

ROYAL HIGHLAND SHOW – VISIT NOTE

The Scottish Affairs Committee visited the Royal Highland Show on Friday 23 June 2023.

The visit covered two separate inquiries, the *Coronavirus and Scotland follow-up* inquiry and the *Science and Scotland* inquiry. Discussions also touched on the issues being looked at in the *Cost of living: impact on rural communities in Scotland* inquiry.

National Farmers Union Scotland (NFUS)

Members who attended session:

- Pete Wishart MP - Chair
- Deidre Brock MP
- Wendy Chamberlain MP
- David Duguid MP
- Christine Jardine MP

The Committee heard from:

- Martin Kennedy, President NFUS
- Jonnie Hall, Director of Policy NFUS
- Beatrice Morrice, Political Affairs Manager NFUS



Discussions included

Scottish and UK Government agricultural and rural policy

- NFUS are concerned about the funding settlement for farmers post 2024 when the direct payments will be phased in England out of the replacement for the common agricultural policy. They raised two main issues:
 - The predicted Westminster settlement for UK farming
 - How the Scottish Government delivers that this settlement
- In Scotland, there is discussion that the direct support system would continue but that there will be conditions on this direct support. Without the continuation of direct support, many businesses would not be viable which would seriously impact the agricultural sector in Scotland.

- There were concerns about the interaction between the UK Agriculture Bill and a Scottish Agriculture Bill.
- The Scottish Government plans would need to be backed by financial support from the UK Government and there are also inflationary pressures.
- They were concerned how farming legislation could interact with the UK Internal Market Act and the Subsidy Control Act.
 - If there are disparities across the UK for farmers, for example farmers in Scotland receiving more a subsidy than in England or other nations of the UK, then does that put farmers in those regions at a competitive disadvantage than their colleagues across the UK? If that is the case than does this become affected by the Subsidy Control Act?
 - Depending on the way the disparities go there are risks for agriculture and food production in Scotland. The longer term impact that these disparities could have could be risky, especially if this will mean different subsidies for different farmers in different areas of the UK.
- There was concern that the UK Government was only talking to the NFU and not the NFU in Scotland. There are different issues in England and Scotland.

Intergovernmental working

- The Committee heard that the NFU Scotland has not sat in a room with UK Government and Scottish Government representatives at the same time. The NFUS felt more use could be made of the intergovernmental frameworks. They would like the policy makers to find a balance between the common frameworks and the Internal Market Act. These interministerial and industry groups should make sure the Governments deliver what they say they will. This is not happening in Scottish agriculture now.
- The need for this intergovernmental working has only come about since Brexit, as it was all covered by the European Commission and so the UK and Scottish Governments didn't need to have these talks. Now things have changed and the structure is not really there.

Farming at the moment

- The Committee heard how food, climate and biodiversity create a triangle of things that need to be looked at together and how they interact. The science around these three things needs to be viewed as a whole.
- There are targets for climate change and increasing biodiversity but there are no targets or buy in on the food production market. These things are all intertwined and need thinking about together.

- Farmers in England are likely to focus on profit to make up the shortfall in funding. They will be farming harder and doing less for the environment as that is what gets them money. They are focusing on what can make profit.

Science

- The regulatory frameworks around the deployment of technology are of interest to the NFUS. For example, gene editing.
- There are research institutes within Scotland who are developing science that they are unable to deploy in practice. NFUS want to take these scientific leaps.
- The Scottish Government have said that they want to align where practicable with the EU; this can be difficult where Westminster is diverging from that. It was noted that the UK Government have committed to keeping minimum standards as set by the EU before the UK left.
- The NFUS want to see that innovation get where it needs to be.

Energy and covid

- People can't afford energy bills. If the costs of energy become too high this could lead to farmers cutting production.
- Cold stores are costing a lot of money and the energy relief is for processing and manufacturing and not for the primary source - the food. Any business in the food supply chain should be supported, from farm to fork.
- The Members would like to think about the cost of living from the perspective of the farmers. They could look at energy and trade. They could look at the macro level of the rural economy.
- The Scottish Government provide £550 million of direct support for Scottish agriculture.^[1] This then leads to £3 billion of expenditure into the rural economy. For example: jobs, supply of goods, tractor supply, mechanics, vets, feed merchants, seed merchants etc.
- The Scottish food and drink sector is worth £16 billion. Farming is not big but without farms producing then it could affect the food and drink sector badly.

Berry farming

- The Committee heard how berry farms are having to use agencies for staff. The visa backlogs are so long that by the time the visas are through the berries will

^[1] Grampian Online, [NFU Scotland calls for public funding to be delivered as direct support for agriculture](#), 25 May 2023

be rotten or not useable. People want the visas but aren't able to obtain them in time.

- There is concern that if visa numbers are low then the number will be cut in future years, but it is the processing that is making uptake low.
- People are coming from further away to pick berries on the farms.
- Some farms have cut production due to the lack of staff

Asulox

- The Scottish Government have banned the use of Asulox, a herbicide for bracken. The Welsh Government have also banned its use. The UK Government have not banned its use.
- Bracken control is seriously important in Scotland: Lyme Disease increases, and people lose grazing space.

Right to roam

- NFUS say that the countryside should be about responsible access. It is only a small proportion causing a problem but there isn't the education there.
- A Scottish Conservative MSP is calling for a review of the Scottish outdoor access code.



