



The Scottish Parliament
Pàrlamaid na h-Alba

Rural Affairs and Islands Committee

Mairi Gougeon
Cabinet Secretary for Rural Affairs,
Land Reform and Islands
Scottish Government

31 October 2024

Dear Mairi,

Budget scrutiny for 2025 to 2026

As communicated in [my letter of 27 June 2024](#), the Rural Affairs and Islands Committee's pre-budget scrutiny has focused on the impact of last year's budget on meeting the national outcomes and service delivery within the overall RAI budget, as well as giving particular attention to the Marine Directorate's budget allocation for fisheries management.

On 22 July 2024, you provided the Committee with [information about the organisational structure of Marine Scotland, and a breakdown of the annual resource and capital budget allocations across its divisions](#).

To assist its scrutiny, the Committee ran a consultation from 27 June to 9 August 2024, and the Committee received 14 responses. [The responses are published on the Parliament's webpages](#).

The Committee undertook a fact-finding visit to the Marine Directorate science laboratories in Aberdeen on 2 September 2024 and took evidence from stakeholders in [a roundtable discussion regarding the budget of the Marine Directorate on 4 September 2024](#). The Committee then held [an evidence session with you and Scottish Government officials on 25 September 2024 on the overall RAI budget](#). In [your letter of 8 October 2024, you provided clarification on certain aspects](#) of the evidence given to the Committee.

[You also provided further information on 24 September 2024](#) regarding monies relating to the Bew review, ring-fenced funding, and savings due to be returned to the portfolio.

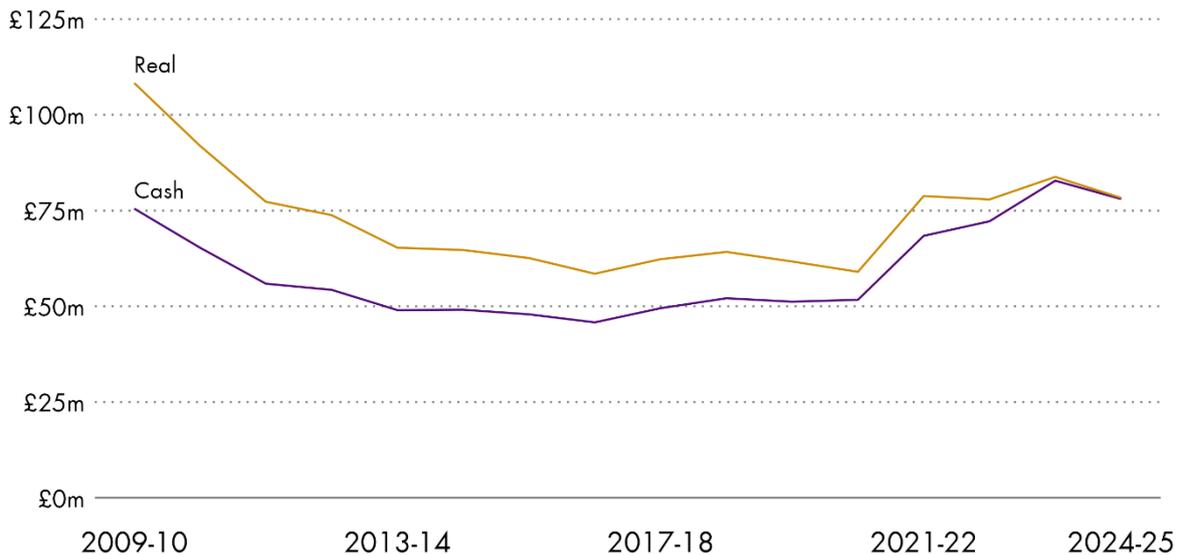
Marine Directorate budget

The Committee focused its budget scrutiny on the allocations within the Marine Directorate budget towards fisheries management.

Contact: Rural Affairs and Islands Committee, The Scottish Parliament, Edinburgh, EH99 1SP. Email rural.committee@parliament.scot. We welcome calls through Relay UK and in BSL through Contact Scotland BSL.

Chart 1 below shows the budget allocation for marine and fisheries between 2009-10 to the most recent 2024-25 budget.

