

MEETING OF THE PARLIAMENT

Wednesday 21 January 2009

Session 3

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Scottish Parliament

Wednesday 21 January 2009

[THE PRESIDING OFFICER *opened the meeting at 14:30*]

Time for Reflection

The Presiding Officer (Alex Fergusson): When I led the parliamentary delegation to the United States of America and Canada during Scotland week last year, we received an incredibly warm welcome in Ontario. The recent Commonwealth Parliamentary Association delegation was similarly treated. It is therefore an even greater pleasure than usual to introduce our time for reflection leader, who is the hon Steve Peters, the speaker of the Legislative Assembly of Ontario.

The hon Steve Peters (Speaker of the Legislative Assembly of Ontario): On behalf of the members and staff of the Legislative Assembly of Ontario, I extend greetings and best wishes to the Scottish Parliament. I congratulate you as you celebrate the Parliament's 10th anniversary. I am also very much enjoying the opportunity to join you as you celebrate the 250th anniversary of the birth of Robbie Burns.

The province of Ontario has had a long and lasting friendship with the people of Scotland. At this moment, 17.5 per cent of the people of Ontario—1.8 million citizens—list their ethnic origin as Scottish.

As a member of provincial Parliament in the province of Ontario, I represent the large and diverse riding of Elgin-Middlesex-London. The county of Elgin was established in 1852, 15 years before the confederation of our country and the formation of Canada. Elgin County is proudly named after James Bruce, the eighth Earl of Elgin.

Our county has welcomed thousands of Scottish immigrants since the early 19th century. The period from 1816 to 1830 witnessed a tremendous influx of new settlers who were eager to begin a new life for themselves and their families. When Nelly Campbell arrived in 1818, she became the first white woman to set foot on Canadian soil at Port Glasgow. Cnoc Neallaidh—Nelly's hill—was the Plymouth rock for generations of new settlers.

In his book "The Scotch", the world-renowned economist John Kenneth Galbraith speaks of the area in which he was raised:

"Not even in the Western Isles are the Scotch to be found in more concentrated solutions. Beginning at the Currie Road were first the McPhails and Grahams, then more Grahams, the McKellars, the McFarlanes, Camerons, Morrisons, Gows, Galbraiths, McCallums, more McPhails,

more Morrisons, Pattersons and among others the McLeods."

Presiding Officer, you will find my next comment interesting. On Ferguson Line in Central Elgin today, one can find 10 Ferguson families living and farming along a 2km stretch of road.

Generations removed from the first settlers, the Scottish people have made a significant contribution to the heritage and vitality of Elgin County. Today, strong ties remain between the Scots of Elgin and their families here in Scotland.

I ask that God grant you, the members, a strong and abiding sense of the great responsibilities that are laid on you. May you be directed to have a deep and thorough understanding of the needs of the people whom you serve; the strength to use wisely the power that is granted to you; and the inspiration to make decisions that maintain a land of prosperity and righteousness.

I thank the Presiding Officer for the opportunity to address the Parliament today. I look forward to a renewed relationship between our two Parliaments. I extend a warm welcome to each of you to return to Canada or to visit for the first time. I would love to welcome you to our legislature. Thank you, Presiding Officer.

Home Owner Support

The Presiding Officer (Alex Fergusson): The next item of business is a statement by Stewart Maxwell on mortgage to shared equity, mortgage to rent. The minister will take questions at the end of his statement. As always, there should therefore be no interventions or interruptions.

14:35

The Minister for Communities and Sport (Stewart Maxwell): In her statement to Parliament on 25 June last year, the Deputy First Minister announced a package of major reforms to deliver lasting improvements to Scotland's housing system, including the establishment of the new home owners support fund. Today, I will provide further detail on the fund and the actions that we are taking to help Scottish home owners in the current financial climate.

Since the June statement, the extent and impact of the international financial crisis have intensified. The crisis will not deflect us from the long-term goal of increasing the supply of new housing. We are still working to ensure that Scotland is well placed to achieve that, once market conditions improve. However, we cannot and must not ignore the immediate effects of the crisis on families and businesses across Scotland.

Due to the global credit crunch and the economic recession, many households in Scotland are finding it increasingly hard to manage their finances. Unemployment is rising, and the number of households facing mortgage arrears is rising as a result. The Council of Mortgage Lenders predicts that the number of repossessions in the United Kingdom will rise from 45,000 in 2008 to 75,000 in 2009. It also forecasts that the number of households that are more than three months in arrears will rise from 210,000 in 2008 to 500,000 by the end of this year.

Those forecasts, and the wider impact of the economic downturn on Scotland's businesses and households, are of deep concern to the Scottish Government and, I am sure, to the Scottish Parliament. That is why we have acted swiftly and decisively to introduce a series of measures that will further our affordable housing objectives, help the housing market and the house building sector, and ease the impacts of the downturn on individual households.

Our economic recovery plan to help Scotland's businesses and families proves that we will not simply sit back and wait for things to get better. In August, we published "Responding to the Changing Economic Climate—Further Action on Housing", in which we set out the challenges that face the housing market and the actions that we

are taking to help to address them. Since then, we have worked tirelessly to deliver the commitments that we set out in that document. Today, we are issuing a publication in which we set out the progress that we have made since the document was published and highlight the further measures that we are taking to stimulate the economy and reduce the impacts of the credit crunch.

Over the past few months, we have allocated the first £18 million of the accelerated funding for affordable housing; invited all councils to bid for the £25 million that will quickly deliver much-needed new council homes; given a £10 million boost to the central heating programme to provide help to a greater number of households in fuel poverty this year; and put in place an energy assistance package to help to reduce bills for people who are fuel poor. In addition, in light of the considerable success of the open market shared equity pilot in Edinburgh and the Lothians, we have committed to expanding the pilot across all of Scotland with a £60 million budget in the next financial year. That will help more families to buy and stimulate the lower end of the housing market.

On 1 April, we will implement section 11 of the Homelessness etc (Scotland) Act 2003, under which lenders will be required to notify local authorities when they take legal action to call in a mortgage. The measure provides a safety net and will trigger advice and assistance to prevent homelessness. It also allows local authorities to plan general prevention services more effectively.

In addition, we are putting in place a range of measures to help Scotland's home owners who face financial difficulties. We want to ensure that everybody receives the best possible advice to help them to manage their finances and, where necessary, avert repossession. We believe that it is important that the means of accessing advice are wide and varied enough to meet the needs and personal preferences of individual home owners. To that end, we have provided £400,000 of funding for a high-profile television and online awareness-raising campaign in which the Money Advice Trust encourages people to contact the national debtline as early as possible.

We have provided an extra £1 million for citizens advice bureaux to increase the capacity of face-to-face debt advice services and made an additional £3 million available to expand our in-court advice service and other legal advice services that help people who unfortunately face a court hearing. We will increase the income limits for civil legal aid. From the spring, more than 1 million more Scots will become eligible, which means that three quarters of Scots will be able to get free or subsidised help to protect their legal rights. Furthermore, we have provided an additional £40,000 to Shelter to boost its helpline and

£230,000 for its unique housing law service. We have ring fenced £250,000 in the third sector enterprise fund for credit unions to help people to access affordable credit.

Taken together, those actions will help people with money problems to achieve financial security and stay in their homes.

Of course, we do not have access to all the powers that we would like to have. In many areas, responsibility for action falls upon the UK Government. We have been pressing the Government for further actions to support the housing market and vulnerable home owners, and we will continue to do so. In particular, we have called on the UK Government to implement the Office of Fair Trading's recommendations on the regulation of sale and rent back schemes.

We have welcomed UK Government proposals to help some owners. A new home owners mortgage support scheme was announced by the Prime Minister in December. However, the limited information that we have received from the UK Government so far in response to our requests suggests that the scheme may not help that many home owners. We also welcomed the reform of income support for mortgage interest. However, the reform takes benefit back only to 1995 levels. Like bodies such as the Council of Mortgage Lenders and Shelter, we believe that the UK Government needs to be far more ambitious in its plans for helping home owners who are in difficulty. We are doing everything that we can; we urge the Prime Minister to do the same.

One thing that the UK Government is doing is following Scotland's lead. Back in September, it announced its mortgage rescue schemes, five years after the establishment of the Scottish mortgage to rent scheme. Today, I will announce the details of the next part of our package to help home owners who are in difficulty. Our home owners support fund will build on the existing mortgage to rent scheme and develop a new mortgage to shared equity scheme to help some owners to keep ownership of their homes but substantially reduce their debt.

Recently, the performance of the mortgage to rent scheme was independently evaluated. The evaluation found that the scheme had been successful in helping many families to avoid the pain of being forced out of their homes. It also made a number of recommendations for improvement. Before we could implement the new home owners support fund, we wanted to consider the results of the evaluation to ensure that any new scheme was carefully targeted to provide effective support for those who most require it, while also providing best value for the taxpayer. We believe that the new fund will achieve both of those aims.

The final report of the evaluation is published today on the Scottish Government website. The key recommendations are that the processing of applications should be speeded up, costs should be reduced and the scheme should be better targeted. Although we do not accept all of the specific recommendations—it is important to note that some are for the UK Government to implement—we are revising the mortgage to rent scheme in light of both the evaluation and our operational experience. The changes are designed to improve the effectiveness and efficiency of the scheme by increasing awareness of it with advice agencies, lenders and social landlords; accepting applications to the scheme at an earlier stage; targeting households at the lower end of the market to ensure that support is focused on those who are least likely to be able to trade down; encouraging more registered social landlords and local authorities to participate in the scheme; under normal circumstances, barring people with second homes from applying for assistance; and requiring social landlords to accept the results of the scheme 2 survey carried out by Government-appointed professionally qualified surveyors.

The evaluation also recommended the establishment of a mortgage to shared equity scheme, something that we had already announced in June. Following careful consideration of the best way to help Scottish home owners who are in financial difficulty, I am pleased to announce today how the new scheme will work. Home owners with at least 25 per cent equity in their property will be eligible for the scheme. The Scottish ministers will take an equity stake in the house, allowing the owner to reduce the level of secured debt and manage their monthly finances more easily. We will appoint an independent financial adviser to assess an applicant's financial situation and recommend the level of stake that the Scottish ministers should take. It will be for the applicant to decide if the offer is sufficient to manage their debt. The applicant will also need to seek their lender's agreement to the new arrangements. Applicants will need to meet certain criteria, including taking appropriate advice and showing that they have explored all options available to them, such as discussing alternative payment schedules with their lender.

I confirm that we are increasing the home owners support fund budget by £10 million, to £35 million over two years, to meet increasing demand. Information on the operational details of the new mortgage to shared equity scheme will be published on the Government's website today. Both that scheme and the new mortgage to rent scheme will be open for applications from 16 March.

The measures that I have outlined represent a comprehensive and robust package of support for home owners who are in financial difficulty, particularly given the constraints that are placed on us by the tight financial settlement and the limited devolved powers that we have been given. However, we will always look to see what more we can do. That is why, as the Minister for Community Safety announced on 13 January, we are establishing a sub-group of the debt action forum to examine the issue of repossessions. The sub-group will consider whether there is adequate legal protection for home owners in Scotland or whether such protection needs strengthening, and will also examine what else Government and others can do to help. I am particularly pleased that Adrian Stalker has agreed to chair the sub-group.

Fergus Ewing also announced a number of changes to the debt arrangement scheme, which is available free and helps people with a disposable income to pay back their debts over a longer period, free from the threat of legal action. In addition, analytical work is under way to support the policy needs of the debt action forum and the short-life working group on repossessions. Analytical reports on debt, insolvency and repossessions will be produced on a more routine basis to ensure that our policy measures minimise the effects of the economic downturn.

The year ahead is unlikely to bring a significant improvement in the current economic conditions, but the Scottish Government is working hard to minimise the impact of the credit crunch. I believe that the package of actions that has been announced today will provide vital support to Scottish home owners in these difficult times.

The Presiding Officer: The minister will now take questions on the issues raised in his statement. I intend to allow about 20 minutes for such questions, after which we must move on to the next item of business. I cannot take time out of the next debate, as it is already oversubscribed.

Mary Mulligan (Linlithgow) (Lab): I thank the minister for early sight of his statement. I agree with him totally that, in this time of global credit crunch and economic recession, we all seek to support those who are most affected.

I am disappointed, however, that the minister has been less than full in his praise for Westminster, which has in fact enacted a number of measures. The minister himself has been slow to act: £100 million of funding was much trumpeted in August, but only £18 million has been committed so far. Many of the measures announced today, particularly on repossessions, have been forced on the minister by my colleague Cathy Jamieson. In fact, the only new thing in the statement, apart from the detail of the mortgage to

shared equity scheme, is the extra £10 million. However, I offer my party's support for both the mortgage to shared equity scheme and the mortgage to rent scheme—which the Labour-led Executive introduced.

How many people does the minister expect to benefit from the new mortgage to shared equity scheme and the amended mortgage to rent scheme? How much of the additional £10 million will be spent on administering the schemes, including the appointment of financial advisers? What discussions has the Scottish Government had with mortgage lenders about taking part in the mortgage to shared equity scheme?

Stewart Maxwell: I thank Mary Mulligan for her and her party's support at least for the general thrust of today's announcements. I cannot agree with her comments regarding the spending of the accelerated affordable housing investment programme money. On this year's advance money, of the £35 million—I am sorry, £40 million—£18 million has already been announced, and £5 million is going into the mortgage to rent scheme. The further £17 million will be announced next week. There has been much progress, and all that money will be spent to great effect across the country. It has been widely welcomed with respect to land purchases, off-the-shelf purchases and accelerated programmes.

Regarding the overall capital acceleration, I am sure that Mary Mulligan would not wish to mislead the Parliament on the relationship between what we are doing and what the UK Government is doing. We have accelerated about £120 million of money for housing. The UK Government has accelerated £500-plus million. Pro rata, the UK Government has done much less with regard to accelerated housing money than has the Scottish Government. We are far ahead of the game compared with the UK Government in that regard.

On the specific questions that Mary Mulligan asks, we expect about 600 people to be helped by the two schemes over the two years. The administration costs will be in line with the current costs, so there are no additional administration costs over and above what would be expected for running the schemes. Officials have, of course, had discussions with lenders and others. The Deputy First Minister met representatives of the CML during the past week or so to discuss a number of matters, including the mortgage to equity scheme.

Jamie McGrigor (Highlands and Islands) (Con): I thank the minister for the advance copy of his statement. I welcome the news that a mortgage to shared equity scheme is to be introduced alongside the existing mortgage to rent scheme, and that the Scottish Government is keen

to address many of the points that are contained in the evaluation report.

Can the minister set out more details on how he will improve the administration of the mortgage to rent scheme and cut down on processing delays? In the current circumstances, time is of the essence for hard-pressed families. Referring to those people who cannot be reached by the schemes, and who face homelessness, is the minister confident that, as the economic slowdown continues, local authorities will be able to deal adequately with the additional pressures that will come on top of the significant existing homelessness problems? We have long called for a review of homelessness policy in Scotland. Now, it is more crucial than ever. Will the minister review homelessness policy as a priority, in light of the current economic downturn?

Stewart Maxwell: On actions that we have taken to address points that were raised in the evaluation of the mortgage to rent scheme, we all want the process to be as quick as possible to ensure that people get the maximum amount of help as soon as possible.

On specific changes that we intend to make, we will train money advisers in order to speed up the process and cut down on unnecessary mistakes or delays. We will require social landlords to accept the results of the scheme's survey rather than implement a second survey, which should cut down on the time taken. We are removing the requirement to analyse the purpose of secondary loans, which will speed up the process, too. We are also offering properties to social landlords on a first-come, first-served basis rather than through the current rotational system. A number of specific measures will therefore be taken to speed up the process to ensure that people can get help as soon as possible.

On homelessness, the schemes are just one aspect of Government policy to try to help people to stay in their own homes. We have produced a range of policies and there is a range of support for people who are in debt, including the additional funds of £3 million for in-court advice and £1 million for face-to-face advice, as well as the extra money for the national debtline. Those measures and others, including the changes to levels of legal aid support, are helping people on the ground as we speak.

We of course keep homelessness policy under constant review to ensure that we do whatever we can. The Parliament is rightly proud of the progressive homelessness legislation that it has passed, and we want to ensure that we remain at the cutting edge of homelessness legislation. We want to ensure, too, that we minimise people's risk of becoming homeless. However, if people unfortunately do become homeless, we also want

to ensure that the maximum amount of support is in place so that they do not spend time being homeless in Scotland.

Ross Finnie (West of Scotland) (LD): I, too, am grateful for early sight of the minister's statement, although I find a little curious the announcement that the details of the new mortgage to shared equity scheme will be published on the Government website today. I am not entirely sure that that is within the spirit of providing good information to the Parliament. However, leaving that aside, it would be churlish not to acknowledge that many of the measures that the Government has put in place, whether announced in the statement or prior to it, are very much to be welcomed, given the difficult situation that home owners in Scotland face. I welcome in particular the implementation of section 11 of the Homelessness etc (Scotland) Act 2003 and the setting up of the group to review whether home owners in Scotland have adequate legal protection. We have not always agreed on that, but I am grateful that the matter is being given attention.

It is clear from the detailed report on the mortgage to rent scheme that, by and large, it has been given a clean bill of health. As the minister said, the report indicates that, with more information, substantially more people could benefit from the scheme. To that end, could the minister elaborate on his answer to Mary Mulligan? What does he anticipate? Critically, the most vulnerable people will be more likely to apply to the mortgage to rent scheme, so how will the minister ensure that it will be able to accommodate them? Having extended the money, how will he ensure that he can control the two separate schemes in a demand-led situation?

Stewart Maxwell: Ross Finnie is correct that the scheme is demand-led. I hope that members will welcome the fact that we have increased substantially—from £25 million to £35 million—the overall budget, because we recognise the increased pressure that the scheme will be subject to for the foreseeable future.

