



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

ECONOMY, ENERGY AND TOURISM COMMITTEE

Wednesday 24 April 2013

Session 4

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ECONOMY, ENERGY AND TOURISM COMMITTEE
12th Meeting 2013, Session 4

CONVENER

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

DEPUTY CONVENER

*Dennis Robertson (Aberdeenshire West) (SNP)

COMMITTEE MEMBERS

*Marco Biagi (Edinburgh Central) (SNP)

*Chic Brodie (South Scotland) (SNP)

*Rhoda Grant (Highlands and Islands) (Lab)

*Alison Johnstone (Lothian) (Green)

*Mike MacKenzie (Highlands and Islands) (SNP)

Margaret McDougall (West Scotland) (Lab)

*David Torrance (Kirkcaldy) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Johanna Boyd (Stirling Council)

Bruce Crawford (Stirling) (SNP)

Fergus Ewing (Minister for Energy, Enterprise and Tourism)

Sir Malcolm MacGregor (Standing Council of Scottish Chiefs)

Norman Macleod (Scottish Government)

David McAllister (National Trust for Scotland)

Mike McElhinney (Scottish Government)

Caroline Packman (EventScotland)

Pete Selman (National Trust for Scotland)

Katherine White (Scottish Government)

CLERK TO THE COMMITTEE

Jane Williams

LOCATION

Committee Room 4

Scottish Parliament

Economy, Energy and Tourism Committee

Wednesday 24 April 2013

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

Decision on Taking Business in Private

The Convener (Murdo Fraser): Good morning and welcome to the 12th meeting in 2013 of the Economy, Energy and Tourism Committee. I welcome all members and remind everyone to turn off mobile phones and other electrical devices that might interfere with the sound equipment.

We have apologies this morning from Margaret McDougall, who is not well, and I am pleased to welcome Bruce Crawford, the constituency member for Stirling, who is here because of his constituency interest in agenda item 2.

Under item 1, I ask members whether they agree to take items 4 and 5 in private.

Members *indicated agreement.*

Bannockburn 2014

10:01

The Convener: Item 2 is an evidence session on Bannockburn 2014, which the committee has received quite a lot of correspondence about. I am very pleased to welcome our panel of witnesses this morning: Sir Malcolm MacGregor, convener of the Standing Council of Scottish Chiefs; Johanna Boyd, leader of Stirling Council; from the National Trust for Scotland, Pete Selman, director of properties and visitor services and project sponsor for the battle of Bannockburn project, and David McAllister, project director for the battle of Bannockburn project; and from the Scottish Government, Caroline Packman, who is director of homecoming Scotland. Welcome all and thank you for coming along.

Before we go into questions, the National Trust for Scotland and Caroline Packman want to say something by way of introduction.

David McAllister (National Trust for Scotland): Thank you, convener and members of the committee, for the invitation to attend this morning. I am the National Trust for Scotland's project director for the battle of Bannockburn project and, as the convener said, I am joined by Pete Selman, who is the project sponsor.

You have asked us to respond to questions concerning the accountability, planning and resourcing of Bannockburn 2014. In our letter to the committee, we sought to clarify the point that the trust is involved in two distinct projects that are centred on the Bannockburn site.

The first of those is the battle of Bannockburn visitor centre. We are working in partnership with Historic Scotland to develop interpretation and learning installations within a new, state-of-the-art battle of Bannockburn visitor centre, which is now well advanced in construction. Indeed, I was on site yesterday and saw that there has been a great deal of progress.

As part of that project, we are carrying out significant landscaping works around the site, through which we will restore dignity to the battlefield and its monuments and reaffirm the heritage significance of the place. The total project cost is £9.1 million, and it is entirely funded through capital grants to the NTS. The Scottish Government has pledged £5 million, and a further £4.1 million has been generously allocated by the Heritage Lottery Fund.

The displays and exhibits in the new centre will utilise the latest technology. We have commissioned award-winning architects, interpreters and digital designers to bring the

battle to life. Bright White Ltd is designing the interpretation and exhibits, bringing its experience of using new technology to improve understanding in visitor attractions.

The team is working with the centre for digital design and visualisation, which is a partnership between Historic Scotland and Glasgow School of Art's digital design studio, on building an innovative digital exhibition that will give visitors a unique understanding of what it would have been like to be at Bannockburn 700 years ago. An exciting centrepiece of the new centre will be a detailed and highly interactive presentation on how the battle was fought and won. All that technology rests on telling vivid stories and relaying historical fact, and we are working with a distinguished panel of academic experts to ensure that our interpretative materials are as accurate as they are striking. We wish to immerse the visitor in the realities of 14th century life and to challenge many modern myths and preconceptions.

Award-winning architects Reiach and Hall have been appointed to design the new centre building and landscape architects Ian White Associates have been appointed to adapt the topography to one more representative of its historical design and purpose.

The proposals for all this have been carefully thought out to open up the views to the commemorative monuments and to provide better visitor facilities than we have ever had before.

The second project element on which you have asked us to comment is the battle of Bannockburn re-enactment event, which is now due to take place over the long weekend of 28 to 30 June 2014. That will follow the opening of the new centre in order specifically to mark the anniversary of the battle.

We had long decided that there would be another re-enactment to mark this unique occasion. The last such event that the trust staged was in 2007 and was considered successful. We used our connections with experienced re-enactors of medieval battles to attract large numbers and we made a modest profit. To build on our positive experience in 2007 and to promote the newly opened visitor centre, the trust has for some time been preparing to mount a two-day re-enactment in the summer of 2014. However, following an approach by VisitScotland and the homecoming team, we have been pleased to consider expanding the trust's event in both scope and duration and subsequently to agree to do so. The event will now take place over three days.

We suspect that there may have been some confusion as a result of media reporting. The trust's re-enactment has become conflated with the wider homecoming programme and with prior

circumstances concerning clan involvement in it. A newspaper report erroneously suggested that the battle of Bannockburn re-enactment would not go ahead if Government financial support was not forthcoming. The headline attached to a later report indicated that public money was to be used to bail out the event. Neither report was correct. The re-enactment would have gone ahead irrespective of any financial support from Government agencies. However, with the £250,000 of support now offered through EventScotland, Creative Scotland and Scotland's food and drink industry division, we are delighted to be able to extend the trust's event by one day and to add significantly more content in terms of the promotion of Scottish produce, literature and song and the provision of space and activities for the clan societies and organisations.

This exciting programme means that the event will now be promoted as a signature event within the homecoming 2014 programme. The additional funds allow the trust to expand the event on a cost-neutral basis, but the lion's share of the cost—something in the order of £500,000—remains with the trust. Those costs will be met through ticket sales, concessions and the sale of merchandise. Any profits made from the latter elements will be reinvested to help meet the costs of conservation that the trust as a charity has to bear for the benefit of the nation's heritage.

The detailed programming of the event and the business plan on which it is to be based are being developed through a tendering process to appoint a professional event organiser to take the re-enactment forward. At this point we have identified a preferred contractor—Unique Events—and we are in the process of finalising costs before making a formal appointment.

Branding the event as a battle re-enactment gives it a focus, but its overall scope and content will be considerably broader. Certainly there will be large-scale battle sessions in which the highly professional Clanranald Trust for Scotland will lead a vivid and historically accurate impression of what the conflict would have been like, along with other re-enactors from across the world. That is not to celebrate violence and death but to do justice to those on both sides, most of whom were ordinary farmers and peasants called to war by their feudal masters, who fought and died on this site, and to give some idea of the ordeal that they underwent.

However, most of the event's content is taken up with other activities. The re-enactors will give small-scale weapons demonstrations and will create an encampment in which visitors can see what routine life was like for campaigning soldiers and all those who followed them. As I have tried to convey, there will be much else to see, do, sample

and experience. People will enjoy the spectacle and entertainment, which is also an excellent means of engaging people in the historical reality, tackling some myths about the battle and the era in which it was fought while retaining a sense of dignity and commemoration.

We aim to keep ticket prices at the most reasonable levels possible, with a charge of around £40 for a family ticket for an entire day's entertainment. That compares very favourably with a family trip to the cinema, for example. Tickets will be sold in advance, and we expect to have up to 15,000 people come to Bannockburn on each of the three days of the event.

We are grateful for the Government support that has been provided for both the centre and the re-enactment event, and also for the excellent co-operation and support that we have received from Historic Scotland, VisitScotland, Creative Scotland, Scotland Food & Drink and Stirling Council. We see the project as an investment in Scotland's heritage that will pay dividends in learning and understanding, and in the direct and indirect economic benefits that will be generated for the area by visitors coming to Stirling from far and wide.

The National Trust for Scotland is a charity. It is not a party-political organisation—we work with all elected representatives. There can be no denying the central importance of Bannockburn in shaping Scotland's history, nor the fact that 2014 is indeed the 700th anniversary of Bannockburn—and that the occasion deserves commemoration. The trust's main interest is to ensure that that significance is understood in its context: the interplay of international events and cultural mores that led up to the battle, and what happened afterwards. That is why the focus of the project is on a visitor centre and the interpretative materials that it will contain. After the opening ceremony and the re-enactment event are over, it is the centre that will endure to tell the story of Bannockburn.

The trust will focus on historical fact and providing a unique visitor experience. It is for others to make wider interpretations and pronouncements. However, it is interesting to note that constitutional change is now dealt with through debate and the political process, rather than through warfare and the loss of life. That is perhaps the most apt lesson that anyone can take away from this important site.

The Convener: Thank you, Mr McAllister. I am looking forward to the event already, following your sales pitch. I am sure that my children will enjoy it even more.

David McAllister: I am sure they will.

The Convener: You have raised quite a number of issues that we would like to explore in questioning. Before that, I will introduce Caroline Packman, who I know wishes to say something by way of introduction.

Caroline Packman (EventScotland): VisitScotland is delighted to be working with the National Trust for Scotland, Stirling Council and the Standing Council of Scottish Chiefs to develop the Bannockburn event. As committee members will probably know, the homecoming programme was launched at the end of last month, and more than 100 events are already in the programme.

Twenty fourteen will be a very exciting year for Scottish tourism. The homecoming programme is designed to extend the benefits of the Commonwealth games and the Ryder cup by offering a year-long programme of events. It is designed to attract more people to Scotland, to give them more reasons to visit and to extend their stay.

The programme for 2014 builds on the focus years that the tourism industry has been delivering since 2010. The themes for the year are food and drink, active, creative and natural, with the added theme of ancestry. The year will be supported by a £5.5 million events and marketing programme, which will showcase the best that Scotland has to offer around the world.