Chart 1: Overall marine and fisheries budget allocation 2009-10-2024-25



Source: Scottish Government and Scottish Parliament Information Centre

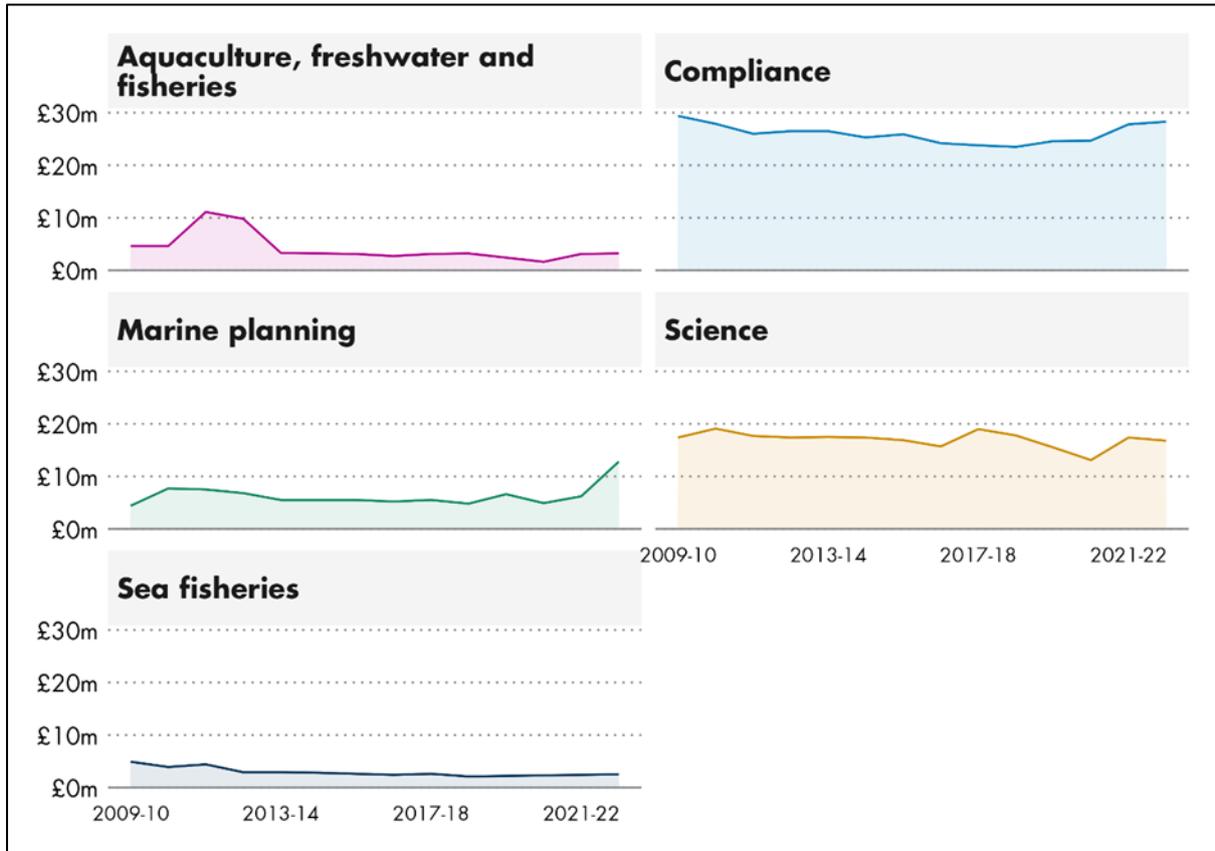
Key trends include:

- **funding levels declined** following the formation of Marine Scotland in 2009 from **£75.5m in 2009-10 (£108.3m real terms) to £45.8m in 2016-17 (£58.5m real)**.
- there was a **£31.1m (£24.8m real) increase in funding after 2020-21 from £51.7m (£59.0m real) to £82.8m (£83.8m real) in 2023-24**.
- there was a **decrease of £4.8m (£5.5m real) from £82.8m (£83.8m real) in 2023-24 to £78m in the most recent 2024-25 budget**.

Notes accompanying the 2022-23 budget published in a Scottish Government FOI response explains this increase was “in part due to EU exit and the increased staffing required to meet the 86 new powers and 499 new obligations as well as providing budget cover to core areas which previously benefited from EU funding” as well as being “representative of the Scottish Government’s commitment towards net zero and biodiversity through the expansion of offshore renewables, climate-related research and environmental protection”.

