principle that we believe in quite strongly.

Graeme Dey: The comments from Mr Hamilton and Mr Campbell are perhaps more in keeping with the general direction of travel that the Parliament wants for devolving power to communities than Mr Maxton's position is. However, I guess that the question is: if the model is that the Scottish Government will devolve power to local authorities, and then local authorities will devolve it further, why do we not cut out the middle man? Why do we not have a Crown Estate controlled in Scotland that retains some of the assets, such as the farms and other things that allow for cross-pollination of finance, but devolve power directly to existing community bodies and proactively encourage the development of further community bodies that can take on assets?

The Convener: Does anyone want to bite?

Fergus Murray: I will make a couple of points. It is important to take a strategic view across an area, and a local authority can play a key role in that. In developing a wider marine industry or developing tourism, connecting everything up around the area and making connections beyond the local authority boundary are important.

It is worth pointing out that Argyll and Bute Council owns 39 piers and harbours, which we use to drive forward economic development. We work with communities that have ambitions to take over some of those piers and harbours, and we welcome that, but we want to do that in a way that is sustainable for those communities and will deliver benefit for them.

Roddy Burns: The question is difficult to answer from Moray Council's perspective. I mentioned that I have canvassed the views of local councillors who represent the wards that include the major estates in Moray, and I got a paper that expressed the concerns of the community association in Tomintoul. As has been said this morning, the village's future is totally intertwined with the Crown Estate's future, and that kind of quantum leap is a considerable one to take. It would be a question of timing.

I mentioned that the council is divesting itself of assets. We know that the simple transfer of a local hall or other facility takes time and effort, if we are to do it properly and sustainably. To undertake change of the type and magnitude that is proposed would take time.

There are lots of issues about how we engage meaningfully with communities to really meet their needs and aspirations. As has been said, that is what we hope the Community Empowerment (Scotland) Bill will be all about. There is still some distance to go in understanding all the dynamics, which are considerably intertwined.

George Hamilton: I agree with Roddy Burns.

We have a democratic organisation—the local authority—that is close to its coastal communities. It is used to working in the coastal environment and it already manages fish farming and planning processes in the area. When it comes down to the coastal sector, local authorities are a perfectly sensible middle man, if we can call them that, between the national body and harbour authorities.

11:45

Michael Russell: In the work that it did on the Community Empowerment (Scotland) Bill, the committee asked each local authority about its policy on the disposal of assets. It is fair to say that the picture was uneven.

Given that that bill will become law this year—I certainly hope that communities will make substantial use of it—would there be a synchronisation of effort if that bill were to go hand in hand with the view that, when the Crown estate is devolved, there should be at least a preference, where the capability exists and where the bill provides a consistent approach, for devolving those powers to communities?

It is one thing to say that we want that to happen, but we know from experience across Scotland that such activity is patchy. In some places virtually nothing has happened; in other places there is a slow move towards it.

Roddy Burns: That approach would be welcome. As Moray Council's principal policy adviser, I wondered when I read the papers for today's meeting where the Community Engagement (Scotland) Bill would fit in. Some synchronisation would certainly be helpful since, in my day job, I have to make sense of how we deliver services on the ground in light of legislation.

Councillor Campbell: In the Western Isles, 70 per cent of the land is now sitting in community ownership. Some very big operations have been taken on by communities because they believe that they need to provide economic stimulus to make opportunities for people to stay there. That example shows that we can deal with big issues as communities. We all need support in what we do but, if the right infrastructure is there, it can happen.

Michael Russell: That is enormously welcome. You are proving the point exactly. However, local authorities are big owners of property, land and so on, and sometimes they have a great reluctance to recognise the capability of communities and to empower them. I am not saying that that is true of Comhairle nan Eilean Siar, which recognises that absolutely.

Taking that approach hand in hand with the Crown estate issues would greatly help communities. That appears to be agreed by the panel.

The Convener: Can we get to Jim Hume's question about engagement?

