



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

RURAL AFFAIRS, CLIMATE CHANGE AND ENVIRONMENT COMMITTEE

Wednesday 30 November 2011

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RURAL AFFAIRS, CLIMATE CHANGE AND ENVIRONMENT COMMITTEE
13th Meeting 2011, Session 4

CONVENER

*Rob Gibson (Caithness, Sutherland and Ross) (SNP)

DEPUTY CONVENER

*Annabelle Ewing (Mid Scotland and Fife) (SNP)

COMMITTEE MEMBERS

*Graeme Dey (Angus South) (SNP)

*Jim Hume (South Scotland) (LD)

*John Lamont (Ettrick, Roxburgh and Berwickshire) (Con)

*Richard Lyle (Central Scotland) (SNP)

Jenny Marra (North East Scotland) (Lab)

*Aileen McLeod (South Scotland) (SNP)

Elaine Murray (Dumfriesshire) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

George Lyon MEP (European Parliament)

Alyn Smith MEP (European Parliament)

Jean Urquhart (Highlands and Islands) (SNP)

CLERK TO THE COMMITTEE

Lynn Tullis

Simon Watkins

LOCATION

Committee Room 1

Scottish Parliament

Rural Affairs, Climate Change and Environment Committee

Wednesday 30 November 2011

[The Convener *opened the meeting at 10:00*]

Interests

The Convener (Rob Gibson): Good morning. Welcome to the 13th meeting in 2011 of the Rural Affairs, Climate Change and Environment Committee, on St Andrew's day. Members and the public should turn off their mobile phones and BlackBerrys, as leaving them in flight mode, or on silent, will affect the broadcasting system.

We have apologies from Jenny Marra and Elaine Murray.

Agenda item 1 is a declaration of interests. I invite John Lamont, who has joined us on the committee, to declare any relevant interests.

John Lamont (Ettrick, Roxburgh and Berwickshire) (Con): I have no interests to declare.

The Convener: Thank you, and welcome to the committee.

Decision on Taking Business in Private

10:00

The Convener: Under item 2, I seek the committee's agreement to take in private at future meetings consideration of draft correspondence in relation to the common fisheries policy and land reform, and consideration of our approach to the scrutiny of zero waste regulations and the common agricultural policy. Do we agree so to do?

Members indicated agreement.

Rural Affairs, Climate Change and Environment

10:01

The Convener: Under item 3, we will hear from members of the European Parliament, focusing on the reform of the common agricultural policy, and other agriculture issues, such as electronic sheep and cattle tagging—electronic identification, or EID. At our meeting on 14 September, we discussed the reform of the common fisheries policy with Struan Stevenson MEP and Ian Hudghton MEP via videoconference. Hopefully, today's videoconference session will go as smoothly as that one did.

I remind members that, because of the technical aspects of the video link, a delay will occur between members finishing their questions and the MEPs hearing them and responding to them. There will be a similar delay the other way. Because we are using a video link, it is important that no one try to speak over anyone else. Therefore, members should speak only if I call them to do so, and should not try to interrupt a colleague or a witness, as that could affect our ability to hear the answers. We have allocated roughly an hour for the session.

I welcome our witnesses from the European Parliament, Alyn Smith MEP and George Lyon MEP. I thank Alyn Smith for his written submission.

For the benefit of our witnesses, I will introduce the committee members who are present: Annabelle Ewing, my deputy convener; Aileen McLeod; Jim Hume; Graeme Dey; Richard Lyle; John Lamont; and Jean Urquhart, who is a visiting member.

I will invite the members of the committee to pose questions to the witnesses. Following that session, we will review the discussion, as well as other matters that we will use in our assessment, at this stage, of the common agricultural policy proposals.

Aileen McLeod (South Scotland) (SNP): Annabel Ewing and I are just back from a visit to Brussels that was organised by our other committee, the European and External Relations Committee. On that trip, we met a number of European Commission officials. Much of the discussion focused on the on-going euro zone debt crisis and the current debates surrounding the strengthening of economic governance as a way of resolving the crisis. Given that all of that is happening at the same time as the European Union is trying to negotiate a budget for 2014 to

2020, how much of an impact will that have on the CAP negotiations?

Last week, during our round-table discussion with a range of stakeholders, there was strong support for the maintenance of pillar 1 support and for there to be a fairer distribution between pillar 1 and pillar 2. However, if there is a cut in the EU budget, there will be a lower allocation for the United Kingdom, which will have a subsequent effect on Scotland's farmers. What impact will that have on the CAP negotiations? We are trying to reach agreement on the rural development programme, but concern was expressed last week about the possibility of a delay in the implementation of that.

The Convener: Who wants to start?

Alyn Smith MEP (European Parliament): I do not think that you will get much of a line from either of us, to be honest. I cannot stress highly enough the extent to which I feel like I am in some sort of parallel universe when I hear some of our colleagues here in Brussels. The euro zone debt crisis and the wider pictures of the global economy and the numbers in the UK economy, which only started to become clear yesterday, should not be underestimated. I read the papers for and heard your previous evidence session, and I think that there is a grave danger that we get hung up on the minutiae of the mechanics of how we will deliver this. It is an open question what budget will be available for European agriculture as the process rolls forward.

I have said before that the euro will endure, and I believe that it will. There is sufficient political necessity among some heavy-lifting member states to ensure that it does, but how much public money will be needed to tide it over in the meantime? It is going to have an incalculable medium and long-term effect on member state budgets, which will knock on to the member state contributions to the EU budget. We are running a parallel negotiation on how we are going to arrange the CAP structure and CAP support, but we need to start asking ourselves questions. If there is only £2.50 in the budget, what needs to go? What are our priorities?

Last night, I was discussing with Richard Lochhead just how grave the situation might be, and we need to be nimble, not least because the UK Government is already pushing for a substantial cut to agriculture support at the EU level, although it has not given any numbers. The implications are grave. It is an open question, but it is almost as if we are negotiating backwards; we are trying to set out our priorities before we have found out how much is in the budget. I put a question to you: if there is to be no EU agriculture budget at all, what is our plan B? I do not think that that is an inflammatory or exaggerated question.

The Convener: Thank you. Would George Lyon like to comment?

George Lyon MEP (European Parliament): The budget is one of the key questions in the debate about the future of the common agricultural policy and the on-going support for the cohesion fund. We know that the public finances of member states are in serious trouble. That is reflected in the crisis over the future of the euro and the crises in Greece, Italy, Spain, Portugal and southern Ireland.