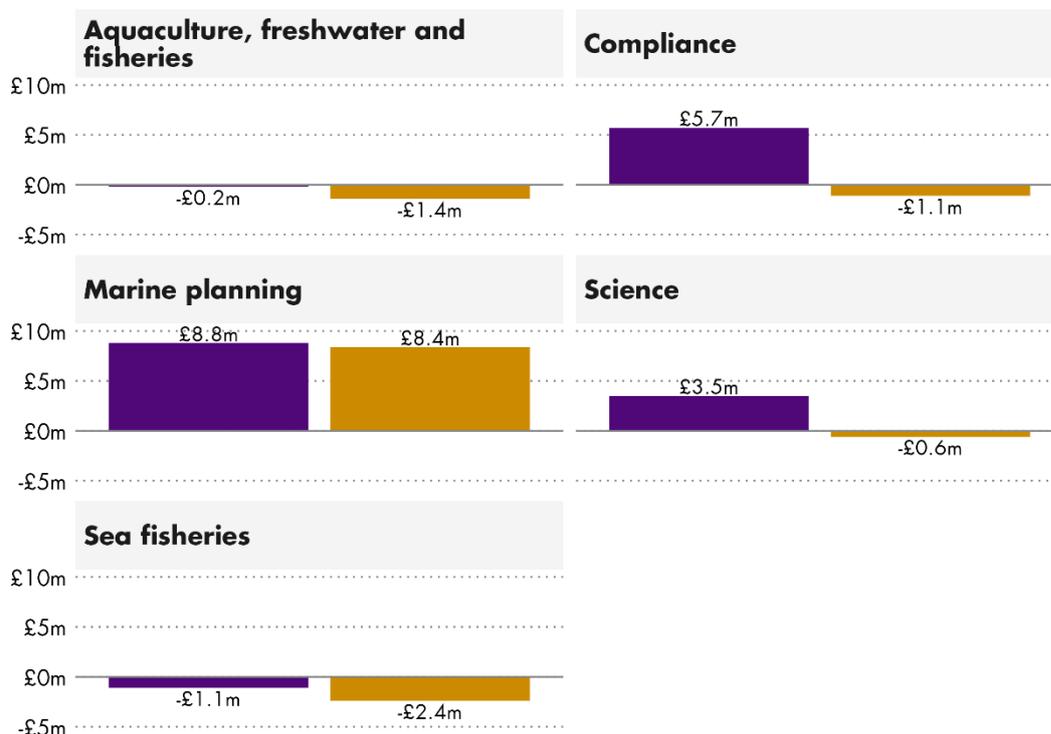
Within the overall budget allocation for marine and fisheries, charts 2 and 3 below show changes in the distribution of the marine and fisheries budget in real terms by division. Figures for 2023-24 and 2024-25 are not comparable due to the 2023 restructuring and renaming of portfolios and are provided separately in Table 1 below.

Chart 2: Trends in marine and fisheries budget allocation by division from 2009-10 to 2022-23 (£m real terms)



Source: Scottish Government and Scottish Parliament Information Centre

Chart 3: Change in marine and fisheries budget allocation by division from 2009-10 to 2022-23 (purple = cash, orange = real terms)



Source: Scottish Government and Scottish Parliament Information Centre

Table 1: Marine and fisheries budget allocation by portfolio 2023-24 to 2024-25. Figures in brackets are real terms based on the 2024-25 GDP deflator.

Marine & Fisheries Budget		Operational Delivery	Science, Evidence, Data and Digital	Marine Economy and Communities	Marine Environment	Corporate, Strategy and Marine Planning
Year	£m	£m	£m	£m	£m	£m
2023-24	82.8 (83.8)	30.2 (30.6)	16.9 (17.1)	3.6 (3.6)	8.4 (8.5)	10 (10.1)
2024-25	78	29.3	16.5	4.1	8.3	6.4

Source: Scottish Government and Scottish Parliament Information Centre

Fisheries science

Chart 3 shows the budget allocation for fisheries science fell £0.6m in real terms between 2009-10 and 2022-23 and table 1 shows a fall from £17.1m (real terms) in 2023-24 to the current budget of £16.5m for 2024-25.

As you are aware, the Committee's scrutiny of the Marine Directorate's budget was partly prompted by our consideration of a number of statutory instruments over the course of session 6 and concerns raised by some stakeholders around the scientific evidence base used to inform policy decisions. We followed this up at the Committee's evidence session on 4 September, when a number of stakeholders argued that the cuts to the fisheries science budget over recent years has led to a **reduced capacity to undertake scientific research**.

Professor Michael Kaiser, representing the Marine Alliance for Science & Technology Scotland (MASTS), stated that, whereas the organisation was once "internationally renowned, it was a science leader, and it was innovating", he thought that more recently "it is not somewhere that you would want to work these days, because, over three decades, it has been systematically hollowed out to a shell of what it was formerly." Professor Colin Moffat, former chief marine scientific adviser to the Scottish Government, agreed the development and effectiveness of Scottish fisheries policy has been negatively impacted because of the reductions in the science budget. Professor Moffat highlighted the difficulties for scientists to assess whether the three marine national outcomes have been met; he told us that:

There is a lot of pressure on [scientists] to deliver, but they are unable to do so because the facilities are not what they were. They have not done much chemical analysis for quite some time. Ocean acidification is a potential problem, especially for our shell fisheries, and there is minimal data for Scotland, yet some countries have significant time series.