VisitScotland is delighted to be including the Bannockburn event within the programme. It will be a signature event for homecoming and, as such, it will form a key moment in the year-long programme. We are already promoting it through VisitScotland's marketing teams. It was Scotland week earlier this month in North America. At VisitScotland's expo last week, Bannockburn and the overall homecoming programme were enthusiastically welcomed by more than 800 travel operators from around the world.

Twenty fourteen will be a terrific year for the visitor economy in Scotland—a year when we will welcome the world—and Bannockburn will be a key part of that success story.

10:15

The Convener: Thank you. We would like to explore quite a number of issues in the questioning, particularly the funding arrangements, which Mr McAllister touched on; governance issues, given that public money is involved; how the benefits of the year of homecoming spend can be spread beyond the Bannockburn event to different parts of Scotland; the risks; and how we will measure outcomes.

We have a large panel today and there is quite a lot of ground to cover, so I would be grateful if

members could keep their questions short and to the point; and it would be helpful if answers could be similarly short and to the point. I ask members to direct questions to particular panel members rather than ask them generally of the panel. However, if a panel member wants to respond to a question or come in on a discussion, just catch my eye and I will bring you in when time allows. In that way, we will get through the business as expeditiously as we can.

I will start off with a point of clarification for Mr McAllister, given what he told us earlier. On the Bannockburn event, you said in the written submission that you gave us a few weeks ago:

“The National Trust for Scotland’s Board of Trustees will ... make the final decision on whether or not this event can proceed. Trustees will need to be satisfied that the Trust will not be put at financial or reputational risk. This decision is expected by the end of April 2013.”

I take it from what you told us earlier that that decision has now been taken.

David McAllister: That is correct.

The Convener: So the event is definitely to proceed and the trustees are happy with that.

David McAllister: Yes. Pete Selman and I are keeping our board informed of progress and the detailed discussions on the creation of the event and so on. The board has raised a number of concerns about risk and the development of the proposals, so we are reporting regularly on those. However, we have our board’s approval for the event.

The Convener: Thank you for clarifying that.

Just to broaden the discussion for a moment to homecoming 2014, one of the key aspects of homecoming 2009 was its ability to attract the Scottish diaspora, particularly from North America. We have heard quite a lot of comment, some of which is in the written submissions, to the effect that the battle re-enactment at Bannockburn may not attract people to Scotland in the way that a clan gathering event would, such as with the 2009 gathering. Are you satisfied that the Bannockburn re-enactment, particularly given its timing quite early in the season, will attract visitors from North America to the extent that a clan gathering would? I ask Malcolm MacGregor to address that first, because he made that point in his written submission on behalf of the Standing Council of Scottish Chiefs.

Sir Malcolm MacGregor (Standing Council of Scottish Chiefs): Thank you, convener. First, it is a privilege for me to be here in the Parliament with your committee to discuss these matters and to speak as best I can on behalf of the clans.

On the question that you posed, one has to think back to the 2009 event, which succeeded in

bringing a lot of people from overseas. Much of what is in the pipeline for 2014 has to bear that in mind. The international gathering of 2009 was regarded overseas as a great success. Most of the diaspora, or the overseas Scots, wanted to do the whole thing again.

A battle re-enactment with a clan element does not have the same attraction to the overseas Scots as an international clan gathering—there is no doubt about that. However, in my view, the re-enactment plans for Bannockburn are superb. When we in the standing council go to America later this year, we will do our best to promote the event. It is slightly late in the day, because the overseas team needs a good two years’ lead time. However, we are where we are and we will do our best to promote the event.

The Convener: What is your reasonable expectation of the numbers that might come from North America to the Bannockburn event?

Sir Malcolm MacGregor: That is an extremely difficult question to answer. It depends on how many clan groups are able to marshal their members in America and Australia to bring them over. I can do an assessment of that, but I would not want to put a figure on it.

In 2009, the figure was something like 17,000. I am looking for the figure for 2014—

The Convener: Perhaps we can come back to that in a moment.

Sir Malcolm MacGregor: The figure was around 17,000 in 2009, but I do not believe that it will be matched in 2014 because of the lack of lead time.

The Convener: You said in your written submission that the North American clans would usually require two years’ prior notice of an event, and you are concerned that there is not enough time to attract them in large numbers.

Sir Malcolm MacGregor: If you want the large numbers from America, you need that lead time, without question.

Caroline Packman: Bannockburn is not the only event in the homecoming programme that will appeal to clans. There are a number of events that have a specific appeal to clans—for example, the Inverness highland meeting; the Dunfermline Bruce festival; the Aboyne highland games; and the Piping Live! festival. There are more than 50 events in the overall programme that have links to the ancestral scene.

We have been working closely with the Standing Council of Scottish Chiefs, the American Scottish Foundation and the Council of Scottish Clans and Associations in North America to develop the programme with them. We are also aware of

around 30 other clan events that will be happening in Scotland in 2014; although those events are not open to the public as such, we are still delighted that those clans will be making the journey back to Scotland in 2014.

Pete Selman (National Trust for Scotland): Obviously the event will benefit from being one of a number of events throughout a whole packaged year of homecoming. As event organisers, we are acutely aware that the ability to draw visitors in sufficient numbers to make the event a success depends on us getting both the product and the pricing right, and marketing the event effectively. That is where we have been concentrating all our efforts.

As David McAllister spelled out to you, the nature of the event is very broad ranging. It benefits also from having a powerful theme—the Bannockburn name—and, along with that, a centrepiece of re-enactment events that are tied in with the new visitor centre and the excitement around that. To a certain extent, it is already starting to pre-sell itself, and we already have a healthy level of inquiries.

The pricing is also quite important to us. As David McAllister mentioned, affordability that is consistent with the family audience as the core focus of the event is really important to us, but the event is open to all. It is open to Scots and visitors from near and far, including clan members who are in Scotland at the time or who are coming to Scotland for a broader-ranging event. We are targeting a range of markets, we are confident in the product and in the brand, and we believe that working with our partners on the marketing will have a high impact.

The Convener: I have one question for Caroline Packman before I bring in Chic Brodie and Rhoda Grant. Malcolm MacGregor mentioned that 17,000 people came in 2009. Have you made an assessment of what a reasonable expectation is for numbers from North America for 2014?

Caroline Packman: In total, we are expecting around 70,000 additional visitors as a result of the homecoming programme. We have not yet broken down—

The Convener: Sorry, is that seven—

Caroline Packman: It is 70,000 in total.

The Convener: Seventy thousand.

Caroline Packman: But we have not yet broken that down by market.

The Convener: As we heard earlier, we have a long time to go in terms of people planning their travel for the summer of next year. Do you feel that you are sufficiently focused on the North

American market and on who is going to be coming across?

Caroline Packman: The North American market is our main overseas market, but one of the key differences between homecoming 2014 and homecoming 2009 is that, this time round, ancestry is not the main theme but one of five themes. Broadening out the themes means that we have a broader appeal to different markets. The United Kingdom market in particular is likely to have more reason to visit Scotland in the year of homecoming than it did last time around. The North American market is extremely important to us but it is not the only market that we are targeting.

Chic Brodie (South Scotland) (SNP): Good morning. Thank you for your earlier contributions.

I ask Caroline Packman what she knows about the lion of Alba.

Caroline Packman: The lion of Alba is a sculpture that is being developed by Carrick community council. About six weeks ago, I was at a meeting with the organisers, which was also attended by representatives from Historic Scotland and Creative Scotland. We discussed ways that we can work with the community council to progress that project and several others in the region.

Chic Brodie: It is encouraging to know that. I, too, met members of Carrick community council six weeks ago. They were frustrated because they wanted the Bruce trail that they are creating and the lion of Alba sculpture at Turnberry, where Bruce was born, to be part of the overall programme, so I am encouraged that we have had the meeting.

How much of your marketing programme is spent on the homecoming events?

Caroline Packman: The total homecoming budget is £5.5 million—

Chic Brodie: The total budget for VisitScotland is £59 million. How much of that is being spent on the homecoming events?

Caroline Packman: Within the homecoming budget of £5.5 million, £1.75 million is specifically for marketing. In addition, that will be supported through VisitScotland's core marketing budget. All the activities conducted by VisitScotland from 2013 into 2014 will weave in the homecoming message, just as VisitScotland has been doing for the year of natural Scotland. Therefore, we have £1.75 million specifically for homecoming activity, but that will be supported by other activities.

Chic Brodie: Is that enough?

Caroline Packman: We feel confident that with that amount we can generate the rate of return on investment target of 8:1.

Chic Brodie: Johanna Boyd, why did you buy the intellectual property rights to the gathering?

Johanna Boyd (Stirling Council): I was not elected when the decisions about that were taken. A decision was taken under the previous administration to take steps to secure that position. Subsequent meetings and discussions have led to the decision not to hold a major clan gathering event but instead to have an enhanced visitor experience on the Bannockburn weekend.

Chic Brodie: I have one last question. What I have heard sounds promising. Is the infrastructure ready and capable of handling the number of people we are talking about?

David McAllister: Yes. Our on-going discussions with our preferred provider, Unique Events, have confirmed that. Last week, we set up a number of sub-groups that will be working with representatives of the council, the police and others specifically on those planning issues. That is very much our focus at the moment. Broadly speaking, yes, the infrastructure will be there for the numbers we are talking about. We have had discussions about parking provision. Stirling Council indicates that it will support us with a coach service running from the city centre to the event for the three days, for which we are very grateful. All those matters are being looked at in considerable detail.

The Convener: The deputy convener will be asking more questions on infrastructure in a moment.

Rhoda Grant (Highlands and Islands) (Lab): From the evidence this morning, it seems that the Bannockburn re-enactment was always planned to happen, yet it is very late in the day to be promoting that as the anchor event to the homecoming year—so much so that we may lose out on our American market. Why were those decisions taken so late as to almost spike our own guns, if you will pardon the pun?

Caroline Packman: The Bannockburn project came through our funded application process, which opened in July 2012 and ran until September 2012. All the other applications—we had 166 in total—went through the robust and rigorous evaluation process. As part of that, it was identified that Bannockburn had the potential to become one of several signature projects within the overall programme. At that point, we began to work with the National Trust for Scotland to develop the plans and extend the activity around the project.

On the timescale, we still have more than a year to go before the event. Especially considering that we are targeting a range of markets with the event, I feel confident that there is still plenty of time to maximise the benefits of the event and attract the maximum numbers to it.

