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Convener  
Environment, Climate Change, and Land  
Reform Committee  
Room T3.40  
The Scottish Parliament  
Edinburgh  
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10 July 2019

Dear Gillian

## **PREVENTATIVE SPEND**

Thank you for your letter of 24 June seeking further information on preventative spend within the Environment, Climate Change and Land Reform portfolio and how this evidence will be used to influence future spending decisions to achieve national outcomes.

I welcome the Committee's continued interest in understanding how spend on the environment can save future costs in areas such as health spending. The evidence I have previously provided the Committee (letters on 30 July 2018, 19 December 2018 and 30 January 2019) as part of the 2019-20 Budget scrutiny process detailed the growing evidence base on the broader benefits from investing in our environment.

During my Committee appearance on 15 January 2019, I provided greater detail of these benefits and how evidence is taken into account when making spending decisions. Specifically, I highlighted the challenges with accurately estimating these broader benefits such as how investing in our environment can generate savings in future health costs.

There has since been significant progress in trying to capture these benefits. On 22 March 2019, the Natural Capital Accounts for Scotland were published which for the first time estimates both the quantity and value of the services supplied by Scotland's natural capital. The accounts set out the benefits Scotland receives from nature, both to the economy and to wellbeing.

Overall, Scotland's natural capital was estimated to be valued at £291 billion in 2015, 37% of the UK total.<sup>1</sup> Within this estimate, there are a range of services provided by Scotland's natural capital which can be considered as preventative spend as it captures the cost of avoiding future damage.

For example, health costs avoided due to the absorption of the most harmful air pollutants by Scottish vegetation are estimated to be worth £52.3 million in 2017. Scotland's natural environment plays a key role in carbon sequestration which is estimated to be worth around £1 billion.

The Natural Capital Accounts for Scotland are partial and classed as experimental statistics as work continues to develop these estimates. There are a range of benefits our environment generates which are not yet captured such as managing run-off to alleviate flooding downstream. There is growing evidence in this area of the benefits from natural flood management measures and the Scottish Government's Dynamic Coast project<sup>2</sup> highlights that natural assets along our coast protect around £13 billion worth of buildings and infrastructure<sup>3</sup>. The Scottish Government will continue to work with the Office for National Statistics to further develop these statistics and to ensure it takes into account the latest evidence.

More generally, our substantial investment in the 2016-2021 Strategic Research Programme includes work on the multiple benefits that our natural assets provide, with the aim of supporting the development of our understanding of natural capital and its accounting.

As the Committee is aware, there is significant evidence around the broader health benefits from our natural environment. Recent evidence<sup>4</sup> shows the growth of regular visits to the outdoors and the reported health benefits from this:

- Participation in outdoor recreation is now at its highest level since the 2006 baseline year, with regular weekly visits to the outdoors growing by 10% over the last decade. This represents a significant change in behaviour by circa 400,000 people over this period.
- While some population groups remain under-represented, there is evidence of increased participation among people living in the most deprived areas and among those with a long-term illness or disability.
- Walking remains the most popular outdoor past-time enjoyed by adults in Scotland and has been included as an activity on a majority of outdoor visits (in the range 79% - 88%) between 2004 and 2017/18.

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<sup>1</sup> <https://www.gov.scot/publications/scottish-natural-capital-ecosystem-service-accounts-2019/pages/0/>

<sup>2</sup> <http://dynamiccoast.com/>

<sup>3</sup> <https://www.nature.scot/sites/default/files/2019-05/Planning%20ahead%20for%20coastal%20change%20guidance.pdf>

<sup>4</sup> <https://www.nature.scot/sites/default/files/2018-11/Publication%202018%20-%20SNH%20Research%20Report%201062%20-%20Scotland%27s%20People%20and%20Nature%20Survey%202017-18%20-%20outdoor%20recreation%20and%20health%20modules.pdf>

- The health benefits of visiting the outdoors are widely self-reported. Around two thirds of adults strongly agreed that their most recent outdoor visit helped them to relax and unwind (67%) or improved their physical health (64%). More than half strongly agreed that visiting the outdoors made them feel energised and revitalised (56%).
- The growth in visits to the outdoors is making a very positive contribution to the attainment of national targets for physical activity. In 2017/18, 70% of adults in Scotland had used the outdoors for physical exercise in the week prior to interview and 31% had wholly met national physical activity targets in an outdoor environment during that week (i.e. they had undertaken at least 150 minutes of moderate physical activity outdoors).