Professor Moffat went on to say that "the critical aspect is that that means that there is not the evidence" and that there is "significant work to do, because the rate of change is such that it will impact fisheries and every aspect of what we do in the marine environment and, if we adversely impact our marine environment, we impact our terrestrial environment as well". The Regional Inshore Fisheries Groups Network (RIFGN) stated that, "the science facility seems to be shredded at the moment and hardly dealing with its statutory duties".

Fisheries Management Scotland (FMS) suggested a future risk to the Marine Directorate's ability to conduct scientific research was the end of the three-year financing commitment made by the UK Government for the funding of marine fund Scotland. FMS argued it is "imperative that we see money coming forward" so that important work can be progressed and suggested ring-fencing money for work that addresses the biodiversity crisis and the wild salmon crisis.

During the Committee's visit to the science laboratories, we were told that the budget allocation mainly supports the Marine Directorate's statutory responsibilities. Members discussed whether this limits the ability to undertake innovative research

and development which could lead to efficiencies or revenue-raising opportunities over the longer term.

Responding to these points, you told us that you felt the suggested reduced capacity to undertake scientific research “was unfair” and that you “do not quite agree with some of the criticism... because I think that our science and our team of scientists are well regarded”.

Stakeholders went on to tell us about the **impact of budget cuts on the Marine Directorate’s international reputation as a result of the diminished capacity to undertake scientific research**. The SFF (Scottish Fishermen’s Association) told us:

I would echo the points that have been made about the decline in the directorate’s international reputation and visibility. To take one good example, mackerel is the most valuable stock for the Scottish fishing industry, accounting for more than a third of the value of total landings in Scotland. There used to be a really strong pelagic fisheries team in the marine laboratory. Now, however, the stock assessment work on mackerel—stock assessment being a statutory requirement—is led by the Dutch; it is no longer led by people from the marine laboratory, who have a huge vested interest in that fishery.

Dr Robin Cook, former head of Fisheries Research Services, an agency between 1997 and 2009 when it merged with other bodies to create Marine Scotland, told the Committee that the Marine Directorate has “no incentive to do research that benefits from external work” and, therefore, there has been a decline in the international network of expertise between the directorate and other research institutions.

A number of stakeholders also felt that, in addition to cuts to the science budget, the **organisational status of the Marine Directorate Science, Evidence, Data and Digital portfolio as part of the Scottish Government, rather than an arms-length organisation**, impacted on the Marine Directorate’s ability to provide objective, impartial advice. Dr Cook suggested that a perception that the science undertaken by the Marine Directorate is not independent is reputationally problematic for the directorate in engaging with expertise from industry or other institutions. He told the Committee that:

“In laboratories across Europe and, indeed, in North America, science is managed at arm’s length from Government. The perception among other scientists is that those are more independent organisations. There is a lack of trust among people outside Government in [Scottish] Government science, because of the fear that it is being manipulated or influenced unduly.”

Professor Moffat added his view that “the voice of the scientist has diminished, and the voice of the policy lead has increased” which has led to “a lack of clarity over who should decide specifically what science has to be done and what budget should go to it”.

These views cohere with the [comparative analysis produced by the Committee’s adviser on fisheries policy, Professor Paul Fernandes of Heriot Watt University](#), who

has identified that, due to decreased resources and the lack of replacement of scientific researchers, fisheries research undertaken by the Marine Directorate has declined over the past decade in contrast to equivalent institutions in the UK and internationally.

Responding to these points, you told us that the comparison of the scientific output of the Marine Directorate with other institutions was not applicable, as these organisations “all operate in a completely different way, so you are not necessarily comparing like with like when you make those comparisons”.

The Committee heard that the decline in capacity to undertake scientific research has also limited the **Marine Directorate’s opportunities to leverage additional funding**, such as through undertaking commissioned research for other institutions. Dr Cook highlighted the capacity of the Fisheries Research Services, which predated the creation of Marine Scotland in 2009, to bring in external income. He told us that additional money “expanded the capacity to do stuff” and that, “nowadays, it is not possible to do that”.

We also raised with you the issue of the condition of the Marine Directorate’s laboratories in Aberdeen which we witnessed when we visited on 2 September. It was clear that the staff we met were dedicated and professional, and the visit was extremely useful as part of our understanding of how the Marine Directorate undertakes science and provides research to support government policy. The condition of the marine laboratories estate, however, was far from ideal as a result of recent weather events and the age and condition of some buildings and members were concerned about the **impact the condition of the laboratory facilities was having on scientists’ ability to work** as effectively as possible. For example, samples need to be stored at an appropriate temperature and scientists need to have a dedicated and sufficient work space.