The Convener: I am sorry to interrupt, but can you put your microphone on?

George Lyon: Is that better?

The Convener: Much better.

George Lyon: I apologise. I did not realise that we were not automatically on mike.

As Alyn Smith said, the budget is one of the key issues. The public finances of member states are in a very bad state, so there are debates about how much comes to Europe in total—what the European budget is—and the separate issue of how we divide up the budget between the two big blocks, which are cohesion funding and the common agricultural policy. We have had only two indications so far. First, the Commission has already published its budget and it is looking at a real-terms increase of some 5 per cent over the seven-year period. That is optimistic, to say the least, in these straitened times. It shows that the Commission is completely out of touch with the public finance problems in member states, which ordinary people are facing day to day.

Secondly, the prime ministers and presidents of the major countries that are net payers—France, Germany, the United Kingdom, the Netherlands and Finland—wrote to the President of the Commission, Commissioner Barroso, about a year ago, making it crystal clear that the EU budget should remain static in real terms, or decline in real terms, over the seven-year period.

Looking at how the budget is divided, we can note that the Commission's proposal for the common agricultural policy is for an overall reduction in the total budget for 2014 to 2020 of around 12 per cent in real terms compared with the total budget for 2006 to 2013. If we consider the totals on an annualised basis, the figure is more like 15 per cent or 20 per cent, depending on whether modulation is taken into account.

Clearly, a tough time lies ahead, but there are one or two plus points for the United Kingdom—and, indeed, for Scotland—in Commissioner Ciolos's proposals. The budget proposals suggest that, when money is being distributed among the member states, there should be a catch-all figure. For any member state that receives less than 90

per cent of the European average, a third of the shortfall should be made up over time. Interestingly, that means that the UK will see a 1 per cent rise in its direct payments share of the budget. A separate question would then arise over how that should be divided within the United Kingdom.

Rural development is another big issue, and Scotland gets a very poor share of the rural development budget at the moment. In any pot of money to be divided up, we need to ensure that we receive a fair share.

Things will be tight, although I am not as pessimistic as Alyn Smith and would not say that there might be no budget whatsoever. However, the budget will be constrained, and we will have to consider how we can spend it effectively and efficiently, targeting those who need it most.

The Convener: If we assume that we will have some influence over developments, it will be important for us to understand how certain aspects will be dealt with by the UK and Europe, and to understand the mood in Europe.

Jim Hume (South Scotland) (LD): Good morning, gentlemen. I am interested in the issue of new entrants. Scotland has a new entrants scheme, although the scheme has only about 69 people. In the present CAP negotiations, how high up the agenda are new entrants?

George Lyon: New entrants feature quite highly in Commissioner Ciolos's proposals. He requires member states and regional Governments to top-slice some of their direct payment moneys in order to increase payments that might go to new entrants to the industry. At the moment, we do not know what the qualifying criteria will be. There is also a provision for setting up some sort of national reserve for people coming into the industry. The Commission puts quite a strong emphasis on new entrants and young farmers. However, although it is easy to say that you want to do something, key questions will arise over the details of how things will work.

Under rural development measures, member states and regional Governments have always been able to put in place a new entrants scheme or young farmers scheme. We have such a scheme in Scotland, although it is not clear to me how many people it has ever managed to help. I do not think that it has had a terribly big impact so far.

Alyn Smith: I would back up what George Lyon has said. Young farmers have received a fair bit of attention from the Commission, which is to be welcomed as far as it goes. As George suggests, other budgets can be top-sliced to top up payments to young farmers under the age of 40. Sadly, Jim Hume is just missing out, but we will

see whether we can make an amendment especially for him.

The biggest obstacle to new entrants in Scotland has nothing to do with how the EU does business; it has to do with land reform, which is a matter for you folks rather than for us. From our side, we can implement schemes for new entrants, but that will be subject to budgetary questions—to which I will come back often today, I suspect. Subject to the budget being there, the best thing that we can do for young farmers is reorientate the support, the direct payments and any other measures towards whoever is doing the farming and taking the risk. The present system of support is not fit for purpose, which is why the need for reform is so urgent.

The Convener: Following on from that is the question of capping the budget, which Graeme Dey wants to ask about.

10:15

Graeme Dey (Angus South) (SNP): Good morning, gentlemen. I want to consider the proposed shift in the basis of direct payments from the historical basis. I understand that we need a system that is justifiable, but I represent a constituency that could be adversely affected by the proposals—financially, at least. How can we ensure that there will be no detrimental impact on food production, and how can we guarantee a tangible return in increased support for farming in other parts of Scotland?

Alyn Smith: I will kick off. I am delighted with the response that I have had to the live consultation on my website—www.alynsmith.eu—to which you are all very welcome to chip in, specifically on this question. My position on capping is that if—and it is an “if”—we were to reorientate support towards where the food is being produced and towards those who are actively managing the land and taking the risk, I would not find the idea of a big single farm payment offensive. The status quo is clearly not working and not fit for purpose.

The Commission has brought forward some pretty hefty proposals to implement capping as a cost-saving measure. If the net effect of capping is that the Scottish budget is less than it would otherwise have been, I see little incentive for us to go for it. On the other hand, it could be introduced in a way that created a Scottish national reserve that was at the disposal of the Scottish Government, allowing the Government to create other schemes such as—who knows?—a nationwide scheme for solar panels on farm buildings, and schemes with a bit of budget behind them for new entrants. Such a reserve could also be used to provide increased training and to

establish quality marks. All those schemes could benefit Scottish agriculture as a whole, while keeping the single farm payments within what is publicly justifiable.

The proposed cap of about €300,000 is only the opening gambit. Let us say that the cap was €100,000—suddenly, an awful lot of farmers would be affected. For me, the questions are where that money would go and who would control it. If capping were to roll forward as a cost-saving measure—as a way of cutting the EU's CAP budget everywhere—that would throw up some pretty chunky issues that Scotland would need to address. That is why I have opened the consultation. I want rural Scotland to give me a steer on what our view on this should be, because it is going to be one of the hotly contested points in the negotiations.

George Lyon: There are two separate questions here. One is about the move from the historical payments system to the area-based system that is envisaged in the new regulations set down by Commissioner Ciolos. That will mean some redistribution. Brian Pack has done some work on that, on which you have already taken evidence, which revealed some of the issues that the proposal throws up.