10:30

Rhoda Grant: But we have been told in evidence that it is late in the day and that we should have had events at least a year ago to promote the events abroad and maximise them. The gathering and the fallout from it were controversial. Surely people should have been thinking way back then about finding an anchor event that we could promote from that point forward. It seems to me that lessons were not learned and suddenly we are scrabbling about at the last minute, picking on an event that was going to happen anyway and trying to make it iconic to pull the whole thing together. Why was this not thought of earlier?

Caroline Packman: I was not in post at the time, but my understanding is that initially the gathering at Stirling was intended to be the anchor, but then due to the business case studies that were undertaken, a business decision was taken, based on the risks and benefits, that that would not be pursued. By that time, the Bannockburn application had come in to us, and the decision was made to expand on that as an alternative, but not a direct replacement, for a gathering.

Rhoda Grant: We heard that the Bannockburn event is going ahead and that a number of the events are just normal, annual events. How many of the events for the year of homecoming are unique to it?

Caroline Packman: Within the overall homecoming, as it stands, about 40 per cent of the events are new and about 60 per cent are enhancements of existing events. That is a deliberate decision, because we do not want to help to create events that simply last for one year and then are not sustainable. We want to create a homecoming legacy and ensure that we build capacity within the events industry in Scotland for the long term.

Rhoda Grant: It would be helpful for the committee to get a list of which events are new and which are enhanced.

Caroline Packman: Certainly.

Rhoda Grant: I understand that you might not have that with you today.

I have a question for David McAllister about the event itself. I understand that there is a dispute about where the battle of Bannockburn took

place—people have different views on that. What steps have you taken to ensure that the event is authentic and that nothing that you do will interfere with what could be an historic site that has not been validated at present?

David McAllister: There is much debate, much of which is very healthy. We put together a high-powered academic panel from the outset of the work to take forward a project at Bannockburn, and we are using it to verify, test and debate the events of 1314. There is no consensus, but there are general themes. We know that the site that we look after was the site of the Bruce encampment and is where he placed his standard. Certainly, the second day of battle ranged over a vastly wider area in Stirling, and there is debate about where the main events happened. However, there is no doubt that the site that we look after has been the site of commemoration and the site where monuments have been placed from the 1820s onwards, and it has built its own significance through that role in commemorating the events.

We have part of the battle site and we have done a lot of work to ensure that all our interpretative materials, which we will showcase in the new centre, are as accurate as possible.

We have also built in the chance to change. If new information arises, we will incorporate it. There is an interactive battle experience in which people can try to win the battle of Bannockburn. We are able to test new theories on that. You will all need to come and try it—it is really good. If there is another theory about the battle, we can try it on the model. It is a strategy gaming thing that we will be developing. We can test theories on it, but we will show what we believe to be the best consensus on the events.

We are taking the same approach with the re-enactment. We are engaging with our lead re-enactors, Clanranald, and Unique Events, which is one of Scotland's premier event organisers. We will make the re-enactment elements of the event as authentic as possible and try to remove some of the "Braveheart"-type elements that we might otherwise have been tempted to include.

Rhoda Grant: But what steps are you taking to protect other potential sites? There are concerns that what we know is very limited. There are people who say that the battle actually took place elsewhere. Those areas are being built on and changed and there is a fair amount of concern about things moving on while we do not have a definitive position.

David McAllister: We are engaged in a lot of archaeological research. Throughout this summer, we will be doing a series of exploratory digs on other sites. We have engaged with the BBC to make a two-part archaeology series in the lead-up

to the battle. That will be aired before the anniversary in 2014. Our academic panel is working with Tony Pollard, Neil Oliver and the BBC's archaeology unit. There is a lot of activity planned to identify potential sites. Included in our £9.1 million project is quite a lot of additional archaeological work and searches for other evidence.

The BBC programme will include a fantastic dig your back garden weekend. A lot of houses have been built in Stirling since 1314 and we want to engage with a number of householders to see whether there is anything in their back gardens.

The Convener: Hopefully they will not dig up any bodies.

David McAllister: It would be great to find something because we have found very little evidence. For example, we did not find a knight when we were building the car park. One of the interesting facts about the battle was that the site was picked clean afterwards. Everyone seems to agree that the spoils were removed. We have found no mass graves. It would be great to find something in the next 12 months.

The Convener: Mr Selman, did you want to say something?

Pete Selman: David McAllister has covered the answers in full.

The Convener: Before we move on, I return to Rhoda Grant's point about the timing. There is an issue here. As Malcolm MacGregor said earlier, we are short on time for marketing the re-enactment, particularly to North America. Much of the reason for that was the cancellation of the gathering by Stirling Council. Was there a breakdown in communication between Stirling Council and the Scottish Government on who was doing what?

Johanna Boyd: Perhaps I can come in at this point to indicate that, as has been mentioned, an exercise was undertaken to establish a business case for the clan gathering. It showed a potential deficit from the running of such an event of the order of about £250,000.

At that stage, conversations were taking place between elected members and officials at the council, along with Fergus Ewing and others at the Scottish Government. It was felt that an enhanced event—essentially an extra day at the battle of Bannockburn—would avoid the financial and reputational risks that were being flagged up.

There has been misreporting in the press, saying that Stirling Council pulled the plug. I want to make it absolutely clear that the decision was reached by consensus. It was mutually agreed between the Scottish Government and Stirling Council, so it is simply incorrect to state that

Stirling Council somehow pulled the plug on anything.

I also ought to make it clear that taking that course of action was a decision that achieved cross-party support within the council, so it was supported by our opposition as well. Indeed, a joint statement was issued highlighting the positive programme of events that will be taking place in Stirling in 2014.

Essentially, Stirling Council's involvement in the communications was limited to the joint statement that went out from the council and the Scottish Government. Any other communications, such as those with North America when various visits were taking place to discuss these issues with the clans, were certainly not the responsibility of—or within the remit of—Stirling Council. I hope that that assists in clarifying the chain of events.

The Convener: Thank you for that. The follow-up question—which is not so much for you as it is for Caroline Packman, to get the Scottish Government perspective—is whether that decision should have been taken earlier, so that we had more lead-in time to build up a replacement.

Caroline Packman: Possibly, in an ideal world, but we are where we are. We have a sound proposal on the table and we can go forward and market that confidently. Certainly, the lead time might be too short for some of the major clan groups, but we have already had a strong expression of interest in the Bannockburn event from clan societies. We have had expressions of interest in participating from about 30 to 40 clans. We are pleased with that and clearly the Bannockburn event will be one of the key projects that we will promote in all our marketing materials.

Bruce Crawford (Stirling) (SNP): I wish that the world was ideal; it would be great if it was. I fully appreciate that, given the circumstances, a big decision had to be made by the council together with the Scottish Government. There are challenges, but the opportunities are significant. For what it is worth, I congratulate the council and the Government on how they have dealt with the matter and have worked together. It has been a good exercise.

I want to ask one question on a wider scale, convener, if that is okay, and one question on a parochial issue.

The Convener: Okay, carry on.

Bruce Crawford: On the Stirling situation, Johanna, we have heard all about what is happening around Bannockburn. The question is how we now build on that for the whole homecoming experience for the area. I know that a number of events are being looked at, including events to do with hogmanay, making the Spirit of

Stirling whisky festival larger, food and drink festivals, angling festivals, and building on the Bloody Scotland crime-writing festival. Do you feel that you are getting adequate support—in terms of the funding that is available—from EventScotland and VisitScotland to ensure that all those events can happen at the level that you need them to happen?

Also, Caroline, I was lucky enough to be with you for part of tartan week a couple of weeks ago and I was involved in a discussion with VisitBritain about how it can contribute to the whole homecoming experience and attract people to Scotland and market Scotland more successfully. It would be useful for committee members to understand what role VisitBritain will play in this, bringing additional resources—not just the resources from VisitScotland—to the party.

Both of those areas are of interest to me.

Johanna Boyd: I will go first—thank you for the question. We certainly have an exciting programme that is built around the battle of Bannockburn as a signature event. However, as you have highlighted, we are focusing on a programme of about 10 events. A working group within the council reports to a committee.

As has been indicated, we sit on various working groups to do with the Bannockburn weekend and the Ryder cup, so we get a cross-section of information. In addition, we have ongoing discussions with VisitScotland and directly with Fergus Ewing. Those have been positive and useful.

We are conducting a cost benefit analysis of the various events. Some of them already have some funding—the Bloody Scotland event that you mentioned, for example. I know that there is a desire to have beefed-up hogmanay celebrations. Traditionally, the book-ends of the year have been run at a cost to the council. That is the sort of event that we are looking to discuss with the Scottish Government and VisitScotland. There is a desire to enhance those existing events to ensure that as much benefit as possible comes to the Stirling area and its people. We have a meeting scheduled for 15 May with Fergus Ewing to discuss such matters.

10:45

Dennis Robertson (Aberdeenshire West) (SNP): Mr McAllister, you said, I think, that you hope that people can immerse themselves in the events and can replicate a sort of 14th-century experience. You have made great play of the fact that you have got award-winning architects and so on in order to enable some of that to happen. Has any work been done to ensure that it will be fully inclusive? For example, is there a digital British

Sign Language infrastructure for people who are deaf or audio description for people who are blind and partially sighted?

David McAllister: We are covering all of those points. The trust tries to be open to everyone, which includes access for all. We have been working hard with the Stirling access forum at every stage of the development of the new building. We will have hearing loops for the hard of hearing and we are working on programmes for—

Dennis Robertson: Have you gone further than just having hearing loops? Hearing loops should be standard anyway, under the legislation. I am talking about inclusive measures to ensure that people are able to have that immersive experience, to use your term. BSL or audio description would help in that regard. There are people who are deaf—who have no hearing—for whom a loop is not accessible; and there are people who are blind who perhaps cannot use the digital touchscreens and so on. Have you considered those aspects?

David McAllister: As I said, we are considering all aspects and are working with the Stirling access forum to cover all of those areas.

Final decisions on some aspects have yet to be made, but I will take on board your point about BSL.

Dennis Robertson: Perhaps you could talk to some of the national organisations, such as Action on Hearing Loss and the Royal National Institute of Blind People.

David McAllister: We have done that through the access forum, which is the way in which we normally operate.

Dennis Robertson: Johanna Boyd, what infrastructure barriers exist around the Bannockburn event and other events?

Johanna Boyd: Those matters are being discussed in the various working groups. I was reminded of the big noise concert that we put on in the Raploch last June, at which there were around 7,000 or 8,000 attendees, including me and my young daughter. The event was smooth and free-flowing, which gives us some comfort about our ability to ensure that these things will come off as they ought to.