You told the Committee that you recognise “the situation is not optimal, because we want it to be an attractive place to work and an environment where people want to come and work”. You stated the Scottish Government is working on a long-term solution to rectify these issues and, in your letter of 8 October, added that the University of Aberdeen’s laboratories would not be available for the use of Marine Directorate staff until the facilities receive the necessary accreditation to “be achieved in early 2025”.

The Committee requests a more detailed response to the points raised in relation to the impact of the budgetary position in the fisheries science budget. The Committee will return to this issue when the 2025 to 2026 budget is published.

In relation to the conditions of the science laboratories estate, the Committee recommends the Scottish Government prioritise a long-term solution to enable the restoration and modernisation of Marine Directorate research facilities as a matter of urgency. The Committee requests an update on progress when the 2025 to 2026 budget is published.

Fisheries compliance and enforcement

Chart 3 shows the budget allocation for compliance fell £1.1m in real terms between 2009-10 and 2022-23. As stated earlier, the budget allocation for marine compliance increased by £5.8m from £21.6m in 2020-21 to £26.2m in 2022-23 (real terms increase of £3.6m from £24.7m to £28.3m) to reflect additional responsibilities as a result of EU exit. Since the 2023 restructure, however, funding for compliance is less clear; assuming this falls under the ‘operational delivery’ portfolio, funding for this portfolio was £30.2m (£30.6 real) in 2023-24 and £29.3m in 2024-25, as shown in table 1.

Some respondents questioned the **efficacy of the overall approach to compliance and enforcement**. The Clyde Fishermen’s Association (CFA) suggested there should be a review of whether the “very heavy compliance programme” in the Clyde on the basis that “it is reactionary or because it is proportionate”. The SFF stated that some of its members feel the current approach “which is more about physical inspections and the boarding of vessels and so on, focuses more on the indigenous Scottish fleet than on other fleets that fish in our waters”. The RIFGN felt that stakeholders and local communities should be more involved in enforcing compliance as this would build trust. It told us that “more local control would get community buy-in and increase compliance, because what is happening would be known, as opposed to what we have at the moment with the remote service”. Dr Cook suggested that vessel running costs account for “a high proportion of the costs of compliance” and noted that the vessels were previously contracted commercially.

Open Seas suggested that “significantly better value for money” could be offered if compliance and enforcement was digitised. Open Seas thought that, while some physical assets, such as surveillance aircraft, were needed, installing remote electronic monitoring (REM) systems cost “very significantly less” than having to physically chase every boat. Open seas also suggested there was an additional cost benefit for scientific research as REM systems can contribute to data gathering for stock management.

The Committee would welcome a response to these comments.

Some respondents to the Committee’s call for views felt the compliance and enforcement budget was too low. Several respondents highlighted concerns such as the use of high-cost surveillance aircraft and vessels, that the resources allocated to enforcement were insufficient given the geographic area required to be covered and that penalties were insufficient to dissuade against non-compliance.

Other stakeholders felt that some of the **budget allocation for compliance should be redirected towards science and research**. Professor Moffat said there are “some problems with the lack of granularity on costs” regarding the role of compliance vessels, and that “it certainly was the case that a proportion of the compliance budget would nominally be given over to science”. The Committee considered the impact of scientific and technological development in supporting compliance during its scrutiny of REM subordinate legislation earlier this year.

In evidence, you acknowledged that resources for enforcement are stretched thin, telling us that, “even with the three vessels, the two RIBs and the aerial surveillance, we cannot be everywhere all at once, and we have a vast marine area around our coastline to monitor”. However, you also told the Committee that the Scottish Government is considering and actively procuring technological solutions to provide more efficient enforcement coverage such as the submission of digital logbooks.

The Committee welcomes the commitment to look at new technological solutions to promote efficiencies and to provide a more consistent level of enforcement. These should be co-designed with industry so they are fit for purpose, there is a shared understanding of how such technology supports compliance and how the data collected will be used. Given the potential for technological solutions to assist compliance and enforcement, the Committee would welcome the Cabinet Secretary’s response to calls for money from the compliance budget to be moved to the science budget.

Stakeholders felt that **penalties for non-compliance** were too low given the turnover and profit made by operators. For example, Professor Michael Kaiser referred to such low figures as being “just an overhead” and “a green light to indulge in illegal activity”. Your letter sets out the seven-point scale for fixed penalty notices for non-compliance, with the maximum single fixed penalty notice being £10,000.

You told the Committee that “we must ensure that the fines are proportionate” and that the Scottish Government was undertaking a consultation on the level of penalties for non-compliance which was due to close at the end of September 2024.