Ultimately, we here in Europe will set out the regulations and the framework, and it will be a matter for the Scottish Government to decide how it implements those measures. The approach that Alyn Smith and I have taken has been to ensure that the Scottish Government has as much flexibility as possible to implement them in a way that suits Scotland's needs. That should include an ability to regionalise the way in which the payments work, and it would also be helpful if there were tools to top up less favoured areas through the direct payments. There should also be, for the first time, a definition of an act of farming, given the concerns about the substantial amounts of acreage on which no farming is taking place, because a move to an area-based payments system could drain a whole lot of money out of productive agriculture if that question is not addressed. It is incumbent on us to ensure that the Scottish Government has the necessary flexibility and tools, but it will ultimately be up to the Government to design a way for the system to work that will fix Scottish agriculture.

I am relatively happy that the Commission has provided a range of tools that will help that process, but it will not be easy. The only two countries that have done it are England and Germany. The English model was a disaster; if you want to find out how not to do it, that is the place to look. Germany has just about completed its transition, which appears to have gone relatively successfully. At least we now have two

systems that have been designed: one that shows you how to do it and one that shows you how not to do it.

Capping is an old chestnut that has been run out during every CAP reform that I can remember since 1992 and Ray MacSharry's first reform of the CAP. There has always been fundamental opposition to it because it appeared to penalise the most efficient and biggest producers and reallocate money to small producers in the rest of Europe. There are slight differences this time in Commissioner Ciolos's proposal; it allows farmers to count labour units—the number of employees or people involved on the farm—and offset those against the threshold, and the greening element of the direct payments will not count towards it either. There is some flexibility, but the worry is about how someone would implement the measure and how they would demonstrate that they have employees and what their salaries were. Would they need to fill in returns? The bureaucracy involved would be quite worrying.

The other interesting difference this time is that, instead of the money that is taken off as a result of the capping measure being transferred to Brussels and redistributed, the legislation allows member states to keep the money, put it into the rural development fund and use it to do other things through rural development measures. That is a slightly different dynamic to the debate, but I still think there will be fundamental resistance from Germany, Slovakia and the Czech Republic. The UK Government is certainly against it; that has been the position every time that it has been suggested and it has always dropped out in the final negotiations.

Once the precedent is set for capping, the question is how far it is ratcheted down. That is the big danger of going down that road: it might be a way of redistributing money away from Scotland and the United Kingdom, which have bigger farms than the likes of Romania and Lithuania do. We might end up giving money away to the eastern European countries, which might be deserved in some ways, or it might not. It might penalise agriculture in Scotland.

Annabelle Ewing (Mid Scotland and Fife) (SNP): Good morning, gentlemen. As Aileen McLeod mentioned, I had the pleasure of being over in Brussels over the past few days. We had a very busy agenda and one of our meetings was with the deputy director general of the Agriculture and Rural Development Directorate, João Pacheco. We had an interesting discussion, during which I raised with him the greening of the CAP, crop diversification and rotation measures, and the permanent pasture measures in particular. I found a certain openness to flexibility to reflect Scottish practice on the ground but also a slightly worrying

lack of knowledge of the possible concerns of Scottish farmers about those measures. Are you aware of that lack of knowledge of the detail? What steps can you take to meet the specific concerns of Scottish farmers that Scottish practice should be respected and taken into account and that measures designed to exclude practices in other member states are not drafted into Scotland where they are not relevant? We do not have a monoculture in farming. What steps could you take to ensure that the Commission is well aware of the practical issues on the ground in Scotland?

Alyn Smith: It was good to see you yesterday, Annabel. The concerns about greening are well put. That bit of the package has received a hefty dose of criticism in our meetings with agriculture ministers from the member states. My view on that is evolving as we see the widening budget issue that I mentioned earlier. Greening is the bit of the package that drops out most easily. My initial view of greening was that it would reward existing best practice, and that new budgets would be created to reward what we are already doing but not receiving support for. However, I get the impression—largely informally from Scottish Government officials and from crunching the numbers on how that would work for us—that it would not mean more money coming to Scotland but greater cross-compliance and greater potential liability over cross-compliance, which is potentially the sair one. If we are not talking about much more money coming to us, I see little for us to do.

There is the question of greening by legislation or greening by budget. At a time when budgets are under unprecedented strain, greening is the bit of the package that could be cumbersome and unworkable. From our perspective, it has to be all about ensuring that we have sufficient national Scottish flexibility to set up the sort of greening schemes that will work for our extremely varied localities. Annabel Ewing is right about that.

There are various good ideas in there. Crop rotation in particular merits a lot more investigation by Scottish agriculture than we have seen to date, but I am not convinced that creating a cumbersome budget and cross-compliance regime will encourage people to do that. The greening proposals are a halfway house that keeps no one happy at present. They are the most vulnerable bits of the Commission's proposals.

George Lyon: There are no two doubts that the greening proposals are causing most dissatisfaction, not only among member states. There are concerns about it in the agriculture committee.

There are three issues. One is the principle of greening and whether it should happen. The second is what the measures are, and the third is whether it is an incentive or a big lump of cross-

compliance—in other words, whether people are forced to do it. We need to tease some of those out.

As far as I can see, there will be support for further greening measures. Some will argue that greening should be carried out as a national measure in rural development. That is where some member states, including the UK, started off. I do not think that that will come about. I think that the greening issue will not disappear, so the question for us as representatives of Scottish agriculture is to ensure that, if the greening component stays, we get a range of measures that takes into account the needs of Scotland.

I firmly believe, as does my group, that those measures should not be compulsory for farmers. It should be compulsory for member states to pick and choose two or three of the most appropriate measures and it should be up to farmers to decide whether they want to opt in, without threat of a huge punitive fine for not doing so. That is a more sensible approach and it addresses concerns of the sort that Alyn Smith outlined—“If there’s nothing in it for us, why do we want to do it?” If greening measures stay in, we need to persuade the Commission to broaden them out. More measures should be considered. As Annabel Ewing pointed out, the grassland issue causes great concern. Our group believes that greening should be based on incentives and that it should not be another piece of cross-compliance.

The other big issue is the definition of heather hill. We would all hope that heather would be included in the description of an eligible acre, but the regulation as drafted fails to address that concern. The great worry is that a huge amount of Scottish land that is currently farmed with sheep would drop out from qualifying as eligible land. There has been a lot of lobbying on that, especially from areas such as Shetland and the Highlands, which are concerned that it should be explicit in the regulation that heather-covered land is included in the definition of an eligible acre. At present, there is a side agreement between the Commission and the Scottish Government that tries to address that, but it is not in the regulation or in legislation. We need to ensure that we get that right.