Over and above that, the schemes fit into a package of measures. It is not just about people getting into difficulty and going straight to the mortgage to rent scheme. We expect that a wide range of advice and support will be on offer in citizens advice bureaux and in other areas. If necessary, people will be able to apply to the mortgage to shared equity scheme, but before that they can apply to the UK home owner mortgage support scheme for a payment holiday. Of course, if people eventually have such levels of debt that they cannot sustain the mortgage to shared equity scheme, they will end up in the mortgage to rent option. That range of options represents a

substantial package of support for people who are in financial difficulty.

At the end of the day, we all accept that no Government can support every single person in every set of circumstances. I see Ross Finnie nodding in acceptance of that premise. We need to ensure that people seek advice and speak to their lender as soon as possible. That advice should be available where and when it is needed, so that people do not get into the situation of being at the door of last resort. Our direction of travel aims to ensure that people get early interventions and early support, which is one reason why we have changed the mortgage to rent scheme so that people will no longer need to wait until they are subject to a court action for repossession before applying to the scheme. People will be able to apply once they are three months in arrears. Getting early support and early advice is the real answer.

The Presiding Officer: We come to open questions. Time is limited, so there should be one question per member and one answer per question.

Bob Doris (Glasgow) (SNP): I welcome the measures announced in the statement, which will undoubtedly tackle home repossessions. What efforts has the Scottish Government made to ensure that people are secure in their homes and are not compromised by the UK Government's failure to act on the Office of Fair Trading's recommendations that the sale and rent back market be regulated? Minister, I am worried that, in effect, there might be a black market in repossessions.

Stewart Maxwell: Clearly, one reason why we have announced details of the mortgage to shared equity scheme and changes to the mortgage to rent scheme—as well as the other measures in the package—is to ensure that we have complete coverage. We want to ensure that there are no holes in the schemes that people can fall through.

We are on record as saying that we fully support the OFT's recommendations on the regulation of sale and rent back. The Deputy First Minister wrote to the UK Government to press it to take action on that. Like others in the chamber, I am disappointed that the UK Government has not taken action so far. At this difficult time, the idea that an unregulated area of financial services should be allowed to prey on the unfortunate victims of the difficulties of the credit crunch is disappointing. Yet again, I take this opportunity to press UK Government ministers to act rather than consult.

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): In "Evaluation of the National

Mortgage to Rent Scheme", one of the findings states:

"Finding landlords for MTR cases is often a challenge, and for significant numbers of cases no landlord can be obtained ... Some local authorities and small associations had or foresaw financial limitations on participation."

What specific actions will be taken to address that point? Widening the scheme might allow more people to participate in it, but if landlords do not take part, people will not be able to take up the opportunity.

Stewart Maxwell: Clearly, the additional funds that I announced both in December and today will help to support a number of landlords to participate in the scheme. We cannot and should not force individual registered social landlords or councils to take part in a scheme if they do not wish to do so. However, generally speaking, I think that the scheme is well received and well respected across the country. The changes to the mortgage to rent scheme and the introduction of the mortgage to shared equity scheme that I have announced today will be welcomed by those who wish to participate. I encourage all RSLs and councils that can do so to participate in the scheme.

The member is correct to imply that support for the scheme is not spread evenly across the country. I will certainly press all RSLs to participate to ensure that we get even support across the country. One advantage that we have in Scotland is that we have a national scheme with a central administration, which makes things much easier for those who are involved. That is one finding that has emerged from the evaluation. I am sure that all members, in their ordinary business of supporting people across the country, will be keen to point to both schemes as support that ordinary constituents can access.

Michael Matheson (Falkirk West) (SNP): Can the minister explain how the mortgage to shared equity scheme fits in with the Government's overall housing strategy? Given that an applicant's lender will have final say on whether ministers can take a share in their property, has the Council of Mortgage Lenders indicated whether its members are prepared to engage in the scheme to make it effective?

Stewart Maxwell: Ultimately, it is up to individual lenders whether they wish to participate, but both the CML and individual lenders have indicated that they will participate in the scheme. I cannot speak for all lenders or comment on how wide and varied their participation will be, but, given the communication that has taken place, our expectation is that, for the most part, lenders are willing to participate. Of course, the lender gets a great advantage from the scheme, in that money continues to be paid and there is a security in

relation to the financing of the mortgage that they supplied. It is not in their interests to deny people access to the scheme, because it costs them money to repossess properties and remove people from them, after which they have to sell the property to try to recoup some of the money that they are owed. It is in the interests of mortgage lenders and others to participate in the scheme.

Malcolm Chisholm (Edinburgh North and Leith) (Lab): Given that one of the weaknesses of the current mortgage to rent scheme is the requirement for legal action to be imminent, will the minister tell us when people will be able to apply to each of the schemes, and also what the maximum value of the house can be for someone to be eligible for the schemes?

Stewart Maxwell: The same time period will apply to applications for the two schemes. People will be able to apply for entry if they are more than three months in arrears. I agree with the member that it is a weakness of the current scheme that people have to wait until the last minute before they can apply.

I apologise, but I have forgotten the second part of the question.

Malcolm Chisholm: It was about the maximum value of the house.

Stewart Maxwell: I cannot recall. I am not sure that there is a maximum value, but I will write to the member with the detail on that.

The Presiding Officer: There should not have been a second question anyway, minister.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): The minister confirmed that he is increasing the home owners support fund budget by £10 million to £35 million over the next two years. The starting sum of £25 million will rise by £5 million in one year and by a further £5 million the following year. Those figures could be shown clearly on a graph. Given the cases that are coming to all members as people get into increasingly desperate straits, how does the minister know that those increases will match the demand from the great wave of people who are in severe trouble and are coming our way?

Stewart Maxwell: We have the Council of Mortgage Lenders estimate of the number of people throughout the UK who are likely to be involved in repossession, and we also have the operational experience of the mortgage to rent team. However, the member raises an interesting point. It is difficult for us to estimate the number of people involved. We will keep the level of Government support for the scheme under review, but I would welcome the member's support, and others' support, for our attempts to obtain separate Scottish data on repossessions. Because we do

not have such data at present, we act on estimates and guesswork. Frankly, that is not good enough when we are trying to provide support for people throughout the country. I hope that the member will support our case for the production of separate Scottish data on repossessions so that we have exact data to work on and can accurately predict the trends that he wishes us to analyse.

Stuart McMillan (West of Scotland) (SNP): The minister said that applicants to the mortgage to shared equity scheme should take appropriate advice. What advice services will be made available to people who hope to take advantage of the new scheme and how will they be able to access them?

The Presiding Officer: Please be as brief as possible, minister.

Stewart Maxwell: The awareness-raising campaign that we intend to run will highlight the range of options for people who are facing money difficulties. We are also liaising with lenders, advice agencies and other relevant stakeholders to ensure that home owners who are in financial difficulties are made aware of both the mortgage to rent scheme and the mortgage to shared equity scheme. In addition, there will be a website and a telephone helpline for the two schemes.

Common Agricultural Policy Health Check

The Presiding Officer (Alex Fergusson): The next item of business is a debate on motion S3M-3250, in the name of Richard Lochhead, on the common agricultural policy health check.

While people are changing places, I remind members that the Presiding Officers are no longer giving one-minute warnings as members approach the end of their speeches. We have no free time at all in the debate, which is already oversubscribed, so I must ask members to conclude within the time that is allocated to them.

15:04

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): I am delighted to open the debate on the common agricultural policy health check. When Parliament last discussed the CAP, few of us would have realised that the next time we would discuss the issue, we would do so against a backdrop of such economic uncertainty. Agriculture and the food industry in Scotland are by no means immune from the effects of that uncertainty—just yesterday we heard of more job losses in our food sector. Despite these turbulent times, some current market trends are good for farming and, as one paper put it just a couple of weeks ago, this is the “Best Opportunity for Farming in a Decade”. After all, we will always need food.

Livestock farming remains our dominant form of agriculture, accounting for almost a quarter of agricultural production. Scottish beef and sheep producers are benefiting from a combination of a favourable exchange rate, high prices and falling input costs. Prime cattle prices are about 23 per cent better than they were last year and prices for young sheep are almost 40 per cent higher than they were at this time last year. That general price trend seems to be holding up right across Scotland.

Even with last summer’s weather, the final estimate for the 2008 cereal harvest shows a 12.4 per cent increase in prices on 2007. That alone means an extra £34 million for wheat producers and an extra £20 million for barley producers.

The state of the exchange rate resulted in a windfall of an extra £50 million in Scottish single farm payments. We have also helped to ease producers’ cash flows in the current challenging times by issuing this year’s single farm payments and less favoured area support scheme payments in record time: 96 per cent of single farm payments have been made to around 19,000 producers, which means that about £430 million

has already been deposited in farm business accounts, while LFASS payments started to appear in bank accounts on 16 January—more than three weeks earlier than was the case last year.

We support farming because the sector benefits Scotland enormously by shaping our environment and attracting tourists to our landscapes. Livestock farming is particularly important to food production, but we need critical mass if we are to maintain the wider infrastructure in our rural areas.

Alasdair Allan (Western Isles) (SNP): The cabinet secretary mentions the importance of our landscape. One reason why it is in the form that it is in is that it is grazed. Does he intend to make any further response to the representations from many crofters about the future of bull hire in Scotland?

Richard Lochhead: We will respond further on that. I assure Alasdair Allan and other members who represent constituencies in the Highlands and Islands that we are committed to supporting our crofting communities and that we are working hard to replace the current bull hire scheme—which does not provide value for money—with successor arrangements. I would be delighted to have my colleague Michael Russell, who is taking a close interest in the issue, contact interested members with more details over the next few days.

Quality food that is produced in Scotland often commands a market premium. Producers need to continue to deliver products that fit niche markets, as we simply do not have the capacity to compete in major commodity markets. Scottish production benefits from an emphasis on quality rather than just quantity. It is that quality that has earned Scotland a reputation throughout the world for food and drink that bring economic benefits to the tune of £410 million for Scottish food exports and £3.3 billion for Scottish spirits exports. The spirits industry is, of course, underpinned by raw materials that are produced by agriculture in Scotland.

Over the festive period, Scots certainly enjoyed local produce. The Scotch Butchers Club reported increased meat sales, which in one case went up by more than 20 per cent. However, producers must not take their eye off the ball. There is a constant need to monitor the market and to adjust production to meet consumer needs. That is why the Scotland rural development programme funds schemes such as the skills development scheme and whole-farm reviews, which help farmers to develop their businesses and make the most of their assets. In addition, there are monitor farms, which are a great example of the industry helping itself through group discussions and sharing of information. Recent analysis shows that every £1 that was spent in a monitor farm resulted in a

return of £6.50 in increased productivity and improved efficiency.

Just like many other sectors, farming needs to adapt and evolve to respond to the market. Farmers continue to face significant challenges, which some people say are all the greater because the CAP has failed to modernise quickly enough by moving from production-based to market-oriented support. Although the decline in livestock production on our hills is perhaps an inevitable result of the decoupling of support from production, it is nevertheless a cause for concern among all members.

The year 2009 will be extremely important. There are major policy decisions to make on the key resources that can help agriculture to meet the challenges ahead: the CAP, the LFASS and the SRDP. When times are hard and resources tight, it becomes even more important to be absolutely certain that we use the considerable sums that are already available to achieve the best possible outcomes for rural Scotland.

As far as the CAP is concerned, even though the health check was not a major reform, it represented a good deal for Scotland—we achieved our key objectives and did not cross any of our red lines. In particular, we secured flexibility over the Scottish beef calf scheme and secured the right to continue the scheme; we made the playing field more level right across Europe and we ensured that any changes from the health check did not disrupt our options here in Scotland. As NFU Scotland said, the health check agreement is

“a positive way forward for Scotland’s farming industry”.

The primary legislation has been finalised, but we need to wait for the European Commission to publish detailed implementation rules. However, we must start to consider how to use our hard-won flexibilities. We will need to make several key decisions in partnership with the industry. In each case, the conflicting priorities will need to be weighed up to ensure that a solution is found that meets Scottish needs.

The decision on article 68, which funds the Scottish beef calf scheme, will be crucial as it could offer a means to maintain livestock numbers. Any form of top-slicing creates losers as well as winners—it would be foolish for any of us in the chamber to ignore that. I hope that our debate today will help to inform the debate about the balance of advantages. With stakeholders, we will consider whether the scheme should continue and, if so, in what form. We must be clear about the outputs that we want to achieve, and we must ensure that the industry can deliver what the people of Scotland want.

The SRDP is providing social, economic and environmental benefits across Scotland. However, given the current economic climate, I have said that I am committed to a swift but thorough review of the SRDP to consider whether changes are needed so that we can be certain that the programme’s priorities are fit for purpose in 2009 and beyond. I will be discussing the details of the review when I meet the programme’s monitoring committee next week. We will learn the lessons that have to be learned from the first year of operation of the SRDP. Let us not forget that the SRDP is hugely valuable for Scotland—the rural priorities scheme alone has approved nearly £60 million-worth of projects before the first full year of the programme is complete.

Looking to the future, it is imperative that we give our farmers clarity on the direction of travel and on the timing of any changes. Any changes that we make now must be in tune with our longer-term vision for agriculture in Scotland. At the recent Oxford farming conference, I set out my vision for Scottish agriculture. The Scottish Government is developing a clear vision for Scottish agriculture that reflects Scotland’s distinctive characteristics and needs. We want a vision that involves on-going direct support for farming.

It is sometimes hard for people who are not linked with farming to understand why Government support is still necessary. However, the Scottish Government simply does not buy into the United Kingdom policy of removing direct CAP support for farming and food production in Scotland. Removing direct support would halt farming in many parts of Scotland. We believe that food production and the capacity to produce food are in the national interest and should be supported as long as that is necessary.

The vision of the Department for Environment, Food and Rural Affairs seems a long way from the multifunctional type of agriculture that is described in the European model for agriculture, which has the support of much of Europe. Scotland can be proud to count itself in with the majority view rather than the minority UK view.

My firm view is that what we need is, in effect, a new updated contract between farmers and society, through which our Scottish vision can be delivered. The contract should be clear about the outcomes that are expected in return for direct financial support. It should recognise the importance of food production but it should also require delivery of other public goods. The contract should deliver a Scottish agricultural industry that produces for the market, whether that means the food or energy markets or other markets such as tourism—an industry that gains recognition for the public goods that it provides,

whether economic, social or environmental, and that is appropriately regulated, rather than overregulated. We could call that a vision based on natural resource productivity that ensures that Scotland makes the best use of a very valuable resource—our land.

We must also consider the basis of future single farm payments. It is clear to me that the historical model for the SFP is increasingly untenable, especially given the understandable calls for greater linkage with activity. I believe that stakeholders agree with me, and I want to address these difficult choices sooner rather than later. Some people argue for support to be focused on the most productive farming, but others suggest that those areas already get too much support and that future support should be targeted at remote and fragile areas where the challenges and the need are greatest.

The health check broadened out the options for starting to move towards a flatter rate for single farm payments. Industry's input will be crucial as we consider what approach will be best for Scotland as we face up to challenges and try to avoid unintended consequences.

The health check focused on the CAP from now until 2013. There will be discussion in the European Union budget review on the post-2013 direction of the CAP. However, some things are fairly predictable: for example, there is unlikely to be more money for the CAP in the future. In fact, there may be less.

We need to start firming up our options for 2010 onwards. We will need to make tough decisions with stakeholders on how we should use the flexibilities to deliver the farming that Scotland needs. We will also need to think ahead to the post-2013 period. Scottish farming is distinctive because of its land, climate and population, including its remote and fragile areas. Those are things to consider as the Government delivers its vision.

In conclusion, 2009 is a pivotal year for Scottish agriculture. I am very keen to hear Parliament's views on some of the key decisions that we, as a nation, must take. I hope that we can all agree that we must support active farming—farming that produces food for our tables, that safeguards and enhances our spectacular landscapes and natural environment and which continues to sustain our rural economy.

I move,

That the Parliament, noting the recent agreement in the Council of Ministers on the European Commission's legislative proposals for the Health Check of the Common Agricultural Policy (CAP), acknowledges the Scottish Government's commitment to work with stakeholders on how key aspects of the proposals should be implemented in Scotland and on the longer-term implementation of CAP

in Scotland and believes that future decisions must reflect the distinctiveness of agriculture in Scotland and support a dynamic and competitive industry with farmers playing their full part in achieving the Scottish Government's purpose of sustainable economic growth through food production and the environmental management of our agricultural land, combined with the delivery of other economic and social public goods.

15:15

Sarah Boyack (Edinburgh Central) (Lab): This is an important debate that comes at a significant time. Although we are not there yet, the process of redesigning support for agriculture and our rural areas has begun. It is a big challenge to get all the states in Europe to sign up to a new system—a better system that is capable of supporting our rural areas through the challenges of tomorrow, not the challenges of the post-war era. In our previous debates on CAP reform, it has been absolutely clear that it is relatively easy to identify key principles but difficult to shift the way in which money is distributed, both at Scottish level and at European level.

We broadly agree with the Scottish Government's motion. Scotland is different from the rest of the United Kingdom—that was one of the founding principles of devolution. We have a tougher climate and areas where farming and crofting are marginal and difficult activities. We also have hills and upland areas where getting the right balance of livestock is important but difficult to achieve. However, there are two areas in which we should not have fundamental differences: we must recognise the importance of globalisation and the need to tackle climate change.

Farmers in developing countries have their hands tied behind their backs. They compete with farmers in countries that have far greater resources, that receive relatively massive subsidies and that are subject to trade barriers. We believe that we need a fairer set of relationships between the developed and developing worlds.

