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Official Report

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Thursday 7 June 2012

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Scottish Parliament

Thursday 7 June 2012

[The Presiding Officer *opened the meeting at 09:15*]

Legionella Outbreak

The Presiding Officer (Tricia Marwick): Good morning. The first item of business is a statement by Nicola Sturgeon on the legionella outbreak. The cabinet secretary will take questions at the end of her statement, so there should be no interventions or interruptions.

09:15

The Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy (Nicola Sturgeon): I am grateful for the opportunity to update Parliament on the current outbreak of legionnaire's disease in south-west Edinburgh. Members will be aware from the media coverage that a number of cases of legionnaire's disease have been identified among individuals living or working in the south-west Edinburgh area.

I can advise Parliament that, as of last night, the total number of confirmed cases stood at 24, with a further 27 in the suspected category. It remains the case at this stage that there is no identified link between those cases other than an association with the affected areas in the south-west of Edinburgh.

Of the total 51 cases, 14 are being treated in the intensive treatment unit, two have been discharged from hospital and the remainder are being treated in general wards or in the community. Sadly, one person who had legionnaire's disease died, and I convey my sincere condolences to the family of that individual.

Members will rightly be concerned to know what actions are being taken to investigate the outbreak, to identify and treat those who might be infected, and to minimise the risk of further infection. I will provide an update on each of those points.

First, I will say a word about legionnaire's disease. It is an uncommon but serious form of pneumonia that is caused by bacteria that are distributed widely in natural and artificial water supplies. In most cases, the disease is caused by the inhalation of water containing the bacteria, and common sources can be showers, air conditioning, cooling towers or humidifiers. In Scotland, we would normally expect to see approximately 30 to 40 legionella cases each year. Typically about half of those cases are contracted abroad, but we also

see indigenous cases, and it is not unusual to see single sporadic cases of community-acquired legionella. Across Europe, outbreaks are not uncommon, with dozens of outbreaks and thousands of cases every year. However, outbreaks of the size that we are seeing here in Edinburgh are rare in Scotland; the last time that we had an outbreak of this scale was, I understand, in the 1980s in Glasgow.

I turn to the action that has been and continues to be taken. NHS Lothian was first alerted to a confirmed case of legionnaire's disease on Thursday 31 May and a second case was confirmed on Saturday 2 June. As is standard practice, the health board made arrangements to convene a group to assess those two cases on Sunday. During Sunday, two further cases were confirmed and NHS Lothian moved swiftly to set up a full multi-agency incident management team. The IMT is led by NHS Lothian and involves the environmental health service of the City of Edinburgh Council, the Health and Safety Executive and Health Protection Scotland. Other agencies are engaged as necessary in the work of the group. For example, the Met Office has been contributing regarding weather patterns that might be relevant.

During the group's first meeting on Sunday, possible sources of infection were considered. On the basis of all the available evidence, it was judged that an indoor source, such as a swimming pool or spa, was unlikely and that the source was likely to be an outdoor community one. Most outdoor outbreaks of legionella are associated with cooling towers. Those cooling towers that are operating in the south-west of Edinburgh—the area with which all patients have an association—were therefore visited that same evening, samples were taken, and during Sunday night and Monday the cooling towers were shock-dosed with chemicals to treat bacterial growth. During the past two days, a further three towers on two sites that lie further from the site of the outbreak have also been tested and treated.

At this point, the team that is investigating the incident briefed the media to ensure that the public were aware and alert. Clinical services and general practitioners across NHS Lothian were also notified to ensure that the national health service was ready and able quickly to diagnose and treat potential cases.

Over the period from late Monday to late Tuesday, we saw a sharp rise in the numbers of confirmed and possible cases, with a parallel increase in the number of cases being treated in the high-dependency and intensive treatment unit. Accordingly, I took the decision on Tuesday evening to activate the Scottish Government resilience room. I chaired two meetings of the

Scottish Government resilience committee yesterday, with all the key agencies in attendance. The committee will meet again later today.

In addition to the actions that have already been taken, and in the light of the growing number of cases, the decision was taken yesterday to establish a dedicated NHS 24 public advice line. That went live at 3 pm yesterday and the advice line can be contacted on 0800 0858 531. A public information leaflet has also been produced by NHS Lothian. That was issued electronically to key community contacts yesterday afternoon and is being delivered to all households in the affected areas. I advise Parliament that further testing of the treated towers has also been carried out. I was advised last night that additional treatment may be appropriate in some of the towers to increase the levels of chlorine present in them. However, discussions are taking place this morning between the City of Edinburgh Council and the Health and Safety Executive to determine what further treatment—if any—is considered appropriate.

The numbers of confirmed and possible cases continued to rise over the course of yesterday. That was not unexpected and we expect to see further cases over the next week. Members will be aware that the incubation period for legionnaire's disease can be up to two weeks, although it will normally be in the region of five or six days. It is, therefore, vital that we ensure that the public are aware of the symptoms and that the NHS continues to be primed quickly to identify, diagnose and treat cases. I am satisfied that the appropriate steps have been taken to alert the public and to prepare our medical services, and it is encouraging that a number of the existing cases are reported to be responding well to treatment.

Of central priority both since Sunday and going forward is the investigation to confirm the source of the outbreak. I am advised that identifying the source of any outbreak of legionella is an extremely complex process. It involves epidemiological analysis, microbiology testing and a health and safety inspection process. All those different, though related, parts of the process are well under way and are making progress. We hope that they will begin to provide more specific answers about the source of the infection over the next few days. Members should be aware that it is not always possible to determine conclusively the precise source of an outbreak and that conclusions often require to be reached on the balance of probabilities in the light of all the available evidence. However, I am confident that the team that is managing the incident are deploying their full resources in resolving it. They certainly have—and will continue to have—the full support of the Scottish Government.

This is an anxious and concerning time for anybody who lives in the affected area or who has recently had reason to visit or pass through it, but the key message in south-west Edinburgh is that the risk to public health is low. The disease cannot be spread from person to person, and I am advised that for people who are generally fit and healthy the risk is very low. Nevertheless, we are seeing a significant number of cases. Some individuals are at greater risk of developing the disease, and those individuals should be alert for symptoms. Men are at more risk than women, and most cases are in people aged over 50 or who have a suppressed immune system, or who smoke or have lung problems. On a precautionary basis, however, other people who do not have those risk factors should not immediately rule themselves out, and anybody who thinks that they may be unwell should contact their GP or NHS 24. They will be quickly assessed and, if necessary, quickly treated.

As I have said, every effort is being made to investigate the potential source of the outbreak. The cooling towers that may be the potential source of the outbreak have been chemically treated and, as I said, the relevant agencies continue to monitor the situation to ensure that all appropriate action is being taken to minimise the risk of further infection.

Until the outbreak is over, the incident management team will continue to meet and all the relevant experts will continue to assess the information and data that emerge. The Scottish Government resilience room will continue to provide support to the investigation, and I will continue to ensure that all that can be done is being done.

Lastly, I take this opportunity to express my gratitude and thanks to all those who have worked and continue to work tirelessly to manage and respond to this serious outbreak. I will, of course, keep the Parliament fully updated on all developments.

The Presiding Officer: The cabinet secretary will now take questions on the issues raised in her statement. I intend to allow about 20 minutes for questions.

Jackie Baillie (Dumbarton) (Lab): I thank the cabinet secretary for an advance copy of her statement. I very much welcome what she has said to us. I, too, offer my condolences to the family of Mr Air, who died as a result of contracting legionnaire's disease. I also offer our gratitude to the many staff of NHS Lothian who are involved in caring for the people who have been admitted to hospital and seeking to identify and treat the source of the problem.

With more than 50 cases of legionnaire's disease reported so far, this is the biggest outbreak in a generation and, unfortunately, there is the prospect of more to come before the outbreak peaks. It represents a serious threat to public health, which in the words of Professor Hugh Pennington,

"shouldn't be happening, it is preventable."

The three questions on everybody's minds are how the outbreak happened, what our response was and what lessons we can learn for the future. The immediate priority, of course, is to focus on how we respond. Other questions will, no doubt, exercise us in the future.

The NHS Lothian website identifies the first case of legionnaire's disease as being on Thursday 28 May, not on 31 May as the cabinet secretary suggested. I therefore ask her how many people were suspected of having legionnaire's disease on 28 May, and how many people were suspected of having it on 31 May.

Given that having more than one case is sufficient to trigger the incident management team, why was it not set up until Sunday 3 June? Why was it a full nine days later before the Scottish Government resilience committee met? I am sure that the cabinet secretary will agree that anything that shortens the time before our response is to be welcomed, and I wonder whether she will reflect on whether the response could have been swifter.

Finally, there is real concern in the local community about the lack of information. I welcome the helpline and the leaflet drop in the area, but again, that was a full nine days after the first case of legionnaire's disease was identified by NHS Lothian. Does the cabinet secretary agree that it would have been much better to provide public information earlier?

Nicola Sturgeon: I thank Jackie Baillie for her questions. First, I will deal with her specific point about the date on which NHS Lothian became aware of the first confirmed case. Jackie Baillie said that the website refers to Thursday 28 May. Indeed it does, and that is an error, because as she will know if she checks her calendar, Thursday 28 May is not a date that existed this year.

The timeline is as follows. The person who was identified and became known to NHS Lothian and was confirmed as a case on Thursday 31 May first experienced symptoms on Monday 28 May, but that was not known to NHS Lothian until the case came forward and was confirmed on Thursday 31 May. At that point, it was the only case that was known to or suspected by NHS Lothian. The next confirmed case was on Saturday 2 June, and at that time there was also a suspected case. At that time, as was entirely appropriate, NHS Lothian

took the decision to set up a problem assessment group, as is standard practice in these situations, to look at the cases and see whether there were any linkages or not. As I said in my statement, individual, sporadic cases are not unknown.

On the Sunday, with two further cases being confirmed, the problem assessment group swiftly and properly became the fully fledged multi-agency incident management team. That was entirely the right action, and NHS Lothian took it timeously. I thank it for behaving in that way and responding as timeously as it did.

On the activation of the Scottish Government resilience room, it is not normal practice to activate the room for public health emergencies that exist within a single health board area. The normal practice is for an incident management team to be set up, which is what happened. I took the decision on Tuesday evening to activate the resilience room, which was a rather unusual step, because of the significant spike in cases that we saw over the course of Tuesday, and the concern that that had an implication for NHS Lothian's capacity, as a single health board, to deal with the outbreak—most particularly, in the case of critical care capacity—and due to NHS Lothian's potential requirement for aid from surrounding health boards. The scale of the impact and its potential to go across health board borders convinced me on Tuesday night that the correct course of action was to activate the resilience room. All agencies have acted timeously and the response has been swift—again, I thank agencies for that.

As I said in my statement, by Sunday evening NHS Lothian was dealing with four confirmed cases, the incident management team had been set up, all of the appropriate steps were being taken, and action was being taken to alert clinicians and GPs across the area, to ensure that they were alert to symptoms. The health board and the management team also took the decision—rightly, in my view—to proactively press release, so that the public became aware through that route. As the number of cases has grown, the action taken to further advise the public has been stepped up accordingly—I mentioned the NHS advice line and the public information leaflet that NHS Lothian has produced and is distributing.

These are difficult situations for any agency to deal with, but the agencies involved here thus far have acted timeously and appropriately, and they continue to do so. They continue to be under the pressure of dealing with the outbreak and I hope that all members will get behind them as they do that.

Jackson Carlaw (West Scotland) (Con): I thank the cabinet secretary for the advance sight of her statement and I associate myself with the condolences expressed by her and Jackie Baillie.

I welcome the cabinet secretary's decision to set up the resilience room. She and Sir Harry Burns have a good track record on crisis management and people in Edinburgh will be pleased that they have become involved in the situation and taken charge of it. I very much welcomed the press conference that the cabinet secretary held yesterday and the authority that was conveyed to the public through it.

Information is the key. Therefore, in the absence of our knowing all the facts, will the cabinet secretary ensure that no false assurances are given and that the greatest integrity is placed on information? Given the vulnerability of elderly people, in particular, will the cabinet secretary ensure that anecdotal advice—which is often particularly unhelpful—is dismissed with a degree of authority, so that people know what they have to do and which things should concern them, and are not unnecessarily alarmed by things that they should not be concerned about, which, very often, only add to the worry?

I wish everybody involved in the incident, under the cabinet secretary's direction, every success in dealing with it as expeditiously as possible.

Nicola Sturgeon: I thank Jackson Carlaw for the content and tone of his questions. He is absolutely correct—information is key. On an on-going basis, we must assess and reassess the content, quality and all-pervasiveness of the information that we distribute. That will happen.

He is right about the importance of inadvertently—nobody would do it intentionally—giving false assurances. Colleagues and I have been doing what we can to reassure the public, so that there is not unnecessary anxiety, but while we do not know precisely the source, no absolute guarantees can be given. I indicated in my statement that the towers have been chemically treated, but there is an on-going process of testing, and further treatment to some towers may be required. It is important to reassure where we can, but also to be honest and open with the public about the risks and the fact that this is an on-going outbreak.

It is important not to allow anecdotal evidence to acquire an importance that it does not merit. However, some pieces of anecdotal evidence can be useful. I have been tweeted this morning by a few people with suggestions—specialists with information that they think might be helpful. It is my job to ensure that the experts look at that. If it is not appropriate, they will say so, but some of it may be appropriate. If anybody out there has expertise that they feel they can offer us, we will certainly listen. The experts engaged are working very hard and all of what we are saying and doing is driven by that expert advice.

Marco Biagi (Edinburgh Central) (SNP): I place on record my condolences for the individual who has lost his life and my very sincere appreciation of NHS Lothian staff, who have been working very hard and have responded very quickly to the incident.

After the incident has been resolved, what assessment of how the NHS, the Scottish Government and other key partners have responded will happen to inform future efforts?

Nicola Sturgeon: As Marco Biagi will appreciate, the effort, focus and attention are currently on managing the outbreak, minimising the risk of further infection and, if we are able to, identifying the source. It is right that everybody's attention, including my own, is focused on that. However, he is also right to say—Jackie Baillie made the same comment—that, as with all public health outbreaks, we need to ensure that after the event we look back and learn lessons about what went right and what it might be possible to do better.

I well remember, because I was centrally involved in it, such an exercise taking place after the pandemic flu outbreak. We learned some very useful lessons from an outbreak that was, in my view, nevertheless managed extremely well. I give Marco Biagi and other members the assurance that, when the outbreak is over, that exercise will take place. I will be happy to share any lessons and learning from the experience with the Parliament.

Sarah Boyack (Lothian) (Lab): I welcome the cabinet secretary's commitment that wider lessons will be learned from this experience.

I will ask about the long-term impact on NHS Lothian. I, too, offer our gratitude to the NHS staff in Lothian for pulling out all the stops to treat the patients who are currently experiencing legionnaire's disease. Will the Scottish Government assist NHS Lothian, which has been under pressure on waiting times, to ensure that it can get up and running and respond after this event? Will there be support from the Scottish Government to enable it to do that?

Nicola Sturgeon: We are working extremely closely with NHS Lothian and we will give it whatever support it requires to deal with the outbreak. NHS Lothian's response so far has been absolutely superb. I mention in particular the leadership given by Dr Duncan McCormick, a consultant in public health, who has also, from the outset, been chairing the incident management team. NHS Lothian has already activated its emergency plan, which was put in place to deal with the pandemic flu outbreak, and has plans in place so that it can, if necessary, increase the

number of critical care beds and bring in additional staff to support that provision.

NHS Lothian has also ensured that, should it be necessary, mutual aid from surrounding health boards can be made available to assist with critical care. Thus far, that has not been necessary, but it is available should it prove to be so. Three boards—I think that they are NHS Lanarkshire, NHS Forth Valley and NHS Fife—are already offering support to NHS Lothian with additional public health resource to help with the gathering of the case history of the patients affected and the analysis of that information. Both the Scottish Government and the wider NHS stand ready to give NHS Lothian whatever support and help it needs.