The Committee asks the Government to keep it updated on the outcome of its consultation on the level of penalties for non-compliance.

Collaboration and co-management with fisheries stakeholders

Collaboration and co-management arrangements for fisheries between the Marine Directorate and key stakeholders was another area which the Committee considered in its budget scrutiny. The Committee notes the vision for ‘participatory decision making’ in the Joint Fisheries Statement and reference to co-design of future policy. The Committee also notes the Scottish Government’s commitment in its Future Fisheries Management Strategy 2020-2030 to “strengthen our co-management processes and support transparent and responsive management to a local level wherever possible, in particular by strengthening the RIFG (regional inshore fisheries groups) network”.

Respondents to our call for views set out their concerns about a lack of direction and insufficient action towards the delivery of fisheries management plans [this issue has since been overtaken by the DEFRA-led consultation on an amendment to the joint fisheries statement with regard to the fisheries management plans]. With regard to the RIFGs, stakeholders cited a lack of information and stakeholder involvement in the groups’ meetings, and they felt there has been insufficient resources allocated to these groups given their geographic mandates. Respondents thought that a disjointed approach was being taken in the different geographic coverages of the groups and the Scottish marine regions.

The Committee heard further evidence from stakeholders about the benefits of co-management at the Committee's roundtable on 4 September. Stakeholders gave examples of co-management in other countries and called for greater investment to support collaboration and co-management at regional level. Professor Michel Kaiser stated there are "many other examples around the world and in the UK that, where we bring ownership and responsibility back to community-based management, it leads to positive biodiversity outcomes, more profitable fisheries and better wellbeing for the people who are involved in them". The RIFGN "identified a lack of information and ownership of budgets", telling us that:

"Even though the regional inshore fisheries groups network is probably one of the marine directorate's closest stakeholders, in the past year I have been told that I am not allowed to find out about RIFG budgets. We are recipients of money, as we claim it, but we do not have management control or any decision-making powers".

The SFF felt that the Scottish Government has not provided sufficiently up-to-date data to stakeholders to enable them to collaborate to effectively meet the challenges in fisheries management. It went on to state that:

There could also be much better collaboration between industry and Government. We collaborate in a number of areas, and there are industries that are ambitious and, in many cases, interested and keen to do more, but there often seem to be hurdles and barriers that make that harder rather than easier. We would like the Government to be a bit more open minded and ambitious about how it can engage in such collaborations.

The Sustainable Inshore Fisheries Trust (SIFT) thought there were "significant problems" relating to the functioning of the climate change sub-group of the Fisheries Management and Conservation Group (FMAC). SIFT thought these stemmed from an apparent lack of resources and added that it did not feel these issues were exclusive to this sub-group.

In evidence you stated that the Scottish Government "have quite a strong relationship with some of our stakeholders" but you acknowledged that the Marine Directorate "is under a huge amount of pressure". You went on to add that "more formal structures" have been put in place to engage with stakeholders, such as in fisheries management groups and you committed to review the mechanisms in place to engage with RIFGs to ensure they can more effectively contribute "with the formation and delivery of policy".

The Committee welcomes your commitment to review the mechanisms in place for collaboration and co-management with the RIFG network and asks for an update on the status and timescale for this.

The Committee will return to this issue at any available opportunities, such as any consideration of the proposed fisheries management plans or forthcoming revised National Marine Plan, to monitor progress.

Transparency of the Marine Directorate budget and research programmes

The Committee notes that the level 4 information set out in the budget documents only provide the total Marine Directorate budget allocation which makes it challenging to interrogate the budget figures.

The Committee heard evidence that stakeholders feel there is a lack of transparency around the budget allocation. The SFF suggested that “[previously,] there was much more transparency and granularity around the allocation of budget, which has been lost with the move to the marine directorate”. The CFA felt that “compliance should be regionally assessed and should be proportionate to the fishery that is happening there”, suggesting that a breakdown of spend should also be provided.

Stakeholders also raised concerns about a lack of clarity over budget decisions and their outcomes and whether these represented value for money. FMS said it found it “challenging to get a firm understanding of what the budget allocations actually mean sector by sector, particularly for salmon and recreational fisheries”. A case of a lack of transparency was suggested by Open Seas which, referring to the commissioning of Seafish to draft a fisheries management plan, felt that it did not know what capacity Seafish was working in nor whether it was a contractual commission. In Open Seas’ opinion, the end result was “not in any real condition to take forward”.

The Committee agrees that more granular detail about budget lines within the Directorate’s overall budget would assist parliamentary scrutiny. The Committee recommends that the Scottish Government publish more detailed budget allocations to supplement the formal budget documents. The Committee agrees that the level of detail provided in the Cabinet Secretary’s letter, dated 22 July 2024, is an appropriate template for this annual, supplementary information.