Climate change has also pushed food security issues up the international agenda. We strongly support Hilary Benn's attempts to put food security on the agenda for the G8 and the Copenhagen discussions later this year. His "Bread and Roses" speech before Christmas set out an absolutely clear vision for development of a food security policy that would respect our environment and our global commitments.

As the cabinet secretary himself said earlier this year, the UK line is stronger when Scotland's distinct perspective is fed in. We also have a better chance of a positive outcome for Scotland if we are within the UK negotiating position. However, as we have debated before, if we are thinking about food security, we must think the

matter through properly from a Scottish perspective, which is why we strongly support the principle of subsidising agriculture but believe that the current system is unfair and not fit for purpose. We must bring to an end the scandalous situation whereby money is paid out to people who have ceased to farm. We must also continue the shift away from production subsidies to wider farming and rural support.

Our farming and rural support must make clear the public benefits, with more support for environmental stewardship and clear support for higher standards of habitat, biodiversity and animal welfare. We have all followed the concerns about the Farming and Wildlife Advisory Group. I say to the minister that we believe that that group does a good job and that we would like the issue to be properly resolved.

Although we support the SNP motion, it needs to be strengthened—specifically, it should mention the need for new measures to maintain and enhance habitats following the loss of set-aside provisions. We do not see a conflict between that and food production. We accept that set-aside has gone and that something new needs to be introduced to deal with habitat enhancement. We want to ensure that farmers and land managers are paid when they clearly add value through field margins, hedgerows and other forms of active enhancement. Those are public environmental goods that benefit our environment and for which we should pay. Good value for the public purse means ending the historical but out-of-date payments for land that is no longer farmed or properly managed. We therefore do not have a problem with the Tory amendment, because that is our interpretation of it.

However, in our debate on CAP reform, we must ensure that we do not lose focus on what is happening to our rural and farming communities now. Last week, we had an excellent members' business debate on a motion that was lodged by Jamie McGrigor, in which a great deal of consensus was shown around the chamber. Since then, Rhoda Grant has met European Commission officials to talk through bull hire support. We are absolutely clear that a bull hire scheme is both essential and not against European Union rules, as long as it keeps within the *de minimis* rules, which is entirely possible.

We have crafted our amendment so as not to tie the minister's hands too firmly. However, I warn him that we will listen carefully to his further comments. We are intrigued by his suggestion to Alasdair Allan that private sources might be acceptable. We want to put it on record that we want Government provision of a bull hire scheme for crofters. Experience has shown that merely giving them advice or suggesting that they go to

private hire sources does not work; we need something more organised than that.

There are also things that the cabinet secretary needs to do immediately, such as ensuring better support for new farmers and taking urgent action on the rural development plan, which is obviously failing to deliver for specific farming sectors and our rural environment in general. One issue that has been raised in the consultation on the Climate Change (Scotland) Bill is the need for new investment in forestry. However—surprise, surprise—the SRDP, which is the Government's main tool for delivering new planting, is completely failing. It is too bureaucratic and lacks transparency. It is not that there is no demand from the private sector for forestry investment—indeed, previous schemes were oversubscribed—but such investment is not happening through the rural development plan. Action needs to be taken to fix the situation.

We have debated the pig sector before, and have talked about the need to ensure that we do not lose so many sheep and cattle from our hills that the pendulum swings from overgrazing to insufficient grazing, which would be bad for the rural economy and bad for the environment.

The milk industry is in meltdown. Only last week, Jim McLaren made the hugely symbolic announcement that he is considering moving out of dairy farming. That is not a good position for us to be in. The cabinet secretary needs to act now, so I call on him to hold a summit of all of the key players—we are happy to sit around the table with him—and examine ways to ensure fairer and more sustainable prices. We cannot wait until we have no more milk producers in Scotland: the time to act is now, not when they have all gone.

Procurement has to be part of the agenda, as it is one of the ways in which we ensure fair prices and fresh, good quality food produce. I ask the cabinet secretary to update us on his work in that regard.

There must be much wider support for our rural communities. The SRDP is a crucial part of the armoury of the Scottish Government, but it is simply not working. The scheme needs to be completely overhauled sooner rather than later. Only a week or so ago, Rhoda Grant asked for details of the review, but the cabinet secretary said nothing about it today. We want to know what is happening, and when. In a debate on CAP reform, we must consider not only what we are doing now but how it links into future CAP reform issues. We cannot divorce the two issues.

It would also be helpful if, in his summing-up speech, the minister would talk about RSPB Scotland's concerns that he is watering down the Scottish Government's commitment to the

importance of environmental benefits as environmental goods. That must be commented on by the minister. The RSPB believes that the minister is stepping back from principles that we have all supported in the past. From talking to colleagues in Brussels and south of the border, I know that they think that the SRDP is having less impact on environmental enhancement policy than it did previously. We need it to do more.

Labour strongly supports change to the CAP. We think that the reform process is a positive one and that, although the Scottish Government and the various stakeholders do not always agree with one other, there are areas of consensus in which we can pull together some key principles. However, the tough issue is for the minister to get the scheme's design right and to act.

I want to put on record the fact that we think that where farmers, crofters and land managers are providing public goods in environmental quality, landscape enhancement, biodiversity and unpolluted water courses, it is absolutely right that they be supported in their stewardship. However, we have to join that agenda to the food security agenda. We must have an integrated approach that deals with the challenge of creating jobs in our rural economies and which takes a joined-up approach to agriculture, landscape management and environmental enhancement. The rural development plan is absolutely vital in that respect, which is why we are keen to hear what the Liberal Democrats have to say in support of their amendment.

We are interested in the points in Robin Harper's amendment, and we support monitoring and control of pesticides. We have concerns, however, about the policy that has been passed in Europe. More needs to be said on that, and we do not think that the Greens' amendment captures the argument entirely.

I move amendment S3M-3250.4, to insert at end:

"and calls on the Scottish Government to work constructively with UK ministers to ensure that the United Kingdom's negotiating strategy delivers the right framework for rural Scotland, including support for farming and crofting in fragile rural areas, to ensure that new policy mechanisms are in place to maintain habitat programmes, following the loss of set-aside provisions, and to continue a bull hire scheme."

15:25

John Scott (Ayr) (Con): I declare an interest as a farmer and as a member of NFU Scotland. I welcome this timeous debate on the CAP health check. At this time of year we must reflect on last year, and—more important—we must look to the future.

We believe that the CAP health check has been largely beneficial for Scotland. We welcome the confirmation that milk quotas will end by 2015, which will—withstanding the current pricing difficulties—free up our dairy industry. We also welcome the ending of set-aside, which will free up our cereals sector, but we need to find imaginative ways to preserve the environmental gains that have been made on that land over the past two years.

We welcome the freedom for Scotland to decide how best to proceed with the beef calf scheme, and we welcome the move towards a more level European Union playing field in relation to modulation. The threat of cuts in support payments to our largest and most efficient producers has sensibly been resisted, as has—for the time being—a move from the historical rate to flat-rate payments for the single farm payment.

We will support the Labour Party amendment, specifically because we believe that—as Jamie McGrigor has so eloquently pointed out—there must in the future be a bull hire scheme or an equivalent scheme. We have reservations about the Liberal amendment, because it is a bit out of date. We acknowledge that there were serious problems with access to the SRDP, but the situation is now improving. In reality, the situation has moved on—

Jim Hume (South of Scotland) (LD): Will the member take an intervention?

John Scott: No, thank you.

The Government has committed to a review of the SRDP, so we now need to engage in constructive debate rather than repeat out-of-date criticisms. We will therefore abstain on the Liberal Democrat amendment. We are, regrettably, also unable to support Robin Harper's amendment. *[Interruption.]* I am sorry, but I cannot take an intervention—I am lacking in time rather than not wishing to do so.

With regard to our own amendment, we must—as the minister said—make certain that future support goes to those who are actively farming or crofting their land. Support payments should no longer be made to those who carry little or no stock, or to those whose land is left lying fallow or uncultivated. Stock levels should at least match the historical levels that existed prior to the introduction of quotas in the 1990s.

Most farmers would be able, by using records such as farm accounts or census figures, to demonstrate the traditional or historical carrying capacity of their land in 1990, for example. That could provide, with sensible variation around the figures, a baseline production figure to return to—or at least to work towards—over, for example, a five-year period. I hope that members will

recognise that the thrust of my speech is about returning to maximising food production from our farms and crofts, and doing so as quickly as possible.

Almost 15 months ago, I gave a speech at Ingliston to the National Sheep Association, in which I urged sheep farmers not to go out of production because I believed that there was a bright future for lamb and mutton production. Today, that prediction is coming to pass, and there are better returns from the marketplace. It breaks my heart to note how many farmers and livestock producers have gone out of business in the past 18 months, at the very time when the market was turning and about to become more profitable. That has come about because—notwithstanding the financial crisis that has rightly grabbed the headlines in the past year—self-sufficiency in food production in the United Kingdom has fallen from 78 per cent to 57 per cent in the past 12 years and prices are beginning to rise as food commodity shortages materialise.

The UK economy, which is overly dependent on selling financial services, has ignored the fact that we have lost much of our energy, manufacturing and food-producing capability. Those trends already threaten our national security. We in Scotland can do something about our reduced food-producing capability, particularly in relation to the matter of today's debate. I urge the minister to take steps to address the strategic shortfall about which he spoke so eloquently at the Oxford farming conference.

Scottish Conservatives believe that in the national interest, the Government must reprioritise the objectives of the SRDP to return to food production while—if possible—protecting recent environmental gains. Until recent times, the first public benefit from land was food production. We must return to that concept, as we cannot afford to lose any more farmers and crofters from our fields and farms.

The wake-up call has been the three major reports over the summer from the Royal Society of Edinburgh, the Scottish Agricultural College and NFU Scotland. It is time for the Scottish Government, the UK Government and the EU to wake up and smell the coffee and once again to focus on food production. Here in Scotland, we must stop families leaving the land, because history has shown that when that happens they never return and the animal husbandry and countryside skills base, which has been acquired through generations of toil and passed from one generation to the next, is lost for ever. Stopping families and their stock leaving their farms and crofts can and will be achieved only by returning food production to profitability. In my view, food

scarcity will eventually restore food production to profitability; indeed, that is already happening.

In the meantime, our Government must refocus the SRDP on sustaining families and our food-producing land, because without farming and crofting families on the land we can have neither food production nor environmental enhancement. I welcome the minister's positive comments on that earlier today. Now is the time to refocus the SRDP in that way. I call on the Government to do that before it is too late and we lose still more of our food-producing capability from Scotland.

I urge members to support my amendment. I move amendment S3M-3250.1, to insert at end:

"considers that greater levels of food production and increased self-sufficiency are becoming increasingly important, and therefore encourages policy makers to work towards future support being linked to the active farming of land."

15:31

Liam McArthur (Orkney) (LD): When the cabinet secretary emerged, blinking into the light after lengthy negotiations on the CAP health check, he proclaimed to have secured

"a European farming policy that supports sustainable production rather than over-production".

He added that

"in that context the CAP Health Check moves in the right direction".

I readily acknowledge that the outcome of the talks that concluded in November was, on the whole, fair. The UK negotiating team secured valuable concessions, not least in the flexibility in how the measures were to be implemented, but I struggle to see how the cabinet secretary can claim that what was agreed moves away from the perils of overproduction. Given the current debate about food production and food security, which John Scott mentioned, most farmers and crofters in Scotland will consider Mr Lochhead's claim to be a strange one.

Nevertheless, I welcome many aspects of what was agreed in November. For example, retention of the beef calf scheme is helpful. It has perhaps not been as effective as we would have wished in keeping cattle on the land, but without it the situation would almost certainly have been far worse. There has, of course, been a debate about whether and how it could be augmented, but I have my doubts that top-slicing moneys across farming would be effective enough to justify the inevitable pain that it would cause.

As someone who was involved in the introduction of the beef envelope back in 2005, I was interested to note the industry's hearty welcome of the scheme's retention in 2008. That

perhaps confirms that the beef calf scheme has come some way since its difficult birth.

On modulation too, I believe that the compromise that has been reached at this midway point between major reforms of the CAP is a sensible one.

Members are, of course, aware of the relative paucity of the resources that are available for rural development initiatives in Scotland. That issue was never going to be addressed in the CAP health check, but I hope that, as part of the joint working that is called for in Sarah Boyack's amendment, it could be identified as a priority for the negotiations over what happens in 2013 and beyond.

I have little difficulty with most of what was agreed during the health check, aside from some of the now-customary ministerial hyperbole. However, there are serious issues that require urgent attention if we are to secure the dynamic and competitive industry to which the Government's motion refers.

John Scott is right in his amendment to point to the importance of both food production and self-sufficiency. The cabinet secretary highlighted the fact that, given that Scotland is a major exporter of high-quality beef and lamb as well as fish and other food and drink products, we must be careful how we conduct the debate about self-sufficiency. However, the appetite among consumers for more local produce is tangible, it is growing and it presents real opportunities for our farming community and food businesses. The need to look at how support can be linked to active farming of land will also be important as part of this process and as a response to the dramatic reduction in livestock numbers on our hills and in our remote areas.

I accept that the historical basis of payments has always had a shelf life and that ways need to be found to ensure that the public continue to get value for money from the support that is provided. That said, calls for an abrupt switch to area-based payments are premature. Along with retention of a bull hire scheme, those are important issues that must be addressed if we are to safeguard the distinctiveness of agriculture in Scotland.

The Scottish Liberal Democrat amendment highlights serious failings in the operation of the Scottish rural development programme. In particular, the rural priorities scheme has proved to be, in the words of Dan Buglass of *The Scotsman*, "a bureaucratic morass." The scheme is worth up to £800 million to farmers and small businesses over the next four years and there seems to be little dispute anywhere, from anyone, that it is not working well. As a consequence, farm

business viability, as well as our biodiversity and environment, risk being compromised.

Having chastised ministers for using hyperbole, I will try to avoid making the mistake of using it. However, even the minister has acknowledged—rather coyly, perhaps—the existence of

"teething problems and bureaucratic issues".

The president of the Scottish Beef Cattle Association, John Cameron, put things rather more bluntly. He described the situation as a "nightmare".

Part of the problem, of course, is the insistence by ministers that all applications be made online. That stipulation poses no problem for many people—indeed, it has many attractions—but it has created enormous difficulties, extra costs and frustration for many other people who are without a computer or access to high-speed broadband. We welcome the fact that a review of the scheme's operation is under way and that it is to be wide ranging, but the problems relating to online applications, for example, were flagged up loudly and early. They can hardly have come as a surprise to ministers.

Of course, Mr Lochhead has insisted that a review was always planned. However, what was not planned was the minister's meeting with the NFUS's less favoured areas committee before Christmas, at which he was left in no doubt about the scale of the problems or the anger that exists. A *Press and Journal* report at the time suggested that Mr Lochhead

"is understood to be deeply concerned at poor acceptance rates".

Nevertheless, the Government still appears to be in a state of denial. Ministers have talked about 3,000 applications resulting in more than £480 million of spending so far. Dan Buglass called that

"smoke and mirrors from the SNP".

Some £300 million of that total was made up of legacy schemes that were inherited from previous years, and there is the £120 million in less favoured area support for 2007 and 2008. The cabinet secretary has accepted that just £60 million has been committed this year. I am pleased that he now acknowledges that problems exist. I hope that he accepts the scale of those problems, and I hope that his review will be swift, thorough and wide-ranging, as he says it will be. It is also important that Parliament be provided with an early opportunity to consider his proposed changes.

I will leave the final word to a north-east farmer, who has been at the sharp end. He was quoted in *The Scotsman* as saying:

"Mess is an understatement, the whole system is unworkable and over complex. It is constantly altered and rules changed without informing applicants. I have given up trying to do it myself and now have three yes three separate advisors working on applications ... The whole scheme has effectively ceased to function".

I have pleasure in moving amendment S3M-3250.3, to insert at end:

"notes with concern evidence of serious difficulties experienced by farmers and crofters in accessing monies under the Scotland Rural Development Programme (SRDP); recognises the Scottish Government's commitment to review the Rural Priorities scheme, and calls on the Scottish Government to ensure that the review is sufficiently wide-ranging to cover all aspects of the structure of the SRDP as well as the application process for payments to resolve urgently the problems with the operation and implementation of the programme."

15:37

Robin Harper (Lothians) (Green): The Green amendment is not intended to take away from the spirit or the principle of the Government's motion; rather, it is intended to add an important dimension to the debate.

The vote on the pesticides regulation in the European Parliament last week marked an important milestone in public health and environmental protection. Rather than bowing their heads to the scaremongering of the chemical industry and certain quarters of the agricultural industry that preceded the debate, MEPs voted overwhelmingly in favour of giving greater protection from toxic pesticides. UK MEPs—SNP, Lib Dem, Tory and Labour—were among the very few to oppose even the limited measures in the legislation. That made Britain virtually isolated from the rest of Europe. The rest of the European Parliament has had the courage to support phasing out highly hazardous pesticides and putting human health and the environment ahead of the pesticides lobby. If the proposal is implemented in full, people elsewhere in Europe will have protected their children and hospital patients and our collective health.

Let us not forget the importance of protecting the environment and the public from the worst of the pesticides. Only around 22 chemicals of the 311 licensed pesticides that are available to farmers have been listed in the legislation, as they have been deemed harmful to human health. They can cause cancer, harm human reproduction and disrupt hormone systems. From that perspective, it is unnerving that so many UK MEPs could not vote for the legislation.

The regulation is not hugely radical. It tackles only the worst of the worst of the chemicals and does not even ban their use with immediate effect—in Europeanspeak, "immediate effect" means five years. The industry will be given years

to phase them out, which allows it time to innovate and reformulate its products. We could have gone further.