Jim Eadie (Edinburgh Southern) (SNP): Given that the members of the public most at risk from legionnaire's disease are people with an underlying health condition, will the cabinet secretary detail how she will ensure that information regarding the outbreak is communicated on an on-going basis to at-risk groups in the affected area, such as those with respiratory problems or older people?

Nicola Sturgeon: I touched on some of that in my statement. Other members have mentioned the importance of information.

As I said, at the outset of the outbreak, NHS Lothian very quickly alerted clinicians, particularly GPs in the area, so that they were alert to the potential significance of certain symptoms. Members will have become familiar, as have the public over the past few days, with some of the symptoms that are associated with legionella. Members will also understand that many of the symptoms sound similar to those that someone would have with the flu or a cold, so it was really important that doctors were alert to the fact that at the moment those symptoms might signify something else.

As I said in my statement, as the numbers grew, we decided to set up a dedicated helpline, which is available to any member of the public who has any concerns or questions. NHS Lothian has prepared a general information leaflet about legionella, which also advertises the helpline number. That is being distributed and it will be distributed door to door in the affected areas in the coming period.

As I said in response to Jackson Carlaw, we will continue to look at the information that we need to communicate and how we need to communicate it, so that all the people who might be affected have the information and can respond accordingly. I will keep Parliament updated on that aspect, as on all other aspects.

Dr Richard Simpson (Mid Scotland and Fife) (Lab): Such outbreaks are not easy to manage

and we should all congratulate NHS Lothian on how it has handled the outbreak so far. I will ask the cabinet secretary a specific question. How has NHS 24 been involved? NHS 24 is the one group that was not mentioned in her statement. She said that

"Clinical services and general practitioners across NHS Lothian were ... notified",

which was entirely appropriate. However, as events happened out of hours at the weekend—the cases were confirmed on Sunday and the procedure swung into action then—was NHS 24 involved? Did it respond appropriately and give the right advice, of the sort that the cabinet secretary is now putting out?

Nicola Sturgeon: I did not mention NHS 24 in my statement, but I understand that it was alerted, as were clinicians and as is appropriate. As would be expected, given that the media coverage kicked in on Sunday into Monday, NHS 24 did not receive a higher than expected number of calls over the weekend—in fact, demand was lower than forecast. The number of calls was higher into Monday and through to Tuesday. Because of the growing number of calls, NHS 24 decided—in consultation with the incident management team—that the appropriate course of action was to set up a dedicated helpline, to ensure quick access to information for the people who are concerned and to protect the core NHS 24 service. NHS 24 has been involved every step of the way and I will ensure that that continues.

Alison McInnes (North East Scotland) (LD): I will follow up that point. Many GP surgeries were closed over the long weekend, so people would have relied on the out-of-hours service. Is the cabinet secretary confident that NHS 24 was properly alert to the issue from the outset and that people's treatment was not delayed because they were advised that they had flu and that they should see their GP when their surgery opened on Wednesday?

Nicola Sturgeon: I am confident, but if members want further information about the role that NHS 24 has played, I am more than happy to provide that. GP practices in Edinburgh—unlike those in my city of Glasgow—did not routinely close on Monday, which was not an Edinburgh holiday, although they were closed on Tuesday, so not all GP practices had a four-day closure. Nevertheless, the public holiday on Tuesday underlined the importance of NHS 24 providing the out-of-hours service. I am satisfied that NHS 24 has been appropriately involved, and it will continue to be so.

Kezia Dugdale (Lothian) (Lab): The cabinet secretary said that cooling towers on several sites were shock-dosed on Sunday and that some are

being treated again today. If the tests on the cooling towers prove negative or inconclusive, while the number of cases continues to rise, what further steps will she take? What is plan B?

Nicola Sturgeon: With apologies to the Presiding Officer for taking a bit of time over the following answer, I will go into more detail on the processes that relate to the cooling towers. The sample testing to which I referred, which may or may not—it depends on discussions that will take place this morning—result in further treatment of some towers, involves samples that were taken after the towers were treated. That testing will check that the chlorine levels and chemical levels in the towers are where we want them to be to minimise the risk of further infection.

Separate from that is the process of testing the samples that were taken before the towers were treated, to try to ascertain whether legionella could be detected in any of the towers. That process is under way. I am advised that legionella is a difficult bacterium to culture, so that process will take time. I understand that, even if those tests do not pinpoint the source, that will not necessarily mean that the bacteria were not there, because there are sometimes difficulties in finding a precise source, although everything possible is being done to find that.

In response to Kezia Dugdale's broader question, on the balance of probabilities, all the available evidence points to the cooling towers, or one of them, being the source of the infection. None of the evidence points to another obvious source, and it is therefore right that we focus our attention on those cooling towers.

Nothing else is being ruled out: if the further epidemiological analysis reveals another link or another potential source, that will obviously be followed up very quickly. However, that is not the case at present, and we must act on the basis of what the evidence best tells us, which is what we are doing at the moment.

Bob Doris (Glasgow) (SNP): We have heard that the strain that the outbreak places on NHS Lothian may require other health boards to offer appropriate support, for example the use of ITU and high-dependency unit beds. Can the cabinet secretary give further details of that?

Are there likely to be any knock-on effects, such as the postponing of patient operations outwith NHS Lothian to free up HDU and ITU beds, which would be understandable in the circumstances? More importantly, we will need to inform any affected patients of why that has happened. Communication will be important.

Nicola Sturgeon: There is not, at this stage, any need for that type of action in other health board areas. However, members will be familiar

with the emergency plans that were put in place to deal with the flu pandemic and will be aware that those plans envisage—should the circumstances demand it—the cancellation, suspension or postponement of elective treatment in order to free up capacity for critical care.

That would happen first in Lothian and would happen only in extreme circumstances in other health board areas. There is very close dialogue on-going around all those issues just now, so that we are prepared. Right now, NHS Lothian is managing the impact of the outbreak within its own critical care resources.

I do not want members to read too much into this, but, at present, although we are seeing an increase in the number of cases overall, the number in critical care is more steady—there has not been a corresponding increase in those numbers. That may have changed by this afternoon, so we cannot read too much into it, but at present NHS Lothian is coping with that critical care demand.

As I said earlier, other health boards are offering other forms of assistance to NHS Lothian around its public health resource, so that the significant demand on that resource can be met quickly, as is appropriate given all the epidemiological analysis that requires to be done.

Neil Findlay (Lothian) (Lab): What provision has been made in each of the NHS Lothian hospitals to take in emergency cases? How will that impact on patients who were due to enter hospital this week?

Nicola Sturgeon: My answer to Bob Doris probably covers Neil Findlay's point. Not all the critical care cases are in the Royal Infirmary of Edinburgh—there are some cases in other Lothian hospitals. The outbreak is being dealt with within NHS Lothian resources, but the emergency plan has been activated, and NHS Lothian will require to ensure that it manages the demand for critical care as the outbreak continues.

Neil Findlay raises a reasonable point. As the situation develops, and if an impact on other services starts to be seen, NHS Lothian, with the support of the Government, will have to ensure that patients in the wider sense are properly informed and advised of why that might be the case. I assure members that we will ensure that that is kept very much at the forefront of our minds.

Common Fisheries Policy

The Presiding Officer (Tricia Marwick): I let the statement run on for a few minutes to allow all the constituency and regional members with an interest to ask a question. That means, however, that this debate is extremely tight for time. The Presiding Officers will keep members' speeches very tight, and we may have to cut members' time at the end.

I call on the Cabinet Secretary for Rural Affairs and the Environment, Richard Lochhead, to speak on the reform of the common fisheries policy. He has 13 minutes.

09:49

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): In a matter of days, and after months of discussion and decades of campaigning by many fishing communities against the damaging common fisheries policy, ministers will gather in Luxembourg with the opportunity to agree the most radical and fundamental shift in European fishing policy in more than 30 years.

Europe has a chance to inject some long-awaited and long overdue common sense into what has until now been a disastrous policy for Scotland. It has left much pain and economic dislocation in its wake, destroyed proud communities and undermined fisheries conservation in Scottish and European waters.

Last December, I stood before members as we prepared to engage in an intense series of negotiations, which would lead to a new CFP regulation—a regulation that our industry might have to live with for the next decade and will certainly live with for as long as we find ourselves within the common fisheries policy. During that debate, I highlighted our key priorities and warned of the consequences of failure to achieve them. I reaffirm my commitment to straining every sinew to achieve the best outcomes for Scotland.

I need hardly remind the Parliament of the vital importance of commercial fisheries, aquaculture and the fish processing sector to Scotland. Scottish vessels landed some £0.5 billion-worth of fish last year, and during the past five years alone the value of our farm-gate aquaculture sales doubled, to more than £560 million in 2010. Let me be clear: those industries matter for Scotland, and we care passionately about ensuring that they continue to do so.

That is why, behind the scenes, in the offices and meeting rooms of Edinburgh, London and Brussels, the Scottish Government has been working with the utmost vigour on this most crucial

of European Union policies. We have reached a critical milestone in the debate on the reform of the CFP. Next week I will travel to a Council of Ministers fisheries council in Luxembourg, to negotiate the council agreement on the reformed CFP that will be presented to the European Parliament.

We should be in no doubt: the CFP has failed. Even the European Commission has admitted as much, and I give the Commission its due by acknowledging that it opened its door to radical reform at the start of the process. Scotland was the first through the door. Now is the time to review what we have achieved and identify what more we must strive to secure in the crucial weeks and months ahead.

Tavish Scott (Shetland Islands) (LD): Does the cabinet secretary acknowledge that during the past five years the European Commission's regional management has meant nothing to fishermen, in practical terms? Therefore, in the reforms that he is striving to achieve, which I endorse, does he agree that regional management must mean that local fisheries are involved in negotiations and in the detail, so that the whole lot is not determined—as usual—by Brussels in a top-down command structure?

Richard Lochhead: Tavish Scott makes a fine point. I will come on to that theme.

The common fisheries policy comprises a multitude of strands, which range from conservation measures such as fishing at maximum sustainable yield to the extension of the CFP into the aquaculture sector. Each issue is of great significance to Scotland and merits a separate discussion. I am sure that the debate will touch on many issues, but I will focus on three core challenges on which Scotland has taken a leading role: regionalisation and decentralisation of the CFP; the elimination of discards; and the future of our fishing rights.

We have striven to promote decentralisation of the CFP to regional and member-state level. We want to return decision making to the people who are the most knowledgeable about particular fisheries, as Tavish Scott said, thereby allowing people to develop tailored management measures on a fishery-by-fishery basis and avoiding the wider political interference and race to the lowest common denominator that have blighted European-level decision making in the past. It really is a no-brainer, and the Scottish Government, working with fishermen—Bertie Armstrong, from the Scottish Fishermen's Federation, is in the gallery—and environmental stakeholders, is winning that argument in Europe.

Here in Scotland we have squeezed every opportunity out of the little flexibility that we have

in an overcentralised and micromanaged regime. I am proud that our internationally acclaimed conservation credits scheme has shown what regionalisation, operated through co-management with the industry and others, can look like in practice. Rather than concoct detailed restrictions in the dead of a Brussels night, we have agreed common objectives with fishermen and other stakeholders. We have allowed the people who have the expertise and the experience to lead on developing solutions. We have been able to use the limited incentives that are available to us to design innovative measures that are beginning to achieve significant recovery of cod stocks in the waters around Scotland. We developed the approach through our fisheries management and conservation group, at which we sit down with all stakeholders to agree how our fisheries should be managed.

The approach has sparked positive innovation and groundbreaking accords to bring about sustainable fishing, stability and growth for the industry.

Hanzala Malik (Glasgow) (Lab): Iceland is currently fishing stocks that we in Scotland helped to build up. I hope that there will be compensation for our fishermen and women, who preserved the stocks and must see someone else reaping the benefit of their efforts—unjustly, I may add. What penalties, if any, are being imposed on Iceland?

Richard Lochhead: As the member and the Parliament are aware, this Government and other Governments in Europe—and indeed the Norwegians, outwith the EU—have been making a Herculean effort to persuade the Faroe Islands and Iceland to come back to the negotiating table, so that we can get a fair regime in place for Scotland's important pelagic sector.

Here in Scotland we are making great progress and because of what we have been doing in this country we have a pioneering agreement in place for 2012: more than 130 prawn vessels and a mixed fishery have moved to fish exclusively with new highly selective gears developed by fishermen here in Scotland. That will reduce unwanted cod catches, for instance, by a staggering 60 per cent at least—drastically reducing the level of discarding in our waters. That advance is made in Scotland and shows what we can do with the powers that we have.

Our message to Brussels is frank. Give us the powers and let us get on with the job. Nowhere are the gains of decentralised decision making more desperately needed than when it comes to discards. The CFP's one-size-fits-all approach may be a farce, but the issue of discards is an absolute tragedy. If things stay the same for the North Sea stocks of haddock and whiting—and indeed cod, to an extent—discards of those stocks

alone could amount to £350 million-worth of fishing being wasted over the next decade. That would mean more anguish for our fishermen and for our processing sector.

To be clear, I want an end to discarding as soon as possible. However, it is not a straightforward matter. It takes different forms and has different causes. We must have tailored regional solutions that are appropriate to each fishery. I want to forge workable solutions that make sense to us here in Scotland. Well-meant but ill-fitting, top-down policies simply exacerbate discarding. Overquota discards from a lack of quota to land catches is one big problem. In Scotland, our poor quota share of some stocks means that our fishermen have no alternative but to throw dead fish overboard back into the sea. However, believe it or not, in 2011 around 17,000 quota tonnes of our main white-fish stocks remained unfished while at the same time our fishermen were being forced to discard over the side of the boat.

It is hard to believe that despite the Scottish fleet catching virtually all of our cod quota, more than 6,000 tonnes of the North Sea cod quota was uncaught last year—another demonstration of how the CFP does not work. We need a more effective quota swap system put in place as soon as possible.

There are many other causes of discards, but our route has four broad stages: first, take a fishery-by-fishery approach; secondly, minimise the unwanted catches that are removed from the sea by avoiding them in the first place; thirdly, optimise quota management to match the actual catches; and finally, devise a sensible arrangement to deal with the unavoidable residual amount of overquota, undersized fish that will have to be landed.

My third priority is to protect Scotland's historic fishing rights and to prevent the imposition of transferable fishing concessions. Member states distribute fishing opportunities according to their own national priorities. Some members may want to promote the pure economic efficiency of their industries. Others want to focus also on the wider socioeconomic factors.

The European Commission's original proposal to establish a mandatory system of transferable fishing rights right across Europe represented a significant extension of its competence into fisheries management. We in Scotland were among the first to stand against that. That whole theme runs counter to our key priority of making decisions closer to home that are right for our industries. We do not want a scheme to be put in place that allows the transfer of quota from small-scale fishermen to big-profit organisations and those with the deepest pockets. That would be a real danger to our fishing communities—perhaps

our fishermen would be unable to catch their own stocks in their own waters. That would be unacceptable. We have fought against that since day one. I am pleased that the Commission appears to be listening—as do other ministers in Brussels. The current version of the draft CFP regulation only proposes a voluntary scheme, so at least we have moved forward on that issue.

We have taken the lead in promoting regionalisation and discard reduction and we are in the vanguard of protecting our historic fishing rights. Our innovation and our determination are recognised by the Commission—and, I believe, by Governments right across Europe. We have worked hard to ensure that the United Kingdom position protects Scotland's interests. I welcome the fact that the UK Government has moved its ground on many of the key issues over recent months and has seen the merit of some of the arguments that we have put forward and the validity of our strong cause. However, there is still some way to go. We have pushed these issues to the top of the list and we must continue to push them to keep them there in the weeks and months ahead.

I look forward to an animated debate and I hope that the Scottish Parliament will agree that Scotland has made a significant difference to the debate on the reform of the common fisheries policy. We have made ground on a whole lot of issues of crucial importance to this country. This is a once-in-a-generation opportunity to bring decision making on the future of our fishing communities and the marine environment back to the member state level, the Scottish level and the regional level and to ensure that there is better decision making on behalf of Scotland.

I hope that the Parliament supports the Scottish Government in seeking outcomes that deliver a secure future for our fishing industry in Scotland, and, of course, the sustainable management of fisheries across Europe and the globe.