James Hutton Institute

Members who attended:

- Pete Wishart MP - Chair
- Deidre Brock MP
- Wendy Chamberlain MP
- David Duguid MP
- Christine Jardine MP
- Douglas Ross MP

The Committee heard from:

- Professor Deb Roberts (James Hutton Institute)
- Professor Lesley Torrance (James Hutton Institute)
- Professor Elisabeth (Lee) Innes (Moredun Institute)
- Prof Pete Hollingsworth (Royal Botanic Gardens Edinburgh)
- Elspeth Macdonald (Scottish Fishermen's Federation)



Discussions included

Benefits of Research Institutions within the overall science ecosystem

- Institutes bring together interdisciplinary groups to focus on science.
- The Institutes provide a long-term focus as they have long term assets and long-term funding, which have a multiplier effect. Universities tend to look at a shorter three to five year picture. This has provided critical in terms of being able to understand and respond to unanticipated crises (e.g., impact of Chernobyl, Foot and Mouth Disease outbreak, COVID pandemic, biodiversity and climate crises)
- International reputation: Royal Botanic Gardens Edinburgh for example have been in operation since 1670 and have a global reach.
- Institutes have good links with universities, institutes can provide unique infrastructure to support research (e.g., Hutton farm platforms). Institutes are keen to keep the plurality of research providers across Scotland and see it as a key strength.

- Strong economic benefits: Impact analysis commissioned by the Hutton institute has calculated that the Institute delivers £12.75 of economic benefit for each £1 received in funding from the Scottish government.¹

Funding

- Funding for science is a complicated and there is not an even playing field. Institutes want to stick with base science and link it to the pipeline to get through business and industry.
- Hutton get 60% of income from the Scottish Government and have made up the rest by applying for competitive grants (e.g., EU Horizon Europe, UKRI), as well as a range commercial activities. They have a 47% success rate from UKRI research grant applications which is very strong. However, UKRI funding only covers 80% of a project's costs. There is a 20% shortfall in funding, which they have to cover in a number of ways.
- Moredon Institute also has a very good success rate with UKRI funding (65%) but also only receives 80% of a project's Full Economic Costs.
- Universities receive REF funding (Research Excellence Framework) to help make up the shortfall for the UKRI funding they receive (called REG funding in Scotland, QR funding in England). Scottish Government provides some platform funding (equivalent to REF income) but it is not sufficient to make up for grant funding shortfalls. As an example of the challenge, Hutton's income from non-RESAS (Rural and Environment Science and Analytical Services Division in the Scottish Government) research funders (UKRI, EU, Charities) in 22/23 was £8.6 million. The Full Economic Costing of achieving this £8.6 million of income was £12.7 million i.e., a £4.1 million Full Economic Costing deficit. Scottish Government 'platform funding', as a broad equivalent to Higher Education Innovation's REG funding, was only £1 million, leaving £3.1 million to be recovered from other sources if Hutton is to remain sustainable in the long term.
- Even though institutes train PhD students they do not receive the financial benefits with student fees accruing to the University partners. All Hutton PhDs for example are joint with an accrediting University. Students are supervised by Hutton staff but the fees accrue to the partner University.
- Scottish Research Institutes also do not have the same support as Research Institutes in England which have a Research Council sponsor (e.g., John Innes and Rothamsted are sponsored by Biotechnology and Biological Sciences Research Council (BBSRC); UK Centre for Ecology & Hydrology (UKCEH) is sponsored by Natural Environment Research Council (NERC)).

¹ James Hutton Institute, [Economic impact of James Hutton Institute assessed by independent report](#), 13 December 2016

- The potential withdrawal of EU horizon funding would have a large impact. The institutions were reasonably dependent on EU funding although this too is not funded at Full Economic Cost.
- Facilities need upgrading and finding funds for that is challenging. Capital works have been difficult as a result of inflationary pressures.
- Institutes have supplemented their funding in innovative ways:
 - The James Hutton Institute receives royalties from the sale of blackcurrants from Ribena and potatoes.
 - The James Hutton Institute has opened up its campus to start-ups as they pay rent.
 - The James Hutton Institute has started a foundation to get philanthropic funding.
 - Companies sponsor things.
 - Moredun institute get royalties from commercial vaccines and tests and this helps them with private income.
- The marine industry is different. Science funding comes from Marine Scotland, which is within the Scottish Government. Budgets and capital investment are covered but the sector in general needs to bring money in from elsewhere.
- The marine industry has MASTS, Marine And Science Technology Scotland. This includes universities and institutes across Scotland, but they are not always well plugged in.
- Funding issues exist where they need to replace a vessel, they need to find money, how do they find the budget.
- Scientific advice provided by the marine sector, for example the number of fish that they can catch. The Scottish Government fund that and observe but they need to keep up the science staff so they can make sure it is the best data.
- Same issues for marine in the money pipeline and base science that leads to application that leads to policy.

Problems specific to Scotland

- There are no parent research councils in Scotland like there are in England so this leads to gaps in Scotland where there is assistance in England.
- Royal Botanic Gardens Edinburgh - Pathogens and climate change; there are different issues in Scotland from the rest of the UK.



Scientific impact

- Moredun and Hutton Institutes want to produce science with impact, science that is needed by the stakeholders. Universities do not necessarily do this type of research.
- In the Royal Botanic Gardens Edinburgh public engagement is a focus and they research what people are interested in.
- There was agreement that impact is key. Collaborations are bigger than one individual institute.
- There is world leading research across the Scottish Research Institutes, as well as in the University sector, and having a mix of research organisations provides critical resilience to the science system.