Of course, we already know that safer alternatives exist. Organic farmers are producing good yields and safe, quality crops without using many of those chemicals—in fact, organic farmers use only seven of them, and they do so only in special circumstances. Contrary to the claims of some farmers, organic farms prove that good crops can be grown with minimal or no use of pesticides. Those good crops and yields rely on the latest non-chemical methods of plant protection and pest and crop management.

Further, the regulation recognises the importance of bees to pollination and the problem of their dwindling numbers, an issue to which I and many other people have already alerted the Government. I draw the Government's attention to the important research that is being done at the University of Stirling on bumble-bees, which needs as much support as it can get. From now on, pesticides must be proven to have no unacceptable acute or chronic effect on bees if they are to be introduced or allowed to stay on in the market. That is a thoroughly welcome addition to the regulation. The subject may seem touchy-feely to some, but our agriculture industry and the survival of many of our crops are absolutely dependent on a thriving and healthy bee population. The ban is therefore good, not bad, news for farmers.

The new rules will also ban or severely restrict any use of pesticides near schools, parks, sports and recreation grounds and hospitals and health care facilities. Aerial crop spraying in general will also be banned. Mandatory buffer zones will apply to protect aquatic environments and drinking water from pesticides. Again, those are sensible measures for the protection of human health. I acknowledge that most of them were agreed to by all our MEPs when they voted on the directive that preceded the regulation.

People should have no need to be concerned about toxins in their food or the effect that crop-spraying may have on their or their children's health. Parliamentarians and Governments should have no qualms about putting the interests of human health first or acting in the public interest to promote a safe and sustainable food supply. Even some retailers, such as the Co-op and Marks and Spencer's have decided to move ahead on the issue in the public interest. When those retailers cannot be sure that a pesticide is safe, they ban its use on the food that they sell.

MEPs from the other parties that are represented in the Scottish Parliament appear to have gone native with the chemical lobby, but I nevertheless hope that MSPs will accept my

amendment or at least indicate some sympathy with what it says, as Sarah Boyack did. The principle that lies at its core is that of higher standards for the protection of human health and the environment.

I move amendment S3M-3250.2, to leave out from second “the Scottish Government’s” to end and insert:

“Scotland’s environmental, social and economic priorities through food production and the environmental management of our agricultural land, combined with the delivery of other economic and social public goods; accepts the decision by an overwhelming majority of the European Parliament that new controls need to be placed on the use of agricultural chemicals; notes that once these new controls are implemented there will be a level playing field in Europe, allowing the competitiveness of Scottish agriculture to be maintained, and further notes that environmental security and sustainability will be key to delivering a competitive and dynamic agricultural industry in the future.”

The Deputy Presiding Officer (Trish Godman): We move to the open debate, in which there will be speeches of six minutes. There will be no warning for members when they have only one minute remaining, so they should keep their eye on the clock, because we are very tight for time and, once a member’s time is up, I will immediately move to the next member so that I can get everybody in.

15:43

Rob Gibson (Highlands and Islands) (SNP): I draw members’ attention to my entry in the register of members’ interests, which shows that I am a member of the Scottish Crofting Foundation.

I welcome the opportunity to describe the health check on the CAP as being of value to Scotland. We are moving to a stage at which we are being listened to a good deal more. I welcome the effect that the cabinet secretary has had in the debates that have taken place with the British representatives. I believe that we have gained more in those debates than we did previously. However, I am concerned that the British representatives at the top table do not always listen to us. In support of that view, I note that, in *The Press and Journal* on 12 January, the European director general for agriculture and rural development, Jean-Luc Demarty, expressed his concern that the UK Government is

“continuing to call for further Common Agricultural Policy reforms and possibly using new measures”

to curb farm production.

As John Scott mentioned, the UK is about 57 per cent self-sufficient in food. A rise in food prices is good for our farmers but, for people in the bulk of the world, it is very bad news. However, we are not selling to places that cannot afford it; we are

selling to other rich parts of the European Union. It was interesting that the European Parliament adopted a resolution on global food security that strongly affirms the importance of the common agricultural policy

“as the means to secure food production in the EU”

and globally, despite long-standing criticisms of the policy’s effects on farmers in the developing world.

The Labour Party should come clean about whether we are to continue to demand cheap food imported by air and other climate-busting means from farmers in developing countries in Africa and elsewhere. A balance has to be struck in the British mind between allowing a free market and protecting our interests to grow what we can here. Food security is central to what Scotland’s contribution can be not just to Britain but to other parts of the world. We have to set that example in debates on how the common agricultural policy is working now and on what will succeed it. There has to be continued support for European farming, as our colleagues in the European Parliament said. That model of farming would allow Scotland to be on a par with other countries in Europe, perhaps to a greater extent than the British Government thinks should be the case.

I am interested in the Labour Party’s interpretation of our co-operation with London and in the Tories’ ideas that Labour will adopt their wishes for food security. That would be an interesting debate. However, there is room for us to come together.

Members should be careful about criticising the SRDP in the health check. We should remember that the Government came to power after much of the process was complete. In order to get the system up and running, it had to agree to a scheme that it did not design. When Liberal and Labour members raise questions about how the process is working and the online issues, they have to take responsibility for setting it up.

Jim Hume: Will the member give way?

Rob Gibson: Not at the moment, thank you; I have to move on. I am sure that we will hear more about the SRDP from other Liberal speakers. We will wait for that, but now I want to talk about other things.

There is too much theology rather than sound science in the pesticides debate. Robin Harper suggested when speaking to the Green amendment that organic farmers use very few pesticides, but the science is unclear about a good number of pesticides. I have lodged questions today about some of them, as others have done in the past. We need clarity about which pesticides damage bees, invertebrates and so on. I am

delighted that the Government has set out its invertebrate strategy—perhaps we can bring some of the science up to date. Robin Harper mentioned that the University of Stirling is doing research on the matter, which underlines that we do not know the full facts at the moment.

I have lodged a motion on conventional plant breeding, which might help us to remove some of the pesticides and other harmful chemicals that are used on land. I hope that members throughout the chamber will support it.

The debate on the bull hire scheme was passionate. We know that the current system does not work, and there were proposals from places such as Orkney for a scheme to help crofters there and assist our major beef industry. However, what the cabinet secretary said today assures us that we can help crofters in those difficult areas through a scheme that meets their needs.

15:49

Elaine Murray (Dumfries) (Lab): The Government motion refers to the distinctive nature of Scottish agriculture and our amendment also refers to the need to support farming and crofting in fragile, rural areas. Although this is essentially a consensual debate, we need to address the fact, to which Rob Gibson alluded, that back in 2005 in the Treasury/DEFRA paper “A Vision for a Common Agricultural Policy” there was a statement on ending all pillar 1 support for agriculture. That document argued for the removal of direct payments by the second half of the next decade and for EU spending on agriculture thereafter being supported through pillar 2.

Many argue for the removal of direct subsidies during the next EU financial cycle, not least to make the EU more compliant with the demands of the World Trade Organization. The EU has been asked to cut its trade-distorting subsidies, to reduce its import tariffs and to end its export subsidies. Trade distortions hit poor farmers in the developing world hardest and are incompatible with the principles of fair trade.

Statistics from the Organisation for Economic Co-operation and Development suggest that subsidies to farmers in OECD countries amount to more than the whole of Africa’s gross domestic product. Rob Gibson talked about EU issues but, to an extent, the debate is about how, at times, protectionism in the wealthier part of the world disadvantages people in poorer countries. Issues of global fairness need to be tackled. As John Scott and Sarah Boyack said, food security needs to be at the top of national and international agendas.

On the other side of the argument, the distinctive situation in Scotland must be recognised. A high

proportion of our agricultural land—85 per cent—is designated as less favoured areas. The total removal of pillar 1 support from those areas could cause farming to cease in some of them. That would be disastrous for farming, for the economy and for food security.

At the Oxford farming conference earlier this month, Hilary Benn said:

“Farming and farmers we should cherish and celebrate as the greatest resource we have as we face the future.”

I am sure that that statement has cross-party support.

Nevertheless, some Scottish voices call for direct support to be abolished. In “Beyond the CAP: Towards a Sustainable Land Use Policy that works for Scotland”, Scottish Environment LINK argues that direct subsidies should be abolished and redistributed on the basis of the provision of public good. Of course, the public good is a woolly concept that is open to different interpretations.

Like the Royal Society of Edinburgh’s report on the future of Scotland’s hills and islands, Scottish Environment LINK’s paper makes the important point that, as we know, funding distribution throughout Europe significantly disadvantages Scotland, for historical reasons. That is particularly true of the pillar 2 rural development support programme. If we are considering changes to support, we must consider how to tackle Scotland’s historical disadvantage.

The opportunity exists for different sides of the debate to reach agreement, because Scottish Environment LINK says:

“total reform should not happen immediately.”

The aim should be to make progress towards a sustainable land use policy.

Public subsidy should be directed to public benefit. Local food production is a public benefit, so it deserves public subsidy. If removing direct support in Scotland would cause local food production to cease, it should not be removed. However, that does not mean that we should not be determined to make progress towards a more holistic view of how land is used and how the public benefit from it. That will probably be accompanied by changes to support for the activities that deliver public benefit.

Land use strategy is essential to many of the important issues that we are discussing. For example, we will debate the Flood Risk Management (Scotland) Bill at stage 1 tomorrow. An important facet of that is sustainable flood risk management and using natural processes such as flood plains to combat climate change and prevent flooding. Such measures will require decisions about the use of land for public benefit. For

example, the public benefit of food production could be set against the public benefit of using land to prevent floods. Some such decisions will be difficult to make.

In the coming months, we will continue to discuss the role of forestry in combating climate change and the opportunities to increase woodland cover as part of our strategy to increase carbon sequestration. I will not rehearse the contentious issues, but decisions will have to be made about the public benefit of the different purposes of land use. I hope that ways will be found to bring together those three issues, such as by supporting landowners to establish woodland on flood plains.

Half of Scotland is covered by peatlands, which play a tremendously important role in locking up carbon. Supporting and reinstating peatland is an important way of using land in Scotland to public benefit.

Much progress was made during the CAP health check. Many new measures were added, such as those to counteract the possible deleterious effects on biodiversity of ending set-aside. We are asking Scottish ministers to work with their UK counterparts on issues such as cross-compliance. They also need to discuss the fact that set-aside was funded through pillar 1, as part of direct support, whereas funding of environmental benefit is being done through pillar 2. Such issues need to be discussed more fully.

15:55

Dave Thompson (Highlands and Islands) (SNP): I am pleased that we are debating the subject so early in the new year. The debate comes at the start of our Burns season, when high-quality food and drink are so important. Having the debate so early in the year highlights the fact that agriculture is central to our culture and economy. Indeed, part of the cultural celebration of homecoming this year is the world-class food and drink that are produced throughout Scotland, which give us our character and truly set us apart.

I attended a dinner the other night to mark the opening, by Jim Mather, of the fantastic centre for health science in Inverness. I happened to sit beside a man from Barcelona who now works in Inverness—no, it was not Manuel from Fawlty Towers, but a well-travelled and well-educated executive. After the meal, the centre laid on a special tasting of the Balvenie signature whisky. I am sure that the cabinet secretary is familiar with the Balvenie, as it is made in his constituency. The whisky had a beautiful aroma and, as we nosed it, the Barcelonian—if that is what one calls someone from Barcelona—said that we have real treasures

in Scotland. He was referring not only to whisky but to tweed that he had recently bought and to our wonderful food and scenery—things that are unique to Scotland and that give us our character. He said that we must maintain them at all cost if we want to maintain our distinctiveness from other parts of the world. What he said is central to today's debate. Everything that he mentioned comes from, or is dependent on, our land. We must protect with our lives the valuable, exclusive industry that is our agricultural industry.

I therefore welcome the CAP health check with its aim of modernising, simplifying and streamlining the CAP. The health check will help farmers to respond better to signals from the market and to face new challenges in 2009 and beyond. I particularly like the ability that it gives us to increase support for new entrants. However, the measure will be of little good on its own; we must also ensure that enough land is let to allow new entrants to get started.

There are many reasons for the distinctiveness of Scottish agriculture. Our land, climate, people and culture are what make it distinctive and all of them must be reflected in our policy decisions. Such decisions must be made to suit Scotland and the diversity that exists in our country. The DEFRA vision and its push for the phasing out of pillar 1 over the next few years do not suit Scotland's distinct needs. Whereas 20 per cent of agricultural land in England is classified as LFA, 85 per cent of land in Scotland is classified in that way. We should make no apology for using all the means at our disposal to support our agriculture. As Richard Lochhead pointed out not so long ago, the UK Government subsidises many things, including the nuclear industry by billions of pounds. Why then should it not subsidise an essential industry such as Scottish agriculture?

As I have said, Scotland is renowned as a food-producing nation. Indeed, the sector is worth £7.5 billion a year. In a nation with such distinctive products and abundant resources, it is essential not only that we protect those fundamental resources but that we encourage their development and use.

Highlands and Islands producers are a vital part of the food supply chain and make a significant economic and social contribution to the whole of Scotland. Indeed, it is estimated that in 2006 agriculture in the Highlands and Islands Enterprise area was worth £259 million out of a Scottish total of £720 million. In addition, the Highlands and Islands is where 36 per cent of all agricultural jobs in Scotland are to be found. Agriculture is relatively more important to the Highlands and Islands economy than it is to the Scottish economy as a whole; it accounts for 12.1 per cent of total employment in the Highlands and Islands as

compared with 2.8 per cent in Scotland as a whole.

Jim Hume: Does the member accept that the figures for the Highlands and Islands are the same as those for the south of Scotland?

Dave Thompson: Yes, I accept that that is the situation. That area must also be well looked after.

It is therefore essential for the benefit of the country as a whole that we continue to encourage production in the Highlands and Islands—and the south of Scotland—through special policy incentives. We need to ensure that we do not hinder future development. There cannot be a one-size-fits-all policy and, when we move to area-based payments, there cannot be flat payments throughout the country. Also, we cannot phase out direct support from the public purse.

I welcome the cabinet secretary's commitment to a positive and collaborative vision of Scottish agriculture. His call for an updated contract between farming and society is precisely what is needed right now, as is an updated contract between Scotland, the rest of the UK and Europe, through further devolution of both policy making and fiscal powers. Since 1999, we have been able to tailor our policy decisions to our needs, where we have responsibility. If we are to do the job properly, we need more responsibility. For example, we need to be able to preside over animal health policy, in order to protect the specific interests of our agriculture industry. We also need to be able fully to represent Scotland's interests at the negotiating table in Europe.

We are doing well as a devolved SNP Government and have shown that we can work well with others on the European stage. Nowhere has that been clearer than in relation to responsibilities in the rural affairs and environment portfolio. I hope that that will give those members who are a wee bit fearful the encouragement and confidence to consider taking the next step to full nationhood.

16:01

Jamie McGrigor (Highlands and Islands) (Con): I refer to my agricultural interests and memberships in the register of members' interests.

As my colleague John Scott indicated, the Scottish Conservatives share the view of the NFUS and most farmers in Scotland that the deal that has been achieved represents a generally fair outcome for Scottish farming; it is certainly better than many of us feared when we debated the issue last May. However, will the minister address Lantra's concern that there is now hardly any provision for supporting the training of youngsters in farming skills?

On modulation—or agricultural clawback tax, as I prefer to call it—I welcome the fact that the sliding scale of progressive modulation, which would have penalised our most efficient farms and food producers, has been dropped in favour of only one threshold. Overall, the proposals on compulsory modulation will mean that, as we move towards 2012, other EU member states will move towards our modulation levels, which will help to create a level playing field—if members will forgive the cliché. However, it is appalling that Scotland's rural development pillar 2 funding has dropped to £7 per hectare of utilised farm land per year, the lowest in the EU, while Austria's is £122. I accept that much of that discrepancy is down to history, but why on earth has more not been done over the past 15 years to lessen it?

I am pleased that we have avoided any moves towards dropping the historic basis for payments. The current single farm payment is the bedrock of support for farmers and crofters the length and breadth of Scotland and we should be extremely cautious about tampering with it. Modulation is fair only to those whose SRDP schemes are accepted—at least, that is how it seems to farmers and crofters.

Farmers have generally welcomed the fact that Scotland has received permission to continue the Scottish beef calf scheme until 2012. All of us are concerned about the fall in stock numbers, which is set out vividly in two recent reports, and the decline that we are witnessing in the remote and rural areas of my region of the Highlands and Islands. The retention of quality sheep and cattle in the marginal and remote areas of the country is crucial for the agriculture sector. Farmers and crofters in those areas supply the stock that is fattened and processed elsewhere in Scotland, which is important. There are real worries that critical mass is being lost. The SBCS has the potential to make a difference in supporting the beef sector. I would be interested to hear how the cabinet secretary sees the scheme developing between now and 2012.

I was pleased to take part in the meeting that was held on Monday this week in Oban to discuss the findings of the RSE report. Sadly, the mood of the farmers and crofters present was still gloomy; it had not been helped by the reaction of the Minister for Environment to my members' business debate last week on the bull hire scheme. I welcome Sarah Boyack's amendment, which calls for the scheme to continue, and was encouraged by the cabinet secretary's earlier remarks, if I heard him right. Ministers need to act with urgency and to do all that they can to restore confidence in the hill farming sector.

There are many positive and useful proposals in the reports of both the RSE and the Scottish

Agricultural College, and I look to ministers to act imaginatively. For example, will they consider restoring grants for liming and slagging, to encourage tired pasture and to improve grazing in marginal areas? Can more support be given for bracken clearance, drainage and control of rushes—all measures that help to improve the quality of livestock?

In last May's debate on the CAP health check, I spoke about the Scottish Conservatives' complete opposition to compulsory electronic sheep tagging, and I make no apology for going back to that issue. Like my sheep farming and crofting constituents, I am deeply concerned that, despite efforts by the NFUS and others—including, I concede, the Scottish Government—the EU has decided to press ahead with compulsory electronic tagging from 1 January 2011. A constituent from Sutherland, who has been a sheep farmer for 45 years, wrote to me last week. She fears that electronic tagging will bring

"death to the industry"—

and I do not think that she meant death from electrocution. She warned that, if the measure goes ahead,

"I will certainly get rid of my sheep and most likely the shepherd as well, and there are many more farmers with the same intentions."