On infrastructure barriers, there has already been mention of the shuttle bus that we hope will be running. I know that you are not directly concerned with the Ryder cup, but there will be a park-and-ride facility for that, and we sit on the Ryder cup steering group, which discusses those issues.

There has been discussion about improvements to on and off slip roads on the M9. Stirling Council

has had a long-term aspiration to improve overall the flow of traffic and create a gateway to Stirling. That would also benefit the national park and arguably would constitute a piece of infrastructure legacy for Stirling.

Dennis Robertson: So you are relatively comfortable that everything will be in place including the park-and-ride and parking facilities. Are you having discussions with ScotRail, for example, about additional trains or are you considering additional services such as shuttle buses from the train station?

Johanna Boyd: Are you speaking specifically about the Bannockburn event?

Dennis Robertson: Yes.

Johanna Boyd: As has been mentioned, I am keen to avoid one of the criticisms that is often expressed in relation to visitors to the castle, which is that people are bussed in to visit the castle and then are bussed out again, so that the transitional spend is not maximised to the extent that it could be. With the events taking place at Bannockburn, we are keen to see that transitional spend and, indeed, to ensure that visitors to Stirling experience all of Stirling and everything that it has to offer. We will do everything that we can to ensure that the infrastructure exists to bring people into the city centre.

Dennis Robertson: What role is VisitScotland playing to ensure that our hotels, guest houses, bed and breakfasts and other facilities are ready for the Bannockburn event?

Caroline Packman: VisitScotland partnerships team has already conducted a number of workshops across the country. We also plan to hold an industry conference on 26 September specifically on the events that are happening in 2014 and to ensure that everyone in the tourism industry is ready to welcome visitors to the homecoming events, the Ryder cup and the Commonwealth games.

Pete Selman: I would like to offer a perspective as a client, an investor in tourism infrastructure in Stirling and from my professional background working with Scottish Enterprise and the Scottish Development Agency in developing tourism products and strategies in Glasgow, Edinburgh and Dundee.

This is Stirling's time. For so long, Stirling has been a day visitor destination for people who are staying for a longer period in Scotland's larger urban conurbations, or who are passing through on their way further north. Before the NTS and our board of trustees decided to invest in a new visitor centre, we thought long and hard about whether it would be sustainable in the longer term. We are equally interested in and committed to working in

partnership with all the agencies to make sure that visitors will not just come in the first 12 months out of curiosity to see the new battle of Bannockburn visitor centre, but will come in repeated numbers.

To do so, we are just as interested in developing the whole infrastructure of Stirling the city and its outlying districts, with the range of hotel accommodation that we can now see coming out of the ground, the development of the park-and-ride facility and investment in a range of new attractions—from Historic Scotland and the castle through to the Wallace monument, the presentation of the old town and ourselves, trading heavily on the name Bannockburn and the marketing impact that it can have.

This is very much a joint initiative, with investors and public agencies working with the local authority and—let us not forget—local communities, who will get the jobs and incomes that spin off from the events. As I said, this is Stirling's time to put itself on the map as a must-see destination with a critical mass of facilities where people can come and stay for longer than they would if they were just touching base.

Dennis Robertson: Lastly, is Stirling a possible location for the clan gathering in the future or do you believe that it currently does not have the infrastructure to support a clan gathering?

Johanna Boyd: Is that question for me?

Dennis Robertson: The question is for Mr MacGregor.

Sir Malcolm MacGregor: Stirling is a good location for a clan gathering. It has the historical background, with the castle, and there is the Bannockburn facility as well. In my opinion, the infrastructure is not as good as in some other places, such as Edinburgh—unsurprisingly, as it is a worldwide destination city. Having said that, people could stay in big numbers in Edinburgh, Glasgow, Perth and, indeed, certain places in Stirling. Stirling is at a good crossroads for the main Scottish destinations and it has a good feel to it with the castle in the background. In future, the enhanced visitor centre at Bannockburn will be another major attraction as well.

The Convener: Does Johanna Boyd want to comment on that?

Johanna Boyd: I want to add one comment that builds on the points I made before about the council's long-standing desire to have the infrastructure around the on and off slip roads from the M9. The council also wants to see another piece of infrastructure brought into existence, which is an outside events space in the area of the Falleninch field that people would arrive at from those slip roads. As far as I am concerned, that would be a legacy for the people of Stirling and for

any visitors to Stirling and a benefit from the year of homecoming and all of the events happening in 2014. Of course, there is a question of scale and that is a point that Malcolm MacGregor made in his submissions. However, it would be a space where events such as clan gatherings or outside concerts could be held with the fantastic draw of Stirling castle. Such a space could be another great draw for the city of Stirling and has been described as an ambition of all the partners sitting before the committee today.

Mike MacKenzie (Highlands and Islands) (SNP): To continue on that theme, in an ideal world the year of homecoming and the gathering would have coincided. It is unfortunate that they do not but, without blaming anyone, I see that that has not been possible. We seem to have years of homecoming every four years, so I assume that we will have one in 2018. Given some of the unfortunate aspects this time round, what lessons are there for the future to ensure that both events coincide?

Caroline Packman: At the moment there are no plans in place for future years of homecoming, so I cannot comment on that question. However, one lesson to be learned from this time round is that if there is to be another clan gathering, it must be led by the clans for the clans. That is what happened last time round. Government bodies must be in a position to support that, but the gathering must be an event that is led by the clans. They know what they want from an event such as the gathering and they can mobilise their networks to ensure the visitation at it.

Mike MacKenzie: That is a very interesting line of thought. Johanna Boyd is sitting next to Malcolm MacGregor. I suggest that maybe Ms Boyd should take the intellectual property rights out of her pocket and pass them over to Mr MacGregor right now. Would that solve the problem? [*Interruption*]

The Convener: Order. Hold on a second. People should not be having conversations with the witnesses. Thank you.

Mike MacKenzie: I was suggesting that it was a good line of thought and that perhaps Ms Boyd should take the intellectual property rights out of her pocket and pass them to Mr MacGregor right now, then we would set the scene for things to happen in a better fashion in the future.

The Convener: Malcolm, would you welcome taking on the intellectual property rights of the gathering?

11:00

Sir Malcolm MacGregor: I do not think that I would. Mr MacKenzie's idea is interesting and if a

good events company, such as the one that is dealing with Bannockburn 2014, could get its hands on the IP, analyse it and see what is really in it—I am not sure what is in it—the standing council could have an advisory role and we could take forward the international clan gathering concept.

I absolutely take on board what Caroline Packman has just said; there is a role for clans worldwide to think very carefully about the future—irrespective of whether or not there is a year of homecoming. There is clearly a demand from clan groups around the world to come to Scotland, in quite big numbers if one gets the marketing and lead time right, and they can be accommodated in various parts of Scotland.

That sort of concept and project could be taken forward and looked at on various levels. You could have an international clan gathering in one location, where it is held every five, six or seven years; you could vary the location; or you could have a combination of low-key international gatherings and then ramp it up every five years with a homecoming-style year.

Mike MacKenzie: It seems that there may be merit in you considering setting up a subsidiary and going for it.

Sir Malcolm MacGregor: Well, we are not a business. I do not think that it would be a good idea for the standing council to get too hands on with running gatherings, or to get its hands on the IP. We do not run events; what we are good at is advising and bringing people over from America and Australia, because many of us go to those places all the time.

Mike MacKenzie: Thank you.

On a separate line, I was a wee bit disturbed when Mr Selman mentioned the idea of tourism products. That always disturbs me. I will try to explain what I mean and tease out some of your thoughts.

I think that the NTS and other organisations deal with some aspects of our heritage in a way that is absolutely right. For instance, if I go to Finlaggan, the hairs on the back of my neck stand up. I get a similar experience when I go to Iona, when it is not too busy, and when I go to Columba's mother's grave. I somehow do not get that, unfortunately, when I go to Culloden, because of how things have been done there; it is not quite there. I have talked to a lot of people about the problem. It is a difficult concept and maybe a difficult thing to get right.

I therefore have a concern about the visitor centre and the legacy. I accept that you have chosen award-winning and very good architects, but will you be able to foster and maintain respect

for the spirit of the place that will engender for visitors an experience that goes beyond the immediate Bannockburn celebration or commemoration?

Pete Selman: That is a fundamental question for our business. I make no apologies for using business vocabulary, because we are in the heritage business and we have to be able to generate sufficient funds—particularly as a charitable enterprise—to look after the properties that are in our care. However, you are absolutely right: the product that we are nursing is something that is deep in the soul and psyche of Scotland. It is that sense of place that, in all our properties, we are trying to bring out by telling stories imaginatively and creatively, while not losing the sense of soul.

Clearly, it is down to the individual; when I go to Culloden, I feel very proud that we have maintained the sanctity of the battlefield and its atmosphere. Mike MacKenzie talked about the hairs on the back of his neck: by gum, I sense that at Culloden. The sense of place is by no means disturbed by the interpretation of the site and the subtle architecture, which tells a story, sets the context and adds dimensions that bring visitors there in the first place. The balance at Culloden is pretty much spot on.

However, there is an on-going challenge, whether we are talking about giving people a sense of place in an historic house that nobody visits, or about a mountain landscape where we do not need any artificial interpretation because the place speaks for itself. It is perhaps what we do not do that makes the difference.

Mike MacKenzie: I accept that there are particular challenges with battlefields. It is a real challenge to get back a sense of place in areas that have been developed over time. This is a theme that I have been exploring, and it is not just my view that you do that very well in some places, but not quite so well in others.

On relevance to business, when I go to Finlaggan or Dunstaffnage castle, those places affect me in a way that means that I am far more likely to get my wallet out than I was when I visited Culloden.

The Convener: I should say that Mike MacKenzie getting his wallet out is a very unusual occurrence.

Pete Selman: I have one final comment to make. David McAllister mentioned the interpretation of the Bannockburn site and the sanctity of place. He reminded us that on the 650th anniversary there was the unveiling of the rotunda and the presentation of the flagpole—Her Majesty the Queen did the honours on that occasion. Part of the investment now tells an

exciting story in a new bit of architecture, but in an understated sense. The style of the architecture is meant to draw the eye past it and on up the avenue towards the rotunda. When you get to the rotunda you see what the landscape architects are doing to remind us why the battle was fought there. The sightlines are designed to enhance the view of the castle as the point of destination for the approaching army and the view back to where it had come from. That is when it all begins to make sense—when the hairs start to come up on the back of the hand—and that is where we have, I think, got the balance correct.

Mike MacKenzie: I look forward to experiencing that. Thank you.

The Convener: I have to say that anything will be a big improvement on what is there at the moment. I do not mean to insult the NTS, but what is there at the moment is a rather tired-looking building.