I move,

That the Parliament calls for the current European negotiations to deliver radical reform of the failed Common Fisheries Policy to provide genuine decentralisation of decision making that empowers fishing nations and stakeholders to work together, including on a regional basis, to promote fisheries conservation, tackle discards and safeguard Scotland's historic fishing rights for the benefit of its fishing communities, seafood sectors and wider marine environment.

10:00

Claire Baker (Mid Scotland and Fife) (Lab): Scotland has a long history and tradition with the sea. As a country with miles of coastline, it has used the sea for trade, for leisure, for invasions and emigrations, for industry and for food. The sea

has been a source of bounty and a source of sorrow. It has shaped the history of Scotland and of the United Kingdom, an island nation. In these modern times, we face and embrace new uses of our coastline as we look towards advancements in renewables and explore ways in which we can harness the power of the sea and the tides. Our sea is a resource that is increasingly valuable, yet it is one that existed long before Scotland. It is a natural resource that we exploit. We must take seriously our responsibility to ensure a healthy marine environment, one that can provide a food and energy source for generations to come.

Our fishing sector is at the heart of our relationship with the sea—perhaps our most historic engagement. The sector is diverse, ranging from small coastal communities that grew up around fishing to fish processors and producers, a growing aquaculture sector and large fishing fleets concentrated in the north-east. Scottish produce is recognised and exported around the world. The sector provides employment ranging from the hard and dangerous life of a trawlerman to top-class chefs presenting Michelin-quality food. Although the often byzantine rules of the common fisheries policy do not directly apply to everyone in the sector, they impact on their ability to do business. Today's debate is an opportunity for us to recognise the importance of CFP reform, to strongly support the reform agenda and to be clear and unequivocal about what reform needs to deliver.

As the cabinet secretary said, the fisheries council will meet this month to start finalising the proposals. When the reform agenda was launched in 2009, there were bold words from the European Commission, which were widely welcomed. The green paper states:

"The ... vision for the future is a far cry from the current reality of overfishing, fleet overcapacity, heavy subsidies, low economic resilience and decline in the volume of fish caught by European fishermen. The current CFP has not worked well enough to prevent these problems.

However, the Commission believes that a whole-scale and fundamental reform of the Common Fisheries Policy ... and remobilisation of the fisheries sector can bring about the dramatic change that is needed to reverse the current situation. This must not be yet another piecemeal, incremental reform but a sea change cutting to the core reasons behind the vicious circle in which Europe's fisheries have been trapped in recent decades."

The failures of the common fisheries policy are evident. Overfishing across the EU remains a problem. Available figures for 2009 show that, of the 93 stocks for which sufficient scientific advice exists, only 21.5 per cent are exploited at levels delivering maximum sustainable yield, while 35 per cent are overexploited and 43 per cent are outside safe biological limits. The Commission estimates that nearly 79 per cent of European Community stocks for which there is scientific

advice are fished unsustainably. However, it is easier to diagnose the problem than it is to cure it. The reasons for failure are complex. For example, although it is true that there may be fewer fleets, there are more sophisticated and accurate fishing measures. However, there is concern that, at the EU level, there is a drift towards a position of little change and the maintenance of the status quo. That must be resisted.

Limited reform would be damaging to not only the fishing sector, which is looking to the reforms to address the problems of the CFP, but the long-term sustainability of our seas and oceans. At a European level, overfishing and the exploitation of the seas, driven by short-term political solutions, must end. The yearly negotiations of quotas, which routinely put aside scientific advice, are not satisfactory. I acknowledge that there are concerns about incomplete science, but that means that Scotland and countries across the EU need to invest in science and ensure that partners work together to follow best advice.

The Labour Party will support Jamie McGrigor's amendment. I recognise what has been achieved in Scotland in terms of promoting responsibility and co-operation between the fishing industry, the scientists and the non-governmental organisations that are concerned about sustainability. There is broad recognition here that healthy seas and productive fish stocks are crucial for a profitable fishing sector and thriving fishing communities. I recognise the frustrations with the system of allocated quotas, which some feel do not recognise the steps that have been taken but, through the cod recovery plan and incentive-based conservation measures, we have a model that rewards responsibility and fosters sustainability. However, it is important that other member states take action. The concerns about control and enforcement under the control regulation in 2010 illustrate the persistent problems with the sector. It is unacceptable that bad practice continues, which is why the principle of sustainability must be enshrined in the CFP's basic regulation.

The key goal for Scottish and EU fishing is the proposal for regionalisation, which is a fundamental principle of the reform agenda. The proposal is the answer to the worst of the CFP, but would maintain EU co-operation and high-level strategic decision making. Let us be clear that regionalisation is not nationalisation, as that approach lacks credibility. We need only look at the current mackerel disputes with Iceland and the Faroe Islands to see where that would lead us. Proper regionalisation would respond to the varying needs throughout the EU; make it easier to respond to the challenges of mixed fisheries; and enable member states and stakeholders to design multi-annual plans that set out the measures that are best adapted to their fisheries

and those of their partners. I am encouraged that many member states support the concept, but there must be confidence that the plans will be legal, deliverable and competent.

Last year's report by the Rural Affairs, Climate Change and Environment Committee identified the importance of devolved decision making. Encouragingly, the United Kingdom Parliament's Environment, Food and Rural Affairs Committee has called for

"greater regional ecosystem-based management".

It is now over to the cabinet secretary and UK ministers to push for its delivery. That is clearly the commissioner's desire, but legal questions have been raised. Political will must push through the concerns. We must work closely with allies to deliver regionalisation. The Scottish Fishermen's Federation has lobbied members of the European, Scottish and UK Parliaments. It is important that the message reaches the right people, and building coalitions is crucial to that.

That leads me on to the debate about maximum sustainable yield, which is defined as the highest catch that can be taken year after year while maintaining the fish population at maximum productivity. The proposal to include the aim of achieving MSY by 2015 in the basic regulation follows on from the EU's commitment at the world summit on sustainable development in 2002 to achieve MSY

"on an urgent basis and where possible not later than 2015."

Just last week, we had a members' business debate on Rio+20 in which we emphasised and committed to the importance of international agreement on the issues. In advance of this debate, WWF Scotland and RSPB Scotland have called on the UK and Scottish Governments to support those timeframes. We should continue to support the 2015 goal. I am pleased that the Scottish Fishermen's Federation states that it fully supports the target, although I hear its concerns about definition and the importance of not setting up for failure. It is recognised that the inclusion of the phrase "where possible" is important, particularly when we face the challenges of mixed fisheries.

Discards, which my colleagues will speak about in more detail, are a blight on the industry and a clear example of a policy going wrong. The Commission proposes a ban on discards by 2016. That is a tricky issue. As the cabinet secretary has said,

"we can't have a ban without a plan."

There are well-made arguments that a complete ban implemented on a short timescale is not the answer and that the focus must be on selective

fishing to avoid unwanted catches of commercial and non-commercial fishing. Discards are an emotive issue and it is right that there is a public campaign to express anger about the practice. However, a solution must be found that does not create additional problems or simply divert the problem elsewhere.

The cabinet secretary outlined concerns about transferable fishing concessions. I welcome the concerted effort from member states to reject that proposal.

The reform of the CFP is extremely complex. This is a relatively short debate, so the clear message from the Parliament must be about the importance of regional decision making. If the Commission gets that issue right, the approach will lie at the heart of moves to address many of the broader challenges by equipping the sector to deal with discards, overfishing and eco-management at the appropriate level and with the appropriate partners.

It has been difficult, if not impossible, for the CFP to be sufficiently flexible and responsive and sensitive to the needs of fishing communities throughout the EU. In December, we saw what difficulties there were in securing the cod recovery plan. It was only because of the influence and size that Scotland's relationship with the UK gives us that we stated and won our case on the interpretation of article 13 of the cod recovery plan. Regional flexibility will provide an opportunity to support a sustainable, productive and responsible Scottish fishing sector, which is an aim that we can all support.

I move amendment S4M-03163.2, to insert at end:

"and, in recognising the role that the Cabinet Secretary for Rural Affairs and the Environment has as part of the UK delegation to the Council of Ministers, urges the Scottish Government to work closely with the UK Government to ensure that the long-term interests of the Scottish fishing and aquaculture industries and Scotland's marine environment are at the centre of the discussions at the council."

10:09

Jamie McGrigor (Highlands and Islands) (Con): The Scottish Conservatives always welcome the opportunity to debate fishing policy and how it can be reformed to help secure the jobs of fishermen and all the associated jobs that boost the sustainability of Scotland's fishing communities and the people who live in them. I thank organisations such as the SFF, the Fishermen's Association Ltd, WWF Scotland and RSPB Scotland for the useful briefings that they have provided for today's debate.

There is clear consensus that the CFP is not entirely fit for purpose and, indeed, has in many ways been immensely damaging to fish stocks and fishing communities. Although we all want genuine and substantial reforms, we need to achieve a new policy that is workable and coherent and helps our fishermen instead of working against them. None of us should underestimate the size of that challenge.

We welcome the recently announced concordat between the UK Government, the Scottish Government, the Welsh Assembly Government and the Northern Ireland Executive, as a result of which each nation will be allocated annually agreed shares of UK quotas for distribution to their fleets. As the UK fisheries minister, Richard Benyon, has made clear, this is "a significant step forward" for our fishing industry and I commend the UK Government for working so constructively with the devolved Administrations to secure the agreement. As the head of the SFF, Bertie Armstrong, said recently:

"Within the EU the UK has somewhere approaching 30 votes. ... we are very much less concerned about who sits in the seats. We are absolutely concerned in every detail about what is said and what is on the speaking note for the minister or his representative to speak on matters of fisheries."

The UK has a lot of clout, but the UK line must be worked out beforehand through inclusive talks involving all the devolved parts of the UK and fisheries management must be co-ordinated. The UK fishing line must have decent bait at the end of it.

The new concordat is entirely in keeping with our consistent general position on CFP reform. The policy needs to be fundamentally reformed to ensure that centralised, top-down, bureaucratic micromanagement at EU level, which has, in many cases, been disastrous, is replaced by flexible regional and local management. We also want a reduction in discards, and the conservation industries and the industry itself to work in co-operation; indeed, both those aims are supported by the Parliament's Rural Affairs, Climate Change and Environment Committee and the UK Government.

Although some elements of the EU's July 2011 CFP reform proposals are steps in the right direction, we share the concerns expressed by the SFF and others about significant parts of the proposals that will not properly deliver the decentralisation that we all want. The concept of an MSY target is correct, but the aim of achieving it by 2015 is probably unrealistic. Any MSY targets must be set after long-term management plans are agreed for all fisheries and must be based on scientific evidence or the precautionary principle.

With regard to discards, we have supported the Scottish Government's catch quotas trials. We all want a reduction in discards, but we must seek to tackle the issue in a flexible way that recognises the diverse nature of mixed demersal fisheries. Indeed, in some fisheries such as nephrops, a one-size-fits-all outright ban could lead to greater mortality because fishermen will be forced to land the undersized prawns that they used to throw back into the sea alive. Indeed, I can assure the chamber that I have witnessed that very thing being done on a prawn vessel belonging to my late lamented friend Charles McLeod, who was so famous in the Skye and Lochalsh fishing community and who on two occasions was kind enough to take me as supercargo on his vessel.

Others have voiced the fear that if fishermen are obliged to return their entire catch, a market for undersized fish—something we would not want—could be created. As the SFF has made clear, a total discards ban is akin to banning the symptom rather than attacking the disease itself, given that discards are caused by the fact that the volume and proportion of fishing opportunities set under the current CFP process fail to match the ecosystems' realities. Never has a truer word been spoken.

I hope to touch on a number of other issues in my closing remarks but, in the meantime, I must put on record my praise for the conservation efforts of Scottish fishermen over the past few years. They have led the way in the EU, most notably in their adherence to the cod recovery plan. Because they deserve credit for such moves, which have been widely recognised, including by environmental organisations, I have lodged the amendment in my name.

I move amendment S4M-03163.1, after "conservation," to insert:

"while recognising the enormous efforts that the Scottish fishing fleet has already made in complying with conservation measures, to".

The Deputy Presiding Officer (John Scott): We now move to the open debate. We are extremely tight for time.

10:15

Rob Gibson (Caithness, Sutherland and Ross) (SNP): The decisions that are made in the new round of common fisheries policy discussions will have a vital impact on Scotland's food production and its fisheries industry, which stretches around our coasts. It is the first time that the European Parliament has had co-decision powers along with the Council, so we should look at the way in which the European Parliament will approach some of the issues that we have raised with it and with others.

The Rural Affairs, Climate Change and Environment Committee is glad that some of those issues have been recognised, but we are concerned about the fact that two committees of the European Parliament are considering the reform of the CFP—the Fisheries Committee's rapporteur, the German socialist Ulrike Rodust, has put forward her proposals and the Environment, Public Health and Food Safety Committee has published its opinion, which has been drafted by the English Lib Dem MEP Chris Davies—and that they do not agree on many points. It looks as though many amendments will be submitted to those committees before the European Parliament takes a final position, which it will discuss with the Council. It is up to us to ensure that we influence that process, and the Scottish National Party MEPs will take part in many of the discussions.

The first issue that I want to cover is that of decentralisation. I thank WWF for agreeing with the Rural Affairs, Climate Change and Environment Committee's recommendation that

"all of those involved in the negotiations"

must

"apply maximum pressure to try and ensure the proposals for regionalisation are realised."

The European Parliament's legal services have stated that, under article 2.1 of the European Union treaty, exclusive competences can be conferred on individual member states, which can be encouraged to co-operate on a regional basis. That must be tested. It is important that we get a clear ruling in Europe about the possibility of our member state taking those actions on our behalf. Although it was useful of Jamie McGrigor—who is no longer in the chamber—to have pointed out that the UK has devolved some of the relevant powers to the devolved Administrations, it is important that the member state has the powers to act on our behalf and to co-operate on a regional basis. If that can be tested, decentralisation could work. That might move things further forward than would the proposals of the European Parliament and the Commission.

The need to tackle discards has been a massive issue, which, as we know, must be addressed extremely carefully in Scotland. Much of the Hugh Fearnley-Whittingstall approach goes against the knowledge that we have of the mixed fishery that Scotland is involved in. We need a fishery-by-fishery approach to discards. If we have any say in such matters, that is the approach that we will take because, as WWF notes,

"This is where regionalisation will help—with stakeholders devising measures and regulations better tailored to the fisheries concerned. Scotland is progressing on this path as more selective gear is becoming mandatory for the langoustine fleet to protect cod and other whitefish."

That approach is being led by Scotland.

Historic rights are an issue on which my committee made strong remarks, to which the Labour Party ought to listen. It said:

“The Committee notes the difference in view between the UK and Scottish Governments regarding the principle of transferable fishing concessions. The Committee supports the position of the Scottish Government’s Cabinet Secretary that the inclusion of any form of transferable fishing concessions poses a threat to the principle of relative stability and therefore should not form part of the final reforms.

The Committee welcomes the Cabinet Secretary’s statement, and the comment of the UK Government, that the decision to implement TFCs, if they do unfortunately form part of the final CFP reforms, be devolved to the Scottish Government.”

However, we will have to fight for that. It is up to us to ensure that it happens.

Claire Baker: The member might be interested to know that the UK back-bench debate in April made exactly the same statement on transferable concessions.

Rob Gibson: That was a back-bench debate. Whether the UK Government takes that position is another matter.

Fish stock recovery has been mentioned. As a matter of course in its deliberations, the committee is dealing with inshore fishing effort and no-take zones, which will play a big part in the future of fish stocks more widely than only those controlled by EU policies.

I want to mention control regulations that we apply ourselves, for example sampling plans and weighing at sea, to keep up the quality and consistency of measurement, and, indeed, the issue of dealing with other member states. This is an international industry, and we need to set regulations that do not penalise particular boats or ports. I am looking for means to ensure that that happens.

The Scottish Fishermen’s Federation—alongside WWF Scotland, the Scottish Government and the Parliament—takes the view that decentralisation and regionalisation are central to the debate. We are speaking as one at present. Let us keep it that way.