What can the cabinet secretary say in response to my constituent and the rest of the sheep farming sector? Will he continue to try to persuade the EU to drop what the NFUS has rightly referred to as a scheme that is

"impractical, costly and delivers nothing new in terms of traceability",

and which the Aylward report into the EU sheep sector called

"ill thought out, illogical and unworkable"?

The NFUS's current survey to determine the impact that electronic tagging will have on farmers' intentions to keep sheep in the future will, I am sure, provide further evidence as to why we need to fight a bureaucratic idea that shows no understanding of the actual circumstances of sheep farming in Scotland.

Before I conclude, I will emphasise the concerns of many farmers and growers about last week's EU vote on pesticides. If it is implemented, the pesticide ban will significantly reduce the ability of many of my constituents to grow healthy crops, and it could lead to significant production problems, which, in turn, would raise food prices. That is a serious matter.

The CAP health check deal that has been achieved should give our farming sector some hope that an appropriate support system will be in place between now and 2012. In addition,

however, ministers must support hill farming in its hour of need and tackle the dreadful decline in livestock numbers in our hills.

I support the amendment in John Scott's name.

16:07

Irene Oldfather (Cunninghame South) (Lab):

At this point in the debate we can probably all agree that, if we were to start now with a blank sheet of paper, we would probably not devise the present CAP. The policy has been added to and changed on an incremental basis, as the CAP was set up in post-war Europe when there were six member states in the then European Economic Community. Today, we face new and different challenges in a European Union of 27 member states with widely varying farming practices.

Colleagues have spoken about the issues that are relevant today and that might be relevant 20 years down the line. They include global justice, which Elaine Murray spoke about, and food security, which John Scott and Sarah Boyack discussed. If we want to think about what kind of society we want to be and how the common agricultural policy could support that society, we might consider the EU budget reform process post 2013. I believe that that process provides us with an opportunity to consider such questions.

We must think carefully about what the policy objectives will be and about the means that will be used to deliver them. For example, should there be improved synergy between cohesion policy and the CAP? In its opinion on the health check, the Committee of the Regions argued strongly for such linkages between funding strands to maximise the benefits to rural communities. It is early enough in the process, I believe, to influence the debate on budget reform and it is important that consideration and debate take place in the coming weeks and months.

In that context, it would be remiss of me not to mention that the Parliament's European and External Relations Committee intends to undertake an inquiry into EU budget reform post 2013. I hope that other committees will take an interest in the matter, and that they will submit evidence and get involved. As the CAP accounts for 45 per cent of the EU budget, today's debate offers the Parliament an opportunity to comment on some of the new and long-term issues.

Part of the post-2013 discussion must be about added value and the opportunity that using joined-up resources could present. We must be clear that the discussion is about more than farming because it has become apparent that the food that we eat is, for example, one of the determining factors in our ability to avoid cancer, heart disease and stroke. The European Public Health Alliance

has identified price and availability as the most significant determinants in food choice today.

For too long in Europe, we have not acknowledged the importance of joined-up policy development. Tobacco subsidies are an example of that. Despite what we know about the adverse effects of smoking on health and despite the introduction of policies for healthier lifestyles and smoking bans across Europe, we still subsidise tobacco growing. For many years, the European Union spent 1 billion euros a year on subsidising southern Mediterranean farmers to produce poor-quality tobacco for sale in the third world. Before researching for this speech, I thought that that was yesterday's problem because it was agreed that, between 2006 and 2010, the subsidies would be reformed and eventually eradicated. Of course, reform was agreed, but the democratic arm of EU government—the European Parliament—voted only a few weeks ago to continue subsidies through the present budgetary period to 2013. I think that members will agree that such a policy is inconsistent with promoting healthy lifestyles and tackling coronary heart disease.

The importance of policy objectives lining up with each other cannot be underestimated. According to the European Public Health Alliance, one can envisage a health-promoting CAP as one that would seek to support rural communities, reduce food poverty and global health inequalities, improve nutritional health and promote healthy, ethically sourced, quality food.

The latter point brings me to the question of animal welfare. I do not have time to go into the subject in detail, but suffice it to say that farmed-animal welfare is intended to occupy a central place in the CAP, according to the European Commission document "Report on a Community Action Plan on the Protection and Welfare of Animals 2006-2010". However, animal welfare was not identified as one of the new challenges in the health check. I recognise that cross-compliance has played a part, but changes still need to be made in specific statutory management requirements for animal welfare. I hope that, post 2013, those will form specific policy objectives. However, there is an opportunity in the short term to add, for example, the laying hens directive and the broiler chickens directive to the list. I would welcome an indication in the minister's summing up of whether he would support that proposal.

16:13

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I will say a few words on the subject of the bull hire scheme. As some members will be aware, I was brought up on a dairy farm in the Highlands. I can remember my parents working extremely hard to improve our small stock

of shorthorn dairy cows using the bull hire scheme—they had steady and continuous work over the years. However, it ultimately led to an improvement in the quality of the stock, which gave my family a better return in terms of more milk with a higher butterfat level. In the longer term, it made the business more viable, which was important.

We can see a fruition of the bull hire methodology in my constituency in the Mey Selections brand of products, which is spearheaded by the Prince of Wales, or the Duke of Rothesay, as he prefers to be known in Scotland. That brand is about marketing the finest-quality food products—meat and non-meat—to lucrative markets in other parts of the UK. Mey Selections would not work if we did not have the secure knowledge that the raw material was of the very highest quality. That is what the bull hire scheme is about.

With reference to quality, I want to name check, if members do not mind, the Albannach hotel in Lochinver, which has just won, as we were all delighted to read in yesterday's *Press and Journal*, a Michelin star. I think that it may be the furthest north establishment on the Scottish mainland to achieve a Michelin star. The Albannach hotel is all about purveying the highest-quality local food to its customers.

I notice that it was said in last Thursday's debate, which I did not take part in, that the bull hire scheme does not work. However, one man who knows more about the issue than most of us—I refer to Alan MacRae, who is the chairman of the North West Cattle Producers Association—has said:

"The financial savings of closing the scheme are small, but the wider detrimental effects inflicted against the government's stated policy objectives for rural areas could be great."

He knows what he is talking about.

Reference has been made to the scheme's cost, which is a relevant issue. I take members back to a great Labour man, Willie Ross, who was Secretary of State for Scotland under Labour Governments between 1964 and 1970 and between 1974 and 1976. He was an ardent supporter of Highland development. Very famously—in a quotation that we should all know—he said:

"For 200 years the Highlander has been the man on Scotland's conscience".—[*Official Report, House of Commons*, 16 March 1965; Vol 708, c 1095.]

I do not support the notion that the Highlands should automatically receive subsidies, but a mark of a civilised society is that more well-off areas support areas that are more economically fragile, and other outlying areas to which members have

referred. For that reason, the cost of the current bull hire scheme—or a future bull hire scheme—is surely justifiable on the ground that it improves the quality of the stock and thereby underpins the local economy. In doing so, the scheme also reduces the amount of public money that people require because it makes local industry more self-sufficient.

A second point, which was not touched on in last week's debate and has not been mentioned today, is that the use of cattle in the Highlands benefits the land. As Peter Peacock will recall, John Lister-Kaye, who lives in Inverness-shire, published a booklet in 1994 called "Ill Fares the Land", which makes a persuasive argument for using cattle on our not-such-good-quality land. I quote:

"Cattle were good for the soil. Their hooves and their wet dung, literally heaven-sent to the bugs and bacteria upon which the soil depends, together with their tearing and tugging mouth action, aerated the soil without damaging the heather nor close-cropping the grass. To what was left of the woods the removal of the cattle in the summer meant more tree regeneration and, more importantly, the development of a full summer crop of grasses, flowers and shrubs whose role it is in a forest ecosystem to bring nutrients and minerals, particularly scarce and precious calcium, to the surface".

In my experience, I know of no other writing about why cattle should be used on our uplands that puts the point more eloquently than that. Arguably, the bull hire scheme is beneficial not just to the local economies and people in those areas but to ecosystems as well.

Allowing the quality of livestock to deteriorate would indeed be thoroughly bad for the Highlands. However, in response to an intervention from Alasdair Allan, Richard Lochhead referred to proposals that his colleague Mike Russell will bring forward. That is to be welcomed. On behalf of my party—like other parties, I am sure—I can say that we would all be willing to work together on the issue. The bottom line is that we cannot simply present crofters and farmers with a replacement bull hire scheme that is either unworkable or unaffordable. The issue is too important to my constituents to allow that.

The Deputy Presiding Officer (Alasdair Morgan): I am afraid that I will need to curtail the next two speakers to three minutes each.

16:18

Bill Wilson (West of Scotland) (SNP): Large chunks of the developing world are being bought up by international businesses for massive farming enterprises. In the short term, that could produce a lot of cheap food, but the question arises: for whom? The multinational buy-up of farm land also threatens subsistence farmers in developing countries—

Jim Hume: Will the member take an intervention?

Bill Wilson: Sorry, I have only three minutes.

It also threatens their diverse traditional crops and animals and their unique local adaptations, all of which contribute to lending global agriculture resilience in the face of climate change. That loss of agricultural biodiversity and indigenous farming techniques might, in the face of global warming, prove a terrible threat to food security.

We cannot obtain food security by simply taking land from others. If we seek food security, food must be generated here at home. I do not suggest that we need to cease to import food, but the expropriation of the land of underdeveloped nations will not bring security, nor is it moral.

In assisting our own Scottish farmers to provide food, we must also have regard to what might appear, at first consideration, to be imperatives other than security: biodiversity; the need to limit climate change; and the need to mitigate such change. All three of those are, of course, inseparable. We cannot ignore the threat of climate change, the need both to reduce our greenhouse gas emissions and to mitigate their effects. In both, the role of biodiversity is vital—for example, locking carbon into our soils and retaining biological options for the future.

Biodiversity has been fostered by our farmers, particularly those who practise extensive grazing in less favoured areas. Because 85 per cent of Scotland is classified as less favoured, I agree with the Scottish Government that the first pillar, which supports the least favoured areas, should not be phased out in the next few years, but I also agree with Scottish Environment LINK that the LFASS should be reformed to include meaningful eligibility criteria that better target payments towards farming that has a high nature value. I urge the Government to examine Scottish Environment LINK's proposal that a new livestock envelope be set up with the aim of protecting the grazing systems that are important to biodiversity. Given the rapid livestock reductions that have occurred recently, those systems are under threat. Supporting farmers to manage extensive grazing systems is important from several points of view. There are synergies between low-input meat production and the production of meat that is better for health, the promotion of biodiversity, and animal welfare.

On biodiversity, Butterfly Conservation Scotland states that the ideal habitat for the threatened marsh fritillary butterfly is best achieved through light grazing, ideally by cattle. Furthermore, here is a headline from *The Guardian* of 5 November 2007: "Loss of cattle farming hits corncrake comeback." The article goes on to say:

"Stuart Housden, director of RSPB Scotland, said: 'The corncrake and many other important species are very much dependent on extensive cattle rearing practices that characterise much of the Highlands and Islands. If we are to see this wildlife flourish funding streams like the less favoured areas support scheme and rural stewardship scheme must be ... retained and targeted'".

We need farmers to build our food security. If we do not lend them essential support, many of our small farmers might be unable to continue, which would destroy our hopes for improved food security and many of our fragile rural communities. At the same time, however, we cannot afford to fail to ask our farmers, in return for Scottish and European funding, to—

The Deputy Presiding Officer: I am afraid that the member's time is up.

16:21

Peter Peacock (Highlands and Islands) (Lab): I will try to make four points in the three minutes that I have. The first is that, although little compulsory change is required of Scotland because of the CAP health check, there are opportunities for greater flexibility. There are two aspects to that. First, we all recognise that the historic payments are increasingly unsustainable and unjustifiable, and there is an opportunity to move to a more area-based system. That would allow some funding to be moved to less commodity-productive areas such as the north-west Highlands and parts of the south of Scotland.

Secondly, there are opportunities in relation to the national envelope. I have urged the Government to be imaginative in using the flexibility that it has, creating new means to target the preservation of grading systems and thereby keeping cattle and sheep in the high nature value areas of the countryside.

I will move on briskly. Another issue that arises is the loss of set-aside, which is presenting challenges. Set-aside was created under the common agricultural policy to stop overproduction, but it had the side benefit of creating habitats for biodiversity. It created great habitats for wild flowers, which in turn are good for honey-bees, bumble-bees, butterflies, ladybirds and myriad other invertebrates. I am sorry that the minister for the spineless is not here today after he launched the invertebrate strategy yesterday. I hope that he is still out there standing up for the spineless in Scotland. I support the Government's initiative because those invertebrates are hugely important. They pollinate huge areas of plant life and support a diverse bird population. The RSPB magazine this month reports on the loss of farmland birds in large numbers. In addition, beekeepers throughout Scotland have reported difficulties with honey production because of the loss of habitat and set-

aside where they can put their beehives. That is an economic factor for them, but there are other concerns about bee populations and the loss of set-aside is adding to and compounding the problems.

We need to maintain as much habitat as possible, but, as John Scott said, we must do that while maintaining food security and increasing food production. That is why we support John Scott's amendment. We need support programmes to ensure that farmers can sustain habitats at their field margins by creating hedgerows and using unproductive corners of fields. I call on the Government to be imaginative in creating programmes that allow ameliorating measures that help biodiversity and species such as the invertebrates, which, like the Government, I am happy to stand up for.

The Deputy Presiding Officer: I thank members for their co-operation.

16:24

Robin Harper: This has been an extremely interesting debate, in which some good points have been made. I enjoyed Sarah Boyack's speech and was particularly impressed by her remarks about milk. When milk prices are lower than bottled water prices, something is seriously wrong in our economy.

Sarah Boyack and many other members talked about food security. In my view, one of the best ways of guaranteeing food security in this country is to guarantee the health of our soils and the health of our population. One way of doing that and simultaneously reducing costs is to reduce artificial inputs of all kinds. If we reduce the use of nitrogenous fertiliser and of pesticides, fungicides and herbicides, we will reduce costs. Similarly, if we reduce the energy that must be employed to apply pesticides and other methods of control to crops, we will reduce costs. That will increase food security, because fuel costs will go up, so the more highly mechanised our farming is, the more subject it will be to the threat of high fuel prices, about which we in the Parliament have heard farmers complain many times over the past decade.

All that my amendment asks is that Parliament accept the European Parliament's decision that new controls

"need to be placed on the use of agricultural chemicals"

and note that

"once these new controls are implemented there will be a level playing field in Europe".

The UK MEPs are already halfway there, because last year they agreed almost unanimously—only 12 votes were cast against the directive, most of

them by members of the United Kingdom Independence Party—that member states must adopt national action plans for reducing the risks and impacts of pesticide use on human health and the environment, including timetables and targets for use reduction. I simply ask members to approve something that has already been approved and, consequentially, to indicate that they are also behind the regulatory proposals.

I will detail how rational, sensible and light touch those proposals are. Only 22 out of 311 pesticides are being considered for banning. If a substance is needed to combat a serious danger to plant health, it may be approved for up to five years, even if it does not meet the safety criteria. Provision is made for the banning of highly toxic chemicals that are

“carcinogenic, mutagenic or toxic to reproduction, those which are endocrine-disrupting, and those which are persistent, bioaccumulative and toxic ... or very persistent and very bioaccumulative”.

In my view, that is not much to ask the Government and Parliament to approve.

In between the vote on the directive and the vote on the regulations, something happened to the UK MEPs.

Jamie McGrigor: Will the member give way?

Robin Harper: I cut short my earlier speech by half a minute, so I will not take any interventions in the two minutes that I have left; I am sorry.

The UK MEPs were lobbied by the chemical and farming industries. The European Parliament has been accused of overreacting, but when an MEP states that the country's entire carrot production would come to a halt as a result of the measures in question, that is certainly a case of exaggeration. There are several large organic carrot farms in Scotland that are doing very well, thank you.

We want a dynamic and competitive farming industry. If a level playing field is achieved through the CAP, we believe that our farming industry will remain as dynamic and competitive as it is now—especially because of some of the extra encouragements that the Government is offering.

In the near future, I hope that Parliament and the Government will start to engage creatively with the proposal—

The Deputy Presiding Officer: I am sorry, but the member's time is up.

16:30

Jim Hume (South of Scotland) (LD): I declare a farming interest and my two past directorships of NFU Scotland.

An aim of the common agricultural policy was to provide farmers with a reasonable standard of living, and many members have acknowledged that point this afternoon. Other aims were to give consumers quality food at fair prices, and to preserve our rural heritage. The policy has evolved to meet the changing needs of society. As a result, food security, the environment, value for money and fuel crops have become key factors.

Today's debate has been interesting. Again, we have heard Mr Lochhead take all the praise for anything good that has come from the Scottish rural development programme, while Rob Gibson says that anything wrong with the programme is the fault of the previous Administration.

CAP reform under Ross Finnie gave farmers greater freedom to decide which crops to produce. That was hailed as a great success, unlike the English reform, which embraced area payments. Under our reform, farmers—instead of having to produce certain products to obtain support—were able to choose what to produce so that they could match the demands of the market. Furthermore, it was at last acknowledged that farmers who received CAP support had responsibilities towards the protection of the environment and towards public health and welfare. Scotland has a good track record in such issues, as Mr Lochhead acknowledged.

John Scott mentioned a level playing field for farmers that will ensure sustainable food production. Production will run alongside the stewardship of our land so that our biodiversity is retained and nurtured. We cannot have environmental benefits without economic activity on the ground to deliver them. I believe that Sarah Boyack acknowledged that point.