David McAllister: What is there at the moment is actually somewhere in between. I was there yesterday all day. We are conserving the monuments right now. Okay; work is going on—but the hairs are up on the back of the hand. As Pete Selman said, we are bringing dignity back. It is a landscape project; the battle was fought in that landscape. At the rotunda, you get a real sense of that. You are right that what has been there was not doing it, but what we are doing now will do it in spades.

Johanna Boyd: In response to Mr MacKenzie's question I want to make a small point about the overall historical offer that we think we have in Stirling for visitors. How do we get visitors who are coming to the castle or the Wallace monument to visit other sites through cross-ticketing, for example? We are very keen to work with the National Trust for Scotland and with Historic Scotland to find a way to get people who are coming to Stirling to visit more than one place and perhaps to spend a whole day, or ideally a couple of days, in the city to experience all the rich and diverse sites that we have to offer.

Alison Johnstone (Lothian) (Green): Given the issues that surrounded the gathering in Edinburgh in 2009, the Standing Council of Scottish Chiefs says that we should not go ahead with another gathering until we have reimbursed the creditors who suffered losses from their involvement. Although the event that we are holding is not the same sort of event, it is clearly really important that it does well financially. What are the key aspects of ensuring the financial success of the event? David McAllister referred to 15,000 tickets per day for three days. Obviously you are comparing the pricing with a family trip to the cinema, and you are looking for a sell-out for

three days. How confident are you that that will occur?

David McAllister: We work to a business plan, and there is some caution built into that. We and our board are comfortable that if we hit 75 per cent of the targets we will not make a loss. We would obviously like to sell all the tickets.

As Unique Events has pointed out to us, selling tickets is about the question, "Is this an event that we must go to?" We have to scale the event to attract the right number of visitors. All the marketing that we will be doing—we are piggybacking on the homecoming and other marketing initiatives—will be about selling tickets. That is what it comes down to—the success of the event is largely down to ticketing. We want to do most of that online, and we will be doing a deal with a ticketing provider for that. We hope to have tickets on sale towards the end of June. It might be slightly into July, but our aim is to have them available about a year in advance.

We are capturing interest on our battle of Bannockburn website through the call to arms page, where people can now register. We are doing the same with the travel trade. There is a huge amount of travel trade interest in the event and in Bannockburn as a whole, as was brought home to me last week at the expo.

Every effort is focused on selling the tickets. The content of the event that we are developing with Unique is interesting and exciting, and it is appropriate, too. It hits all the buttons for the homecoming. The whole package—the three days of activity and interest, with all sorts of interesting things going on—is what will sell the tickets.

Alison Johnstone: Can I ask another question, convener?

The Convener: Bruce Crawford has a supplementary, after which we can come back to you.

Bruce Crawford: I was at the expo event at Stirling castle last week, which I thought was fantastic, with 800 people from all around the world there. I am an optimist. I think that we will sell out the event, no problem. I am more concerned that some of our friends from America might decide a bit later to come, but they may still turn up. Will there be enough tickets left for them? How will we ensure that the capacity is in place to allow visitors who turn up from other parts of the world to experience the events that will be going on? How do we manage that process?

David McAllister: We will be working with the clans to ensure that the message gets out through the appropriate channels—through Malcolm MacGregor. The message will get out to the Highland clans. We are in touch right now, and we

are working closely together. There will be no doubt among the clans in America, Australia and elsewhere that we are asking them to come.

Bruce Crawford: Good. I am glad of that.

Marco Biagi (Edinburgh Central) (SNP): You said that your target is 15,000 tickets per day. What is the maximum number that you could sell per day?

David McAllister: That comes down to the capacity of the site—we have discussed the number at length with Unique Events. I would not want the number to be more than 15,000, for health and safety reasons and so that we are able to cope with the event.

Alison Johnstone: We obviously want to ensure that local businesses, hoteliers, restaurants and so on experience as many benefits as possible. In terms of Scotland more widely, many people will come for what is a very attractive event. Caroline Packman, I think, said that 30, and perhaps even up to 50, other clan events will be occurring elsewhere. You said that some of them will be closed, but we want to encourage as much direct engagement with Scots as possible. Can you give us a bit more information about that? Although we have a localised event, we want to benefit the islands, the east coast and the Borders as much as possible, too.

Caroline Packman: Absolutely. As the programme stands, with just over 100 events, there are already events taking place in every local authority area in Scotland. We expect that the number of events will grow significantly over the coming months. Part of the homecoming programme is the partner programme, whereby people in charge of events can register them not for financial support but for in-kind marketing and promotional support. Those tend to be the events that have a shorter lead-in time, which will continue to join the programme through the coming months and into 2014.

Regional spread has very much been one of the objectives in designing the homecoming programme, as well as a seasonal spread throughout the calendar year. Of the projects that we are providing financial assistance to, we have a lot of activity happening around hogmanay and winter festivals. Apart from that, we have a fairly even spread of funded programmes from March all the way through to October, because we do not want activity to be centred just on the summer months. Whatever the time of year people come to Scotland and wherever they want to travel, there will be events that they can participate in and enjoy.

11:15

Alison Johnstone: Are you confident that the clans know what is going on and that there is constant liaison with them?

Caroline Packman: Yes.

Sir Malcolm MacGregor: I am happy with the liaison and the passing of information between the National Trust, VisitScotland, homecoming Scotland and EventScotland. The clans contribute very much to the local and regional economies. At the moment, we know of 35 clan gatherings that will take place in 2014 in the regions, which makes a big difference to those localities in terms of hotels, catering, transport, visiting heritage sites and so forth. The clans really come to life in their historical contexts in the regions.

Caroline Packman: Just to add to that, within the VisitScotland marketing channels, we have a database of 4,500 gatekeepers, which might be clan societies or associations, or Scottish interest groups such as the Scottish Official Highland Dancing Association. We are in regular contact with those who are on the database, which is another channel by which we can spread the word and encourage people to come back to Scotland. That is on top of our international consumer database, which has in excess of 1 million contacts. Those channels are very much in place and we will use them to spread the message about Bannockburn clan activities and, indeed, the homecoming programme as a whole.

The Convener: Marco, do you have another question?

Marco Biagi: I had intended to ask about future gatherings, but I think that the issue has been well covered by other members. However, on Bruce Crawford's earlier question about VisitBritain, I think that you skipped past that, convener, without getting an answer to it. I would be interested in hearing what involvement VisitBritain has had.

Caroline Packman: We work closely with VisitBritain in North America and other markets throughout the world. Our marketing teams are in close communication with VisitBritain, which has helped to amplify and extend the VisitScotland activities. However, it rests very much on the messages and materials that we design and ask VisitBritain to promote for us within the overall Britain umbrella.

Chic Brodie: I have two small questions. Twenty fourteen will be a very good year for Scotland in many ways, but particularly through the Bannockburn event, because it involves a great story. The famous marketing adage is that a brand that has a story to tell has meaning, and a brand that has meaning has impact and resonance. I am sure that even our welcome

visitors from our neighbours down south will enjoy the story. Twenty fourteen is very important and we want to bring the visitors back.

I want to focus on two particular issues. My first question is for Mr Selman. What contact has there been with Keep Scotland Beautiful in respect of cleaning up the litter problem that we have in some places? Perhaps Johanna Boyd can answer that question as well—specifically in relation to Stirling.

The second question is for Caroline Packman. How are we going to capture information about visitors' names and addresses? What marketing follow-up do you see happening to encourage people to come back to a litter-free, beautiful Scotland?

The Convener: Johanna—how are you going to keep Stirling litter free?

Johanna Boyd: That is a very good question, on which I have recently had discussions. I am very conscious that a hugely significant part of the visitor experience is what is immediately seen. I therefore think that a key job needs to be done regarding the piece of infrastructure that we discussed earlier and which we are very keen to see, which would provide us with a gateway to Stirling. It is crucial that all the gateways—all the approaches whereby we arrive at our destination—are welcoming, vibrant and litter free. As an absolute basic, they ought to be environmentally sound.

We can do interesting work with that involving our communities, which we have begun. It is about involving our communities in their own history and about communities taking civic pride in their areas. There are fairly basic things that we can do to get our city centre looking pristine—

Chic Brodie: Not just your city.

Johanna Boyd: Of course. I mean all our city centres. If there are vacant units in the city, how are we dressing them and making the city look as good as it can do? You are right to say that it is not just about 2014. If people come and have a bad experience, they will not come back. We have to make the experience a positive one.

When you mentioned the IP I was reminded that we have a database from that. That is important to us in the context of our marketing.

Caroline Packman: There are two equally important strands to any marketing activity: acquisition and retention. We want to encourage visitors not just to come to Scotland once, but to come back—preferably, again and again.

During the previous homecoming we added almost 3,500 new names to our database. The opportunities for keeping in touch with people

through email and social media are greater than they have ever been. We are very aware of that. We will be able to personalise our online communications to a much greater extent in the future, so people will be able to indicate their interests and preferences and we will be able to tailor communications accordingly and increase the chances of converting them to a visit.

Chic Brodie: Good. Thank you.

Dennis Robertson: Mr Brodie asked about litter. Are you confident that infrastructure is in place for recycling at the Bannockburn event?

David McAllister: Yes. A whole section of the proposal to us from Unique Events is on recycling and being green, which nicely ties in to our green tourism aspirations for the new site. A whole section of the business plan is about how we take care of the site and encourage people to recycle what they leave.

Dennis Robertson: And what they sell.

David McAllister: Indeed.

Dennis Robertson: Thank you.

Sir Malcolm MacGregor: On Mr Brodie's point about the future and recurring events, I reiterate that yearly gatherings often happen in individual clans, and sometimes they happen every three, four or five years, so there is therefore already infrastructure for rolling events. We are in discussions with the Scottish Government in respect of the Highland clans partnership, which is about funding, in a low-key way, some of the clan gatherings—starting in 2014, I hope—so that clans can get some basic funding for their transport, hotel bookings and so on. That is very much part of future planning, which we support.

Johanna Boyd: May I make a small point on recycling? Stirling Council sits at the top of the tree of the 32 local authorities in relation to how much we recycle. We place high importance on the issue. At officer level, we will give any assistance we can to the National Trust for Scotland in that regard.

The Convener: Thank you. I have two final questions, which are on issues that we have not covered to any great extent. The first is governance. The event is being run by the National Trust for Scotland, which is a private charity—albeit that it gets a substantial contribution from public funds. Who is ultimately responsible for the event's success and for ensuring that public money is properly accounted for? How will you measure success? At the end of June 2014, how will we decide whether the event worked?