10:30

Annabelle Ewing: It is encouraging that you both seem to be au fait with the current status of the debate. For your interest, I mention that I took the liberty of inviting the deputy director general for agriculture to Scotland to see for himself what we do on the ground. He said that he would be delighted to come, so perhaps you could assist in facilitating that.

George Lyon: I am staggered to hear that you took a liberty, Ms Ewing.

The Convener: I want to ask about some general issues to do with rural development. First, it has been mentioned that land reform, which could free up more units, could be an important part of the near future in Scotland. The second issue is that, despite the rise in farmland values, even the best Scottish acres are still much cheaper than those in Ireland or England. The third issue is farm inputs. The José Bové report allowed us to see a monopoly, which increases the costs to farmers. Can we have your comments on those three issues, which are part of the background to the potential for farming in the next few years.

Alyn Smith: Jings—where do I start? You are absolutely right. We must get real about what public financial support for agriculture is for. We have had a lot of guddling around the edges and a lot of attention has been given to matters that are frankly peripheral to the main issue, which is the increasing and on-going crisis of global food price inflation. Thus far this year, food riots have taken place on every continent but Europe. The instability in the middle east has a knock-on effect on the price of oil, which then has a knock-on effect on transport and fertiliser costs. Input costs are rising and there is no sign of them going down, and that has a knock-on effect on food prices in shops.

There is massive food wastage in the food supply chain. The UK is particularly poor in that regard, but we are not immune from the issues, so we must be more effective and get more value from the supply chain. However, under the current set-up, agricultural support just does not hit where it needs to hit in Scotland and across the EU. We will have to justify every pound of public support for agriculture in a way that we have never had to do before.

Input costs are rising and will continue to rise but, in a global market, we can have only so much control over that. In too much of Scotland, our agriculture remains far too dependent on petrochemicals. There are questions about the possibility of legislation to tackle monopolistic practices in relation to fertiliser. We can consider that, but the raw materials are limited resources and they will become more expensive.

National security is predicated on food security, and that must be our absolute north star in the negotiations. That is why we are doing all this. To my mind, all the rest is in essence peripheral. It truly will not be an easy circle for us to square.

George Lyon: Alyn Smith gives a fair assessment of the challenges that lie ahead. Food security is an issue, given the growing world

population and growing demand from the Asian countries as they become wealthier. There are issues to do with how we meet that demand and what role Europe should play in that regard. In some ways, that harks back to the future direction of the common agricultural policy. There are those in the green movement and Green group in the European Parliament who want the CAP to be turned into a common environmental policy through which we tackle some of the big issues that they think are more important than food production per se.

We need to strike the right balance between efficient food production and sustainable food production throughout Europe. That means reducing our reliance on fossil fuels, using fewer nutrients and reducing carbon emissions from agriculture. Those are the big challenges that we face.

The convener mentioned land prices. Land prices in England are higher because there are huge areas of good land in the Fens. Prices tend to be higher in England than in Scotland, although I suspect that the golden mile up in Angus could match anything down in Lincolnshire for value—we just do not have much land of that quality. The price of land is also much higher in Ireland than in Scotland because the Irish have the right to buy and every piece of Ireland is owned, with only short-term lets available. Land rarely comes on the market in Ireland, and it is very valuable when it does. Those are some of the reasons for the differences in the value of land.

On inputs, a major issue is the fact that farmers are squeezed between the major multinational retailers, which are their customers, and the supply industry, which is made up of multinational suppliers—big global fertiliser companies, drug manufacturers and herbicide manufacturers. Individual farmers are squeezed between the two, one influencing the input prices and the other influencing what the farmers get in the marketplace. The reform must focus on improving the position of the farmer who is caught in the middle of those two opposing forces and make sure that he is able to earn a better return from the marketplace. It cannot be just about how much subsidy goes to each farm; it must be about the farmer's ability to earn a better return from the marketplace and ensuring that that does not disappear into higher input costs. This year, the price of fertiliser has rocketed—the price of gas has not gone up much more—which is down to monopolistic abuse. I have raised the issue with the Commission's competition directorate and have asked it to investigate the matter. To date, however, we do not know whether that is going to happen.

The Convener: Thank you. In the week of the Durban conference on climate change, let us recognise that rural development can often deliver some of the greening aspects that were mentioned earlier. Given the problem with the UK rebate and our difficulty in Scotland with having the smallest rural development slice in the budget, should we make the case with our allies in Europe, who have similar land problems, that greening elements such as high-nature-value farming are a common feature in many countries and are well worth arguing for?

George Lyon: We have a serious problem in the UK—not only in Scotland—in that the baseline for European funding for rural development is really low because successive UK Governments have refused to fund it because of the impact of the rebate on their contribution to that funding. When the most recent baselining was carried out, an opportunity was missed to ensure that we got a better deal. This time around, we must press to ensure that we get a better deal on rural development funding.

That also applies to direct payments funding. We need to look at the Commission's proposals. If the Commission is setting a minimum threshold below which member states get a closing of the gap in the distribution of direct payments between member states, there is a robust argument that that should also apply within member states—although I am sure that my colleagues in Northern Ireland, which currently enjoys a higher level of funding than we do, would probably say no to that.

It is all to play for. Yes, we must argue our case for fairer funding on both direct payments and rural development, and we must seek allies in that argument.

On direct payments, we already have a lot of allies across Europe. The number 1 priority for the new member states is fairer funding payments for all member states, because they believe that they got a bad deal. We need to make sure that we take advantage of the political pressure that is going to be evident at the negotiations this time around.

Alyn Smith: I agree with much of that, but I have my own thoughts on the UK rebate and its interaction with Scotland's interests in terms of how our nation is represented and treated in the corridors of power in Brussels. The UK's chief negotiating point on absolutely everything is: "Keep the rebate. Keep the rebate. Keep the rebate." That is because the Treasury drives the UK's policy on Europe, and it is very attached to the UK rebate. It should be borne in mind that EU money is actually our money coming back to us—it comes back to the UK and the Treasury as a single slug of cash, which is politically beneficial to the UK chancellor. It is not as hugely beneficial to

us as the various other ways in which we could otherwise get it would be, as they would allow us to do various useful things on the ground. If the UK rebate came back via the agriculture budget, the fisheries budget, the research budget, the carbon capture and storage budget, or the trans-European transport network budget, it would give Scotland considerably more added value than we get at the moment. We are hamstrung by that short-sighted and mean-spirited obsession with the UK rebate. If we engaged in the programmes better, we would not need the rebate because we would be getting more money in a more useful way.