When we debated this issue last May, two things became clear from our discussions with the farming sector. First, any increases in compulsory modulation should be tempered by reductions in voluntary modulation, and secondly, progressive modulation—as mentioned by Jamie McGrigor—threatened to damage the farming sector, stifle business and unfairly put Scotland at a competitive disadvantage compared with other parts of Europe. Luckily, those issues have been addressed, we hope.

As many members have acknowledged, we are moving from an era of food surplus to an era of food shortage. The imbalance between the farm-gate price and the retail price has been acutely felt by producers; it does not bode well for a viable future. We obviously have some great hills to climb, if members will forgive the pun.

If any of our aspirations for a food policy are to be met, the Government's top priority must be to secure our future production capacity. The SRDP

will be a key part of that, as will support for farming activity and efforts to stem the decline in livestock numbers.

I am a bit surprised that John Scott will not support the Liberal Democrat amendment, because there are real problems with access to the Scottish rural development programme, as my colleague Liam McArthur has illustrated. The system is too complicated and farmers are being put off from even applying. The criteria are restrictive, and we have heard that 25 per cent of all applications are given the red light. The Government must address that problem.

Another problem arises, as Liam McArthur pointed out, because the system is computerised. Because of digital exclusion, it is not always possible for people in remote, rural areas to apply. That may not be the case in Ayr, but it certainly is the case in other parts of the south of Scotland if broadband is not available.

A cost is involved in the use of consultants, which gives rise to the fear that an unsuccessful application will also have an added cost. That can be enough to put people off applying.

I could not mention consultants without—like Sarah Boyack—mentioning FWAG Scotland, which faces an uncertain future. I know that Mike Russell met the organisation yesterday. I urge him, and the cabinet secretary, to do all in their power—and it is in their power—to help FWAG Scotland to survive in a meaningful way after April and into the future. The industry and conservationists need FWAG Scotland's expertise.

Richard Lochhead: Will the member take an intervention on that point?

Jim Hume: I am sorry, but I have to make progress. If the minister could refer to it in his winding-up speech, that would be helpful.

Alasdair Allan and the two Jamies mentioned the bull hire scheme and the benefits to the economy that it brings.

I am glad that Dave Thompson recognises that the south of Scotland, too, needs special assistance, being of high hills, et cetera. That view is in slight disagreement with the SNP deputy leader of Argyll and Bute Council, who said that SRDP funding should be taken away from Aberdeenshire, Berwickshire, Dumfries and Wigtownshire and given to the Argyll area.

As the cabinet secretary has acknowledged, Scotland has distinct agricultural needs that must be taken into account by the CAP health check, particularly in terms of on-going support for the livestock sectors and rural and remote areas. If we are to see livestock on our hills, we need CAP support to make up the gap between the market

price and what is needed to make such farming viable.

I welcome the review of the SRDP, which, in close dialogue with the industry and other interest groups, will be key to the delivery of a more market-responsive and sustainable agricultural industry through an improved SRDP. I look for support across the benches for the Lib Dem amendment.

16:36

Nanette Milne (North East Scotland) (Con):

Looking back over what was said here in May, ahead of the Government's consultation on the CAP health check, I think that it is fair to say that most of the issues that are of concern to members have been dealt with to our satisfaction in the deal that was struck in Brussels on 20 November. The Scottish Government and the farming community have welcomed the agreement as largely positive. However, as members across the chamber have said, many challenges lie ahead in its implementation. We have been pleased to contribute to this afternoon's interesting and mainly consensual discussion, and we look forward to supporting the Government's motion—and, as John Scott said, the Labour amendment—at decision time. We particularly agree with the remarks of Sarah Boyack and others about the need for a bull hire scheme.

In the present-day world, where financial threats to national economies and a growing concern about food security increasingly occupy our minds, it is essential that the CAP operates to ensure that we have a sustainable and competitive agricultural industry, giving farmers the opportunity to play a full part in the expansion of our economy and to contribute to food security through efficient and profitable food production. At the same time, however, we must not forget the importance of Scotland's biodiversity and its contribution to our heritage and very important tourism industry, which is dependent on our land managers being able to function in a manner that sustains and enhances our environment. As we know, that has been under threat recently, as sheep have disappeared in large numbers from our upland and remote areas. The number of cattle, too, has been significantly reduced, and there is a growing threat to our biodiversity from ungrazed and unmanaged land because the animals are no longer there.

Increasing food shortages are becoming a global problem. It is becoming increasingly important for farmers to focus on their central role of food production and for Government to ensure that they get the maximum support and encouragement to increase their productivity to satisfy an expanding world market as it tries to meet the ever-rising demand for western-style

food. The Conservatives believe that, in the current climate, if the CAP is to be about anything it must be about increasing production in our agricultural industry. We are reasonably happy that the CAP health check has taken into account most of the issues that we raised in our response to the Government's consultation on the future implementation of the common agricultural policy in Scotland.

The move towards a more level EU-wide playing field on modulation has been mentioned by several members. Action is being taken to avoid progressive modulation, which would have led to cuts in the subsidies to larger farms and would thereby have disadvantaged Scotland, which has a higher proportion of large farms than continental Europe. In addition, Scotland is being given the freedom to decide how best to proceed with the beef calf scheme, which may be retained until at least 2012, to the benefit of beef production in the most fragile parts of Scotland. All that is very welcome to us.

We also welcome the retention, at this point, of the historic model of payment of the SFP. We feel that a purely area-based system would not be appropriate for Scotland, because the land quality varies so much throughout the country. Any move away from the historic model would, in our opinion, have to take account of the large land-quality variations. However, we think that the subsidy should be paid only if the land in question is being actively farmed. I hope that the cabinet secretary agrees with that.

We have long advocated the removal of the outdated milk quota system, and we are pleased that that will at last be achieved in a few years' time. We have advocated strongly the abolition of set-aside, because of our concerns about food security, and we are happy that that has now been completed. However, we recognise the need to preserve our biodiversity and environment. As John Scott said in response to its consultation, the Government must put in place schemes that will ensure that no detrimental environmental impact results from the removal of set-aside. That could be done via the provision of a new cross-compliance option for the establishment and/or retention of habitats, as suggested by some of the conservation bodies. In the meantime, the existing cross-compliance requirement to leave buffer strips and retain landscape features will help to make up for the loss of at least some set-aside land.

The key issue, as Peter Peacock stressed, is how to actively manage farmed land in a way that enhances biodiversity while increasing production. That is a major challenge for all concerned, be they farmers, politicians or conservation

organisations, and it must be at the heart of any cross-compliance reforms.

In the meantime, we are anxious that when ministers look again at the current SRDP, they do so with a view to refocusing the spend of pillar 2 resources on food security and livestock retention. That would go some way towards addressing the substantial decline in livestock on our hills, which has been documented by the recent excellent reports from the RSE, the SAC and NFU Scotland, and it would help to answer the case that was made by the Scottish Conservatives in our food security task force report, which asks the Government to pay special attention to finding ways of boosting the less favoured area support scheme, following the loss of substantial numbers of Scotland's hill sheep.

We are broadly content with the outcome of the CAP health check, but we have concerns about food security and we hope that the Scottish Government will consider refocusing the rural development funds towards schemes that will support it, particularly with regard to the retention of livestock in remote and upland areas. Our farmers must be given every encouragement to maximise their contribution to our economic growth, through food production, and to the environment, through their capable management of our outstanding rural landscape.

16:42

Rhoda Grant (Highlands and Islands) (Lab):

Today's interesting debate has given Parliament the opportunity to consider what needs to be done to support our land managers, and to give a broad welcome to the outcome of the health check.

Irene Oldfather highlighted some of the real problems with the CAP, which demonstrate that the health check is not a needless instrument. Indeed, her speech starkly highlighted the damage that the policy can do and the need to continue with the process of reform. As she said, if we started with a blank sheet, we would come up with a very different system.

We need to ensure that the needs of our fragile areas are properly represented and taken into account. There is always a fine balance to be struck with regard to our policies, due to the interdependency of the farming industry in Scotland. However, the cabinet secretary referred to a windfall of payments that was available as a result of the exchange rate. A good way of using those windfall payments would be to find a way of rebalancing the system in favour of our more fragile areas. For example, the less favoured area support scheme does not fully compensate for the challenges of farming and crofting in the worst land, which is also often remote from markets.

Crofting and farming in those areas are essential for the sustainability of communities. We need to ensure that people who work in those areas are supported and that we provide them with a level playing field. Liam McArthur and Peter Peacock talked about balancing the distribution of the money that is available so that it benefits the fragile areas, and suggested ways in which that process could proceed.

We need to retain the bull hire scheme. I was interested in the cabinet secretary's response to Alasdair Allan, but what he was saying was not clear to me. Rob Gibson, too, mentioned the matter but he obviously had a greater understanding of what the cabinet secretary was proposing.

The arguments for the bull hire scheme were well made during Jamie McGrigor's members' business debate last week. I spoke to officials when I was in Brussels yesterday, and it is clear that the de minimis system allows for the scheme to continue. It is not clear, however, how the scheme could be provided under different support systems, so I am interested to hear what the minister has to say on that. To be clear, our motion calls for a bull hire scheme, not for assistance with bull transportation or shelter, and certainly not for advice on how one would hire a bull from a private network.

We need to recognise the importance of globalisation in farming, and the impact of the CAP on developing countries. I am interested to know what the SNP Government's policies are on that and how seriously it takes its global responsibilities. We need food production, but we also need global fairness, as Elaine Murray highlighted. I doubt whether any member would disagree that it is often other EU countries that are the main offenders in dumping cheap food on developing countries to the detriment of their farming industries, but we need to take our responsibilities as part of the EU seriously and deal with the problem.

The Liberal Democrats' amendment notes a concern about the SRDP. John Scott said that that concern was out of date, but I am not so sure of that, because we have no terms of reference for the review. Access to the scheme is no easier, so we need to take action and press for the review to come forward. A large number of my constituents cannot make online applications as they do not have broadband.

We need to consider stocking levels; that ties in with the bull hire scheme. It is important to decide how we support people who farm in remote and rural areas, as sheep numbers have fallen, to the detriment of our environment. We need to ensure that single farm payments are tied to active farming—we do not want sleeper farmers. Imagine

how it would feel to work and farm next door to people who were getting the same amount of support for doing nothing. There is no public or environmental benefit in that, so we need to tackle the problem before it is too late. Without schemes such as the bull hire scheme, the problems that affect sheep stock numbers will affect cattle stock numbers, but in a way that is much worse and which will have a much greater environmental impact.

We need to take our environmental problems seriously. My colleague Sarah Boyack made it clear that it is not a issue of food production versus the environment—the two things have to work hand in hand. We can increase food production in an environmentally responsible way. Bill Wilson spoke about health and the environment, and how environmentally friendly policies delivered healthier food and biodiversity. Those things can work hand in hand, and it is important that they do so. Climate change will be caused if we do not look after our environment, and that affects developing countries disproportionately. In considering our duty towards our neighbours, we need to think about how we provide environmental benefit when we farm our land.

Many members have spoken about food security, and the Conservatives' amendment deals with the issue. We are concerned about food security, and our Westminster colleagues have made it clear that it is a top priority. Again, it is not about a conflict with environmental protection—the two go hand in hand. We need to learn from other countries how to do that, and we need to ensure that we have food security. We need to ensure that food is provided locally; members have spoken about importing foreign produce and the effect on climate change of transporting food around the world. We need to consider local procurement in our public services, and to think about sourcing products as locally as possible.

The sentiments that Robin Harper expresses in his amendment are correct—the controls that have been implemented in Europe will have to be implemented here, under European law. However, his amendment does not deal with the concerns that have been expressed on that issue, and it is therefore not balanced. Robin Harper is right that we should be concerned about health, not only for the benefit of our food production but because we must take seriously the concerns of our farmers and crofters who work with pesticides. We must also protect the environment—in particular, bees.

We must ensure that fragile areas are protected and we must create a level playing field for them. Not only does the SRDP enhance the disparities, but it delivers a scheme that is accessible only online, which immediately disfranchises people

who do not have broadband. The Government is failing people twice: first by not providing them with broadband and, secondly, by disfranchising them. We must ensure that what we offer is compatible with our environment. Our farmers and crofters are used to working with nature and must be involved.

16:50

Richard Lochhead: The debate has been a good one. I am sure that our farmers and crofting communities will take great heart from the fact that more seems to unite us than divide us on the future of Scottish agriculture—it has been a very good debate in that context.

Rightly, the debate has largely been about the future of Scottish agriculture. First and foremost, it has been about the future of our rural communities, of our farmers and crofters, of food production in Scotland, of the environment and of our rural economy.

I will start with the SRDP, because many members spoke about its future. I was intrigued that, as ever, a lot of criticism came from the Liberal Democrats and Labour members, who appear to have forgotten that, in large part, they designed the programme that they now criticise.

I will make a couple of key points about the SRDP before I talk about the review. First, much of the criticism was about one of the eight mechanisms within the SRDP. It is important that across the chamber we recognise and send out to Scotland the message that the SRDP, at £1.6 billion, is a big programme. It has eight delivery mechanisms and does not consist of only the rural priorities mechanism. That has led to some issues, which I will talk about shortly.

One of the eight mechanisms is the LFASS, which has been a success. Our money is out in record time—£60 million has gone out the door. Within the rural priorities mechanism, to which many members referred, £57.2 million has been committed in the nine months since it opened. The third mechanism, land manager options, has provided £19 million for legacy schemes and there has been £4.5 million of new commitments. So far, £12 million has been committed to food businesses throughout Scotland through the food processing, marketing and co-operation grant scheme, which is another mechanism that I am sure we all welcome at this point in the economic downturn. In this financial year, £2.5 million has been spent through the crofting counties agricultural grant scheme; £700,000 has been committed through the skills development scheme; and £2 million has already been paid through the LEADER programme, and a further £4 million committed. The first forestry challenge funds

projects are up for approval in February, although there have been some obstacles due to European regulations.

I am trying to convey to the other parties that the SRDP is a major programme and that, given that many of the mechanisms are working fine, we should not put people from across Scotland off applying.

Liam McArthur: I accept that the cabinet secretary inherited, to a large extent, the programme that he is taking forward. However, the arguments that he is trying to posit would be more convincing if he was not the last person to acknowledge the problems in the implementation phase of the rural priorities mechanism.

Richard Lochhead: I have said all along that I take seriously the concerns expressed by the small minority of farmers and crofters who have difficulty due to the online application process for the rural priorities mechanism. I take slight issue with the Liberal Democrat amendment, because it is perhaps just a wee bit over the top and sends out the wrong message about the whole programme. Even within the rural priorities element, substantial funds are going out the door.

We have taken some steps over the past few months to try to make it easier for people to apply under the rural priorities mechanism. Case officers have been instructed to find solutions for the small number of applicants who have difficulty with the online process. We are actively looking at how we can streamline the process even more, and a user group of stakeholders has been set up to help us do that.

We are a year into the programme, and we acknowledge that it is time for a review, for three reasons. First, we should learn lessons from the first year. Secondly, we must ensure that this massive programme, which addresses the future of rural Scotland, reflects our priorities in 2009 and beyond, given the changing global agenda. Thirdly, at a time of economic downturn in Scotland, we want to ensure that the resource is leading to economic activity in our rural communities.

The future of the crofting communities has been discussed, and the bull hire scheme has, of course, featured in many members' speeches, including those of Jamie Stone, Rob Gibson, Jamie McGrigor and Sarah Boyack. We must accept that the current bull hire scheme does not give value for money. We must also take into account the fact that only a few hundred crofters, out of around 13,000, have received any advantage from it. However, I can give a commitment that the Scottish Government—

Jamie McGrigor: Will the minister give way?

Richard Lochhead: I would like to finish my point. I can give a commitment that the Scottish Government is willing to meet all parties in the very near future to consider the success of our arrangements. We recognise that concerns exist and we want to deliver a good deal for Scotland's crofting communities. The current set-up, which does not give value for money, must change. We want to put in place better arrangements, and we will speak to members about that.

Rhoda Grant rose—

Richard Lochhead: I would like to move on to the next subject, if the member does not mind. I have only four or five minutes left.

We have discussed future food security and climate change. A key message that the Scottish Government wants to convey is that food production should remain the primary purpose of Scottish agriculture—although not its only purpose. Members of the public expect farming and agriculture in Scotland to deliver food for their tables, so that should be the primary purpose of those sectors. However, it is important that we say that that is not their only purpose, as sustaining our rural communities and safeguarding and enhancing our environment are other public benefits that they produce. We must ensure that we get a range of benefits from agricultural activity in Scotland that is in line with the outcomes that the nation wants. It is important to farmers to have a clear message about what is expected of them.

This debate has also been largely about the CAP health check. During the debates in Europe, each country fought for its own interests, as one would expect, but I was disappointed that that did not happen in any policy context. The issues were not food security or climate change; rather, each country was out to get what it could from the health check. We must send a clear message to the agricultural sector in Scotland about what we expect from it, and all the debates—in Europe and in Scotland—should take place in that context.

I was interested in what Dave Thompson said. He highlighted how agriculture in Scotland underpins other sectors. Our food and drink sector, including the whisky industry, depends on raw materials, of course. Whisky is the UK's biggest food and drink export, and farming activity in Scotland underpins that important industry.

We all agree that we have tough decisions to take in 2009 not only on the future of the SRDP, but on the LFASS and single farm payments. Several members said, rightly, that such direct support should go only to active farmers. The Scottish Government totally agrees with them and with the industry. We should not give single farm payments to armchair farmers; we should give

them only to active farmers who are delivering benefits to the people of Scotland.