Pete Selman: The NTS is responsible.

The Convener: The NTS is in charge, but who will ensure that the public money is properly spent?

Pete Selman: The NTS is the client and is working closely with its funders, as stakeholders and partners. At this point, we have commitments on funding and a preferred event manager, and we are doing the detailed planning in a co-ordinated and inclusive way. When we sign the contracts, which we will do between now and June, we will have thrashed out exactly what the measurables are in return for the funding, for example, from the food and drink industry. That will be targeted not at the event in its broadest sense, but at specific aspects. Those detailed measurables will be clear when we formally sign the contracts. I anticipate that, in keeping with all major investments and projects in the NTS, we will have a post-project evaluation, which will be for us internally and for our funders.

The Convener: I sat on the Public Audit Committee when we did an inquiry into the gathering 2009. We produced a comprehensive report. I do not know whether you have seen it, but it contains important lessons on governance and accountability in relation to events that are privately run but with a public contribution.

Caroline Packman: In relation to the EventScotland funding contribution, as Mr Selman said we have for a number of months been working in close collaboration through every stage in the process. We are represented on the steering group and the working group for the Bannockburn project. As conditions of our funding, we have set key performance indicators and an event outcome report is required. Governance procedures are in place to ensure that the event generates the return on investment that we seek.

The Convener: My final question is for Mr McAllister or Mr Selman. Mr Brodie said that 2014 is going to be a big year for Scotland. The event will, I think, take place less than 12 weeks before the referendum on Scottish independence in September 2014. How will you ensure that the event is not hijacked for political purposes?

Pete Selman: The event is to mark the opening of the new visitor centre and the 700th anniversary of the battle, and that is what we are concentrating on. Security—at political, media or site level—is not entirely within our control. We are absolutely clear that the site will be under firm control. The close involvement of and liaison with the police and our partners mean that we have no issues or concerns in that regard. For many years, Bannockburn has been a gathering or assembly point for a wide range of individuals on the anniversary of the battle and we have learned how to cope with that. In terms of any other media

mischief or whatever, we will enjoy the theatre along with everybody else.

The Convener: Will people be permitted to do political campaigning during the event?

Chic Brodie: We will send them home to think again.

Pete Selman: Some groups and individuals have been known to us for a long time. Indeed, we have made a point of cultivating a relationship with contacts in those groups. Dialogue on that is under way already. We are also working with the police in that regard. There is already an understanding that, if anybody wishes to do their own thing, the period of the event is not the time to do it and there are other ways in which they can behave and perform. There seems to be a genuine recognition and understanding of that.

The Convener: You are actively taking steps to discourage or prevent people from campaigning on the site.

Pete Selman: Dialogue is on-going with individuals who represent various groups that we know have had a long-standing interest in the name and the site. We have that under control.

The Convener: As there are no more questions, I thank our witnesses very much for coming. The meeting has been comprehensive and lengthy; we have covered a lot of useful ground.

11:29

Meeting suspended.

11:37

On resuming—

The Convener: We have a few moments before the Minister for Energy, Enterprise and Tourism is due to arrive. I propose that we move up item 5 on the agenda to review the evidence that we have heard—and do so in private. When the minister appears, we can go back to item 3. Are members happy with that approach?

Members indicated agreement.

11:37

Meeting continued in private.

11:50

Meeting continued in public.

Energy Bill

The Convener: Under item 3, we will take evidence on legislative consent memorandum LCM(S4) 20.1, in relation to the Energy Bill, which is UK Parliament legislation. I am pleased to welcome to the committee Fergus Ewing, the Minister for Energy, Enterprise and Tourism. He is joined from the Scottish Government by Mike McElhinney, head of electricity markets, Katherine White, team leader in electricity market reform, and—a late substitution—Norman Macleod, senior principal legal officer. I welcome you all.

Before we get into questions, minister, do you want to introduce the LCM?

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): Thank you convener, and good morning everyone. I am grateful for the chance to address the committee once again on the UK Energy Bill LCM in relation to an emissions performance standard, and to provide the committee with an update on the progress that has been made with the UK Government since the previous evidence session on 27 February.

As the committee knows, the main purpose of the bill is to implement proposals for electricity market reform. The reforms are crucial to Scotland's future energy mix, to the maintenance of investor confidence and to the development of our vast renewables potential and carbon capture and storage technology in Scotland, and they will have a significant impact on the energy sector in Scotland. We have been absolutely clear that, in order to maintain the considerable momentum in the renewables industry, EMR must provide the same degree of market certainty that the renewables obligation system delivers and has delivered.

At the previous evidence session, I advised the committee that we were still in discussions with the UK Government to secure the best possible outcome for Scotland. There are some important issues to be addressed, including getting assurance that the right levels of support will be available for technologies where Scotland has natural advantages, and ensuring that Scotland's engagement in the EMR process is robust, meaningful and clearly set out in legislation. I am pleased to say that we have made some progress towards those ends.

Last week, the First Minister met the Secretary of State for Energy and Climate Change, Ed Davey, and it was agreed at that meeting that the two Governments will proceed with a joint

concordat to set out roles and responsibilities under EMR and to embed the principles of good working practices in an enduring framework. We are also continuing to work closely with the UK Government in establishing the new regime to support renewable electricity generation and, in particular, the first set of strike prices under contracts for difference, which will be consulted on later this year. That work is progressing steadily and, in the coming weeks, we expect to see outputs that will give us greater reassurance about the levels of support that are likely to be offered under EMR.

Given those positive developments and because of that work with the UK Government, I am now content to recommend the legislative consent motion to the committee for consideration.

I should perhaps make it clear that the purpose of the legislative consent motion is for the Scottish Parliament to give consent to provisions on the emissions performance standard, which include extending the executive competence of the Scottish ministers by conferring on them regulation-making powers. That will be legislated for by the UK Parliament through the Energy Bill. It does not mean that we are giving powers back to the UK Government; the area remains devolved and within the competence of the Scottish Parliament.

We are, however, subscribing to the uniform application of the EPS across the UK. We have done that because we think that the EPS strikes the right balance between investor certainty and appropriate support for decarbonisation. The UK Energy Bill represents an appropriate and proportionate legislative vehicle to enable the provisions to apply across the UK, while acknowledging the Scottish ministers' powers in the area.

I know that there is great interest in the bill and I have scheduled a debate in Parliament on the matter for Thursday 16 May, to bring the wider EMR proposals back to the Parliament before the summer recess. The debate will afford the whole Scottish Parliament the opportunity to consider fully the impact of the proposals, and I hope that the Parliament will come to a consensus on the value of the provisions and the Scottish Parliament's role in that regard.

As the Minister for Energy, Enterprise and Tourism, I invite the committee to agree that the relevant provisions of the UK Energy Bill relating to an emissions performance standard, so far as those matters fall within the legislative competence of the Scottish Parliament, should be considered by the UK Parliament. I invite the committee to support the LCM.

I am happy to respond to members' questions.

The Convener: Thank you, minister. It gladdens my heart to hear of such warm relations between Scotland's two Governments as they work together on an important matter.

If the legislative consent motion is agreed to by the Parliament in due course, will there be further opportunities for the Parliament to scrutinise the EPS? Will it come to the Parliament by means of secondary legislation?

Fergus Ewing: There are always opportunities for the Scottish Parliament to scrutinise work that is going forward. The EPS is one of the mechanisms that is proposed in the EMR legislation. The aim is to provide a regulatory backstop on the amount of emissions that new fossil fuel power stations can emit. The UK-wide EPS will apply to all new fossil fuel plant over 50MW-equivalent from 2014, and will become law from January 2014, following royal assent in 2013.

The purpose of the LCM is to enable the UK Government to legislate on matters within the confines of the LCM's wording. I stress that we will retain power over renewables obligation certificates while working towards their replacement in the long term by contracts for difference.

We are, through the LCM, passing power to the UK Government to determine the matter in the context of electricity market reform legislation, but we do so on the basis of the work that has taken place, the assurances that have been given and the desire to work with the UK Government in the integrated energy market. We think that that is the right way to deliver electricity to consumers and gain the advantages for industry that renewable energy and CCS can provide.

The Convener: We have already had an evidence session on the matter and probably covered quite a lot of the ground that we might cover today, but I think that members have a few questions to ask.

Rhoda Grant: Minister, given what you said about remitting the power to the UK Government, if we agree to the LCM, how can the Scottish Government change the EPS in Scotland in future?

Fergus Ewing: We think that it is sensible to work with the UK Government on the matter. Our aspirations for the future of Scotland after a successful result in the referendum next year are that we will continue to work positively with the Government at Westminster. That is how we think that we should work, because there should continue to be an integrated market that serves the interests of all concerned.

Given that that is the case, and given that that is the overriding objective and view of what is

desirable and correct, it makes sense to reach agreement about important matters through a process of negotiation and discussion. Once agreement is reached, we proceed on the basis of that agreement. If good reasons to change a particular decision emerge, we will change it. However, there must be a process of working constructively and with good will behind the scenes, which I hope is exemplified by what we are doing.

The level of EPS will of course be set in the primary legislation. There are plans to review it after five years, which is a sensible period.

Rhoda Grant: If the level is set in UK primary legislation, is there a mechanism that would allow a Scottish Government to change the EPS, other than through the UK Government re-opening the issue?

Fergus Ewing: No. The agreement—*[interruption.]* Mr Macleod will give a legal opinion.

12:00

Norman Macleod (Scottish Government): The straightforward answer is that the devolved competence of the Scottish Parliament is not altered and the Parliament will be able to legislate in a devolved area in the same way that it can today. The LCM seeks consent for the UK Parliament to legislate in a devolved area, so it does not alter the Scottish Parliament's powers.

Rhoda Grant: If, next year or the year after, the Scottish Government decided that the EPS was not right for Scotland and wanted to change it, could it legislate? Is there nothing to prevent it from legislating?

Norman Macleod: There is no change to the powers of the Scottish Parliament.

Fergus Ewing: It is a matter of practice; we are reaching an agreement. We are not planning to change anything. I have said before, convener, that I am not particularly keen on speculating on hypotheses and what might happen next year.

Rhoda Grant: I am not asking for a hypothesis; I am just asking for a yes-or-no answer.

Fergus Ewing: We are taking a decision now because we believe that it is the right decision. The legal advice is that devolved competence remains the same, so we could take a different view, but we do not expect to. We are taking a decision today as part of a bigger picture, in which we intend to get a good deal for consumers, Scotland, electricity supply and investment, and to take advantage of the huge opportunities that are available to Scotland. To advance those aims, we must have a practical system of reaching and sticking to an agreement with all involved, and that

is what we envisage. The review will take place in five years' time. We are proceeding on that basis, rather than looking into theoretical legal possibilities that might be postulated by members.