10:21

Margaret McDougall (West Scotland) (Lab): The common fisheries policy was discussed at length in the Rural Affairs, Climate Change and Environment Committee, although those discussions took place before I was on the committee, so I have been playing catch-up so as not to let the fish off the hook.

As most people will know, the process started in July 2011, when the European Commission released its proposal for the revised CFP to replace the 2002 policy, which was widely regarded as broken and in desperate need of replacement, as noted in evidence given to the committee and stated in the chamber today.

It has become increasingly clear that the CFP is effectively a one-size-fits-nobody policy that has damaged our fisheries and fishermen’s livelihoods by failing to work in EU markets. It has also damaged our environment by failing to create sustainable fisheries, leading to a high level of overfishing.

In a written submission, the Scottish Fishermen’s Federation noted that there were two critical failures with the 2002 reform:

“overly detailed ‘one size fits all’ management from the centre”;

and

“the lack of reliable data to assess ... many stocks and fisheries”;

making them difficult to manage. That said, the Scottish pelagic sector urged the committee to ensure that the reforms retain the positives of the old policy from which the sector benefited.

Since July, there have been on-going discussions about the reform among numerous member states, the industry, non-governmental organisations and civil society in an attempt to influence the policy before it is implemented in 2013.

I will focus on maximum sustainable yield, the introduction of a discard ban and regionalisation. WWF estimates that about 75 per cent of fish stock in Europe is overfished and that if the practice continues nine out of 10 stocks will be at unsustainable levels by 2022. The practice was allowed to continue under the previous policy, so the introduction of maximum sustainable yield should go some way towards reversing that position.

The main problem with the introduction of MSY, however, is that the data that we have for some stocks may be unreliable, and reliance on out of date or inaccurate data means that stocks could still be over or underfished. In 2009, the Scottish Government noted that the achievement of MSY for mixed fish stocks would not be possible and could lead to discards. While I support the principle of MSY, we need to be careful about how it is implemented; if we are not, it could cause more harm than good.

The introduction of a discard ban by 2016 is a tough task but we should strive to achieve it because discards are wasteful and uneconomic. We cannot achieve a long-term, sustainable future

for the marine environment, the species within it and the people who depend on those species if the practice of discards continues.

That leads me to regionalisation. The problem will not be solved with a one-size-fits-all policy due to the great variations within the EU. The committee noted that regionalisation is the main proposal that the reform needs to deliver—developing a policy that suits each member state underpins the success of the reform. Decentralised decision making needs to be made to work, and made to work effectively. If the policy is devolved, that would allow coastal states to develop their own solutions to issues while allowing key stakeholders and those with local expertise to come to the forefront to manage their own fishing industry effectively and sustainably.

As noted by the committee from its evidence-taking sessions, that approach would also allow member states to have a certain level of flexibility to employ their own methods of fisheries management. In response to a letter sent on behalf of the Rural Affairs, Climate Change and Environment Committee, Maria Damanaki stated that the aim of regionalisation was to

“move away from micromanagement at Union level and to ensure that rules are adapted to the specificities of a sea basin.”

Keeping in mind the fact that fish do not recognise borders, I fully support decentralised decision making and the process of regionalisation.

I leave members with the final thought that we need to work with the UK Government in Scotland's interest. We need to develop a united front on the issue for the sake of our fishing industry. We punch above our weight on fishing issues because we are part of the United Kingdom and our influence would be severely curtailed if Scotland were to separate from the UK.

10:27

Jean Urquhart (Highlands and Islands) (SNP): I suspect that I am going to put the opposite case from that put by Margaret McDougall. As a member for a region with a real dependency on the fishing industry, I am pleased to support the motion. With fish accounting for 59 per cent of all food exported from Scotland and £500 million-worth of fish landed by Scottish vessels in 2011, the value of the industry to Scotland's economy cannot be overstated.

The common fisheries policy has failed to work for Scotland and for Scotland's fishing industry. The reforms, as currently proposed, will continue that unfortunate trend to the detriment of many of the communities in my region.

One of the most important principles of the European Union is that of subsidiarity: namely, that decisions should be taken at the most appropriate and most local level possible. However, that has never been the case with fisheries. The blanket approach of the European Commission to fisheries suffocates the ability of regions and nations to adapt to their own particular circumstances and needs, and endangers the very conservation that the common fisheries policy is intended to promote.

The difficulties posed by the imposition of centrally decided targets and quotas have only been exacerbated by the lack of a distinct Scottish voice at the decision table, and that has resulted in our interests being traded away by successive UK Governments. The inability of the Scottish Government, on behalf of Scotland as an independent nation, to directly influence the policy within the Council of Ministers puts us at a unique disadvantage. It is an absolute scandal that, while we remain gagged, ministers from landlocked nations such as Slovakia and Hungary are able to directly influence policies that have a negligible impact on their economies, but a potentially devastating impact on ours.

The proposal to introduce a compulsory quota trading system, nebulously called “transferable fishing concessions”, is just one of the many proposals that should give us cause for concern. The opportunity for wealthy companies to use their financial means to purchase fishing rights from hard-pressed fishermen is one that we should all be wary of, particularly as it appears that no safeguards have been put in place to prevent that practice from devastating the principle of relative stability, which has, so far, held firm.

Although there is a commitment to retain the 6 and 12-mile limits for coastal fisheries, the lack of any explicit reference in the proposals to retain, for example, the Shetland box—a protected coastal fisheries area of great importance to the Shetland Islands and Scotland as a whole—is of grave concern. I urge the Scottish Government to clarify the future of the Shetland box and, if the Shetland box is threatened, to do its best to protect those waters from being opened up, as the Irish did some years ago when their waters were under threat.

It must be remembered that, in rural areas in particular, each industry or sector helps to support many others. A set of reforms that hurts Scottish fishing also hurts our processing industries, our food and drink sector and our tourism sector—all major employers in the Highlands and Islands and nationwide.

Regardless of our constitutional views, it is in the interests of us all to push for our voice to be heard at the negotiating table, and not just with

Westminster's permission. The decision to send an unelected member of the House of Lords rather than a Scottish representative to an informal fisheries council meeting in April 2010 is just one example of party politics stepping on the toes of national interests. Surely all of us would decry that decision.

For the first time, thanks to the treaty of Lisbon, the European Parliament will have a say in reforming the common fisheries policy. As a Parliament, we must work in conjunction with Scotland's six MEPs to ensure that a strong cross-party and national voice is heard. Surely we can all unite on that for the fishing industry in Scotland, with its obvious history and heritage.

I once more affirm my support for the motion and urge all MSPs to back the Government's efforts to promote our interests in Westminster and Europe.

10:31

Lewis Macdonald (North East Scotland) (Lab): I first spoke in a fisheries debate in the Scottish Parliament in 1999, as did Richard Lochhead and Jamie McGrigor. Then, the common fisheries policy provided the framework for Scotland's fisheries policy, as it does now, and the Scottish ministers sought to influence the CFP both directly in European Union institutions and indirectly by working with the United Kingdom as the member state, as they do now. The CFP was then, of course, under scrutiny with a view to reform of the way that it worked, as it is now.

Perhaps it is a measure of the relative maturing of our devolved institutions that we are moving towards the third iteration of the CFP since the Parliament was established. The current reform process will produce the fifth version of the CFP in 40 years. As the Scottish Fishermen's Federation said this week,

"The Scottish fishing industry is ... entering one of its most important periods in recent memory".

However, the attempt to improve the common fisheries policy is not the first, and I suspect that it will not be the last.

The CFP is, of course, only one of the ways in which the European Union seeks to influence economic activity in member states. The European Union has also recently proposed the introduction of its own regulatory regime for health and safety in the offshore energy industry, and the problems with that proposal put the issues with the common fisheries policy in context. The EU's offshore safety proposal has been condemned by both employers and trade unions in the oil industry not because the European Commission's objectives are wrong, but because it is wrong in seeking to take over an area of policy that member states are

successfully managing. We are world leaders in managing offshore oil and gas extraction in a safe and sensible manner in the North Sea in general and the UK continental shelf in particular, and the EU's good intentions can only undermine what has been achieved at great cost since Piper Alpha.

The parallel with fisheries is clear. Every time that the common fisheries policy has been reformed—in the 1980s, the 1990s and 2002—one of the key drivers has been to limit fishing activity in order to protect fish stocks for the benefit of future generations. That objective will be a key driver of the next reform of the policy, too. It has to be, because overfishing remains a real risk to the future of our fishing communities, and it can be addressed only by adjusting fishing effort to protect the sustainability of fish stocks.

The problem with the CFP is not the objective of matching activity to resource; it is the prescriptive approach to the regulations by which that objective is pursued. It is right to seek to manage fish stocks sustainably and to regard that as desirable on a European and, indeed, global basis rather than as a matter only for individual countries, but it is not right simply to lay down the law in Brussels and expect reality to change in order to comply with regulation. The right approach is to engage with member states and devolved jurisdictions on fisheries management and to recruit the fishing industry itself to contribute to securing its own future.

That is not always easy. As those of us who represent fishing communities well understand, there are still people in the industry who are instinctively hostile to any limits being imposed on what they can catch. However, more and more fishermen recognise that planning future sustainability is the right thing to do and that catchers as well as the Government and scientists have responsibility for that.

That is why it is essential for the European Union to listen to those catchers, to design conservation and sustainability regulations in consultation with the sector, and to devolve responsibility for fisheries management to as local a level as is compatible with wider conservation objectives. That means regional management of fisheries within EU waters, giving member states and devolved Governments within member states the opportunity to develop measures in partnership with the industry to achieve sustainable levels of exploitation and meet wider European objectives in a way that is truly sustainable in economic, social and biological terms.

Like the fishing industry itself, Europe is changing. The election of François Hollande has created space within the European Union for genuine debate, not only about the handling of

current economic challenges, but about the nature and purpose of the European project itself. That is good news from a Scottish and British point of view. The idea that ever closer integration and sharing of common resources was the only possible direction of travel for the European Union no longer dominates political debate in Brussels or anywhere else.

I am also glad that the Scottish Government has moved on from decrying the common fisheries policy to seeking to reform it. The opportunity for a new balance between agreeing objectives centrally and delivering them regionally should not be missed. When the Scottish Parliament debates reform of the common fisheries policy in the 2020s, as it surely will, that is likely to happen in a very different and wider European context from the one that exists today.

The challenge for the next few months is to ensure that the reform of the fisheries policy leads wider European reform and delivers a shift away from prescriptive regulation and a one-size-fits-all approach to an appropriate and effective policy. There can be no guarantee that that will happen, but there will never be a better time to try.

10:37

Dave Thompson (Skye, Lochaber and Badenoch) (SNP): The fragmented coastline of the west coast of Scotland is home to communities that are dependent on fishing. In my constituency of Skye, Lochaber and Badenoch, fishing is—and has been for decades, if not centuries—the lifeblood of many of those west coast communities, and of places such as Avoch, which is on the east coast and also in my constituency.

The fisheries council meeting that will take place in Luxembourg later this month and today's debate in the warmth of the chamber are a far cry from the gales and rain of the Minches or the North Sea. Having been to sea a few times myself in the Moray Firth and the Minch, I know the difference, and I stand here today to support the Scottish Government's motion because I know that there are few things as harmful to Scottish fishermen as the current common fisheries policy.

The nation of Scotland, with a population of five million, was responsible for almost 70 per cent of the volume of stock and 67 per cent of the value of sales of fish in the UK in 2011. Those statistics summarise my argument neatly. Fishing is vital to small communities and to our country. The value of fish that was landed by Scottish vessels from Shetland to Stranraer and from Stornoway to Eyemouth in 2011 was a grand £500 million.

Despite the importance of the industry to our economy and communities, Scottish fisheries are disadvantaged because they are subordinate to a

failing common fisheries policy that is decided in Brussels, and because they are dependent on the Government in London to negotiate on their behalf. I am firmly convinced that the common fisheries policy as it stands is flawed and can only continue to harm the Scottish fishing industry. I give the example of the problem of quotas, which is to blame for the incredible amount of fish that are discarded each year. The 2010 report "The Future of Fisheries Management in Scotland" estimated that discards of cod, haddock and whiting by Scottish vessels fishing in the North Sea and the west of Scotland in 2009 would have been worth in the region of £38 million at first point of sale—to say nothing of the damage to the fish stock and the ecosystem.

As the European Parliament considers reforming the common fisheries policy, which is to be welcomed, I support the Scottish Government's position on amending the policy. In particular, decentralising the specific details of the policy first to Scotland and then to the fishing communities is the only way to begin to reverse the damage that has been done and to prevent further damage from being done.

Jamie McGrigor: Does the member agree that although decentralisation was the key recommendation arising from the extensive debate in the European Parliament on the green paper on CFP reform, there is very little reference to it in Mrs Damanaki's new package?

Dave Thompson: I agree with Jamie McGrigor that we must get decentralisation. In his speech, he mentioned that there is micromanagement from Brussels. We must move away from that or we will never solve the problem of discards and the other problems that the common fisheries policy has caused for our fishermen over recent years.

Scotland deserves a louder voice on the subject of fisheries. Despite 70 per cent of the UK's fishing catch being landed by Scottish fishing vessels, Scotland does not have an automatic right to attend the Council of Ministers and, therefore, is dependent on Westminster ministers negotiating on our behalf. That is unlike the situation in Belgium, where the Flemish ministers always lead the fishing debates on Belgium's behalf. Relying on Westminster ministers has not worked in the past, and I am doubtful that it will ever work.

Although I fully support the European Union setting the basic principles, overall targets, performance indicators and timeframes, I believe that Scotland should decide how to achieve them—not Brussels and not London. There are particular concerns in Scotland that need to be voiced on the European stage, one of which involves sustainability. As the Scottish Government suggests, we need to ensure that the fish population is maintained at maximum

productivity while, at the same time, fishermen catch the maximum amount of fish. I am pleased to see that maximum sustainable yield is one of the Scottish Government's priorities. Waste, which is a contributor to low stocks, must be phased out. Fishermen should not be forced or encouraged to throw dead fish over the side of a vessel because their quota for one species has been used up. I am also glad to see that that is a Scottish Government priority, which could begin in 2014 with a species-by-species approach.

As MSP for Avoch, in the Black Isle, and Skye and Lochaber, which have substantial fishing interests, I believe that local communities also deserve a louder voice on fisheries policy. It is the fishermen who know best the hardships and struggles of fishing in Scottish waters and how to manage the fish. We cannot analyse and legislate on fishing purely at an economic level; there are social considerations, too. As a Lossie loon, I am all too aware of the detrimental effect of the CFP, as Lossie harbour now holds only yachts where once there were dozens of productive fishing boats. The continuing viability of the fishing industry goes hand in hand with the vibrancy of fishing-dependent communities, and because of that we need to take a big-picture view.

Prior to the election in 2011, the SNP mentioned several key areas within the fishing industry, two of which are particularly important to my constituency. The first is the restoration of the identity and status of fishing as an occupation of choice in order to help to map out the most profitable future for the industry.

The Deputy Presiding Officer: You must close, please.

Dave Thompson: Yes, Presiding Officer.

The second is the development of a national strategy for fisheries-dependent areas in order to support economic development and encourage local authorities to strengthen local fishing-related economies. The first step to both of those is to establish—

The Deputy Presiding Officer: You must close now, please. Thank you very much.

10:43

Jim Hume (South Scotland) (LD): I welcome the opportunity to speak in this important debate. The debate is timely as it takes place in advance of the adoption by the European council of a common position on fisheries reform, which it will look to do on Tuesday. Although that will be a general approach and not legally binding, it will still act as a message to the European Parliament and will give us a good idea of where we are headed

prior to the conclusion of this complex co-decision process.

There is near-unanimous agreement in the industry and across Government that the common fisheries policy in its current guise is unfit for purpose. Indeed, even the European Commission's 2009 green paper on reform proposals acknowledged the problems and called for a "whole-scale ... reform" of the policy. It is evident to us all that the Commission's previous approach of top-down, centralised management of our continent's fisheries has not been in the best interests of our industry or our communities.