Jim Hume: I have a small question on the route that we are travelling down before I go into the main body of my questions. We have heard the council representatives who are here and we are grateful to them for coming. They feel that they have the competence, but it may be worth noting that some local authorities that were invited and which have Crown estate assets on their land could not send anybody today. That is a wee bit concerning, for me at least.

Angus Campbell mentioned that the moneys that are raised in harbours should stay in the harbours, but we heard this morning that a tenant farmer in Glenlivet estate feels that the estate is kept going by money coming in from other parts of the Crown estate, which helps to fund articles and projects. It would be interesting to hear the councils' views on whether the moneys from the Crown estate should be ring fenced—I hesitate to use that word—to stay in the Crown estate or should go into the council pot, which could be divested from.

Councillor Campbell: I will start with the clear view that such money should not go into the council's general pot. That is not what we are trying to do. I do not have much experience of money coming into our community in any way that is not attached to a commercial payback that is advantageous to the Crown Estate. I cannot comment on what I missed this morning regarding other places.

We clearly see such resources being devolved down through our communities—that relates to decision making and the use of resources that come back. We are clear that this is not a substitute for Edinburgh giving us money as part of our block grant. That must be maintained at the maximum level.

The Convener: We are all agreed about that.

Jim Hume: That is interesting—I do not know whether anyone else wants to comment.

Fergus Murray: I agree. We would want not to ring fence the money but to make best use of it for communities.

Jim Hume: So you are talking about not ring fencing. I am sure that that would concern some Crown estate people, but thank you anyway.

What feedback are you getting from existing residents and businesses that are affected by the proposals for further devolution of the Crown estate? How do you reassure them on some of their concerns—perhaps concerns that will be raised after comments today? What engagement is taking place not just with the Crown Estate but with people who are affected by the proposals?

Paul Maxton: By virtue of our local act, we have a reserve fund, and for years the moneys that have accrued to that from the Flotta oil terminal, and the interest from that, have been set aside and devolved to the community. The council has policies and the community can apply for funds, and that has helped to put investment into myriad local industries. In effect, that is a community benefit at work.

The Convener: Do you have a response to Jim Hume's question? He asked about businesses and residents and that sort of thing.

Jim Hume: Stakeholders apart from the Crown Estate.

Fergus Murray: I will re-emphasise the feedback that I have received from some communities, which is that uncertainty is putting a hold on investments and aspirations. That needs to be brought to a conclusion as quickly as possible to keep up the momentum of the past few years of communities, councils and others trying to reinvigorate the coastal economy through their assets. In the overwhelming majority of contact, people have asked when the situation will be resolved and when we can look at investment coming back.

Roddy Burns: In the limited canvassing that I have done—I have mentioned most it—there have been three broad concerns. The first is what is in scope—what is national and what is local. That is particularly important for the farming community, which regards itself as needing stability for the long-term investment that farming requires. That leads us into the investment and funding issue, which in turn leads to issues of governance and accountability—that is a full circle back to what is national and what is local, as well as the overall concern about uncertainty.

Angus MacDonald: I will refer to Mr Maxton's comments on a discussion paper that was issued. What conversations have local authorities had with the Scottish and UK Governments on the transfer

of powers? Can you expand on the proposed arrangements for the transfer of powers?

Paul Maxton: Discussions with the Scottish Government have principally been through the island areas ministerial working group. It is common knowledge—numerous press releases have come out of the meetings—that we have been in discussions with the Crown Estate, but I do not feel that I am in a position to talk about the terms of what was discussed. We agreed terms of reference with the Scottish Government on confidentiality. Suffice it to say that the issue has been discussed.

We discussed the Smith draft clauses with the UK Government at the annual summit, which was held in April. For the same reasons as I just gave, I cannot go into too much detail about that, given the nature of the forum in which we had those discussions.

Angus MacDonald: Can any of the other local authorities provide any insight?

Councillor Campbell: Maybe as a politician I can be a wee bit more free. A lot of the discussions have been made public, so I hope that that means that I will not break any confidences. An important part of our work was the Lerwick declaration from our discussions with the Scottish Government, which had a commitment to 100 per cent of the net revenue from the Crown estate going to the islands.