Rhoda Grant: Thank you. However, my question was not about that; my question was whether we are handing power back to Westminster, or whether we still have power to legislate and change the EPS beyond the UK Parliament allowing us to do that. Yes or no?

Fergus Ewing: Mr Macleod will correct me if I am wrong, but the legal advice that I have had is that our powers remain the same and are as conferred on us by the Scotland Act 1998. We are choosing to use those powers in the way that we think is correct for Scotland.

Rhoda Grant: So you are saying, "Yes, we can."

Fergus Ewing: I have answered the question three times now.

Rhoda Grant: I am having difficulty understanding why it is so difficult for you to say yes or no and why you cannot give me a straightforward answer.

Fergus Ewing: Well, I have.

Rhoda Grant: I do not believe that you have.

Fergus Ewing: Well, we will have to disagree.

Rhoda Grant: Can we move on? The Scottish Government has set targets for decarbonising the grid. Given that the EPS and where it is set will not encourage CCS, what steps will the Scottish Government take to ensure that its decarbonisation targets are met?

Fergus Ewing: As Rhoda Grant knows, we are extremely keen to encourage carbon capture and storage. We are delighted that the exciting project at Peterhead has been awarded funding from the Department of Energy and Climate Change's CCS commercialisation competition, which is a good result for Scotland. We worked behind the scenes to secure that result and we are delighted about it; the project is one of the most exciting in Scotland, and I hope that all members support it. We understand that the companies involved are proceeding and not being deterred, as Rhoda Grant seems to suggest.

A second project—the Summit Power clean energy project—was not successful in the capital element of the commercialisation competition. That, too, is an exciting project that might also take place in Scotland.

I am not aware that Summit Power is deterred in the way that Rhoda Grant suggests. I may have the advantage over her as I met the company recently. It is very keen to proceed in Scotland and

did not talk of the decarbonisation target as a deterrent. It is very hopeful that an agreement can be reached. We are very supportive of Summit Power coming to Scotland, and we are working very closely with it, the DECC and everybody else to ensure that it has every chance of proceeding with the project, provided that it goes through the regulatory processes and receives planning permission, of course—we cannot be prejudiced.

The Summit Power project is a very exciting opportunity for Scotland. Perhaps Rhoda Grant has had discussions with the company, on which she can bring us up to date, but I am not aware that the company is being deterred by the EPS.

Rhoda Grant: It appears to me—it does not take more than basic economics to figure it out—that if you are building a gas-fired power station and have the choice of building it with or without CCS, and there is nothing incentivising or pushing you towards CCS, you would not spend that money, because you would be competing with generators that did not use CCS. How do you make it stack up? At the moment, of course, people are keen, because Government funding is pushing that technology forward and people are willing to explore it, but how do you incentivise its long-term use for all fossil fuel power stations?

Fergus Ewing: The Summit Power scheme is not a gas scheme—it is a pre-combustion coal scheme—and it could proceed by receiving an adequate contract for difference.

Rhoda Grant: So CCS is dependent on Government funding well into the future.

Fergus Ewing: The whole purpose of having EMR is to incentivise forms of electricity provision that require subsidy because they are young, immature technologies that have not been fully tried and tested. Carbon capture and storage is a series of technologies, each of which has been tested, but they have not perhaps been proven all together. I think that the convener questioned me on that point previously.

Renewables technologies such as wave power, offshore wind power and tidal power are at a relatively early stage of development, and that is the case for carbon capture and storage, too. Therefore, they require incentivisation. That is the whole point of EMR, and that is why we expect that CCS will have a strike price, a CFD and on-going income support. We and the UK Government thought that that was a good idea and, as far as I was aware up until this moment, so did the Labour Party.

Rhoda Grant: We believe that it is a good idea, but we believe that we should set emissions targets to incentivise CCS. I do not understand how you expect to push all fossil fuel generators to

install CCS if you do not have sticks, as well as carrots, to make that happen.

Fergus Ewing: In theory, the bill provides a method for doing that—namely, the contracts for difference, which can provide sufficient stimulus for CCS to proceed. Through the use of CCS technology, the reduction in the amount of carbon that is emitted by coal, in the case of Summit Power if that project goes ahead, or gas, in the case of Peterhead, will be very substantial.

In other words, the whole purpose is to incentivise the technology that can deliver fossil fuel generation without the carbon emissions and which can store the carbon and perhaps use it for other purposes. For example, Summit Power uses stored carbon, both onshore and underground, for enhanced oil recovery in the USA, thereby delivering an additional income stream. Stored carbon is used to deliver more oil than would otherwise be recovered.

We are talking about very exciting technology, and it is absolutely right that there should be the appropriate incentivisation for its development in the UK and the European Union. That is basically the policy across the EU. The trouble is that up until now, nobody has delivered it. That is where we stand. The Scottish National Party wants Scotland to be at the forefront of the technology, not at the coo's tail—that is why we are so keen. I hope that the Labour Party will support us in taking advantage of the opportunities that now exist under EMR to deliver the technology. My officials may have something to add—perhaps there are technical details that I have not covered.

Mike McElhinney (Scottish Government): I will pick up on a couple of points. CCS is not the only form of low-carbon generation that, through contracts for difference, the electricity market reform process seeks to incentivise or to improve the relative economics of. Strike prices and contracts for difference will extend to all types of low-carbon generating technologies, including onshore and offshore wind power and wave, tidal and nuclear power.

Rhoda Grant spoke about carrots and sticks. Parts of the electricity market reform policy framework effectively constitute sticks for unabated carbon generation. There is a carbon price floor to make unabated fossil fuel generation less economic, relative to types of low-carbon generation that other parts of the electricity market reform policy framework are designed to incentivise. Therefore, there is a balance of carrots and sticks in the electricity market reform programme. The interaction of those is intended to improve the relative economics of low-carbon generation where there is an up-front investment hurdle to address, either through the deployment and capital costs that more established

renewables technologies need or through incentivising the development of more recent technologies such as CCS, as the minister described. That balance of measures, therefore, is intended both to incentivise low-carbon generation and disincentivise unabated carbon generation.

Fergus Ewing: For the record, I do not think that I made it clear earlier that while the captain clean energy project is not one of the top two projects supported by the commercialisation competition, it remains on the reserve list. That is very important. If one of the top two projects were not to proceed, that would give Summit Power an opportunity. I want to make that point to be fair to the company.

Rhoda Grant: The Scottish Government has set a grid decarbonisation target that is different from the UK Government's target. If the Scottish Government gives away one of the tools that it has to reach that target, how can it be reached? What tools are left? Saying that you aim to achieve the target is not good enough; you have to have something to make it happen.

Fergus Ewing: I am sorry—I did not catch that question.

Katherine White (Scottish Government): I will come in on that. First, although the Scottish Government has set a decarbonisation target of 50g of CO₂ per kWh for 2030, the UK Government has not yet set a target. Therefore, it is not that we are at odds with the UK Government on that. The UK Government is setting a decarbonisation target in legislation through the Energy Bill. That target forms a major part of our discussions with the UK Government on the Energy Bill.

We recognise—and others have recognised, including the Committee on Climate Change—that the EPS is not designed solely to achieve a decarbonisation target. We have other mechanisms to try to achieve that, which principally consist of devolved measures through thermal consents and demand reduction energy efficiency improvements. We see those as a package—as a balance of measures—to achieve the decarbonisation target. Over time, we will develop more detailed understanding of how that will be achieved. We consider that it is achievable, and have done work to demonstrate that.

That is our target for 2030 and we are working with the UK Government on how it will set its own decarbonisation target for 2030, which it has committed to do, albeit not until 2016.

Mike McElhinney: As Katherine White says, the bill will be amended to give the UK Government a statutory power to set a decarbonisation target from 2016. As part of our negotiations with our UK colleagues we have

agreed that Scottish ministers will have a statutory role in setting the target at that point.

The First Minister announced a non-statutory decarbonisation target that we will start now to work towards. We are involved in the process of setting a statutory target in 2016—I think that our DECC colleagues claim that it is the first such decarbonisation target to be set in legislation in the world. The principle is one of working with the UK Government, because the achievement of the decarbonisation target is not something that the Scottish Government will deliver on its own. Working with the UK, we can take the right steps and put the right mechanisms in place to try to achieve that target.

Mike MacKenzie: Minister, you touched on the idea of an integrated UK energy market. I think that the co-operation of the two Governments in achieving that target is a good principle. However, a few weeks ago the committee had a visit from the European energy commissioner, who explained that he was very keen on an integrated European energy market. He commended that approach to us as offering energy security.

The commissioner did not seem to feel that national or political boundaries would be impediments to achieving an integrated market, provided that each Government co-operated in the way that the Scottish and UK Governments are co-operating. Do you commend that approach? Do you see a future that leads us towards a more integrated European energy market?

12:15

Fergus Ewing: We are certainly working towards that objective with others. For example, we are working with the British-Irish Council on the Irish-Scottish links on energy study—ISLES—project, which is being implemented with good will from all participants. Indeed, the project, which would see greater interconnection between the UK and the north and south in Ireland, would enable much greater integration. I understand that that project is further ahead than any other potential project in the EU—perhaps there is a greater enthusiasm for such a project than there is in other parts of the EU.

That is an example of work that is designed to move towards more integration between member states. After all, the greater the interconnectivity, the easier it is, in theory at least, to manage the grid because some grid management problems relate to intermittency, the variety of supply sources, and fluctuating costs, particularly in relation to fossil fuel, which have driven electricity prices ever higher.

The ability to have a European market in the long term—I am afraid that we are talking about a

timescale of decades rather than one of single figures—will provide enormous potential benefits. Our approach is to work constructively with the EU, which we do with the Commission in Brussels, and our colleagues in DECC and in Northern Ireland and southern Ireland.

Mike MacKenzie: I have one further question. When I talk to people involved in the energy industry, they all tell me that there has been a considerable period of uncertainty, nervousness, frustration and concern about the passage of the UK bill. Do you agree? Compared with that bill, however, they feel little nervousness about the possibility of constitutional change in Scotland.

The Convener: Just say yes, minister.

Fergus Ewing: That is a serious question that deserves to be taken seriously, convener.