In an ideal world, we would be viewing the reforms as an opportunity to mend the common fisheries policy. Time will tell whether that proves to be the case.

Time constraints prevent me from adequately covering all six points of the reforms, so I will focus on the more contentious ones, which involve transferable fishing concessions and regionalisation.

I share many members' reservations about the introduction of TFCs to the common fisheries policy framework. In one of the so-called non-papers, the Commission states that the reason for introducing TFCs is that the CFP has failed to resolve the problem of overcapacity. However, as Jamie McGrigor said, we in Scotland have taken great strides in reducing the size of our fleet over the past few years, which has cemented our reputation as an exemplar of responsible and sustainable fishing. Since 2001, the number of our active fishing vessels has reduced by 15 per cent, or some 398 vessels.

Although the intention is that transfers of TFCs will be between vessels of the same flag, we know that many in Europe would dearly love to see transfers between member states. What particularly concerns me—I know that the cabinet secretary shares my concern—is that that could trigger an excessive concentration of the ownership of fishing rights. To some extent, we are already seeing that. Ian Gatt of the Scottish Pelagic Fishermen's Association told the RACCE committee:

"The biggest demersal quota holder in England is probably a Dutch and Icelandic company, which bought up several companies".—[*Official Report, Rural Affairs, Climate Change and Environment Committee*, 2 November 2011; c 308.]

None of us wants a situation in which the skippers of Scottish vessels are enticed by the perhaps deep pockets of their continental colleagues, because that would put relative stability under threat. Furthermore, we must consider the damaging impact that it would have on our processing sector. The spectre of Spanish vessels

using Scottish quotas and landing in Europe is a troubling one for our processors and fishing communities and is something that they would struggle to fight.

Much of the debate surrounding the reforms has centred on the prospect of long-overdue regionalised decision making. It makes perfect sense for the nations that surround a particular sea basin to manage that area's fisheries, instead of Europe having an ineffective one-size-fits-all approach. What works in the North Sea will not necessarily work in the Mediterranean. The Commission appears to agree with that in principle.

A system whereby the EU devises the overarching objectives, with the measures to achieve them set by member states—almost certainly with an enhanced role for fishermen, stakeholders and regional advisory councils—is an attractive one, and the Scottish Fishermen's Federation is right to say that the argument for that approach must continue to be pressed in Brussels. I therefore welcome the comments of the UK fisheries minister, when he said to the committee last year:

"Regionalisation is an absolutely determined goal that we have set ourselves."—[*Official Report, Rural Affairs, Climate Change and Environment Committee*, 9 November 2011; c 346.]

I know that the cabinet secretary will welcome that, too.

In such situations, it is important to gather allies, and I hope that April's joint declaration, which featured seven countries, including the UK, France and Ireland, will help to impress on the Commission how important it is that the details of fisheries management are decided at an appropriate level.

We are at a critical juncture. The decisions that are taken in the next few weeks will shape our fishing industry in Scotland for the next decade and beyond. It is vital that sustainability is at the heart of those decisions in order to ensure the continued survival of our vessels and communities across Scotland—communities such as those in Argyll, the northern isles, Aberdeenshire, Eyemouth and the Western Isles, where the labour force that is employed in fishing is significantly above the national average and where fishing has been woven into the fabric of life for hundreds of years.

The Liberal Democrats will support the Government's motion and both amendments.

10:49

Mark McDonald (North East Scotland) (SNP): This debate focuses on a vital issue for many of

the communities in North East Scotland, which I represent. If members travel up the north-east coast, which I greatly encourage them to do, they will pass through many of the traditional fishing communities of the north-east, from the larger ports such as Aberdeen, which retains much of the processing sector but few of the landings, Peterhead and Fraserburgh, to the smaller villages that had vibrant fishing ports, such as Johnshaven in the Mearns. Many of those communities bear the all-too-visible scars of previous CFP negotiations and their outcomes, most of which resulted in Scotland emerging as the loser. At least when we lose in Europe in football, the failure is usually glorious.

Nevertheless, it need not be that way. It is clear that Scotland, via the cabinet secretary, is leading the charge for CFP reform. It is clear to all that he must be listened to on this, not just by the UK Government, who will likely negotiate on Scotland's behalf, but by the other nations that play a pivotal role in the annual bartering at CFP negotiations.

Jamie McGrigor mentioned that there are 30 votes for Scotland that come from the UK delegation. That may be the case, but the votes are of use only if they are marshalled in the interests of Scotland and its fishing communities. For too long, that has not been the case. Those votes have not been marshalled in the best interests of Scotland's fishing communities. Indeed, Scotland's fishing communities have very much been an afterthought in that regard.

Claire Baker: Will the member reflect on the fact that member states' votes are allocated not by the size of their fishing fleet but by the size of their population? Can he explain how reduced influence and fewer votes at the Council of Ministers would be to Scottish fishermen's advantage?

Mark McDonald: Claire Baker talks about reduced influence, but at the moment we are talking about having virtually no influence, particularly at the negotiating table. It is a credit to the cabinet secretary that he is there, pushing Scotland's agenda. However, Scotland is not represented at the negotiating table by the cabinet secretary—we place our fate in the hands of UK ministers. Far too often, UK ministers have sat at that table, with Scotland's fate in their hands, and demonstrated that they have butter fingers and have dropped the ball.

I listened to Claire Baker say in her speech that the CFP's failures are evident for all to see. Would that her predecessors and Westminster colleagues who have gone to Europe to negotiate on Scotland's behalf had had such foresight, vision and clarity of focus on the CFP.

Claire Baker: Will the member gave way?

Mark McDonald: No, I have given way once already.

We might then not have found ourselves in this position, in terms of what we have put forward from Scotland on the CFP and the needs of Scotland's fishing communities.

This is a moment of opportunity. It is an opportunity to radically reform fisheries management in Europe that must not be squandered. There is a great opportunity to act on discards and decentralisation, which most of us in the chamber will welcome. However, the key message is that things such as the move towards decentralisation can and should go further. I know that Scottish National Party MEPs will push for that in the European Parliament and I hope that they will be able to rely on support from colleagues in other parties in this chamber and support from other member states across Europe. Those moves must be advanced to make fisheries management tangible and beneficial to fishing communities. For too long, the top-down, centralised structure of the CFP has strangled our fishing communities. Unfortunately, many of them have failed to recover. There is still hope, however, that a radical reform in that direction can inject a bit of life back into those areas.

As well as opportunities, there are threats, two of which come from attempts to introduce mandatory elements through amendments to the CFP. Mandatory TFCs are a threat to Scotland's historic rights and they entirely misunderstand and undermine the concept of regionalising fisheries management. The notion of centralising mandatory requirements at the same time as regionalising fisheries management is counterintuitive.

Similarly, the proposed fish stock recovery areas also seem ill thought out and tacked on, and they must be resisted at every opportunity. That is not to say that stock recovery is not important, or that efforts should not be made to conserve fish stock. Opposing that measure does not send out that message—rather, it clearly says that to arbitrarily set aside anywhere between 10 and 20 per cent of waters for mandatory fish stock recovery totally misunderstands and undermines the ability of nations to best manage their waters and regionally manage their fisheries. That has to be opposed. I know that the SNP will strongly oppose it in the European Parliament and I hope that SNP members can rely on support from the other parties represented in this chamber and from other parties across Europe.

This is a moment of opportunity. It is a chance for Europe to right some of the wrongs that have been done to our fishing communities over time. I look forward to the cabinet secretary taking forward these arguments and, I hope, being

listened to by his UK counterpart. I hope that, in future, we will be able to mandate the cabinet secretary to go to Brussels and negotiate on behalf of Scotland.

10:55

Jenny Marra (North East Scotland) (Lab): I welcome the opportunity to speak in this debate on the common fisheries policy. The last time we debated the CFP, I talked about a range of issues that the cabinet secretary has covered in his speech today. Although I am happy to support his motion and I agree with many of the sentiments in his speech, I refer him back to the overarching theme in Labour's amendment: the need for effective co-operation in the UK and Europe to achieve a more effective and efficient fisheries policy.

At the heart of the CFP is an acknowledgement that common waters require a shared management system if they are to be both sustainable and profitable, not only for those who depend on the fishing industry for their income but for all of us who have a stake in preserving a healthy ecosystem in our seas. If we do not embrace the need for collective action as a fair and necessary way of managing Europe's fishing grounds, we risk doing a great deal of damage to the sustainability of our fishing industry and the biodiversity of our waters.

I strongly believe that only by accepting the same obligations as all other partners in Europe can we move the CFP forward. In Scotland, we can be proud of the part that we have played in contributing to a more effective common management system for Europe's shared fishing grounds. We have piloted innovative and creative mechanisms, such as real-time closures and the use of closed-circuit television in our fleet, which have been lauded and replicated throughout Europe.

Along with our successful conservation credits scheme, Scotland has been at the forefront of implementing policies that have helped to remedy some of the challenges presented in fisheries management throughout Europe. It is crucial that we continue to innovate policies, improve our scientific advice and share our ideas throughout the EU to achieve our commonly agreed aims, which are reflected in the latest round of CFP reform.

On the key principles of regionalisation, conservation and ending discards, which the minister mentioned, there is broad agreement in the UK and Europe that changes must be made. I believe that that presents us with an obligation to work together in partnership in the UK and Europe to find the best plan to achieve those aims.

As I said the last time we debated the issue, the principle of regionalisation presents us with an unprecedented opportunity to get fisheries management right for Scotland. A good example of how greater co-operation through regionalisation would work is the area of scientific advice.

A recent study that was conducted by the marine centre of the University of the Highlands and Islands found that more than half of the main species landed by Scottish white-fish vessels came from stocks that are data deficient. That means that the data needed to carry out scientific assessment of the stocks was not available or was not sufficient. That finding typifies the significant lack of understanding about our waters and the stock within them, which is a serious concern in relation to the sustainability of our fishing industry and fishing grounds.

Under a regionalised model, we would have the opportunity to increase our capacity to carry out more targeted research of common fishing areas to help to develop a fisheries management system that is based on sound scientific evidence. Both policy makers and industry have been calling for that for years and it is something else that can be achieved only through co-operation in the UK and with our partners in the European Union. Better and more targeted scientific advice would help to enhance our policies on conservation, as it would allow us to identify stocks that require protection or areas that are being overfished. It would also allow us to assess the full impact of any such ban or plan as the cabinet secretary calls for to end the appalling practice of discarding. Those matters concern all of us and a mutual approach to tackling them is necessary to change them.

I agree with the cabinet secretary on many of the concerns that he outlined, and nobody is in any doubt that the common fisheries policy needs major reform. However, the Labour amendment makes the vital point that the common fisheries policy is exactly that—a policy in which all stakeholders in Europe share the rights and responsibilities of a common, shared fishing ground. Only by working together on shared concerns through commonly agreed principles such as regionalisation can we contribute fully to a better fisheries management system for Scotland.

11:00

Graeme Dey (Angus South) (SNP): When the Parliament previously debated the shaping of the new CFP back in September, I highlighted the EU's lumbering processes and the fact that bickering over the allocation of reports had knocked back the timetable that was set for reaching a conclusion. It would be nice to say today that things are now moving apace but,

sadly, that is not the case. As Rob Gibson said, eight months on, we have progressed only to consideration being given to the draft report of the rapporteur, Ulrike Rodust, which contains a staggering 227 suggested amendments to the Commission's initial proposals.

If history is anything to go by, that is a long way from being the end of the story. When the CFP was last reformed, 10 years ago, I understand that when MEPs had their crack at the proposals post the rapporteur stage, more than 800 amendments were placed in front of a committee for the haggling to commence. At that time, the EU had only 15 member states, not the 27 of today.

It is not beyond the realms of possibility that more than 1,000 amendments will have been lodged by the 18 June deadline this time around; the speculation in some quarters is that the figure will be nearer 2,000. The amendments will be translated and formatted ahead of a series of informal meetings among Committee on Fisheries members to determine duplication that might exist and the scope for whittling down the numbers. The committee will then have a formal meeting to vote on the amendments ahead of a full plenary session of the European Parliament—oh, and there will be an opportunity to submit further amendments, followed by a further debate and vote later in the year.

Under the co-decision process this time around, that is only half the story, as the Council of Ministers will have its processes to go through. We are making progress, but it is painfully slow. However, that might be a price worth paying if we ultimately emerge with a CFP that is appropriate to Scotland's needs, not least because where we are currently is not where we need to finish.

Scotland's needs include securing a healthy future for the onshore sector as well as for fishermen, so I am pleased that the Government's motion refers to safeguarding our fishing rights

"for the benefit of ... seafood sectors".

It is important to bear it in mind that the CFP does not just influence the number of boats and fishermen who go to sea but has a massive impact on onshore employment and on the onshore sector's capacity to cope with any upturn in the volume of fish that it is asked to handle. There are warnings of serious consequences for the onshore sector if we do not get the CFP right.

In the past 10 years, the number of boats and the time that is spent at sea have declined, which has been matched by a steady erosion in the processing infrastructure. Since 2002, the number of processing companies in the north-east alone has fallen from 200 to 62 and the number of people employed in the sector has reduced from 15,000 to between 3,000 and 4,000.

It is therefore little wonder that Will Clark, who is the Scottish Seafood Association's chairman, describes the situation as critical. Among other things, he warns that if transferable fishing concessions are introduced—they are causing huge concern for processors—a means will have to be found to ensure that they cannot be traded outwith a member state. Otherwise, the consequences for Scotland could be devastating. Time will tell where we will end up on the CFP but, like our fishermen, the processing sector desperately needs stability, so that people can plan with at least a degree of certainty, if not optimism. I suggest that that desire is not unreasonable.

As Mark McDonald highlighted, one of the rapporteur's most concerning proposals is that member states should be required to close 10 to 20 per cent of their territorial waters to fishing within three years, to aid stock recovery. That goes completely against the decentralisation agenda that we are supposed to be pursuing and could adversely affect Scotland, despite the downsizing of our fleet that has taken place and the fact that we lead the way on conservation measures.

It is encouraging to note the opposition to that proposal that has been voiced not only by the SNP MEPs but by Struan Stevenson of the Conservatives. I hope that the Parliament will unite today to make absolutely clear its demand for a CFP that tackles the broader issues that require to be tackled but treats Scotland's fishermen and our important processing sector fairly.

11:05

Annabelle Ewing (Mid Scotland and Fife) (SNP): I am pleased to speak in this important debate on reform of the CFP. As the cabinet secretary said, we are now coming to the crunch negotiations on the CFP review. We could send an important signal from our Parliament today to support the Scottish Government as it strives to stand up for our fishermen, our fishing communities and our fishing industry.

As we have heard, there are many issues of significance for the Scottish fleet and, as Graeme Dey outlined, for the processing industry. One of the key issues is how we get from what has been a totally discredited management policy to a policy that has a chance of delivering the conservation objectives that we all—including our fishermen—wish to see, and which can operate without further decimating our fishing industry and fishing communities.

My colleague Dave Thompson mentioned Lossie. I remember, as a young teenager, being able to walk from one side of the harbour to the

other on fishing boats; now, as he said, it is simply a marina. That is what has happened under the CFP and under successive London Governments that have misrepresented us in Brussels.

The solution that is proposed for the central core of the CFP involves a move towards regionalisation of its management. That would allow member states to work together in respect of specific sea basin areas to take decisions that are fit for purpose and make sense for the area, while complying with the overarching objectives that are set by the EU. Any failure to proceed with meaningful regionalisation would, as many members have said, be a huge missed opportunity. It is clear to all that the micromanagement that has taken place so far has simply not worked.

One of the several difficulties that have been cited in moving towards meaningful regionalisation concerns issues to do with the legal basis under EU law. I understand that work has gone on in the background with regard to that issue and, as a former EU law practitioner, I cannot see that it is beyond the wit of the legal services of the various EU institutions to find a way around that while complying with EU law. However, in the labyrinthine and byzantine world of the EU, it might be thought—by some at least—that the Commission is protesting a wee bit too much and overemphasising the legal difficulties on the basis that it fundamentally does not want to relinquish too much control. Of course, I could not possibly comment on that. Be that as it may, I believe that the political impetus for meaningful regionalisation appears to be in place, and that must be delivered.