I am the shadow rapporteur for our group on the rural development regulation so I will pay close attention to the situation. I will tell you no lies: the fact that, historically, we have had such a low allocation from rural development funding makes me less worried that we are looking at serious cuts now because we do not have far to fall. We will get into the ludicrous situation of being encouraged to do lots of things but there will not be much in the budget to help us do them. That is a great shame. We are doing a number of things with rural development in Scotland for which we are not getting the financial reward that we should be getting.

We are not without allies across the rest of Europe but we are limited in what we can do because Scotland is not a member of and is not making those points in the Council of Ministers. We are not shy about making those points in the Parliament, and Richard Lochhead takes part in meetings with the Commission and others, but the way that the UK represents itself and the budgetary implications of CAP reform for Scottish and UK agriculture is singularly short-sighted and unhelpful.

George Lyon: That begs the question whether an independent Scotland would give up the rebate. Would the view change in an independent Scotland? Would it just give up the rebate? That would free Scotland from that constraint when a better rural development deal was being negotiated. That is quite an interesting question that will no doubt be debated as we go down the road.

Graeme Dey: An issue that was highlighted by a number of stakeholders at our recent round-table discussion relates to the potential for delay in the transition from the present rural development arrangements to the new arrangements. The point was made that the last time round, we faced a delay of somewhere between 12 and 18 months in implementation. The question was whether some bridging mechanism might be put in place to take account of such a delay.

George Lyon: Some sort of bridging mechanism would be useful, but we must always remember that, although the 2006 to 2013 rural development programme will finish in 2013, the money that is paid out—the money that is going out the door—will mean that those programmes will effectively run beyond 2013 because the capital works will not have been done. Final closure takes at least another two to three years. As the payments start to tail off between 2013 and the start of the new programme, we will have to make sure that we fill the gap.

10:45

There is an interesting question about whether the money drops away significantly towards the end. I suspect that it does. However, every time a new programme is introduced, it takes some time for people to get the bids together and get them to the Scottish Government for approval, and for the Government to get its plans in place. The fundamental question for me is how that can be speeded up.

A lot will depend on whether there is a complete change to the programme and whether there are lots of new rules and payment mechanisms or whether the same programmes will continue to run. Certainly, with regard to rural development, we can have confidence that the LFA scheme, which represents a significant amount of rural development money in Scotland, will continue year on year, as it did in the previous transition, from 2006 to 2007. I recall that, at that time, we had transitional measures to allow the scheme simply to roll forward.

With regard to the other grant-type schemes, you will have to start from scratch. I am not clear how the process can be speeded up, apart from by the Scottish Government moving more quickly once the rules are set out clearly at the European level.

Alyn Smith: Graeme Dey makes a significant point. There is a risk that there will be a gap between what is there at the moment and what is presently being legislated on and worked on at a budgetary level. Both are on-going processes, and I have expressed my concern about the budget work in particular.

On the legislative side, there is every willingness on the part of the European Parliament to deliver on time and as effectively as we can. However, it remains to be seen whether that will happen. The negotiations over the budget will be gruesome, in every sense. I foresee that it is eminently possible that there will be a delay between the existing and the forthcoming programmes. The only honest answer that I can give with regard to the implications of that on the ground is that they will

have to be dealt with at the time by the Scottish Government, acting in good faith to ensure that we make the best of what is going on and that the transition is as smooth as possible. Transition measures have been used before and there is an option of using them again. From our side, the focus is on delivering the legislation on time and ensuring that we lobby as hard as we can for as much of the budget as is justifiable.

Jim Hume: RSPB Scotland was quite critical of the Scottish Government's approach to agri-environment payments, the cut to which, it said, was disproportionate this year and last year, due to the fact that we are at the bottom of the table when it comes to euros or pounds per hectare and also because we are negotiating for more money from Europe. Does either of you support the RSPB's view?

George Lyon: We are both concerned about how low the budget is and we would like it to be increased. Interestingly, there is an option for regional Governments to transfer up to 10 per cent of the money from direct payments into the rural development budget, if they think that that is a political priority. The current voluntary modulation will be bolted into the budget, according to the Commission's proposals. That will increase the rural development budget in Scotland.

I am not sure where we are with regard to the timing of rural development spend in Scotland. It seems that the money is drying up. I do not know whether the budget has run out or whether there was a problem with the way in which it was loaded—a lot of money might have gone out the door before we got to this point. I have seen no clear figures, but it appears that the budget is pretty empty at the moment, and there are not many more allocation rounds to be judged.

I have heard concerns from farmers groups who had hoped that a lot of the slurry storage that is required if we are to meet the nitrate vulnerable zone requirements would be funded from the rural development fund, but there are real questions as to whether there is enough money left in it to do that. I do not know the answer to that, but no doubt the Scottish Parliament's Finance Committee has been looking at it.

Alyn Smith: George Lyon and I are in a fairly similar place on this one. I hark back to my remarks in response to Aileen McLeod about budgetary uncertainty. For me, agriculture is part of our national security because it relates to producing the food that our people eat. The CAP is a food-producing policy, but I am very cognisant of the spin-off environmental benefits that we derive from agriculture in Scotland for our landscape and so on.

As a food production mechanism, the CAP has worked tolerably well. However, at a time when, in these talks, we are going to need to justify public finance for anything to an extent that we have never had to before, the idea that RSPB Scotland will receive any money to produce no food is, frankly, absurd.

John Lamont: Good morning, gents. You have both spoken at length about the budgetary constraints that the CAP is facing. Alyn Smith identified that the greening of the CAP may be one area that he would be happy to see dropped in an attempt to try to deal with the budgetary issue. Given the pressure on the budget, can you both identify other areas in the CAP that you would be happy to see cut, curtailed or dropped?

Alyn Smith: I should clarify that I did not say that I would be happy to see the greening of the CAP dropped. I suspect that if anybody reads the *Official Report* of the meeting they will see that I clearly did not say that. I said that that might be likely to happen, and I think that it is the bit of the package that is most vulnerable to being dropped.