Our wish for managing the Crown Estate's assets as well as receiving its revenues has been pretty public in our discussions over the past while. We have had seven meetings—I think—with the ministerial working group and we are due to meet again next Tuesday in Orkney, so that is a very live and on-going discussion. Similarly, we had discussions with the Scotland Office that we think were reflected in the commitments that came through the Smith commission on onward devolution of the Crown Estate's powers, because the three local authorities for the islands were mentioned specifically in that regard.

Roddy Burns: Moray Council's dialogue on the issue has been done through COSLA leaders meetings and their consideration of the Smith commission report, and through the convention of the Highlands and Islands. The issue is on the agenda again for the convention's meeting this Monday in Orkney.

Sarah Boyack: I am interested in getting a flavour of all that, because you represent a group of local authorities that have a particular interest in aspects of the Crown Estate. However, there is an interest in the Crown Estate issue across local authorities, and it would be good to have a sense of different local authorities' views and of the extent of discussions about the Crown Estate

powers or capacities that people are interested in. Are your authorities even at that stage?

Councillor Campbell: As Roddy Burns mentioned, the convention of the Highlands and Islands, which represents seven local authorities, has discussed the Crown Estate issue for a long time—certainly for at least five years. The community benefit model was put together by the Highlands and Islands leaders group and was presented to the Scottish Affairs Committee as a method of addressing the Crown Estate issue. We are also very active in the COSLA discussion on the issue. I think that COSLA's general view, which is not a view specifically on the islands, is quite close to our own.

Roddy Burns: Having checked this, I can tell the committee that it was back in 2007 that the convention of the Highlands and Islands urged the Scotland Office and ministers at that time to undertake a review of the Crown Estate. From Moray Council's perspective, now that the review has been undertaken, it is a question of my members debating the issue. We are not quite at that stage yet, and colleague authorities are at different stages.

Paul Maxton: Orkney Islands Council supports the position that COSLA has taken on looking for full devolution of the Crown Estate's management and resources.

12:00

Sarah Boyack: If you were here for the earlier discussion on the Crown Estate, you would have got a different set of conclusions. One of the challenges is how to retain the Crown Estate's expertise in, for example, offshore renewables; it would be difficult to replicate that expertise in every local authority. Is there a case for retaining that expertise but devolving aspects of the Crown Estate, particularly that of community benefit?

I cannot remember who made this point, but one of you said that there is an issue of scope, an issue of funding and then the issue of governance and accountability. You spoke about the national and local levels, but not the community level.

We are trying to get a win-win so that there is still a national strategic overview where it really matters but, for other issues that are much more local, the responsibility is devolved to local authorities, with a bottom-up community angle. We are keen to get a sense of how that balance should work and of how to legislate for that when some councils are further ahead in being able to take on powers and have more aspirations for how to use them than some other local authorities. It is a question of achieving a balance of getting devolution in such a way that people are ready to use it, while still having a national element.

Councillor Campbell: National planning principles already apply to much of the work that we do. You touched on renewables, to which the 50MW cut-off applies. All of us in local authorities know that we have to work within a national framework, and I suggest that some of the more specialised expertise should sit at the national level, but do not ever think that we as local authorities do not deal with big issues.

For instance, Shetland Islands Council has had to deal and is dealing with some huge issues in the oil and gas industry. As for us at Comhairle nan Eilean Siar, we are capable of dealing with some of the big renewables and broadband issues within the context of the framework that is set nationally. We have the abilities, even if we have to strengthen them in some areas to take on new work.

Sarah Boyack: I presume that that leads to an issue of financing your capacity to get new people in, which I presume is a major constraint at the moment.

Councillor Campbell: If we are to get the revenues from the Crown estate flowing, with the economic development agenda also taking off, that is like the discussion that is going on about taking commercial rates back into local government, which we would want to use as a way of increasing commercial activity and income. I suggest that that in itself would support more jobs and expertise.

The Convener: Mike Russell wishes to develop that point.