Another key area that has been mentioned is the issue of discards, which are as abhorrent to fishermen as they are to everybody else, for they represent an inexcusable waste of a precious food resource when we know that people in the world are starving. The discards issue also shows clearly that the current management system is simply not working.

We should be proud of our fleet in Scotland, because we have led the way on finding solutions and our discard reduction initiatives have led to the greatest reductions in cod discards by any country in the EU. We therefore need a realistic programme at the EU level that recognises actions that have already been taken, such as pioneering the use of new and selective types of fishing gear, real-time area closures and the successful but sadly limited catch quota scheme that we are able to promote at this point.

In the time that I have left I will focus on one red-line issue, which is the principle of relative stability. We have heard that there is a potential threat to relative stability in the transferable fishing concessions provision. Relative stability is the

bulwark against a free-for-all in Scottish waters, and the recognition of that principle was fought for very hard indeed down through the years by people such as my mother, Winnie Ewing, when she was the member of the European Parliament for the Highlands and Islands for some 24 years. The threat this time round comes from the TFCs—or, in plain language, transferable quotas.

I was pleased to hear the cabinet secretary say that there had been positive movement in that regard, and I hope that he will provide further detail when he winds up the debate because, although it might be said that the approach will be voluntary, it is crucial that we are able to ensure that that is the case.

It is clear that our fleet in Scotland would not be in the difficult situation that it faces if Scotland were already independent, because we would have always fought for our fleet, in the way that the Spanish have always fought for theirs. The Spanish put fishing at the top of their agenda; fishing was nowhere near the top of the UK Government's agenda. From the start, as Edward Heath said, our fishing industry has been regarded as expendable. It has been sold down the river by countless Westminster Governments, whatever their political hue. We need to ensure that we can speak up for our fishing industry, in accordance with our industry's priorities, and that we can put our vital fishing interests at the top of the agenda. The only way that we can ensure that that happens is by reclaiming the powers of a normal independent country.

11:11

Alison Johnstone (Lothian) (Green): Fishing our seas sustainably means maintaining a healthy ecosystem that supports more fish and more fishing jobs. It is worth saying that at the start, because it is the common ground for, and of common benefit to, all parties that are involved in the debate on fisheries policy. We face the challenge of moving to a truly sustainable model. A difficult transition period is ahead of us but, in the medium term, we will reap many benefits.

People who care about the sustainability of our communities and ecosystems must make science the basis of our decisions on fisheries management and resist a race to the bottom that risks leading to silent seas and harbours.

Top-down decision making from the EU has failed. Fishermen think that the regulations have opposed rather than supported their interests. The decentralisation proposals have merit, because they can promote co-management, whereby fishermen, scientists and conservation interests are involved at regional and, I hope, local level. Fishermen often pass their skills, ships and tackle

down to the next generation, and decentralisation offers a chance for users to become stewards of the sea for the next generation. Scotland has the experience to develop good co-management, and the catch credits scheme is a successful example that should be more widely applied.

Sustainability will not happen magically or automatically on regionalisation. The fishing industry does not have a history of stewardship or compliance. There has been in-fighting between sectors, there have been incredible levels of black fish landings, and controls have too often been called for only when livelihoods were threatened by other fishermen's practices.

Good co-management must have science as its basis. We know for sure that many stocks are overfished. In 2010, the Government's independent report, "The Future of Fisheries Management in Scotland", said that of the 12 Scottish fish stocks that had been assessed,

"only four are without immediate concern."

On a longer timescale, we know that the seas used to be full of fish, but the current level of large predatory fish biomass is only about 10 per cent of the pre-industrial level. British trawlers now need 17 times more effort to catch the same volume of fish than they needed at the start of the 19th century. Between 2003 and 2011, total allowable catches were set by the Council at a rate that was, on average, 47 per cent higher than the rate that scientists advocated.

The Government's motion talks about promoting conservation, but that is not enough to safeguard fishing jobs in future. A decentralised approach can work only if there is a clear decision-making structure that puts scientific advice at its heart. What can we gain from putting in place such a structure? We can build a resilient fishery ecosystem, which is able to deal with climate change and increased ocean acidity, and which will support more jobs. The New Economics Foundation, as we heard, calculated that if we achieved maximum sustainable yield, we would create 3,000 extra jobs for fishermen and 7,700 extra processing jobs across the UK, as a result of having healthier stocks.

Another important question is who should have the right to fish the seas. The privilege to exploit fish stocks should be conditional on fishing in an environmentally and socially responsible, as well as legal, manner.

"Fishermen should be required to demonstrate that their fishing operations do not damage the marine environment", and that they

"make significant contributions to coastal fishing communities."

Member states should use such criteria when they allocate the right to fish. That might sound miles away from the motion's language of safeguarding "Scotland's historic fishing rights", but that is the principle behind the conservation credit scheme and I was quoting from a policy document adopted by the Green and European free alliance in the EU—of which the SNP is a member.

Many of our fishing communities are long gone. There is hardly a fishing boat to be seen in Hopeman, Burghead or Lossiemouth. Modern technology means that what fish there are can be traced electronically. Modern machinery on super-trawlers is such that one ship can land as many fish in a year as the whole Dutch fleet could land in the 1700s.

There is a view that Scottish fishermen are in crisis as a result of regulation. There is no argument but that there is a crisis, but it is a crisis born of overcapacity, overfishing, poor policy and the near destruction of an ecosystem.

It is true that the pelagic fleet has been reduced. In 1991, there were 54 boats whose main fishing method was pelagic—today there are 24. However, from 1991 to 2011, the fleet's total engine power rose by 40 per cent. Over the same 20 years, the fleet's total tonnage more than doubled. Although the number of boats has fallen, the total tonnage and engine power of the fleet have risen significantly. The pelagic boats are now massive industrial-scale concerns with a greater capacity to catch fish. Industrial-scale fishing does the most damage and contributes the least to employment and communities. It is the large-scale fishing that has large-scale lobbying power too. We must make sure that we do not listen only to the loudest voice in the industry, because there are many others.

Tradeable rights should be resisted, as those with the deepest pockets will buy the rights to fish, instead of those rights being allocated to fishermen with sustainable and selective catch methods.

I am heartened by the Government's commitment to tackle discards and to reduce by-catch. We have the conservation credits scheme and the Government is right to try to widen participation to other vessels. However, a ban on discards—including seabirds, marine mammals, juveniles and non-commercial species—must be the end goal in order to promote the best selectivity possible.

11:17

Jamie McGrigor: All members have accepted the failure of the current common fisheries policy. The challenge will be to deliver regionalisation in practice without simply creating an extra layer of

bureaucracy. The SFF is correct to suggest that excessively prescriptive regulation in that area could be harmful.

I want to speak for the Scottish pelagic sector—mentioned by Hanzala Malik and Alison Johnstone—which has seen some benefits from the CFP. Its interests must be protected in the reform, as it is an important part of Scotland's fishing industry; in some cases, it also provides much-needed employment in processing fish in other faraway parts of the world. It is also a sector that does not generally have such a large by-catch problem. Protecting its interests is part of the difficult balancing act that we need to achieve.

Many members talked about reducing discards, and we all support that. However, to repeat my earlier comments, we need to be careful about how we achieve that in our mixed fishery. Although we can be ambitious in our aims, we must ensure that we deliver something that works in practice.

The direction of travel and the success of the final result are more important than meeting any arbitrary deadline that is set by the EU or anybody else. Flexibility is the key word to produce sustainability of stocks in different areas of our seas. We need to continue to support our fishermen to allow them to buy new selective gears to minimise discards.

Why should Scotland's fishing fleet bear so much pain when its record on conservation is the best in Europe? I mentioned that in a speech that I made in 2001. I take the liberty of quoting myself:

"It is especially galling that Scotland's fishing fleet, the only one in Europe to have adopted conservation measures—such as square-mesh panels aimed at protecting the 1999 class of fish—should pay the biggest penalty for the failure of other Governments to persuade their fishing fleets to do the same."—[*Official Report*, 18 January 2001; c 328.]

Other member states have now come on board, but Scotland's fishermen led the way. They should be commended and rewarded for doing so, and helped in their promotion of sustainable stocks.

We have heard a lot of support today for the concept of maximum sustainable yield. Again, we need to be realistic with regard to how that can be achieved in practice. Although the aim is correct, we need to recognise the difficulty of achieving that aim for all species in a mixed fishery. No one in the industry believes that it will be possible to achieve that by 2015. The goal of multiannual, multispecies plans is supported by all, but they will take time to achieve, and getting that right is crucial.

Some of my fishing constituents wish me to ask a number of questions of the minister, and I hope

that he will be able to address some of the issues in his summing-up speech.

How will ministers ensure the retention of the relative stability principle—which was mentioned by Annabelle Ewing—in the forthcoming period of the CFP, bearing in mind that that is what has given Scotland a large percentage of the haddock catch in the North Sea? Given the ordinary procedure or co-decision between the Council of Ministers and the European Parliament, and the 600 or so amendments that were tabled to the initial Commission proposal, how confident is the minister that the UK and Scottish requirements will find their way into the final legislation?

On the two key issues of maximum sustainable yield and discards, will the minister ensure that the radicalism that is being talked about does not lead to regulations that are, in practice, unworkable and unachievable? Also, will he ensure that the needs of the artisanal smaller shellfish fisheries of the west coast are fully taken into account? May I make the same request for the white-fish boats that fish off Scotland's north-west coast, many of which are being forced to fish outside Rockall in dangerous waters because they do not have enough quota inside?

Dave Thompson: How many of those questions has the member put to his colleagues in the Conservative Government in London?

The Deputy Presiding Officer (Elaine Smith): You are in your last minute, Mr McGrigor.

Jamie McGrigor: We are in touch with the minister the whole time. The point is that the UK line is what is important.

Today's debate might seem to be about fish, but it is about deciding the future of people who are reliant on the fishing industry. Fishermen, fish processors and their families are the ones who will suffer if Governments do not get the right solutions.

The Scottish Conservatives stand ready to support the Scottish Government's approach of securing regionalisation in the CFP, so that regions have a genuine and significant role in fisheries management, without having continually to refer back to the Commission.

We wish the minister well in his forthcoming talks and encourage him to work closely with the UK fisheries minister, as well as with the devolved Administrations in Wales and Northern Ireland; surprisingly, they were not mentioned by Mark McDonald in his rant about the value of having three to four votes rather than 29 to 30 UK votes supporting our line. I know what makes sense to me.

The Deputy Presiding Officer: Before we move on, I am afraid that once again I must

remind the chamber that members who participate in debates ought to be in the chamber for closing speeches. I note that Jenny Marra left the chamber, and I would appreciate an explanation.

11:23

Claudia Beamish (South Scotland) (Lab): I am glad to speak again on fishing issues and to hear the views of members on the importance of fishing to our communities across Scotland and to the Scottish economy.

Scottish Labour supports the cabinet secretary's motion and Jamie McGrigor's amendment, which recognises the contribution that the fleet makes to conservation.

Although I will not quote myself, as Jamie McGrigor did, I spoke in the debate last September on the importance of the small-scale fishing communities such as those in my region; more than 700 people there are employed on vessels, many of which are involved in small-scale fishing. I hope that there will be a debate in the future on the importance of that vital part of the industry.

Dave Thompson stressed the social considerations for coastal communities. I want to recognise the importance of the processing industry, which was touched on by Jim Hume and explored by Graeme Dey in relation to the transferable fishing concessions.

Scottish Labour strongly supports the principle of regionalisation and it appears that there is cross-party consensus on the issue; I hope that that is encouraging to the cabinet secretary when he goes to the council. Decentralised control over fishing brings a number of benefits, many of which have been described by members today. They include faster decision making, tailor-made management that suits the characteristics of individual fleets and water basins and, crucially, the ability to change course if a decision is not working, which is in sharp contrast to the current unresponsive model of the centralised CFP.

Jean Urquhart talked about subsidiarity, which is not a common term these days but is still important. The cabinet secretary highlighted the need for an injection of common sense. However, obstacles remain, not least of which is the need to hammer out the detail of what regionalisation will mean in practice and to ensure that the European Commission and Parliament truly devolve responsibility to the new regional bodies.

Rob Gibson highlighted that this is the first time that the European Parliament has had co-decision-making responsibilities and he raised concerns about possible conflict between European Parliament committees. Labour MEPs

will take a careful interest in that and will work with other MEPs.

My understanding is that the powers will be devolved directly to member states, which will then be able to enter into regional agreements. If that is the case, I hope that the cabinet secretary and his Government will work constructively alongside the UK Government, as the representative of the member state, to ensure that a strong framework is put in place that encourages co-operation and joint solutions with our neighbours.

On sustainability, Alison Johnstone highlighted the fact that the industry can be the stewards of the sea for the next generation. As Lewis Macdonald said, the problem with the CFP is not the objective of matching activity to resource, but the prescriptive approach to regulations by which that objective is pursued.

I welcome the Scottish Government's conversion to reform of the common fisheries policy, rather than withdrawal from it. I hope that that about-turn is the result of the Government's realising that regionalisation is not about quasi nationalisation of fishing stocks, but about a real attempt to devolve decision making to a sensible level.

Everyone—north, south, east and west—agrees about regionalisation. However, fishermen's organisations have told us that it is essential that regionalisation results in more cross-country working and not less. Stakeholders, Government scientists and local people in ports up and down the UK and throughout the EU need to work in the common interest to deal with the issues of discards, sustainability and increased traceability.

Jean Urquhart: The member says that people must have input into how fishing is organised in their area. Does she agree that the area where most of the fishermen are and where most of the fishing is done should have a voice at the table when the discussions happen? Does she agree that that has not been the case to date?

Claudia Beamish: I am glad that the cabinet secretary is going to the negotiations this time round. As I said, I wish him well with that. The strong vote that we have as part of the UK is a valid part of the argument on that issue.

Discards are indeed a tragedy, as the cabinet secretary said. The four points that the cabinet secretary outlined are a positive way forward. As Margaret McDougall stressed, we must find a sustainable way forward. She emphasised data collection, as did Jenny Marra, who highlighted our good record on ecosystem management. She talked about the need for

"Better and more targeted scientific advice", which is essential.

It was recently put to me, and it now seems obvious, that fish do not know national borders and do not swim around with national flags tattooed on them, so we should not become protective of our stocks to the exclusion of co-operation.

The Scottish Fishermen's Federation has called this period a crucial one for the Scottish fishing industry. Scottish Labour agrees with the Scottish Government on the need to reform the process and we welcome the Government's change of heart on the issue of remaining part of a collective arrangement. In the main, we also agree on what form the reform should take. We call on the Government to work with the UK Government in all possible ways to ensure that the possibility of real and lasting reform becomes a reality. We wish the cabinet secretary well at the council in the near future.

The Deputy Presiding Officer: I call Richard Lochhead to wind up the debate. Cabinet secretary, you have until 11.40.

11:30

Richard Lochhead: Scotland and this Parliament must speak with one voice on an issue of such importance to our nation. Alan Coghill, the SFF president, and Bertie Armstrong, the federation's chief executive, are sitting in the gallery this morning and I hope that they and their members have been impressed by many of the speeches that have been made. Our common cause is to protect the future of fishing communities, an industry that is very important to Scotland and, of course, our precious marine environment.

This issue is of importance not only to Scotland and Europe, but globally. For many centuries, fisheries have provided a vital source of protein and income to people from every part of the world and they now contribute an annual \$274 billion to the global economy; in fact, the figure is even higher if we factor in boat building, fish processing and so on.

Nevertheless, we face major challenges. For a start, the world's increasing population is making even greater demands on seafood consumption. In 2008, more than 3 billion people across the world consumed 115 million tonnes of fish, an all-time high that equates to nearly 17kg per person. However, we are also struggling with what is in many parts of the world a declining and somewhat endangered resource. Indeed, the United Nations Food and Agriculture Organisation estimates that around a third of global fisheries are suffering the ill effects of overfishing or bad management. If we add to that climate change, ocean acidification, marine pollution and that ever-increasing

population, the size of some of these enormous challenges appears quite daunting.