The purpose of this meeting is for us to give you our intelligence and our feel for how things are going to go. The point that I put to you is that various things will drop off the CAP as it goes through the negotiating process; otherwise, the risk is that we create a massive cross-compliance industry that will not be proportionate to the budget that it will disburse. That would be an absurd situation for us to create in the European Parliament. The budgetary implications of the CAP process are going to force very difficult choices to be made.

I think that it is likely that the RSPB will not receive anything, because publicly funded support for food production is part of our national security and is utterly justified and effective. Other things will be much more difficult to justify, and we will need all the talent in Scotland to argue for getting as much funding as we can. We will certainly make that argument—I am not ditching any parts of the programme, because I am personally very attached to many of the rural development measures. However, all of that is predicated on there being sufficient budget in the pot, and I am not convinced that there will be.

George Lyon: Clearly, the budget is going to be a key issue. As I said earlier, I think that there is an opportunity within the political agenda for a fair distribution of direct payments—that is a big European issue that has been pursued very vociferously and strongly by the new member states. If that comes about in any way, shape or form, the UK will potentially benefit in budgetary terms. In addition, if the same principles apply to distribution within the regions of the UK, Scotland could benefit. Indeed, in the move from historic

payments to an area-based payment system in Germany, there was significant redistribution between the Länder on the basis of need.

John Lamont asked where we could try to make savings if the budget was tight. My view has always been that the less favoured areas need support. Certainly, the studies that I have seen on who would be hit hardest if direct support is ever phased out show that livestock farmers in the less favoured areas would be the least able to cope with that. I have argued for many years that the number 1 priority is to ensure that we have a vibrant livestock industry in our less favoured areas.

Those who farm in the better areas might be able to manage with a little less, if push came to shove. We need to know what the budget for Scotland will be, however, before we can start to decide where the funds should be targeted and what the priorities should be.

It is also important to acknowledge that the Commission recognises the issue. Under the direct payments scheme, it has allowed 5 per cent top-up direct payments to less favoured area producers. That is good, although some of us would argue that the figure should be higher. Such a measure is a way of giving the tools to the Scottish Government to enable it to cope with the big redistribution that will result from the move from historic payments to area-based payments, and to ensure that the moneys can be targeted at those who need them the most—namely, in my view, the LFA livestock producers.

The Convener: I am conscious of the time, but I would like to finish the session by asking you a question on the wider issue of livestock.

On 19 November, Joe Watson wrote about EID in his “Voice of Farming” column in the *Press and Journal*. He said:

“Farmers ... need to be reminded they only have themselves to blame for EID in its current form. They had a simpler batch recording method, but they abused it and forced Europe to adopt rules they quite clearly don’t like.”

Would Alyn Smith like to comment on that?

Alyn Smith: I thought that you were going to use another few lines from that column, which was most excellent and apposite, as Joe Watson’s columns always are. He is a blessing to Scottish agriculture, in that he does not take politicians lightly and gives us all a doing when he thinks it appropriate. He is right to say that EID is not the scheme that we wanted or created; it was the scheme that the SNP Government inherited. I know that my close friend and colleague, Richard Lochhead, has been doing absolutely everything to ensure that things are done in the best possible way for Scottish agriculture, but that inheritance has to be dealt with. The fact is that there is a

legal obligation, and the issue throws up a number of challenging difficulties.

However, I think that we shall reach a pretty good outcome, not least because we have been able to persuade the Commission that we are acting on the issue, having opposed the legislation. I did more than many to oppose EID, because I considered it unworkable, but having accepted that the political scores on the doors in the Council were just not there to overturn it, we have persuaded the Commission that in Scotland—I very much want to differentiate our approach from the English one in this regard—we are doing our best to make it work. I make a plea to all political colleagues to keep the Commission persuaded that we are working to make EID work. We can then go back and deal with the genuine difficulties on a transparent and objective basis. I have nothing to fear from those discussions, and nor does Scottish agriculture. This is an on-going and evolving situation, and anything that undermines that good will and good faith will be very dangerous.

George Lyon: I thought that you were going to quote the whole article as well, convener. Let us be absolutely clear about this. With hindsight, there are no two doubts that the industry and Ross Finnie—and indeed the Opposition, for which Richard Lochhead led on the issue at the time—were wrong to accept the EID regulation. We took our eye off the ball, because we thought that we had found a great escape route in the form of the derogation that would allow us to use the batch recording system for moving sheep around, and that that would deliver the traceability that the Commission was looking for. With hindsight, I think that we made a big mistake in genuinely thinking that that could be delivered by the industry, and that we could escape EID by taking that route. That was a political miscalculation. I think that we all now wish that, instead of concentrating on the derogation, we had realised that, if we could not deliver what was required, we needed to ensure that the EID element was deliverable. Clearly, we did not do that.

That was a miscalculation, although we all supported the direction of travel at the time. Throughout the foot-and-mouth outbreak, the Opposition, led by Richard Lochhead, was full square behind the Scottish Government on all the measures that it took.

11:00

The question is how the implementation is panning out. I was with a party of 30 Scottish farmers this morning, and their concern is that they do not understand where the lines will be drawn. That information is important, because a hefty fine will be triggered if they get it wrong. We

have heard a lot about the flexibility that the minister has secured, or claims to have secured, from the Commission, but we need exactly what that means to be spelled out. He has been asked in the Parliament to do that a number of times, but he has not been keen to explain where the lines are to be drawn. Farmers need to know exactly where the tipping point will be and where the fines will kick in. I read the 127 pages of guidance to inspectors, but the document does not give clarity on where the tipping points will be.

There are some serious issues, the most serious one being that all breeding sheep will come into the scheme within the next 12 months or so. The guidance also covers the requirement that every sheep that dies or disappears must be recorded. The National Fallen Stock Company is now asking that sheep be recorded if it takes them away to dispose of them. A complete reconciliation will be required of every sheep that goes missing on a farm. In practical terms, that will be devilishly difficult to deliver.

First, we need some clarity on where the flexibilities are, what farmers will be prosecuted for, when they will be fined and when they will not, and why the specific level of fine was chosen by the Scottish Government. Secondly, we need to establish whether there will be enough political support to open up a revision of the regulation. Alyn Smith and I were pleasantly surprised by John Dalli because he did not knock that down when we raised it with him last week. He agreed that the legislation should be looked at and revised over time. That at least opens a chink in the door because it allows us to say that we need a proper revision.

