

Letter from Scotland



Cooking with gas, Shetland

This week we started pumping gas out of the seabed west of Shetland. It's a huge and pioneering operation. Four sub-sea wells have been drilled at depths of 600 metres in stormy waters 125 kilometres out into the Atlantic. Pipelines take the gas back to a processing plant on Shetland and then on to the mainland. It's gas equivalent to 90,000 barrels of oil a day, enough to heat two millions homes, 8 per cent of Britain's gas requirement.

It all required an investment of £3.5bn. But to our shame, Britain only supplied a quarter of it – through the Perth-based energy company SSE. We left it to the French company Total and a Dutch company to take the lead. It's perhaps a sign of our new caution about the whole future of fossil fuels. We've just seen the price of North Sea oil drop to below \$30 a barrel. Drilling is at a 50 year low. Some 65,000 oil workers have lost their jobs. The utility companies are being forced to drop their prices to consumers. And government tax revenues have shrunk to a trickle. One estimate this week suggested that the Scottish share had fallen to just £7m a month.

There's also those embarrassing carbon emission targets to be met. Carbon capture seems to have gone with the wind, thanks to the UK Government changing its mind about a £1bn subsidy – which a gas-fired power station at Peterhead, run by Shell and SSE, was hoping to win. Fracking for low-emissions gas in the old coal beds of central Scotland is currently in a state of "moratorium" while the Scottish Government carries out a review. And every day seems to bring news of further success for wind power. According to WWF, wind power last year generated over 40 per cent of Scotland's total electricity

demand.

Suddenly oil and gas seem so old-fashioned. There is no sense of “bonanza” about the West of Shetland gas fields, unlike the North Sea 40 years ago. I notice The Queen was not there on Monday to watch the first gas flare being lit from our new energy frontier.

So if it's not “Scotland's Oil” that is firing up the SNP Government this week what is it ? The “fiscal framework” of course.

The Finance Secretary John Swinney is still holding out for a better deal from the UK Treasury over Scotland's share of total public spending, after the new tax powers promised for the Scottish Parliament come into effect next year. Negotiations continue but the political stakes are getting higher as the May elections loom.

Meanwhile, at the other end of the money machine, Scotland's 32 councils are standing with a begging bowl saying; “We're short of £350m to run our schools, care services and dustbin collections.” This week Mr Swinney forced them to accept another year of the council tax freeze. And to be fair to the SNP, no other party has yet suggested he's wrong.

Getting away from party politics, the parliament this week had a free vote on the issue of organ donation. By a narrow majority (59-56), MSPs voted against any change to the current system of “opting-in” where people have to register their wish to donate their organs to others when they die. Afterwards there were various whispers that it had not been quite a free vote and the government said it would come back to parliament suggesting a new system of “opting-out” if it is returned at the coming election.

At last, one of Scotland's early women scientists is to be honoured in the way we know best, on the front of a £10 note. Mary Somerville (1780-1872) from a well-to-do family in the

Borders, educated herself in science and became famous for her clear writing style, producing books on physics, geography and astronomy. She was the first to suggest the existence of the planet Neptune. The Royal Bank of Scotland is to begin issuing the new polymer notes next year. It follows a public vote on which famous Scottish scientist should appear on the new notes. Despite a last minute (and suspicious) rush for Thomas Telford, Scotland's first lady of science won.

The depths of winter is a good time to think about the summer holiday season and our tourist industry this week launched its latest advertising campaign. Visit Scotland says it's the first "world-wide" marketing project, costing £4.25m and aimed at increasing the income from tourism by £1bn over the next four years.

So, coming to a screen near you – TV, cinema, computer, phone etc –will be "The Spirit of the Nation", a series of mini-films showing the iconic sites of Scotland – the Callanish standing stones, the Glenfinnan viaduct, windsurfing in Tiree, the Kelpies at Falkirk, the Hydro pop venue in Glasgow etc, all set to new music by Giles Lamb with the Royal Scottish National Orchestra. The adverts will also feature individual artists, musicians, a walking-tour guide, a Harris Tweed weaver and a scallop diver in Skye. Why would I ever want to go abroad again?