The Committee also considered the availability of information on marine science research activity, which was published between 2011-12 and 2017-18 in the Head of Marine Science’s annual reports but is no longer made publicly available.

In your evidence to us, you said the Scottish Government proactively publishes information and you referred to the publication of peer-reviewed scientific papers and official statistics. You invited the Committee to consider whether “there are particular areas in which information is not being published but should be”.

The Committee recommends that the Scottish Government reinstate the publication of annual reports detailing Marine Directorate Science activity comparable to previously published Head of Science’s annual report to the Marine Scotland board published between 2011-12 and 2017-18.

The Committee will return to consideration of the Marine Directorate’s budget allocations and performance when the 2025-26 budget is published in December. The Committee may undertake further scrutiny of the Marine Directorate, particularly with regard to inshore fisheries management and scientific research at a later date.

Finally, the Committee raised with you a comment made by Open Seas in its written submission relating to marine fund payments to industry to collect fisheries observer data. You undertook to provide further information to us but this was not included in your 8 October letter. **It would be helpful if you could provide this information in your response to this letter.**

Wider RAI remit budget

As set out at the top of this letter, the Committee also considered wider budget issues and sought stakeholders' views on the impact of some of the budget changes in the 2024 to 2025 budget.

In September, [the Cabinet Secretary for Finance and Local Government announced significant in-year adjustments](#) to the Scottish Government's spending plans, including a reduction of £1.4 million in the Rural Affairs, Land Reform and Islands portfolio budget.

Impact on national outcomes and service delivery

In relation to the **impact of the budget on land use national outcomes**, several respondents to the Committee's consultation highlighted the cuts to programmes such as the Agricultural Transformation Fund and the Agri-Environment Climate Scheme as being incompatible with making progress towards the national outcomes. The Scottish Agricultural Organisation Society (SAOS) felt that the reduction in funding for these schemes has "reduced the scope of Government to provide either capital or resource funding to help the farming sector to prepare for change and or derisk trialling new ventures and initiatives" and that farmers "can't and won't be able to do this without some public support". RSPB Scotland noted there is ambiguity about the impact of these cuts on meeting the national outcomes: "due to a lack of transparency it is difficult to judge what cuts to the Agriculture Transformation Fund and Agricultural Reform Programme will realistically mean, as there is simply not enough information on what exactly such budget lines are spent on.".

When asked about the reduced budget for the Agricultural Transformation Fund, you stated that while there had been a cut of £2 million to the fund, the Scottish Government has "been prioritising that fund". You went on to state that the fund has been "hugely oversubscribed" but that the Scottish Government was "able to utilise some underspends or moneys from elsewhere" to fund all the applications received.

On the delivery of the Agricultural Transformation Fund and similar schemes in the coming year, you told the Committee that you "do not know what the overall quantum for the budget next year will be". You felt that this "is a significant concern" as "those funds are hugely important for enabling all the work that we want to see being done to support food production and to help farmers and crofters to do what they can to lower emissions and to enhance nature and biodiversity." When asked whether you will reflect on the enthusiasm of farmers and land managers for this funding when allocating the upcoming budget, you stated the Scottish Government "have tried to prioritise such schemes at all costs, because we recognise how important that is".

You also committed to consider stakeholders' concerns around the transparency of the budget lines for such funds.

The Committee notes the Cabinet Secretary's statement that the Agricultural Transformation Fund was oversubscribed this year and believes this shows stakeholders feel it is vital for achieving climate and biodiversity goals. Noting this Fund had its budget cut this year, the Committee welcomes the fact that the Scottish Government was able to use underspends in other areas to meet the demand. The Committee feels this is not a sustainable basis on which to fund this programme over the longer term, however, and recommends the Scottish Government ensure that sufficient funding is available to meet demand in the 2025 to 2026 budget year.

Regarding the **impact of the budget on meeting national outcomes related to the marine environment and coastal communities**, several respondents to the Committee's call for views highlighted the underfunding of commitments to protect Marine Protected Areas and Priority Marine Features, compliance and enforcement of fisheries regulations, and failures to meet key objectives under the UK Fisheries Act 2020.

Open Seas felt that the allocations to direct fisheries subsidies such as the Marine Fund Scotland were "questionable and not transparent". It referred to purchasing of equipment to achieve compliance or environmental measures without evidence that these objectives had been achieved, and funding for data collection for commercial fisheries science programmes which had not been made public. It stated that:

"Between 11 and 15 new bottom-trawl nets were bought in 2024, using about £75,000 of public money at a time when we are talking about the need to better manage that fishery and to mitigate some of its impacts. A new keel was bought for a boat and almost £7,000 was spent on changing the polarity on a winch on one of the biggest dredgers in Scotland. I do not see how those payments tally with public priorities."