As a result, there is a huge obligation on Parliaments in Scotland and throughout Europe to get their own house in order and the current attempt to reform the CFP offers a major opportunity in that regard. As I have said, we are talking about a variety of factors that are of importance to Scotland, from the seafood sector, which contributes so much to our economy, to our marine environment. I agree with Claire Baker, who I think was the first to point this out, that we must not allow the lawyers in Europe or anyone else to bamboozle ministers and Governments with legal speak and potential obstacles to achieving real change. What will matter over the important weeks and months ahead will be political will and what is right for Europe's fishing communities.

Of course, next Tuesday will not be the end of the story by any means—indeed, it will barely be the beginning of it—but Europe's ministers will have the opportunity to sit round the table and outline a general approach to the important issues that we have been discussing this morning. For the first time, we will have to go through the co-decision process, a major policy move in its own right, and we are heavily engaged with Scottish MEPs and others in the European Parliament who will now have a major role in reaching the endpoint that we all want. I have met the chairs of the two European committees to which Rob Gibson referred and which are playing a major role in the negotiations. A lot of water has still to flow under the bridge, but Tuesday is a very important staging point and I hope that Europe's ministers will sign up to the outline approach.

The debate has been dominated by the issue of regionalisation and bringing more decision making closer to home to regional bodies—and, I would argue, member states. I was slightly disappointed by comments attacking the concept of nationalising the CFP and should point out that the European Commission, the European presidency and other member states have a degree of sympathy with the idea of passing powers back to member states, not just regional bodies. For a long time now, this Government and Scotland's fishing industry have argued for such an approach, and I think that we have to grasp the opportunity. Decision making should come back to regional bodies but we also want member states to have real and genuine powers in that respect to ensure not only that Scotland can enjoy them when it becomes a member state but that, in the current devolved set-up, this Government and Parliament have more decision-making powers and can work in partnership with our fishing communities.

Liam McArthur (Orkney Islands) (LD): I am grateful to the cabinet secretary for taking my intervention and for acknowledging the presence in the gallery of my constituent Alan Coghill, who was looking a bit left out at being omitted from the cabinet secretary's earlier namecheck.

With regard to the regionalisation model, there has been much talk of working hand in glove with fishermen. Instead of simply gathering fishermen together and informing them of how things are going to be, is the cabinet secretary content with the extent to which he and his officials are genuinely consulting them on measures that are being taken forward?

Richard Lochhead: I am content that many people in Europe, including in our fishing industry in Scotland, welcome the fact that the partnership between our fishing communities and the Scottish Government has never been closer. Perhaps if the member's Administration and previous Administrations in Scotland had followed that example we might be in a better place today.

I think that there is general agreement in the Parliament that if the CFP is limited to Europe's ministers setting the high-level objectives, all the detail should be brought back to regional and member state level. The Parliament is sending out an important message to the rest of Europe and the European Commission ahead of Tuesday.

A number of specific subjects have been raised, one of which is the concern that exists about our ability to achieve maximum sustainable yield for many of the stocks in Scottish waters. We must persuade Europe not to repeat past mistakes and not to dictate from the top what should be achieved by certain dates when that is unachievable.

Alison Johnstone mentioned that we need to ensure that all our decisions are based on good science. I certainly agree with her on that, and I assure her that that will be the case as we move forward. However, I am unaware of any science that says that the 30-odd stocks that we manage in Scotland and which form part of the mixed North Sea fishery can all reach maximum sustainable yield at the same time in 2015, given the interrelationship that exists between those stocks. I do not want to see past mistakes repeated, whereby Europe puts into law regulations that simply do not make sense and which cannot be achieved but, of course, I agree that a timetable should be in place for achieving MSY for Scotland's key stocks.

Jamie McGrigor: Will the cabinet secretary address the point that I made earlier, which was that although decentralisation was the key recommendation that arose from the debate in the European Parliament on the green paper, there is

hardly any reference to it in Ms Damanaki's new package? It seems that member states will now be allowed to decide on mesh sizes and discards policy, rather than on the wider, day-to-day management policies, which have been so bad for the sector in the past.

Richard Lochhead: I am confident that if the ministers take the right decisions next Tuesday and beyond, we will achieve what the member wants us to achieve. One reason why we need to bring back responsibility for some of the decisions to a more local and regional level is so that we can tackle the scandal of discards, to which many members have referred. That issue is of crucial importance to consumers and the public, as well as the scientists and the fishing industry.

There is huge public concern about discards, which we should recognise. However, it is an extremely complex issue, on which we are already being proactive. I pay tribute to the 130 prawn vessels that, in the coming weeks, will adopt highly selective gear for the first time, which could reduce discards in Scottish waters by up to 60 per cent. That is a huge and brave step forward by that sector, and I commend it for taking such responsible action.

Given that we have a complex mixed fishery, we must adopt a stage-by-stage, fishery-by-fishery approach to discards. I agree with those members who said that we cannot simply transfer the problem onshore. That would lead to fish mountains onshore, which would be just as much of a waste as the discarding of fish overboard into the sea. As well as being a complete waste, it would be the wrong way to go and it would be completely impracticable. The best solution is not to remove the fish from the sea in the first place, which is why good progress has been made in Scotland with measures such as the conservation credit scheme and catch quota trials. They represent the way forward. We have shown by example what can be achieved when such decisions are taken closer to home.

Jamie McGrigor quoted something that he said in the past, which led to a few murmurs from other members; I guess that someone has to quote him. Earlier today, he said that it does not matter who sits at the table in Europe. I think that it does matter—it is much more important for a Scottish minister who treats fishing as a priority to sit at the top table in Europe than it is for Tory ministers to do so, given that the Tory party once said that fishing in Scotland was expendable in the interests of wider European negotiations.

I turn to the Labour Party's record. It is important for Scottish ministers to represent Scotland at important fisheries meetings elsewhere in Europe. I cast my mind back to just before the UK general election in 2010, when the Scottish Government

offered to send a minister to attend a key meeting of fisheries ministers in Vigo in Spain, because the UK fisheries minister could not make it. The Labour Party said no and decided to send an unelected peer who was responsible for bees in the UK Government instead of the Scottish minister. I think that Scotland's fishing communities would have much preferred it if Scotland's minister had attended that meeting.

Claudia Beamish rose—

Richard Lochhead: I was given 13 minutes, but I see that the Deputy Presiding Officer is now hinting that I should draw to a close. We are paying close attention to many other issues such as aquaculture, the common market organisation and the European maritime and fisheries fund, on which we will represent Scotland's interests.

Lewis Macdonald mentioned that we have been debating the damaging impact on Scotland and Scotland's fishing communities of disastrous fishing policies from Brussels since 1999. Here in 2012, we are on the cusp of achieving radical reform that will bring back decision-making power to Scotland and the member states and will allow them to work together on regional fisheries. That will be much better for Scotland's fishing communities and for the future of our proud industry in this country. I hope that we all support the motion and the amendments.

Sandra White (Glasgow Kelvin) (SNP): On a point of order, Presiding Officer. Earlier in the debate, members were told to be here for the closing speeches. That is, quite rightly, the rule of the Presiding Officer. I seek your guidance. Does the same rule apply to Liam McArthur, who came in only 25 minutes ago and intervened in the summing up? Does the rule pertain to Tavish Scott, who came in at the very beginning, asked a question and did not return? [*Interruption.*]

The Presiding Officer (Tricia Marwick): The member has raised a point of order. Let me respond. The same rules apply to all members.

Scottish Executive Question Time

General Questions

11:41

Air Passenger Duty

1. Colin Keir (Edinburgh Western) (SNP): To ask the Scottish Government what impact the increase in air passenger duty is having on the delivery of its transport policy with regard to air travel. (S4O-01089)

The Cabinet Secretary for Infrastructure and Capital Investment (Alex Neil): The significant increases to air passenger duty implemented by the United Kingdom Government since 2007 have been damaging for Scotland's aviation sector, our tourism industry, our wider economy and of course passengers.

They have also been prejudicial to the efforts of the Scottish Government and Scotland's airports to attract new direct international air services to Scotland. In our engagement with airports and airlines, we are frequently told that the level of air passenger duty is a barrier to the introduction of those services.

We will continue to make the strong case for the devolution of air passenger duty now.

Colin Keir: The cabinet secretary will be aware that airlines have cited the high cost of air passenger duty as a factor in cutting routes from Edinburgh airport. Will he comment on whether the increase in APD is detracting potential investment from Scottish airports?

Alex Neil: A number of factors affect investment decisions by airport operators and airlines, but APD at its current level—it will increase again next year—has a major bearing and is taken into consideration in whether investment goes ahead and in the timing of any investment. There is no doubt that it is very damaging to the Scottish economy.

John Scott (Ayr) (Con): The cabinet secretary will be more aware than most of the damage APD is inflicting on Prestwick airport. I fully support the representations that I know he is making to Westminster in that regard.

However, the strategic significance of Prestwick airport to Ayrshire and the wider Scottish economy—for example, in the preceding two winters, when Prestwick airport was the only airport open and servicing Scottish business needs—is not adequately recognised by the

Scottish Government. Therefore, will he give greater support to Prestwick in future?

Alex Neil: I had a meeting this morning with Tom Wilson, managing director of Prestwick airport, and we agreed an action plan to assist Prestwick airport. I find it strange to hear a member of the Tory party admitting that APD is detrimental to Prestwick and the Scottish economy. If the member votes for independence, we can sort it.

Nuclear Waste

2. Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): To ask the Scottish Government what its position is on the possibility of waste material being transported from Dounreay to Sellafield. (S4O-01090)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): The Scottish Government is committed to tackling the toxic legacy of nuclear power. With that in mind, I have made it clear to the nuclear decommissioning authority that the decommissioning and clean-up of Dounreay and other nuclear sites in Scotland should proceed as quickly and effectively as possible.

The transportation of nuclear material and fuel is a matter reserved to the United Kingdom Government. We have, however, urged the NDA to take all necessary steps to ensure that any future movements of Dounreay fast-reactor breeder fuels or other exotic nuclear materials from Dounreay to Sellafield are managed in a safe, secure and responsible manner, fully in line with regulatory requirements.

Jamie Hepburn: The nuclear decommissioning authority proposes the transport of what it euphemistically calls exotic fuels nuclear waste from Dounreay to Sellafield, which raises the prospect of such materials being transported through my constituency. Although the proposals have been consulted on, it is not clear that it has been done widely. Does the cabinet secretary agree that it is incumbent on the nuclear decommissioning authority to engage with all communities to be affected by its proposals, including those along the route that will be used?

Richard Lochhead: Of course, I expect the NDA to consult adequately all potentially affected communities, and it will release further details of its policy in due course. If Jamie Hepburn has any specific concerns relating to his area, either that there has been no consultation on the fuels or that the NDA has not fulfilled its obligations, he should please write to me about them and I will raise them with the NDA. I have no evidence, at the moment, of any gap in its consultation process,

but I am always willing to listen to members' concerns.

Kenneth Gibson (Cunninghame North) (SNP): Will the cabinet secretary confirm that the Scottish Government has no plans to dump at Hunterston nuclear waste that originates from elsewhere in Scotland?

Richard Lochhead: It is really important to recognise that neither the Scottish Government nor the NDA plans to create a single facility for the storage of all radioactive waste generated in central and southern Scotland. The Scottish Government's policy is clear: higher activity radioactive waste should be stored as near as possible to the site at which it was produced. Again, the NDA will release in due course details of its policy on storage in that part of Scotland.

Judicial Reform

3. Iain Gray (East Lothian) (Lab): To ask the Scottish Executive what progress has been made with the Scottish Court Service's review of sheriff and justice of the peace courts. (S4O-01091)

The Cabinet Secretary for Justice (Kenny MacAskill): The Minister for Community Safety outlined the Scottish Court Service's plans for reviewing future court structures in the parliamentary debate on Wednesday 29 February.

The Scottish Court Service has just concluded a series of stakeholder dialogue events to listen to and hear views on a range of ideas relating to the efficient use of the court estate and the implications of impending justice reform, including the review of civil justice and jury trials.

Feedback from the events will be considered by the Scottish Court Service before any formal proposals are developed for consideration by its board. If future proposals are presented to and accepted by the board, they will form the basis of a formal public consultation in autumn 2012.

Iain Gray: It is true that the wheels of justice grind slowly, and the cabinet secretary is right that in February the minister promised that the proposals would be subject to wide public consultation involving local communities and members. It is now nine months since the Scottish Court Service produced a report—which was not published, but leaked—which suggested that 15 sheriff courts, including the Haddington court in my constituency, should be closed. For exactly how long must communities face the uncertainty of not knowing whether their sheriff courts have a future or not?

Kenny MacAskill: There are no proposals at present. The member seems to wish to rush into matters, rather than allow the Scottish Court Service to enter into discussion, debate and

dialogue. I am attending an event in forthcoming weeks that is also about discussing and debating the issues. I am sure that the member would be very welcome, should he wish to attend. Those discussions are being replicated across Scotland.

The issue is, fundamentally, a matter for the Scottish Court Service. The member may not be aware, but the board is chaired by the Lord President. We have just appointed a new Lord President and, rather than scaremongering needlessly and trying to force the Scottish Court Service into a position, which it wishes to debate, discuss and engage with communities, Iain Gray might wish to enter into discussion with the Scottish Court Service, whose job this is, and even perhaps with the new Lord President, which would give the member the opportunity to congratulate him on his appointment.

Aileen McLeod (South Scotland) (SNP): The cabinet secretary will be aware that the options under review by the Scottish Court Service have raised concerns across Dumfries and Galloway recently. Attending court can be an intimidating experience, beset with unexplained delays. What consideration is the Scottish Court Service giving to improving and easing public participation in the court system?

Kenny MacAskill: Aileen McLeod raises an interesting point. It is quite clear that how we engage is a matter that we must address, and it is not being dealt with by the Scottish Court Service alone; the victim and witnesses bill that we will introduce shortly will also consider how victims and witnesses give evidence. Work is also on-going on, for example, how video-linking can be expanded, how we use technology to ensure that the court system runs better and how to ease the plight of those who have to give evidence. Equally, that work might be an opportunity for various areas that have geographical challenges to participate.

Therefore, I can assure the member that we are looking across the board—not simply at the court estate—at how people give evidence, where they give it from and the manner in which they give it. That is a matter not only for the Scottish Court Service; as I have said, it is a matter for all strands of government. We are looking at new technology along with other aspects.

Acceptable Behaviour Contracts

4. Colin Beattie (Midlothian North and Musselburgh) (SNP): To ask the Scottish Government whether it plans to reassess the effectiveness of acceptable behaviour contracts. (S4O-01092)

The Minister for Community Safety and Legal Affairs (Roseanna Cunningham):

Tackling antisocial behaviour and making communities safer and stronger remain top priorities for the Scottish Government. In March 2009, the Scottish Government and the Convention of Scottish Local Authorities jointly published their framework for tackling antisocial behaviour in "Promoting Positive Outcomes: Working Together to Prevent Antisocial Behaviour in Scotland". It followed a thorough review of national antisocial behaviour policy and recognised that prevention, early and effective intervention and diversion should be at its heart.

Acceptable behaviour contracts are simply one of the tools that are at the disposal of local partners in tackling antisocial behaviour. We have no current plans to assess the effectiveness of acceptable behaviour contracts, and the extent to which they are used is a matter for local partners.

Colin Beattie: My first-hand experience, as a councillor and then as an MSP, seems to indicate that there is a small but significant and disruptive hard core who have little regard for ABCs or, indeed, antisocial behaviour orders. Will the minister consider a review to determine how we can strengthen the ability of local councils and the police to deal more swiftly and effectively with extreme antisocial elements that blight our communities?

Roseanna Cunningham: As I said in my initial answer, acceptable behaviour contracts are only one of the tools that are at the disposal of local partners in tackling antisocial behaviour. I understand the member's interest in focusing on them, but all members should be aware that this is about more than acceptable behaviour contracts. For the minority of individuals who may disregard both acceptable behaviour contracts and ASBOs, the breach of an ASBO is a criminal offence.