A third question that needs to be looked at is whether EID should be linked to cross-compliance at all. That is a pretty fundamental question. It is linked to the first issue that we talked about, which was the reform of the common agricultural policy. There might be opportunities in that context to consider how we should progress on the matter.

The Convener: Can we expect a united voice to try to get the Commission to change the rules and remove those difficulties for Scottish farmers?

Alyn Smith: We have to be serious about this. The legislation says 100 per cent. That was democratically agreed to by the Scottish minister, the Scottish Parliament, the UK minister, the UK Parliament and Scotland's MEPs back in the day when everybody thought that the technology was going to work. The implication is that, by law, or by administrative fiat, we have abolished black loss. By law, black loss is now impossible. That is an absurd situation. The Commission is cognisant of that because we have been vocal in ensuring that it is aware of the practical difficulties. That is why my point about good faith and good will is

fundamentally important. If we go to the Commission and say that the democratically agreed law is not going to work, the question will come back, "Why did you agree to it, then?"

The useful focus for us has to be on the reasonableness and proportionality of the enforcement, because that is where we are running risks and where clarity needs to evolve. We will get clarity. The legislation says 100 per cent, which is clear. However, the phrase that I am increasingly using is "100 per cent of what is reasonable, proportionate and achievable, given the circumstances and the weaknesses in the technology." That is where we are in our discussion with the Commission. It is never going to say, "All right—we'll let you off with that law." That is not realistic and it is not going to happen. For people to claim that it will is neither helpful nor workable, and it undermines the good faith that we have worked hard to build up with the Commission.

I think that we are having a productive discussion with the Commission on the proportionality of what we are looking to do in relation to the compliance regime and the potential liabilities that might be occasioned. However, my message to Scotland's farmers and those who have genuine difficulties with the legislation is that, unless they look as if they are at it, they will not face the Commission's big stick any time soon. We have sensitised the Commission to those difficulties by working with the industry on finding out what the difficulties are.

The possibility of a Commission review is a tantalising prospect and—Jeez-oh—if I can do anything to kick the legislation into touch I will happily do it. However, I simply do not think that a legal challenge is a serious possibility. If there were going to be such a challenge, it would have been made two years ago. We hear great urban myths about the Austrians and the Germans—indeed, the National Farmers Union Scotland joined the party this week—but I just do not see it happening. We would be better advised to spend our energies backing the Scottish Government's efforts to ensure that, in relation to proportionality, the enforcement of this unworkable legislation does not penalise Scotland's farmers. I am confident that it will not do so.

The Convener: Before I bring in George Lyon, I invite Jim Hume to ask a small question.

Jim Hume: The issue is as clear as mud. On 16 November, the European Commission, in answer to a question about the 100 per cent accuracy of on-farm sheep records and whether the Scottish Government had won any concessions, said:

"The setting-up of a cross-compliance sanction system ... is not subject to any procedure of validation or approval

at EU level. Therefore the Commission is not in a position to approve a precise accuracy requirement."

That does not agree with what we have been told today.

George Lyon: I return to the original point: there is unity of purpose across Scotland, the rest of the United Kingdom and, indeed, Ireland on the need for a more proportionate response to the implementation of the EID regulation. However, we do not have the political support of the other two big sheep-producing parts of Europe—France and Spain—that would help in seeking to revise the legislation. Of course, that simply reflects the type of sheep industry in those countries.

First, farmers need absolute clarity about the flexibility that has been secured from the Commission. Clearly there was an exchange of views between the Scottish Government and the UK Government and the Commission and we need someone to spell out the extra flexibility in the cross-compliance regime that the Scottish Government has set up to cover the implementation of the regulation in Scotland. There is no doubt that, as things unfold, the difficulties of complying with the legislation will emerge, the biggest of which must be the reconciliation of the flock. How on earth does one manage to do that? As a sheep producer myself, I know that sheep simply disappear and you can never find their bodies, never mind the tag to record what happened. I am unclear as to how you can comply with such provisions. Surely we need flexibility in those areas to ensure that farmers' single farm payments are not hit with big penalties. Given that it is practically impossible to comply with the cross-compliance regime and given the accompanying penalties, we need some real clarity about how the regime will work in Scotland, the trigger points that the minister has set and the flexibility open to inspectors in their on-farm inspections. I have read the guidance for inspectors and it gives no clear indication of the tipping point in a lot of these decisions.

Farmers are deeply concerned about the implementation of the cross-compliance regime and, of course, some of the penalties for evasion can be pretty horrendous. For example, you can lose up to 30 per cent of your total single farm payment, which is a big chunk of money for many people. If you have tried to comply and have made a mistake, you might face a penalty of about 3 to 5 per cent, but for some sheep farmers that is still a significant amount of money. The other day, I heard about a farmer who had failed to record properly the number plate of the truck that had delivered the sheep to the farm and was hit with a £7,000 fine. How can such a response be judged proportionate? That just does not seem right and someone needs to spell out the flexibility that the

Scottish Government has managed to secure to ensure that every farmer understands where the line is with regard to compliance. Once we get that clarity, we will need to see what more we can do about proportionality and whether in the longer term we can get the regulation revised.

The Convener: Alyn, do you wish to make any final comment?

Alyn Smith: I return to my point that anything that undermines the good will that Richard Lochhead and his officials have built up by dint of very hard and gruelling work with the European Commission will be very dangerous and the more we thrash about, asking for things that are not achievable, the more we weaken our case and credibility. As I said, my line on the 100 per cent mentioned in the legislation is 100 per cent of what is reasonable, practicable and achievable and the Commission understands and gets that position.

George Lyon is right to refer to the stance of the Spanish and the French, because they are still telling the Commission that things are hunky dory and the technology works magic. However, they have different flock and recording systems and, frankly, I do not think that their numbers stack up. The more we thrash about, asking for things that are unachievable, the more we draw attention to ourselves and the more we run the risk of the EU's inspectors cracking down on us in a way that will be distinctly unhelpful to Scottish agriculture. There is flexibility with regard to what is proportionate as long as we can keep the good will and show that we are working with the legislation, the limits of the technology and the limits of the way in which we raise sheep and goats in our country. That is an on-going evolutionary process and we are sparing no effort in ensuring that the Commission is sensitised to the realities. Raising the spectre of a 30 per cent cut in single farm payments for not doing a couple of things is frankly irresponsible and is creating a lot of unease and disquiet among an already uneasy and disquieted Scottish industry.