I previously highlighted the action being taken forward by SNH on Green Health Partnerships. The evidence from this work is still emerging and the Committee might find it useful to visit one of the partnerships to hear first-hand the work going on locally. The Committee also received evidence on Our Natural Health Service led by SNH and there is a range of action being taken forward, including in the Highlands and Islands.<sup>5</sup>

Separately, SNH have recently published<sup>6</sup> their first case study from the Learning in Local Greenspace project.

Scotland's marine environment already provides a huge resource for improving wellbeing by offering attractive recreation and tourism opportunities. The 2015 Scottish Marine Recreation and Tourism Survey estimates that £3.7 billion is spent in Scotland on recreation and tourism activities across our seas and coastal communities. Our roll out of marine protected areas (MPAs) and conservation measures have already started to show signs of adding to the wellbeing from our marine environment. An early review of the socioeconomic impacts of MPAs published by Marine Scotland in 2017 showed a number of communities were taking advantage of MPAs by investing in tourism and recreation opportunities around these areas. Examples include the snorkel trails around the Wester Ross MPA and Coast Octopus Centre around the South Arran MPA.

Our approach to marine planning is seeking to maximise opportunities for improving health and wellbeing associated with Scotland's natural and historic environment. We are investing to tackle marine litter not only to protect our ecosystems, but to address the public health risks associated with plastic entering the marine food chain and to preserve our pristine marine environment for enjoyment by all. For marine licensing and consenting decisions, population and human health is one of the factors which is required to be considered in Environmental Impact Assessment.

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<sup>5</sup> <https://www.gov.scot/binaries/content/documents/govscot/publications/minutes/2017/03/convention-of-the-highlands-and-islands-meeting-papers-february-2017/documents/developing-natural-health-service-pdf/developing-natural-health-service-pdf/govscot:document/Developing%20the%20Natural%20Health%20Service.pdf>

<sup>6</sup> <https://www.nature.scot/sites/default/files/2019-06/Learning%20in%20local%20greenspace%20-%20Linnvale%20Case%20Study.pdf>

Through this process there is the opportunity to mitigate potential impacts on human health which may arise from marine development.

Scottish Water invests around £600m each year allowing Scotland to enjoy extremely high standards of Drinking Water quality which ensures the essential health and hydration of the population. Our Scotland the Hydro Nation programme includes the 'Your Water, Your Life' campaign which is proving to be a great success with top up taps being rolled out across Scotland to allow people to hydrate using re-usable bottles and of course encouraging people to top up from the tap in their own homes. The continued investment in waste water management supports improving standards in river and bathing water conditions enhancing the natural environment to support active lifestyles.

In terms to how this wealth of evidence is used to inform future spending decisions, I have previously explained to the Committee that preventative spend needs to be looked at in the context of the resources currently available and that a significant proportion of the ECCLR budget is not flexible, as it supports staff costs across a number of public bodies. Furthermore, the Committee is aware that while spend in my portfolio contributes to achieving a range of national outcomes, other portfolios make a valuable contribution to achieving our environmental outcomes, including action on the global climate emergency.

The Medium Term Financial Strategy, published on 30 May 2019, sets out the framework for the forthcoming Spending Review and outlines that there will be even greater collaboration across portfolios and public bodies as we continue to embed a more outcomes-focused approach to budgeting. In addition, it sets out that we will evidence as far as possible the impact of resource spend on the specific outcomes of: wellbeing; sustainable and inclusive economic growth; child poverty; and tackling climate change. I will be ensuring that the growing evidence base on the wider benefits from environment spend are reflected in the Spending Review.

I hope the Committee finds this additional information useful.

Yours sincerely

A handwritten signature in black ink that reads "Roseanna". The signature is written in a cursive, flowing style.

**ROSEANNA CUNNINGHAM**