Michael Russell: Only briefly. You have all acknowledged that the proposal has been on the agenda for a long time. Three of the four main political parties in the Parliament have had it as a manifesto commitment. What actual plans have you put in place, how much will it cost each of your authorities to implement it and how will you do it?

Councillor Campbell: I do not have that at the top of my head at the moment, Mr Russell, but I can guarantee to get it to you very quickly. We have sat down as a council and considered what will be involved, and we have discussed what we need in terms of officer resource, for instance. We have discussed how, as three island councils, we can benefit from joint use of officers with particular skills. Although I do not have that information in my back pocket at the moment, I can assure you that we have thought the issue through. We have worked on it, and I can supply something to the committee fairly quickly after the meeting, if you would like me to. I am sure that we could arrange something.

Michael Russell: That would be brilliant.

The Convener: Yes. If you feel like writing to us, we are always pleased to keep the Royal Mail going, especially in rural areas.

Roddy Burns: As I mentioned at the outset, Moray Council has tended to consider the matter in terms of specific economic interventions. We would have costs for the three that I have mentioned, along with the benefits. I am happy to look those out.

George Hamilton: We have a range of expertise and people with the skills that will be necessary. We have not allocated them to this role yet, because we are waiting to see what the forthcoming Scotland bill says. That will be a very important aspect for the future.

We feel that we can undertake the role. There might be a resource issue, but we have not identified it yet. We have no concerns about having the expertise in some—although not all—areas.

Fergus Murray: We have a number of experts in different fields, such as renewables and aquaculture. We are looking at a restructuring programme, taking into account some of the issues that might get devolved. We do not have definitive figures at the moment, but we would be happy to supply them to you.

Michael Russell: In the written evidence that Argyll and Bute Council submitted on the Marine (Scotland) Bill, it expressed an understandable concern that it would be difficult to play the marine spatial planning role quickly because of all the difficulties that were involved. Given that the matter that we are discussing is even bigger than marine spatial planning and that the committee's report on the national marine plan said that local authorities' ability to play that role was a major concern, you will not be able to undertake the new role quickly, will you? There is simply a shortage of the right people and skills.

Fergus Murray: Internationally, there is a shortage of people with the right skills at a lot of different levels. We have a number of people, but it is true that we do not have a great resource. If we have to deal with the consequences of the Scotland bill, we will have to recruit expertise and there could be difficulties in doing that.

Michael Russell: You heard the evidence from the earlier witnesses about keeping the expertise together and finding a way of devolving powers in the mixed model, which I talked about earlier and with which you broadly seemed to agree. That might be a good next step forward on capability, expense and expertise.

Fergus Murray: From our perspective, it could be a good step forward.

The Convener: I call Paul Maxton.

Paul Maxton: Thank you, chair.

The Convener: I am the convener.

Paul Maxton: I beg your pardon, convener. You are right to keep me right.

I take the same position as Councillor Campbell. We will need to come back to you with information on projections and suchlike.

The Convener: I would be most interested to have that.

That was a very useful question.

Claudia Beamish: How can we ensure that the skills and knowledge that are currently embedded in the Crown Estate's operations are not lost, whatever model is introduced?

The Convener: Does anyone want to respond to that? Do we know? Do we have an idea?

Councillor Campbell: Having seen how the Crown Estate works—particularly on marine renewables—it is obvious to me that knowledge has been built up over the years at the top level, and there is probably a need to secure that in Scotland in some way. However, I am keen that we do not underestimate the capabilities of the people who work in our own areas, who can do much of the work that is involved.

I return to my earlier point about the intensive and high-level stuff that we have taken on. Sometimes, we have had to find new planning functions to do with renewables at short notice. We got a 650MW application for Lewis at one point. It was difficult to get the resource for that, but we did it, and I feel that we did it well.

George Hamilton: Some of the points that have been made about the skills that are required for offshore renewables developments are well made. My local authority has marine planners. We also have planning and licensing resources and skills in tourism and economic development. We have all sorts of skills that would be put to good use in managing the Crown estate. However, it depends what the model is. We will have to wait and see what it is before we properly allocate the resources.