The Convener: I fear that the debate will continue for some time. We have had a fair view from both parties—

George Lyon: Convener, for the sake of clarification, I point out that I did not make up that figure—I was simply quoting the Scottish Government's own document. Indeed, I was surprised to read that the penalty for intentional non-compliance with the regulation was so high.

Alyn Smith: But you are talking about someone who is intentionally not complying with the regulation. That is precisely my point about undermining good will. As long as you are not at it, I do not think that, if you are experiencing genuine difficulties with making the regulation work, you

have that much to fear. Of course, the process is on-going.

The Convener: Thank you for your comments, which will be helpful in our deliberations. It is very good of you to spend this time with us and we look forward to speaking to you again as we find out whether the budget will be able to cover the CAP's needs in future.

11:13

Meeting suspended.

11:16

On resuming—

Subordinate Legislation

The Convener: We move on to the consideration of three negative instruments. It might be helpful to consider the enzootic bovine leukosis regulations first, and then to look at the two vehicle disposal regulations together. I refer members to paper S4/11/13/2.

Annabelle Ewing: When I did my preparation, the way in which I read the documentation was that the vehicle disposal regulations were to be discussed on 7 December, but perhaps something has happened in the interim.

The Convener: We will deal with that in a second, after we have dealt with the enzootic bovine leukosis regulations.

Enzootic Bovine Leukosis (Scotland) Amendment Regulations 2011 (SSI 2011/390)

The Convener: If no one has any issues to raise, does the committee agree that it does not wish to make any recommendations on the regulations?

Members *indicated agreement.*

Jim Hume: The regulations appear to be quite positive.

The Convener: They do indeed.

Removal, Storage and Disposal of Vehicles (Prescribed Sums and Charges etc) (Scotland) Regulations 2011 (SSI 2011/394)

Police (Retention and Disposal of Motor Vehicles) (Scotland) Amendment Regulations 2011 (SSI 2011/395)

The Convener: We will now move on to deal with the issue that the deputy convener raised, which relates to the cover note for SSI 2011/394 and SSI 2011/395. We have received a letter, dated yesterday, from Richard Lochhead, the Cabinet Secretary for Rural Affairs and the Environment, about the regulations, copies of which I have circulated to members.

First, I invite comments from members.

Richard Lyle (Central Scotland) (SNP): Annabelle Ewing made the point that the regulations are to be discussed on 7 December. When I looked at them, I had concerns, as a result of which I laid two motions to annul, which will be discussed on 7 December. My concerns arose

from various e-mails that we received, one of which was from Mr George McPhie of George McPhie & Son.

His concerns were:

"A similar matrix has been in force in England and Wales for some years and is soon to be reviewed as it is not considered fit for purpose ...

The matrix dictates what price is to be taken for a recovery based on the weight of the vehicle and a brief description of the circumstances of the recovery. Due to the nature of vehicle recovery, each incident should be priced individually based on what is involved. The matrix falls somewhat short in this regard due to its inflexibility and in most cases will cost the customer vastly inflated prices in comparison to what would be charged for an hourly rate."

Mr McPhie went on:

"The recovery industry is being adversely affected by Management Companies who operate the vehicle recovery schemes and take a large percentage of the 'Specified Charges' for doing nothing more than operating a call centre.

To my knowledge there has been no consultation in Scotland with those who the matrix will directly affect and be detrimental to in their line of business."

Mr McPhie ended by saying:

"As a business owner in such tough economic times, I am genuinely concerned for all road users at the introduction of a pricing matrix in Scotland"—

it exists only in England at the moment.

"Whilst I may be the beneficiary of inflated costings should the matrix be implemented, I can see that its impact on my many customers would be to their severe detriment."

Due to the e-mails that I received, I lodged two annulment motions that are to be discussed on 7 December.

I welcome the letter that we have received from Richard Lochhead, which states:

"as some key stakeholders have now highlighted some concerns regarding these I have decided that we should lay new regulations to revoke both these SSIs to prevent them coming into force. The proposed changes are not particularly urgent and I therefore think it is appropriate that we allow time for the full implications to be discussed with ... key stakeholders".

Richard Lochhead also notes that

"some Committee members may have ... had some concerns"

about the regulations, which will now be withdrawn.

I welcome the letter, and I am sure that next week I will take the opportunity to withdraw my motions to annul. The Government has rightly looked at the matter again and decided to give it further consideration, which I welcome.

The Convener: Thank you for your point of view. Other members may wish to speak before we make our decision as a committee.

Graeme Dey: I have just a brief point. I welcome the correspondence from the minister and I look forward to the whole issue being discussed with the stakeholders in due course.

The Convener: The motions have been lodged, but it is possible to withdraw them before we have a discussion next week. It is possible to ask that Richard Lyle consider his position so as to avoid our having to have the discussion next week, given what the cabinet secretary has told us. Do other members have a view?

Annabelle Ewing: I think that all committee members will have received at least some e-mails—I am not entirely sure whether I received all the submissions. The point is well made that there needs to be a proper discussion of the full implications of the measures, so I welcome the cabinet secretary's letter of 29 November.

In light of that letter, and the fact that the cabinet secretary notes that the changes are not particularly urgent, I do not think that we need to rush to have a discussion next Wednesday. I would therefore be happy to move the issue back a bit on our agenda, so that we could perhaps assist and inform the process by taking evidence about the impact of the measures as currently drafted.

The Convener: The process next week would be that the motions to annul the statutory instruments would be moved and then there would be discussion.

Richard Lyle: I thank you for your advice, convener. I will take steps tomorrow to withdraw my motions to annul.

The Convener: That would help. I ask members to agree that we accept the letter from the cabinet secretary. It will be possible to have a fairer discussion about the two instruments in due course and to take evidence on them, as has been suggested. It makes it easier if we agree now to follow that process and to thank Dick Lyle for his offer to withdraw the motions to annul. Is that agreed?

Members indicated agreement.

Spring Traps Approval (Scotland) Order 2011 (SSI 2011/393)

The Convener: The order is not subject to parliamentary procedure. I refer members to the paper RACCE/S4/11/13/4. If members have no comments, I ask the committee to note the instrument. Is that agreed?

Members indicated agreement.

The Convener: The next meeting of the committee will be on 7 December. The agenda will be decided in the light of who is available and our

work programme. I thank you for your efforts and the clarity of your questions to our MEP colleagues.

Meeting closed at 11:25.

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