Open Seas suggested a mechanism should track how money was spent in previous years, what the intended outcomes were and whether those were achieved.

The SIFT noted a lack of "granularity" in the available information about the budget which inhibited scrutiny and stated:

"We believe the allocations for marine funding in last year's budget were insufficient to fully meet the primary outcomes relating to marine environment and marine communities. We note that, for example, numerous environmental aspects of fisheries management in the inshore waters, which are the responsibility of Marine Directorate, continue to fail to meet key Objectives under the UK Fisheries Act 2020 (in particular the Ecosystem, Precautionary, Sustainability and Scientific Evidence Objectives). Whilst we recognise that these failings could be a consequence of policy makers' decisions, we believe that the underfunding of Marine Directorate is a crucial factor in the failure to meet the national outcomes."

In evidence, Open Seas suggested there is a “significant mismatch in the way that public money is being allocated for incentivisation”. It added that the money available to incentivise change to achieve national outcomes “is a little more than a tenth of the greening budget that is available for agriculture”, and that the incentive mechanisms for agriculture has shown to be a “powerful” tool for bringing about change. Open Seas said that the fishing industry is “extremely innovative and will very quickly start to address those issues” around adopting more sustainable methods with the right incentives in place. On whether marine issues have been prioritised within the Scottish Government’s budget, the SFF stated that “many of us feel that there has been a serious lack of investment of public money in our inshore fisheries” and that there are “data gaps and poor information in relation to many of our inshore fisheries compared with some of the other fisheries”. FMS suggested public funding must be redirected away from polluting and damaging industries and towards sustainable practices on both land and sea which would “lead to net economic gain as well as to environmental benefits”.

You told the Committee that the Scottish Government has “a strong record of providing direct support to our marine sectors through the European maritime and fisheries fund and, since our exit from the European Union, our marine fund Scotland”. You added that the Scottish Government “will shortly announce up to £14 million of marine fund Scotland funding for 2024-25, which will support projects to achieve an innovative and economically sustainable marine economy that delivers real benefits for Scotland’s coastal communities, reduces carbon emissions and protects the marine environment”.

The Committee notes the concerns among marine and coastal stakeholders that there has been insufficient funding made available to achieve the national outcomes relating to the marine environment. The Committee has made more detailed recommendations relating to funding for fisheries earlier in this letter.

Proposed four-tier payment system for agricultural support

The Committee recognises that the proposed four-tier payment system for agricultural support under the Agriculture and Rural Communities (Scotland) Act 2024 will form a major component of the agriculture budget and will shape the delivery of key objectives including tackling the climate and biodiversity crises. The Committee will monitor the implementation of the 2024 Act and, therefore, asked stakeholders for their views on the Scottish Government’s proposals for the four-tier system. The Committee received a mix of views from stakeholders, with some believing the allocations as currently proposed between the tiers to be the right approach while others felt that the allocations should be adjusted.

The Committee will return to its consideration of stakeholders’ views on the policy decisions relating to the allocation of funding between the various tier payments when Rural Support Plan and subordinate legislation has been published in 2025.

The Committee calls on both the Scottish and UK governments to give clarity on the overall budget allocation for rural support payments from 2026. In January, the Committee intends to explore the basis for calculating the future

budget for rural support payments as part of our consideration of the wider implications of the roll out of new payment schemes during the transition period.

National Islands Plan and Islands Programme funding

We also discussed funding for the National Islands Plan. You will be aware that the Committee focused on the National Islands Plan in its pre-budget scrutiny in previous years this session but agreed to defer consideration this year to its wider consideration of the revised islands plan, expected next year.

Responding to an issue raised in previous budget scrutiny about whether stakeholder feedback on the competitive bid process for grants had been considered, you stated that “there are pros and cons to each of the models”, including direct allocations, but that you “have genuinely taken on board” the feedback from the Committee and stakeholders.

The Committee also asked about the funding allocations for the 2024 to 2025 Islands Programme which, at the time you gave evidence on 4 September, had not been announced. When you gave evidence on 25 September, you explained that the delay in the announcement was because it has been “only relatively late that we had confirmation that we had a budget”. In your letter of 8 October, you confirmed that the funding allocations had been made on 18 September.

The Committee has deferred its consideration of the Islands Programme funding to when the revised Islands Plan is laid in 2025.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Finlay Carson', with a long horizontal flourish extending to the right.

**Finlay Carson MSP
Convener**