I also take the point that not all local authorities are in the same position.

The Convener: Good. That covers those points.

I invite the witnesses to listen very carefully, because I have to ask this question. Draft clause 23 includes the ability to make

“such provision as the Treasury consider necessary or expedient”

relating to interests of defence, national security, telecommunications, oil and gas, and electricity. The command paper also mentions the

development of a memorandum of understanding on those issues.

Will you outline the provisions that might be required in relation to those interests as they affect you? I guess that the Scottish Government will draw up a memorandum of understanding, but your local authorities might have specific interests in any one or all of those areas.

Councillor Campbell: Again, I probably have the least knowledge and the least skill to answer that. *[Laughter.]*

We have discussed that provision as a catch-all to prevent anything happening in our areas that would go against the national interest. We envisage it applying purely at that highest level. It would be nice for it to be interpreted the other way so that we could, for instance, get into the Ministry of Defence to enable more things to happen in our islands. That would be a helpful side effect. However, in my limited knowledge of that provision and in the discussions that we have had about it, I have always envisaged it as some sort of safety net to prevent anything that we do from affecting the national interest.

The Convener: Of course, if the Ministry of Defence was cutting off jobs by extending the size of the torpedo testing range in the Inner Sound, Highland Council might come into conflict with the memorandum of understanding on that, as George Hamilton would probably confirm.

We will have to explore that in due course. We are not clear what the UK Government means by that provision, but the intergovernmental relationships that will have to be built up under that clause will definitely have to be honed. If the witnesses have any thoughts on that, I ask them to let us know. I had to ask the question, because we will ask the Crown Estate and the minister about that.

We have gone through the local authority issues. It has been valuable to get the views of the island and the mainland authorities. If the witnesses want to come back to us on any points, they may do so. I thank them for their efforts in coming here and giving us broad and valuable evidence. The more we talk about the devolution of the Crown estate, the clearer it is to us that the need for a structure to co-ordinate it and how the Parliament does that will be a key part of discussions as well. The witnesses' points about the benefit of the local authority and community elements are well made to us, so I thank them very much.

We will have a short suspension, because we have to go on to another public item.

12:12

Meeting suspended.

The Convener: At our next meeting, which is tomorrow, the committee will take evidence from the chief executive of First Milk.

12:15

On resuming—

Meeting closed at 12:18.

Annual Report

The Convener: Agenda item 4 is consideration of the committee's draft annual report for the parliamentary year 11 May 2014 to 10 May 2015. I refer members to the draft report. The strict guidance is that we must stick to a 1,500-word limit. Do members have any points to make?

Graeme Dey: Paragraph 32 refers to the committee's visits to Laggan farm and Peel farm. Of course, those of us who visited Peel farm also visited the vodka distillery farm diversification projects. I accept your point about the word limit, but should we note that?

The Convener: As no other member has any point to make, I will make one about how the footnotes are laid out. I hope that we can find a slightly more truncated way of saying what is in them. It has been pointed out by someone who has studied Latin that "ibid" is quite a useful means of reducing the length of footnotes. Also, the positioning of the footnotes at the end of the report is not necessarily helpful in every case. If the annual reports are to be read, including online, they require to be easily accessible to those who do so. I hope that we will make that point when we speak to the Parliament authorities about how the information is presented.

As there is nothing else substantive to say about the draft report, do members agree that they are happy to accept its contents and that it should be published next week?

Members *indicated agreement.*

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice to SPICe.

Available in e-format only. Printed Scottish Parliament documentation is published in Edinburgh by APS Group Scotland.

All documents are available on
the Scottish Parliament website at:

www.scottish.parliament.uk

For details of documents available to
order in hard copy format, please contact:
APS Scottish Parliament Publications on 0131 629 9941.

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000
Textphone: 0800 092 7100
Email: sp.info@scottish.parliament.uk

e-format first available
ISBN 978-1-78568-665-8

Revised e-format available
ISBN 978-1-78568-683-2