That said, we should keep the matter in perspective. Only a tiny minority of the recipients of single farm payments are not active farmers. The message that we want to send out to Scotland is that the majority of crofters and farmers in Scotland deliver public benefits, although we must tackle the minority who are not active but who receive money.

Labour's amendment calls on the Scottish Government

"to work constructively with UK ministers"

on behalf of Scotland. We have been doing that with a great deal of success and we will continue to do so. When I attended the Oxford farming conference at the beginning of the year, I got a fantastic reception not only from the small Scottish delegation, but from the delegation from south of the border, because our agricultural policy is closer to what many farmers south of the border want. We must recognise that Scotland has distinctive needs and characteristics that deserve distinctive agricultural policies.

Sarah Boyack is right. Hilary Benn and the UK Government are talking up food production—but they are also talking down direct support for it. We cannot have it both ways: if we want food production to continue in Scotland, direct support must continue.

Sarah Boyack: We have not heard anything about what the SNP Government thinks about the global justice point—I refer to subsidies to other European countries—that colleagues across the chamber have made. This is not just about Scotland; it is about the rest of Europe as well.

Richard Lochhead: Of course that is a key issue. It was a key issue during the CAP health check discussions, and it should always be a key issue when we consider the common agricultural policy. Of course we want tobacco subsidies to end. That is an important issue—I think that Elaine Murray mentioned it—and there are other issues on which Scotland makes its voice heard. However, we believe that there is a case for direct support in Scotland, to try to stem the decline in Scotland's hill and more remote communities in particular. The UK policy position is different from Scotland's policy position and, I think, from that of most parties that are represented in the chamber.

There are many key challenges ahead. We must tackle the decline in the number of livestock in Scotland's hills and remote communities. That decline is not new—it continued throughout most of the eight years during which the Labour and Lib Dem Administration was in power.

One headline in today's press is "Farming far from gloomy". The article refers to a survey by Lloyds TSB, in which

"83% of respondents said that their farm businesses were profitable and 62% said that their pre-tax profit exceeded their private drawings."

Scottish farming has a bright outlook. We have huge grounds for optimism. In taking the decisions that lie ahead, we must ensure that Scottish agriculture continues to deliver huge benefits for Scotland and to put food on our tables and on tables elsewhere in the world, as well as safeguarding and enhancing Scotland's precious environment and sustaining our rural economy. In short, we must ensure that Scottish agriculture helps to make Scotland a great place in which to live. I commend the Government's motion to the Parliament.

Business Motion

17:00

The Presiding Officer (Alex Fergusson): The next item of business is consideration of business motion S3M-3254, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a business programme.

Motion moved,

That the Parliament agrees the following programme of business—

Wednesday 28 January 2009

2.30 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Stage 3 Proceedings: Budget (Scotland) (No. 2) Bill

followed by Business Motion

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 29 January 2009

9.15 am Parliamentary Bureau Motions

followed by Scottish Labour Party Business

11.40 am General Question Time

12 noon First Minister's Question Time

2.15 pm Themed Question Time
Finance and Sustainable Growth

2.55 pm Scottish Government Debate: Gaelic Language Plan

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Wednesday 4 February 2009

2.30 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Scottish Government Business

followed by Business Motion

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 5 February 2009

9.15 am Parliamentary Bureau Motions

followed by Scottish Government Business

11.40 am General Question Time

12 noon First Minister's Question Time

2.15 pm Themed Question Time
Education and Lifelong Learning;
Europe, External Affairs and Culture

2.55 pm Scottish Government Business
 followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
 followed by Members' Business—[Bruce
 Crawford.]

Motion agreed to.

Decision Time

17:01

The Presiding Officer (Alex Fergusson): We come to decision time. There are five questions to be put as a result of today's business. The first question is, that amendment S3M-3250.4, in the name of Sarah Boyack, which seeks to amend motion S3M-3250, in the name of Richard Lochhead, on the common agricultural policy health check, be agreed to.

Amendment agreed to.

The Presiding Officer: The next question is, that amendment S3M-3250.1, in the name of John Scott, which seeks to amend motion S3M-3250, in the name of Richard Lochhead, on the common agricultural policy health check, as amended, be agreed to.

Amendment agreed to.

The Presiding Officer: The next question is, that amendment S3M-3250.3, in the name of Liam McArthur, which seeks to amend motion S3M-3250, in the name of Richard Lochhead, on the common agricultural policy health check, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Alexander, Ms Wendy (Paisley North) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Foulkes, George (Lothians) (Lab)
 Glen, Marilyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Hume, Jim (South of Scotland) (LD)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McArthur, Liam (Orkney) (LD)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Tom (Hamilton South) (Lab)
 McInnes, Alison (North East Scotland) (LD)
 McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)

McNulty, Des (Clydebank and Milngavie) (Lab)
 Mulligan, Mary (Linlithgow) (Lab)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Murray, Elaine (Dumfries) (Lab)
 O'Donnell, Hugh (Central Scotland) (LD)
 Oldfather, Irene (Cunninghame South) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stewart, David (Highlands and Islands) (Lab)
 Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Tolson, Jim (Dunfermline West) (LD)
 Whitefield, Karen (Airdrie and Shotts) (Lab)

AGAINST

Brown, Robert (Glasgow) (LD)
 Lochhead, Richard (Moray) (SNP)

ABSTENTIONS

Adam, Brian (Aberdeen North) (SNP)
 Ahmad, Bashir (Glasgow) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Allan, Alasdair (Western Isles) (SNP)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brown, Keith (Ochil) (SNP)
 Brownlee, Derek (South of Scotland) (Con)
 Campbell, Aileen (South of Scotland) (SNP)
 Carlaw, Jackson (West of Scotland) (Con)
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)
 Constance, Angela (Livingston) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Don, Nigel (North East Scotland) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 FitzPatrick, Joe (Dundee West) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 Goldie, Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Harper, Robin (Lothians) (Green)
 Harvie, Christopher (Mid Scotland and Fife) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Central Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Adam (South of Scotland) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Kidd, Bill (Glasgow) (SNP)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLetchie, David (Edinburgh Pentlands) (Con)
 McMillan, Stuart (West of Scotland) (SNP)

Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Morgan, Alasdair (South of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Gil (West of Scotland) (SNP)
 Robison, Shona (Dundee East) (SNP)
 Salmond, Alex (Gordon) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Somerville, Shirley-Anne (Lothians) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow Govan) (SNP)
 Thompson, Dave (Highlands and Islands) (SNP)
 Watt, Maureen (North East Scotland) (SNP)
 Welsh, Andrew (Angus) (SNP)
 White, Sandra (Glasgow) (SNP)
 Wilson, Bill (West of Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)

The Presiding Officer: The result of the division is: For 53, Against 2, Abstentions 62.

Amendment agreed to.

The Presiding Officer: The next question is, that amendment S3M-3250.2, in the name of Robin Harper, which seeks to amend motion S3M-3250, in the name of Richard Lochhead, on the common agricultural policy health check, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Harper, Robin (Lothians) (Green)
 Harvie, Patrick (Glasgow) (Green)
 Lamont, Johann (Glasgow Pollok) (Lab)

AGAINST

Adam, Brian (Aberdeen North) (SNP)
 Ahmad, Bashir (Glasgow) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Allan, Alasdair (Western Isles) (SNP)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brown, Keith (Ochil) (SNP)
 Brown, Robert (Glasgow) (LD)
 Brownlee, Derek (South of Scotland) (Con)
 Campbell, Aileen (South of Scotland) (SNP)
 Carlaw, Jackson (West of Scotland) (Con)
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)
 Constance, Angela (Livingston) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Don, Nigel (North East Scotland) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Finnie, Ross (West of Scotland) (LD)
 FitzPatrick, Joe (Dundee West) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 Goldie, Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Harvie, Christopher (Mid Scotland and Fife) (SNP)
 Hepburn, Jamie (Central Scotland) (SNP)
 Hume, Jim (South of Scotland) (LD)
 Hyslop, Fiona (Lothians) (SNP)

Ingram, Adam (South of Scotland) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Kidd, Bill (Glasgow) (SNP)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 Lochhead, Richard (Moray) (SNP)
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McArthur, Liam (Orkney) (LD)
 McInnes, Alison (North East Scotland) (LD)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLetchie, David (Edinburgh Pentlands) (Con)
 McMillan, Stuart (West of Scotland) (SNP)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Morgan, Alasdair (South of Scotland) (SNP)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Neil, Alex (Central Scotland) (SNP)
 O'Donnell, Hugh (Central Scotland) (LD)
 Paterson, Gil (West of Scotland) (SNP)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Robison, Shona (Dundee East) (SNP)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Salmond, Alex (Gordon) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Somerville, Shirley-Anne (Lothians) (SNP)
 Stephen, Nicol (Aberdeen South) (LD)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Sturgeon, Nicola (Glasgow Govan) (SNP)
 Thompson, Dave (Highlands and Islands) (SNP)
 Tolson, Jim (Dunfermline West) (LD)
 Watt, Maureen (North East Scotland) (SNP)
 Welsh, Andrew (Angus) (SNP)
 White, Sandra (Glasgow) (SNP)
 Wilson, Bill (West of Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)

ABSTENTIONS

Alexander, Ms Wendy (Paisley North) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Foulkes, George (Lothians) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Ken (Eastwood) (Lab)

Martin, Paul (Glasgow Springburn) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Tom (Hamilton South) (Lab)
 McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Mulligan, Mary (Linlithgow) (Lab)
 Murray, Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Stewart, David (Highlands and Islands) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)

The Presiding Officer: The result of the division is: For 3, Against 76, Abstentions 37.

Amendment disagreed to.

The Presiding Officer: The final question is, that motion S3M-3250, in the name of Richard Lochhead, on the common agricultural policy health check, as amended, be agreed to.

Motion agreed to.

Resolved,

That the Parliament, noting the recent agreement in the Council of Ministers on the European Commission's legislative proposals for the Health Check of the Common Agricultural Policy (CAP), acknowledges the Scottish Government's commitment to work with stakeholders on how key aspects of the proposals should be implemented in Scotland and on the longer-term implementation of CAP in Scotland and believes that future decisions must reflect the distinctiveness of agriculture in Scotland and support a dynamic and competitive industry with farmers playing their full part in achieving the Scottish Government's purpose of sustainable economic growth through food production and the environmental management of our agricultural land, combined with the delivery of other economic and social public goods; calls on the Scottish Government to work constructively with UK ministers to ensure that the United Kingdom's negotiating strategy delivers the right framework for rural Scotland, including support for farming and crofting in fragile rural areas, to ensure that new policy mechanisms are in place to maintain habitat programmes, following the loss of set-aside provisions, and to continue a bull hire scheme; considers that greater levels of food production and increased self-sufficiency are becoming increasingly important; therefore encourages policy makers to work towards future support being linked to the active farming of land; notes with concern evidence of serious difficulties experienced by farmers and crofters in accessing monies under the Scotland Rural Development Programme (SRDP); recognises the Scottish Government's commitment to review the Rural Priorities scheme, and calls on the Scottish Government to ensure that the review is sufficiently wide-ranging to cover all aspects of the structure of the SRDP as well as the application process for payments to resolve urgently the problems with the operation and implementation of the programme.

Shelter Scotland

The Deputy Presiding Officer (Trish Godman): The final item of business today is a members' business debate on motion S3M-2926, in the name of Mary Mulligan, on Shelter Scotland—40 years on. The debate will be concluded without any question being put.

Motion debated,

That the Parliament welcomes the publication by Shelter Scotland of the *40 Years On* booklet, which marks the 40th anniversary of the establishment of Shelter Scotland on 3 October 1968; notes that throughout its existence Shelter Scotland has consistently spoken out on behalf of those who are homeless or in poor-quality housing; further notes that Shelter Scotland has been at the cutting edge of developing services, including the opening of housing aid centres, the rural housing initiative, care and repair schemes for older people, the launch of the Housing Law Service, the returning home initiative and the Rough Sleepers Initiative, and was instrumental in the establishment of housing associations in Scotland such as Castle Rock Housing Association, now Castle Rock Edinvar Housing Association; further notes that Shelter Scotland is today the largest provider of online housing advice in the country; recognises that Shelter played a key role in the development of the Homelessness Task Force, which for the first time led to the establishment of a legal commitment to give all homeless people the right to a home by 2012, and welcomes the ongoing contribution which Shelter Scotland makes in the challenge of providing good-quality housing for all in Scotland.

17:05

Mary Mulligan (Linlithgow) (Lab): I welcome the opportunity to open the debate, which marks the contribution that Shelter has made over the past 40 years to the development of decent housing standards in Scotland and the important and valuable role that the organisation has played. I extend a particular welcome to Graeme Brown and other colleagues from Shelter who have joined us in the public gallery. They had mixed feelings about whether we should celebrate the anniversary. However, although I regret the fact that anyone should find themselves homeless or live in unacceptable housing, I still believe that it is right to acknowledge Shelter's work in assisting those people.

Forty is a milestone age. Many of us remember our own 40th fondly. Victor Hugo said:

"Forty is the old age of youth".

However, a thought from Benjamin Franklin is most appropriate for tonight's debate:

"At twenty years of age, the will reigns; at thirty, the wit; at forty, the judgement."

Many members know that Shelter was founded in 1966 by the Rev Bruce Kendrick, who set it up as a response to the dreadful housing conditions that then existed in his parish in the Notting Hill

area of London. Shelter Scotland followed in 1968 as a recognition that Scotland was no different from other parts of the United Kingdom in the need to address poor housing conditions and as an acknowledgement that different Scottish legal and Government structures required a distinct Scottish response. Shelter Scotland was launched on 3 October of that year, and members will be interested to know—although I am sure that many already do—that its first chairperson was David Steel, who was later to become Sir David Steel and the Scottish Parliament's first Presiding Officer.

From its first steps, Shelter Scotland has been a powerful voice and a leader in developing housing policy in Scotland and keeping housing on the political agenda. Its first 40 years have been marked by successful campaigning, strong advocacy on behalf of people in housing need, innovation and the development of cutting-edge services that have changed the housing landscape in Scotland for the better.

I will recount some highlights. Shelter Scotland has been a driving force in the formation of housing associations, including Castle Rock Housing Association in Edinburgh, which continues to provide and develop social housing as Castle Rock Edinvar Housing Association.

In 1971, Shelter Scotland opened its first housing aid centre, which was based in Edinburgh and ensured that a personal service could be given to people in housing need. That service has developed over the years into a housing aid network and now includes partnership with all Scotland's citizens advice bureaux.

In the 1970s, Shelter Scotland campaigned for and secured the first legislation to provide a right to housing for people who were homeless. In the years since then, there have been further successful campaigns, and housing services have developed to respond to the changing housing and social background. One example is the rural housing initiative, which focused on bringing empty homes in rural communities back into productive use and helped to establish community-based rural housing associations.

In 1992, Shelter in Scotland and England came together to form one charity, but the distinctly Scottish dimension remained and continues.

The organisation has always been in the vanguard of emerging social policy. Following devolution and the Scottish Parliament's establishment, Shelter was key in the creation of the homelessness task force by the then Scottish Executive, which led to what Shelter described as

"the most ambitious programme of action on homelessness ever seen in Shelter's time".

Measures included a legal commitment to give all homeless people the right to a home. After 25 years of campaigning, Shelter secured from the Government legislation to limit the use of bed-and-breakfast hotels for families.

More recently, as Shelter is always conscious of the need to evolve services to meet the housing needs of our changing society, it has launched its first families project to provide intensive support to homeless families with children as they bridge the gap between homelessness and securing a stable family home. Shelter has also developed services to assist asylum seekers and migrant workers who are in housing need.

I am sure that members agree that Shelter has a record of achievement of which all who work there should—justifiably—be proud.

From our vantage point, we can look back over almost a century of developing and building social housing, from the housing act that John Wheatley championed in 1924, which led to the mass construction of social housing—more than 500,000 homes were built for rent to low-paid workers—through to the housing boom of the post-war years, the slum clearances, the move to new towns in the 1950s and 1960s, the rise in owner occupation and—bringing us up to date—the credit crunch and the welcome return of local authorities to building council housing for rent.

It is right to acknowledge that much has been achieved but, for all that, serious challenges remain. Shelter estimates that more than 190,000 households in Scotland are on council housing waiting lists. The number of households that are in temporary accommodation has increased. In addition, there is pressure to provide housing for groups in our communities that have particular housing needs. An ageing population needs housing that can be adapted. Young people who do not—or cannot—buy housing might want to rent. People with disabilities need housing to be adapted. Housing needs to be part of the environment and do little damage—it should be energy efficient, sustainable and part of the communities in which people wish to live.

Some of those challenges are new, but some are the same as before. The circumstances in which we find ourselves provide the opportunity for new thinking about the challenges that we face. As first steps, we need to increase the availability and choice of housing; to address ourselves to doing all that we can not to increase the risk of people becoming homeless; to ensure that our financial institutions do all that they can to help families in these pressing times; and to ensure that all levels of government play their part to the full.

I commend Shelter for 40 years of service to the people of Scotland and congratulate it on all that it

has achieved in that time. As Benjamin Franklin might say, I welcome the wise judgment that Shelter has accrued over 40 years. I look forward to the valuable contribution that Shelter will continue to make to housing in Scotland in the future.

17:13

Tricia Marwick (Central Fife) (SNP): I congratulate Mary Mulligan on securing the debate. I am delighted to add my support to the motion and to speak in the debate.

Mary Mulligan said that Shelter might not want to celebrate its anniversary. Perhaps “commemorate” is better. Most people in Shelter recognise that, when the charity started, it was not expected to be around in 40 years’ time, but the challenges are such that—unfortunately—Shelter will be with us for a long time; it is unfortunate not because Shelter does not do a wonderful job, because it does, but because of what that says about housing conditions.