There is undoubtedly a risk—which has been expressed by industry and by leaders of utility companies in particular—to investor confidence because there is no set of rules to replace ROCs. If you have a market that requires incentives but you do not know what those incentives are in the UK even though you know what they are in Germany, it is difficult to see why it would be reasonable to expect a board of trustees or investors to come to the conclusion that they should invest in a place where there are no clear rules. That is where we are with projects that cannot be commenced until beyond 2017 and, therefore, will not qualify for ROCs.

As a matter of fact—I do not think that I am making a political statement or one of great controversy in saying this—there is a hiatus because it has taken so long to get to this stage. As long as that hiatus exists, it is difficult to build on the successful work that we have achieved in attracting so many companies to Scotland or for them to make a commitment—to manufacture turbines for offshore wind, for example—if they do not know what the rules are.

Incidentally, that is also why the 2030 decarbonisation target is the right approach and why we will urge the UK Government—as was done recently by the House of Commons committee looking into decarbonisation—to bring forward its plans from 2016. We seek to persuade it to do that because, to put it bluntly, if we want a turbine manufacturer to locate in the UK but it thinks that there is no clear vision of Government commitment beyond 2020, it would not make a great deal of sense for it to create a factory for only four or five years' worth of work.

That simple argument lies behind the commercial rationale for having a 2030 decarbonisation target. We think that we may have some support in the UK coalition for that view but it may be that division remains in the ranks.

Nonetheless, we will continue to have positive and amicable discussions in that regard.

Thank you for that question, Mr MacKenzie. It was not the most difficult question that I have had.

The Convener: Were it not so late in the morning, minister, I would be delighted to pursue that argument with you, but given the time we will stick to the matter in hand. I will bring in Alison Johnstone.

Alison Johnstone: During the last evidence session on the LCM, the design of the strike price for carbon capture and storage was identified as a key determinant for negotiations. I notice that in your opening remarks, minister, you mentioned that there is a joint concordat to take forward energy market reform and that the first set of strike prices will be confirmed later this year. Are negotiations going as well as you might hope, and are you confident that there will be an agreement that meets your requirements?

Fergus Ewing: I will pass the question to Mike McElhinney in a moment, but I can say that we are working positively with DECC to see that the strike prices that are proposed have the right balance between the interests of the consumer and the interests of the investor industry—in other words, that the level of incentive will be the right level. Setting aside the politics, those are genuinely very difficult matters and it is wrong to pretend otherwise.

There will be an announcement of the strike prices but as I understand it—Mike McElhinney will correct me if I am wrong—that will go to a consultation and there will be a chance for debate on all of those matters. That is a good thing because I do not think that the Government should say, “This is the way that it is going to be,” without there being a good engagement, especially with those in industry who have to deliver the projects. They will have the opportunity to submit evidence so that we can arrive at the correct prices as a result of that process.

To answer Alison Johnstone’s question, I am concerned that the strike prices should cover all Scottish interests, particularly as one means of providing a solution for the island charging mechanism, which I have spoken about at some length at previous meetings. For the record, I state that that is a top priority for us. As I have mentioned already, CCS projects need a strike price, they need support and we want to ensure that that is correct as well. We disagree with the UK Government’s desire to see a number of new nuclear power stations. On financial grounds we think that that is the wrong approach, and I state plainly that that remains our position.

I hope that, at a general level, that answers Alison Johnstone’s question, but perhaps Mike McElhinney could give some more detail.

Mike McElhinney: The minister outlined the position as it is at the moment.

On the process side, we have been working on a mechanism with DECC colleagues since last November, as part of a devolved Administration consultation group, and with our colleagues in Northern Ireland and Ireland. We have also been working with National Grid—the EMR delivery body that will set and maintain the strike price mechanisms—to assess a robust, defensible and evidence-based approach for setting strike prices for different types of technologies.

That assessment involves such considerations as levelised cost prices for different types of technology, the current levels of support and the capital and deployment costs. All of that analytical detail has been going on in parallel with the parliamentary process. That is coming to a conclusion and we are very excited that we will see the draft strike prices on 1 May. Certainly the civil service part of us is very excited—[*Laughter.*]

The Convener: You have a quiet life.

Mike McElhinney: Quieter than sometimes I would like.

We will then be into the process that the minister outlined, and we will have to brief the minister on whether we think that the strike prices are in the right range for what we want to deliver with the technology strengths that we have in Scotland. We have also separately kept in very close contact with players across the technologies in the Scottish energy sector to understand what kind of strike price they would like us to deliver for Scottish developers.

By the end of June, DECC will have published a draft delivery plan that will set out the strike prices. That will be followed by a period of public consultation with a view to finalising the strike prices in the autumn. Not only is that process in place, but the concordat that has been referred to puts it on an enduring footing by setting out the forward principles on which it will take place.

Alison Johnstone: As the minister has suggested, the concordat will cover the progress on transmission charges with regard to the islands.

Mike McElhinney: At the same time as signing the concordat, we have been working on a joint statement from Scottish and UK ministers on what we will do in response to the intergovernmental steering group on renewables, on which we and our DECC colleagues have been hard at work. A consultant’s report that we commissioned has assessed and identified barriers to deployment of

renewable technologies on each of the main Scottish island groups—the Western Isles, the Shetland Islands and the Orkney Islands. The draft report is nearing the final stage and we intend to publish it shortly.

Alongside that, an assessment process has to be carried out on the options for addressing the challenges faced by developers on each of the islands. We hope to make that aspect of the concordat process part of the joint working that we have developed to the point that Scottish and DECC ministers can give a degree of certainty to developers on the islands that the mechanisms that might apply and the options and interventions that might be necessary to improve the relative economics of renewable development on the islands are delivered jointly and seamlessly. A particular challenge in that regard is to develop those things quickly.

Alison Johnstone: I have one more question, convener.

The Convener: I will allow Chic Brodie to ask a follow-up question on strike prices, and then I will let you back in.

Chic Brodie: I want to follow up Mike MacKenzie's question, convener. I have only met Ed Davey briefly at a committee meeting, but I have exchanged correspondence with him on the subject of subsidies to nuclear plants, to which the minister has just alluded. When I asked Ed Davey to confirm the situation in that regard, he said that of course there would be no subsidies, but on page 2 of his response he confirmed the minister's comment that decommissioning costs will impact on the strike price. Given Sellafield's view that it will cost £65.5 billion to decommission—and given the UK Government's rush towards nuclear plants—I can only imagine the relative position of that kind of move.

I have no real problem with the LCM but, on the minister's point about investment, I wonder whether the potential situation with nuclear plants might mean that investment could be divested from other areas of low-carbon electricity generation. What will happen if the strike price for nuclear energy is set at a level that we find unacceptable after we pass this particular LCM?

Fergus Ewing: As our principal view on new nuclear power stations is clear, there is no point in restating it. We also support the view that existing nuclear power stations that are run professionally and well should be allowed to continue—that is only sensible.

Mr McElhinney will correct me if I am wrong, but my understanding is that it is unlikely that any new nuclear power station can be built before the end of the period of the existing levy control framework. As a result, despite the concern that,

with a fixed pot, any subsidy for nuclear reduces the subsidy or financial incentivisation for other forms of energy—I think that the figure in the levy control framework is £7.6 billion to 2020—logic suggests that if, as seems likely, the new nuclear power stations cannot be built before then they will not be in a position to use up any or much of that money. Of course, that might not be the answer that Mr Brodie was expecting.

On a principled level, we think that, if the view is that CCS is one of the essential elements of meeting the 2030 target for decarbonising electricity produced through fossil fuels—and indeed is a sine qua non of Europe meeting its own target—we want to get on with it. We do not want to plough lots of money into new nuclear power stations if money is always going to be finite and under pressure because of tough economic conditions.

Those are legitimate arguments, which I suspect will probably take place within the UK coalition. I do not think that they are resolved yet. Mr Brodie is right to raise an argument that may not, at first sight, seem to affect renewables or CCS but which will do so by potentially delimiting over the longer term the total amount of cash subsidy that will ultimately come from the consumers to deliver a modern, decarbonised electricity supply in the UK so that decarbonised sources provide a much greater proportion of the total electricity supplied.

I do not know whether that covers the question. Mike, do you have anything to add?

12:30

Mike McElhinney: Again at the policy and process levels, new nuclear power stations will be eligible for a strike price for contracts for difference. That will have an impact on the overall levy control framework funding that is available and, following that argument through, it will then have an impact on what is left available for other low-carbon generating technologies.

We have been trying to stay close to the negotiations that our DECC colleagues are having with the first new nuclear development in England with EDF at Hinckley Point, where there is a process in place to arrange a bespoke strike price for first new nuclear. We are very keen to understand the financial implications of that. We have an agreement with DECC that, when that stage is reached, we will see the relevant information. We will be able to make an assessment in the relative context of the remaining levy control framework funds. Therefore, there is a potential policy tension.

The Convener: We will take Alison Johnstone's final question.

Alison Johnstone: Would a refurbished Cockerzie power station fall under the new regime?

Katherine White: I will take that one. Just to clarify, there are conditions whereby some major refurbishments will trigger the emissions performance standard, but I think that it would depend on the nature of the refurbishment and then probably the technical detail under the secondary legislation.

Fergus Ewing: I was thrown by the term "refurbished". I think that Cockerzie was coal fired. I do not think that there is any suggestion that there is going to be a coal-fired refurbished power station at Cockerzie.

Alison Johnstone: No, indeed.

Fergus Ewing: Do you mean the question of whether there will be a new, gas-fired power station at Cockerzie?

Alison Johnstone: Yes.

Mike McElhinney: Scottish Power already has consent to build a combined-cycle gas turbine power plant at Cockerzie. The consent is based on a number of conditions, one of which is that it is carbon-capture ready and that carbon-capture technology is deployed when it becomes commercially viable to do so. The consent is well set out to show that there is a process whereby Scottish Power would be expected to report regularly in the future on whether the commercial deployment stage had happened. Ultimately, the decision on whether Scottish Power will develop the Cockerzie site is a commercial matter for the company.

Katherine White: I should clarify that, if the gas plant at Cockerzie proceeds on the current consent, it would not trigger the EPS, because the EPS deadline is after when the consent was given. I am sorry that description is a bit convoluted, but it is a new thermal plant and because the consent was given prior to the bill being tabled, a plant built on the consent would not be subject to EPS.

Alison Johnstone: Thank you.

The Convener: As there are no other questions, we can draw the session to a close. I thank the minister and his officials for coming along.

Just before we go into private session, I confirm that the committee will consider its recommendation and draft report on the LCM at a future meeting and not at this meeting. Do members agree to take in private our future consideration of the draft report on the LCM?

Members *indicated agreement.*

The Convener: With that, we move into private.

12:33

Meeting continued in private until 12:43.

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