I was privileged to work for Shelter Scotland between 1992 and 1999. I always knew that one job I would do was work for Shelter, because “Cathy Come Home” made a great impression on me. I am well aware that Shelter was established before that fantastic play, which was written and directed by Ken Loach, was shown on BBC television as “The Wednesday Play”.

Watching “Cathy Come Home” was a searing experience for many people in Britain, as they had never before seen such housing conditions. The impact was even greater on me because my mother, who rarely cried, was in tears. That made a huge impression on me. Since that first viewing, I have seen “Cathy Come Home” many times. Unfortunately, there are parents—mothers—who still live in such housing conditions, although Shelter’s work has stopped families being separated simply because they are homeless. That is one of its greatest achievements.

My admiration for those who have worked, and who continue to work, for Shelter has no bounds. I am thinking in particular of those who work in its housing aid centres, who give direct help and advice to those who are homeless and face huge challenges in so doing. From its inception, Shelter Scotland has retained its independence—its independence from Government. That makes it not only a unique Scottish charity but one of the foremost charities of Scotland. Over the years, although Shelter has contributed to the homelessness task force and other Government programmes, it has retained its independence. It can do that because its core services are funded by donors.

It is appropriate and right that Shelter has an independent voice; its independence enables it to speak genuinely on behalf of those who are homeless or in housing need. Shelter must never lose that independence. It needs to be free to speak out and up for homeless people, regardless of which Government is in power. I encourage it to do that whenever it feels the need to do so. Its criticism can hit home, but that should make us all redouble our efforts. We can always do more than we are doing.

I am pleased to speak in the debate. Other members will have many different things to say. I hope that Shelter is not around for the next 40 years, although I suspect that it will be around for a good number of years. Commemorating Shelter's 40th anniversary and the publication of the booklet helps us to focus our minds on the challenges that face us all—not only the Government but local authorities. In our surgeries, many MSPs see people in acute housing need. It is up to us to redouble our efforts and to work to ensure that, in 40 years' time, we do not have the same debate in the Scottish Parliament.

17:17

Malcolm Chisholm (Edinburgh North and Leith) (Lab): I congratulate Mary Mulligan on securing this important debate, but it is even more important to congratulate Shelter Scotland on the enormous contribution that it has made to Scottish society over the past 40 years.

The motion in Mary Mulligan's name describes clearly the different aspects of Shelter's work. More than any other organisation, Shelter is the organisation that has spoken out on behalf of those who are homeless. It has also been at the cutting edge of service development over the years and played a key role in many important policy developments. I am thinking in particular of the policy on homelessness that the Parliament developed in its early years.

A little-mentioned feature of the Scottish Parliament is the way in which the Government—the present Government and previous Governments—uses and draws upon the experience and expertise of outside agencies in its work. With all due respect to colleagues, the homelessness legislation would not have come into being were it not for the determination of Shelter, in particular, and other lobbyists who ensured that the Parliament took the issue seriously.

When I had responsibility for housing, I always appreciated Shelter's work. A feature of the organisation is its ability to work productively with Government and, at the same time, to challenge it. In its briefing for today's debate, Shelter said that it

has always had good relations with Governments of different parties. I know that to be the case. My relationship with Shelter has always been positive.

The best tribute that we can pay to Shelter at this time is to rededicate ourselves to the 2012 target. Of course we should remember its work over the past 40 years in the debate tonight—other members have detailed its many achievements over that time and that is the primary purpose of the debate—but I am sure that it would not want us to dwell on the past, because there is still so much to do.

People in society—perhaps even some members—may feel that, with all the other difficulties that we face in the economy now and in the coming period, we should not press ahead with the 2012 target, but I hope and believe that the majority of members do not take that view. In fact, there are extra opportunities at present: land is cheap and capital expenditure on housing has been brought forward. We have an opportunity to meet the 2012 target and should rededicate ourselves to it tonight.

This is not an evening for political speeches—it is certainly not an evening for party-political speeches—but I hope that in its housing policy the Government, which is committed to delivering the target, will devote itself single-mindedly to doing so and ensure that its housing resources are focused more on that than on anything else. The best tribute that we can pay to Shelter is to deliver the 2012 target; if we do, it will be one of the Parliament's greatest achievements. I hope that tonight, in celebrating the past 40 years, we will also rededicate ourselves to that task.

17:21

Jamie McGrigor (Highlands and Islands) (Con): I congratulate Mary Mulligan on securing this important debate on an important organisation. I pay tribute to Shelter for the great work that it has done for the past 40 years and continues to do today—first and foremost for the homeless and, more generally, on all other aspects of housing in Scotland.

Despite Shelter's work, homelessness is still a major problem for Scotland: the official figures are rising and the real figure is estimated to be higher still, as many people who are sleeping rough make no appearance in the official statistics. However, thanks to Shelter and other homelessness organisations, there is now some positive news as, over the past couple of years, the proportion of local authority lets to homeless applicants has increased.

Another issue on which my party has campaigned is the hidden number of households who are parked in temporary accommodation.

Since 1999 they have increased by 146 per cent and the number in bed-and-breakfast accommodation has increased by nearly four times. That is particularly hard and unsettling for children in the families concerned. Children need security; insecurity will affect their confidence later on. I ask the minister to comment on those points, as the SNP Government desperately needs to tackle them. Earlier this afternoon, I asked him whether he would review homelessness policy; I invite him to respond on that point.

The Scottish Conservatives are in favour of the goal of ending homelessness and realise that the problem is likely to grow as we enter the recession, but in our view aspects of the Government's current homelessness policy were introduced without proper examination of the impact they would have on local authority waiting lists. As a result, many councils are struggling to balance an obligation to house the homeless with meeting the needs of other tenants. For that reason, we believe that the operation of the policy needs to be reviewed.

I pay tribute to Shelter for its instrumental involvement in the establishment of housing associations in Scotland. The housing association movement is one of Scotland's greatest success stories. For 35 years it has delivered affordable homes in Scotland. We believe that, by encouraging the building of council houses rather than allowing the experts in housing associations to get on with the delivery of affordable housing, the SNP is returning to the policies of the past. On the whole, councils have proved themselves to be poor landlords. We would prefer housing associations to be given all available funding to build new social housing for rent in Scotland.

Another vital service that Shelter provides is its online housing service, which is an invaluable source of information on a large array of issues, ranging from the rights of those who live in mobile homes to issues relating to repossession and eviction. It is a really valuable service for many people.

The economic reality that is being felt in Scotland more and more as the year progresses and job losses begin to bite means that Shelter will become increasingly relevant and valuable. I take this opportunity to thank all of Shelter's staff for the hard work that they do for the homeless and for all of us in Scotland today.

17:24

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I, too, congratulate Mary Mulligan on having secured the debate, and on her thoughtful and elegant speech.

"Forty Years On"—to quote the name of Alan Bennett's play—I recall going to see some people I knew who lived up a hill behind my home town of Tain, back in 1968. They were living in a sort of house made out of corrugated iron and cardboard, which was papered with newspaper. I was shocked, even then. That has gone but, alas, we still have housing problems today.

When I first entered politics as a district councillor in 1986, I soon came to recognise the benefit of Shelter and all the excellent work that it was doing. I take issue slightly with my good friend Jamie McGrigor. I do not think that councils in Scotland were doing all that bad a job in housing back in those days, and they were not necessarily bad landlords. I, for one, am proud in my small way of what I did as a member of Ross and Cromarty District Council's housing committee. This is in no way to go against what the housing associations are doing, but to decry the local authorities of Scotland is wrong. There is no doubt that local authorities' officials and members were doing their very best to house people.

I will go down history lane and say that it was, of course, a golden age in those days as we had so much more money, with our block A and block B capital consents. We were able to do an awful lot more and I feel sorry for councillors these days. The situation has improved of late, but it is nothing like it was in the past when it comes to the ability to build new houses. By the way, I am glad about the name check for my erstwhile colleague, David Steel, who was the first chairman of Shelter.

Mention has already been made of issues concerning young and disabled people. Problems are still with us, and all of us who hold clinics know about them. Again and again we come across cases of young people who simply cannot get houses and of disabled people being offered unsuitable houses. Despite the best intentions of people who work in Scotland's housing associations and local authorities, it is not always easy to put such matters right.

Malcolm Chisholm said that we should

"rededicate ourselves to the 2012 target."

That is right. Shelter has moved the matter right up our agenda, and if we shift from that target, we will lose sight of what we are trying to achieve. We must keep those goals ahead of us.

As has been asked already, who knows what lies before us, with the huge economic problems that the world faces? Shelter has, alas and alack—we should in many ways be thankful to it—a role to play over the next period.

The Minister for Communities and Sport has already made a welcome announcement today about two tranches of £5 million coming forward

over the next two years. In responding to the minister's statement earlier today, I asked him whether we know how big the great wave or spike of homeless people is going to be. The minister might wish to comment on that in his summing up, although he might reply that such specific data are not held. Shelter can help us to identify problems by acting, as it has in the past, not just as our conscience but as our early-warning radar.

I have not done housing for a bit—not since I was a councillor, in fact—but I have recently been made Lib Dem housing spokesman, so it would be wrong of me not to mention my personal gratitude to Shelter for the thoughtful way in which its staff have engaged with me and, perhaps more important, with my staff here in Edinburgh and in my constituency office. On the days when I am down here, they are the people who interact more directly with people in my constituency who face homelessness or have problems associated with it.

Shelter's purity of motive cannot be questioned, and I am very grateful to it. I congratulate Shelter on its anniversary.

17:28

Patrick Harvie (Glasgow) (Green): I add my congratulations and thanks to Mary Mulligan for securing the debate. I strongly support her view that Shelter Scotland should be rightly proud of the work that it has done. Its record is one of which many non-governmental organisations would be proud. I echo Jamie McGrigor's thanks to the many members of staff, activists and supporters of Shelter who have contributed to that record. Mary Mulligan said that we can all fondly recall our own 40th birthdays. I can say only that I will let her know.

The progress that has been made over Shelter's 40 years should be put in context. I think Tricia Marwick was the first to mention "Cathy Come Home" in the debate—a film that had a profound impact. There is perhaps a sense that the scenes such are in that film might not be seen in Scotland any more. Perhaps the scenes of homelessness, poor housing or eviction that are around Scotland today have changed a bit, but I think members know that such scenes are comparable to those found in "Cathy Come Home". As Jamie Stone suggested, many local councillors also know that such scenes can be found in parts of Scotland today. Perhaps they have changed, though, so that a film today with the same kind of emotional impact as "Cathy Come Home" would show scenes of, for example, the Roma community in Govanhill in Glasgow, or the experiences of disabled people whose homes are not fit for their specific needs, which Mary Mulligan mentioned. Perhaps a film with such an emotional impact

today would say something more about the diversity of needs that we have come to recognise.

I wonder, though, whether such a film would have the same societal and political impact as "Cathy Come Home" had when people can today, without getting out of their chairs, press a button and turn on to television programmes such as "Relocation, Relocation", "Grand Designs" and "Property Ladder", or other programmes that provide similar images. Those are the images of housing that people see on their television screens today. They are aspirational and are about a completely different set of values from those that inspired the makers of "Cathy Come Home".

Those aspirational values need to be challenged in the political sphere. There has been a great increase in home ownership over the decades. No doubt, there are good and positive aspects to that, but there is a downside as well. Part of that is the con that has been perpetrated that the increasing value of people's homes is a form of wealth; it is not a form of wealth but a trap that many people have fallen into. A young couple can buy a home, then read enthusiastically in the newspapers that property values are going up. However, all that means is that the difference between the value of their current home and that of their next one will be a higher proportion of their income—not wealth, but a trap.

Politicians need to challenge the current view on owning property if we are to undermine, as we should, the idea that social housing is the option of last resort. We need to base our housing policy not only on necessary targets but on a set of values that are right for the 21st century. Those values are about sustainability, quality and equality—not just in terms of social diversity but in the economic equality that we should see in the housing provision that we make for Scotland's 21st century.

17:32

The Minister for Communities and Sport (Stewart Maxwell): I am pleased to have this opportunity to mark the 40th year of Shelter Scotland and welcome the publication of the booklet "Shelter Scotland 40 years on". I join other members in congratulating Mary Mulligan on securing this important debate as not only is it Shelter Scotland's 40th anniversary but it is a time when many people across Scotland face particular housing difficulties.

We can, of course, reflect on the significant progress that has been made in the past 40 years, but we must recognise the major challenges that remain in addressing the complex issues of homelessness and housing need. The Scottish Government is not, and never will be, complacent

about tackling and preventing the trauma of homelessness. I believe that it is right to recognise how highly regarded our approach to tackling and preventing homelessness in Scotland has become internationally, to acknowledge the part that the Parliament has had in passing the homelessness legislation and to reflect on the part that Shelter Scotland has played in that.

We are of course proud of what has become known as the most progressive homelessness legislation in Europe, which is underpinned by the 2012 target. We remain committed to that target, although the real challenge of achieving it cannot be underestimated. The target and the wider progressive approach represent years of campaigning by organisations such as Shelter Scotland, which ensured that its understanding of the reality of homelessness influenced the policy making of successive Governments at a national level.

Given the ambitious and challenging nature of the target, it is important that the Government has a strategy for maintaining progress and momentum towards its achievement. Our priorities are clear: maintaining continued leadership and joint working at the political and corporate levels; investing in new build in the right areas to meet homelessness and wider housing need; improving access to existing housing, including that in housing associations and private rented stock; and, crucially, preventing homelessness before it occurs.

Those priorities are agreed with our partners in local government to create the framework within which to determine the appropriate local services to meet local needs. Across Scotland, that will be achieved through joint working with the voluntary sector, which will play an important role in taking the priorities forward and in providing the support that is so often crucial to preventing homelessness and sustaining resettlement.

The motion demonstrates the range of ways in which voluntary sector organisations such as Shelter Scotland have risen to the challenge in the past. I have no doubt that they will continue to do so. Over a number of years, Shelter Scotland's roles have been many and varied: working on the front line to provide services and advice to those in need; providing training and informal local strategic thinking; and, of course, working as a key stakeholder with Government. With the expertise and practical experience that it brings to the table, Shelter is a valued member of a number of Scottish Government working groups and advisory groups—as Mary Mulligan, Tricia Marwick and Malcolm Chisholm mentioned—which range from research advisory groups for particular studies through to bodies such as the housing supply task force. We also work closely with Shelter on

particular projects. For example, officials are currently working in partnership with Shelter Scotland's new children's service to develop guidance on acting in the best interests of homeless children.

We are all aware that Shelter's 40th anniversary takes place against the background of extremely difficult times for the economy. I know that Shelter Scotland has felt a direct impact of that through a decrease in corporate and individual donations. As I said in my statement earlier today, we have acted swiftly to respond to the changing economic circumstances and their implications for Scotland's housing system. In the Government's first year, a record number of public sector houses have been started. In 2009-10, we will invest some £640 million through the affordable housing investment programme. We are particularly proud to have kick-started a new generation of council houses—432 were started in 2007-08—so I welcome Mary Mulligan's comments on that. Many more council houses are planned, with the backing of £25 million of Scottish Government funding. That is the right thing to do for the people of Scotland. The same point applies to our intention to end the right to buy on new-build social housing, to safeguard provision for future generations of tenants.

We are also aware that, to a greater extent than was previously the case, those who are vulnerable might, in the coming period, include people who have bought their own home. Shelter Scotland is again to the fore in responding to that situation so—as I noted in my statement—we are providing an additional £40,000 for its helpline to deal with an increased level of calls. We are also providing £230,000 for Shelter's housing law service, to ensure that expert advice is available to home owners who face repossession, to the agencies that support such individuals and to others who are in need of legal or housing advice. In addition, we are currently funding the Scottish housing advisory service—which Shelter provides in partnership with Citizens Advice Scotland—to provide second-tier assistance and training to local advice agencies throughout Scotland.

As is noted in the motion, the provision of online housing advice is another area in which Shelter's input has been invaluable. Quick access to reliable, user-friendly advice is important not only to individuals when they face a crisis but to a wealth of supporting agencies and local authorities. When we speak of legislation and national targets, Shelter Scotland's role in providing direct support to individuals when they need it most can sometimes be forgotten, but it is central to making a real difference to people's lives.

In my statement, I also drew attention to the establishment of a debt advisory forum and the

setting up of a repossessions group to advise ministers on whether further strengthening of legislative protection for home owners is required and on any other non-legislative steps that the Scottish Government and others might take. Shelter has been asked to join that group, so we look forward to its contribution.

Jamie McGrigor asked me some direct questions about homelessness. He seems to believe that all money should go to housing associations, but I disagree. I believe that there should be a mixed economy in affordable housing. I believe that there should be a balance in the suppliers of affordable housing across Scotland. However, I also believe that the vast majority of the funding will be for houses that are built by housing associations. We have made that pretty clear.

Jamie McGrigor also referred to homelessness in general. A number of initiatives are taking place and have been going on since last year. In 2008, there was a national consultation on allowing local authorities more scope to engage with the private rented sector. During 2009, regulations that have been identified as requiring amendment will be updated. Section 5 of the Housing (Scotland) Act 2001 is currently under review. In 2009, the role of housing associations in tackling homelessness issues is to be inspected by the Scottish Housing Regulator. Updated guidance on the development and maintenance of common housing registers is due for publication in the spring of 2009.

Those are just some of the things that are under review. I hope that Jamie McGrigor accepts that we keep a close eye on the issue to ensure that whatever regulations and legislation are in place are fit for purpose to address current and future needs.

I assure members that the Scottish Government recognises the valuable contribution that Shelter Scotland has made—and continues to make—to tackle and prevent homelessness and to address wider housing issues in Scotland. In marking Shelter Scotland's 40th anniversary and moving towards the 2012 target, we have an historic opportunity to work together to deliver policies that inspire those who work to address homelessness throughout the world and which make life better for people who experience homelessness here in Scotland.

Meeting closed at 17:40.

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