The member may be interested to know that the Government has recently consulted on changes that would allow, among other things, social landlords to consider an applicant's previous antisocial behaviour in deciding on their priority for housing and the granting of, or converting of an existing tenancy to, a short tenancy in cases of antisocial behaviour. We are constantly reviewing aspects of the matter, and we will publish the analysis of the particular consultations in due course.

Tenant Farming Forum (Rent Reviews)

5. Rob Gibson (Caithness, Sutherland and Ross) (SNP): To ask the Scottish Government whether the tenant farming forum will deliver timeous solutions to simplify the rent review system for the tenanted farming sector. (S4O-01093)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): The member will be pleased to know that, just today, the tenant farming forum has announced the establishment of a rent review working group to consider specific aspects of agricultural rent review procedures in Scotland. The group will produce its report and recommendations to both the tenant farming forum and the Scottish Government in November 2012. Thereafter, the tenant farming forum will have to consider the report and its findings and put forward proposed actions to the Scottish Government by mid-2013.

Rob Gibson: I welcome the establishment of the review group.

There is growing evidence that farm rents are not being settled amicably and that the approaches to tenants by land agents can involve implied threats of expensive Scottish Land Court action in too many instances. Will the minister ensure that the tenant farming forum and the review group visit tenant farmers in various parts of the country to see for themselves what tenants on estates think, and that they follow in the footsteps of members of the Rural Affairs, Climate Change and Environment Committee, who started a survey on the issue on the Isle of Bute last week?

Richard Lochhead: I congratulate that committee on its visits.

It is, of course, a big disappointment when rent reviews result in animosity between the parties. It is fair to say that we tend to hear about only the bad examples, but there are many good examples out there. That said, there are bad examples. As the member said, people can go to the Scottish Land Court in such cases for resolution or enter into voluntary arbitration as an alternative.

On the tours that the tenant farming forum should undertake, the forum is, of course, an industry-led body, not a Scottish Government body. I will pass on the member's suggestion to the members of that group, as it is always a good idea to get out and about and learn first hand about the big issues out there in tenant farming in Scotland.

Claire Baker (Mid Scotland and Fife) (Lab): Will the cabinet secretary comment on the concluded Moonzie case? Does he believe that the potential impact of the judgment on tenant farmers requires a legislative solution?

Richard Lochhead: As the member will be aware, we are considering the impact of the Moonzie case, which is why the tenant farming forum is taking such an interest in the issues that arise from the case. Once again, we will be guided by the tenant farming forum on how we move forward.

Mobile Coverage

6. Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP): To ask the Scottish Government what its position is on data published by the Office of Communications suggesting that 85 per cent of the Scottish population is covered by 2G mobile coverage compared with 99 per cent in England. (S4O-01094)

The Cabinet Secretary for Infrastructure and Capital Investment (Alex Neil): I assume that the figures to which the member refers featured in the Ofcom "Communications Market Report" of August 2011. More recent Ofcom data, published in its United Kingdom "Communications Infrastructure Report 2011" in November, indicate that 2G mobile coverage is at 94.5 per cent of Scottish premises, with only 0.2 per cent of Scottish premises being in complete mobile not-spots.

The Scottish Government is clear on the vital importance of further improving mobile coverage, including 2G voice coverage, in Scotland. To that end, I have made representations to Jeremy Hunt, the Cabinet Secretary for Culture, Media, Olympics and Sport to ensure that the UK Government's mobile infrastructure project, the aim of which is to increase 2G coverage to 99 per cent throughout the UK through the procurement of additional masts, has maximum possible impact in Scotland for both voice and data coverage.

Adam Ingram: I thank the cabinet secretary for his answer but can he assure me, and particularly my constituents in the village of Barr in South Ayrshire, who are currently excluded from access to any digital infrastructure, including mobile telephony, that the Scottish Government will succeed in making its 2015 targets where broadband delivery UK—BDUK—has failed?

Alex Neil: We are totally committed to meeting our 2015 targets throughout all Scotland, including the beautiful village of Barr. As part of our on-going engagement with local authorities and of our implementation plan, we will be in dialogue with South Ayrshire Council to identify local priorities over the summer. We will hold a series of workshops with local government to progress that, and South Ayrshire Council will be invited to participate.

Public Sector Contracts

7. Gavin Brown (Lothian) (Con): To ask the Scottish Executive what percentage of public sector contracts is on the public contracts Scotland portal. (S4O-01095)

The Cabinet Secretary for Infrastructure and Capital Investment (Alex Neil): Information on the total number of public sector contracts in Scotland is not held centrally, so it is not possible

to calculate the percentage of contracts that is published on the public contracts Scotland portal.

Information available from the portal shows that almost 4,700 contract notices were published on the website during 2011, which is an increase of 20 per cent on the previous year. A further 4,493 requests for quotations were issued during the same period.

Gavin Brown: Decades ago, we managed to put a man on the moon, so I wonder if, in 2012, we can resolve to find out how many public sector contracts there are so that we can have an answer to my original question. Will the cabinet secretary agree to publish that information?

Alex Neil: We are in the process of carrying out a substantial reform programme in relation to procurement, including assembling more accurate statistics on an on-going basis. I am always delighted to provide more information to help Mr Brown to improve his argument.

Illegal Cockle Fishing (Solway Firth)

8. Alex Fergusson (Galloway and West Dumfries) (Con): To ask the Scottish Executive what powers police forces have to deal with illegal cockle fishing. (S4O-01096)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): Fishing for cockles on the Scottish side of the Solway Firth is currently prohibited under the Inshore Fishing (Prohibition of Fishing for Cockles) (Solway Firth) (Scotland) Order 2011. Enforcement powers under that legislation are conferred on the enforcement officers of Marine Scotland, who have primary responsibility for monitoring compliance. The role of the police is to assist Marine Scotland when required.

Alex Fergusson: Illegal cockling has been a serious issue in my constituency this year. An e-mail dated 13 March says that Marine Scotland

"state that the Police have adequate powers to deal with this problem".

However, as the cabinet secretary has just confirmed, the police are adamant that those responsibilities lie with Marine Scotland and that they have few or no powers to deal with the issue. The result is that a massive amount of illegal activity has taken place along the coast of the Solway this year. Local residents are too frightened to intervene. Will the cabinet secretary do so to bring the impasse and, along with it, this illegal activity to an end?

Richard Lochhead: The member has written to me on the subject and I am giving serious consideration to the concerns that he and his constituents express. The powers exist, but there are challenges in enforcement. The member will

be aware that there are real health and safety considerations for anyone venturing out on to the sands at low tide. However, Marine Scotland, the police, the Gangmasters Licensing Authority and others are able to investigate illegal cockling by other means. The collegiate approach that is being taken means that those who are engaged in illegal cockling are likely to be caught and punished. Nevertheless, I will give the member's concerns serious consideration.

The Presiding Officer (Tricia Marwick): Members will wish to join me in welcoming to the chamber the Prime Minister of Lower Saxony, Mr David McAllister. [*Applause.*]

First Minister's Question Time

12:00

Engagements

1. Johann Lamont (Glasgow Pollok) (Lab): To ask the First Minister what engagements he has planned for the rest of the day. (S4F-00744)

The First Minister (Alex Salmond): I will meet the aforementioned Prime Minister of Lower Saxony. It is of huge interest to Scotland that somebody with strong Scottish roots is Prime Minister of such an important German state. The discussions will be for the mutual benefit of Scotland and Lower Saxony. [*Applause.*]

Johann Lamont: I join the First Minister in hoping that he has very constructive and useful discussions.

Last week, the First Minister advised me that I had made the mistake of not asking the right question. I think that I am going to do it again. Last Thursday, the First Minister said:

"The Bank of England is an independent central bank that does not take direction on policy".—[*Official Report*, 31 May 2012; c 9629.]

Does he stand by that statement?

The First Minister: The Bank of England is an independent central bank that is independent of Government. That position was awarded to it by the Labour Government in 1997, when Gordon Brown was Chancellor of the Exchequer. He regarded it as one of his greatest achievements during his term in office.

Johann Lamont: The First Minister now knows that the statement that he made is not true—or perhaps the First Minister is again struggling with the definition of "independence". The only independence that the Bank of England has is to set interest rates to meet the inflation target that is set by the United Kingdom Government. When it comes to printing money, it needs the Treasury's approval. Indeed, the Bank of England does not have any money—it is all taxpayers' money, through the Treasury. The First Minister's spokesman is quoted as saying:

"The UK government has had no say over monetary policy since the Bank of England was made independent in 1997."

He was wrong, was he not?

The First Minister: The Bank of England is an independent central bank. If that is not the case, what on earth was Gordon Brown boasting about in 1997 as his great *démarche*? Johann Lamont disagreed with the former Prime Minister on a

range of things: perhaps she should consult him to see what on earth he was doing in 1997.

I welcome Johann Lamont's continuing contribution to the debate. She will have read this morning the comments of Professor Blanchflower, one of the most prominent members of the monetary policy committee in recent years, which substantially support the very reasonable suggestions that have been made by the Scottish Government. I know that Professor Danny—*[Interruption.]*—David Blanchflower was quoted at length by the then Labour Government in a range of ways. Given that her party accorded such importance to his comments, will Johann Lamont accept that there must be something in the arguments that have been put forward by the Scottish Government when such a prominent member of the monetary policy committee says that they are substantially based?

Johann Lamont should move away from the idea that Scotland is, for some reason, the only country that cannot have normal procedures, that cannot conduct a monetary policy effectively and that cannot have control over its taxes and finance, which would enable us to direct the Scottish economy in a substantially better way than it is being directed under the dead hand of the UK Treasury.

Johann Lamont: The First Minister's problem is that he said:

"The Bank of England is an independent central bank that does not take direction on policy".

That is simply not true.

The First Minister also cited David Blanchflower, but Professor Blanchflower was talking about whether there should be a Scot on the current monetary policy committee; that there is not is the First Minister's objection to it, as it stands. He was not making an observation on the First Minister's and the Deputy First Minister's assertion—and absolute statement—that an independent Scotland would have representation on the monetary policy committee. That is not true, because he has not even asked the Bank of England whether that would be the case.

Let us see what the Treasury says. It has said that

"Scotland using the pound through a sterlingisation mechanism"—

last week, the First Minister called it the "sterling zone"—

"would have no say over its own monetary policy as set by the Bank of England."

The First Minister wants to leave the United Kingdom, remove Scotland's representation at Westminster and have less say in the formulation

of monetary policy. Why does the First Minister plan to lessen our influence over our own economic policy? *[Interruption.]*

The Presiding Officer (Tricia Marwick): Order.

The First Minister: It is arithmetically impossible to have less than zero say. We have zero say at present. This new interpretation of the status of the Bank of England is fantastic. The Bank of England is an independent central bank. It was established as such by Gordon Brown when he was Chancellor of the Exchequer in 1997. If he was not establishing that, what on earth was the direction of policy about that he announced in 1997?

Johann Lamont will be delighted to know that the fiscal commission that has been appointed by John Swinney, and which comprises two Nobel laureates and other distinguished economists, is working on these very matters in order to develop proposals. I will inform Professor Joseph Stiglitz and Professor Jim Mirrlees that Johann Lamont has an important contribution to make, and I will pass on that expertise to them.

However, I think that we had better start with the premise that the Bank of England is an independent central bank, because it was established as such in June 1997, and that Scotland has no influence at present. The proposals that we are putting forward, which are supported by Professor David Blanchflower, represent an entirely better position than the one that we are in at present. *[Interruption.]*

Regardless of that, control over Scotland's spending and taxation, which are crucial matters, is currently directed by the United Kingdom Treasury. I think that it should be directed in Scotland because no one—certainly not the UK Treasury—would do better by the Scottish people and the Scottish economy than Scots making decisions about our taxation and spending here in Scotland.

The Presiding Officer: One moment, Ms Lamont. If Mr Paterson, Mr Gibson and Mr Scott could please cease their conversations, perhaps we might hear the questions and the answers.

Johann Lamont: The First Minister would require his colleagues with the Nobel peace prize—or whatever kind of Nobel prize—to explain the answers that he has just given. They are entirely incomprehensible to us.

On the question of Scottish influence, we had a Scottish Chancellor of the Exchequer making policy for 13 years, but that was not good enough for the First Minister. Now, we are hoping that, in an independent Scotland, we might possibly have representation on the monetary policy

committee—but, of course, that has not been confirmed.

The truth of the matter is that the First Minister's plans for leaving the United Kingdom will leave Scotland with less control over our economy, not more. Either monetary policy is handed over to a foreign Government under sterling or it is handed over to German bankers under the euro. All the assertions in the world will make no difference to that. *[Interruption.]*

The Presiding Officer: Order.

Johann Lamont: If the First Minister had the courage of his convictions, he would be alongside his old deputy Jim Sillars, arguing for a separate Scottish currency. We can only presume that he has worked out that no one would vote for that. Is he just coming up with an incoherent assortment of assertions in the hope that he can hoodwink the Scottish people for long enough to win his referendum?

The First Minister: Johann Lamont is in desperate need of a new scriptwriter so that she can read out better questions each week. Her argument is that we have some sort of control over policy at present. If we follow her argument and the Bank of England is not really independent—despite what happened in 1997—that means that the Chancellor of the Exchequer, George Osborne, is directing things at present.

Johann Lamont's argument rests on the idea that we have some influence and control over the activities of a Tory chancellor. It seems quite obvious that we have no control and zero influence at the moment. As I pointed out to Johann Lamont, arithmetically we cannot have less than zero control. Let us establish the point: in terms of direct monetary policy, the Bank of England is independent.

Let us move on to fiscal policy, which is control of taxation and spending. Currently, this Parliament has control of 8 per cent of our taxation base, which will rise to about 18 per cent with the changes that are being made by the Scotland Act 2012. The Scottish National Party and very many people in Scotland want to control 100 per cent of our taxation. That—I say to Johann Lamont—is what we call “independence”. She thinks that “control” means that we should rely on a Tory chancellor in London. We would rather rely on a Government that is elected by the people of Scotland to take decisions in the interests of Scotland.

Secretary of State for Scotland (Meetings)

2. Ruth Davidson (Glasgow) (Con): I have met the Prime Minister of Lower Saxony this morning and I, too, wish the First Minister well for their discussions later today.

To ask the First Minister when he will next meet the Secretary of State for Scotland. (S4F-00738)

The First Minister (Alex Salmond): I have no plans to meet the Secretary of State in the near future.

Ruth Davidson: This week saw a British aid worker being rescued in Afghanistan in a textbook raid by United Kingdom special forces. The daily work of our security forces at home is to look after our people and our assets. The First Minister has repeatedly staked the economic stability of a separate Scotland on North Sea oil and gas. Those assets are currently protected by the full range of the British security services, including the marines, special forces and the intelligence community.

The Scottish National Party's defence spokesman, Angus Robertson, has conceded that it would be imperative to ensure that our oil and gas fields are adequately protected. As Angus Robertson has identified the need, has Alex Salmond come up with the plan? Will a separate Scotland have its own special forces?

The First Minister: In an independent Scotland, a range of forces would be required to establish the country's security. There is a working example of that, is there not? There is a small European nation that has marginally more North Sea resources than Scotland would have—only marginally more, and very, very substantial. That country is, of course, Norway. I have never heard it suggested that Norwegian oil installations are in any way at risk because they are protected and supervised by Norwegian forces. Does Ruth Davidson seriously argue that an independent Scotland could not provide the same security over our oil and gas assets as Norway does over its oil and gas assets? There would be one big difference in an independent Scotland: the revenue with which to pay for the range of public services, including our security services, would come to Scotland, as opposed to disappearing into the maw of the Tory Treasury in London.

Ruth Davidson: As he has mentioned Norway, I am sure that the First Minister will want to join me in welcoming the Prime Minister's announcement this morning of an energy partnership with Norway, which will see multibillion pound investment in the North Sea.

However, the First Minister somewhat misses the point. Former Special Air Service deputy commander, Clive Fairweather, has said that special forces expertise is vital for looking after our oil and gas assets and that it would take Scotland years to build its own regiment at a cost of tens of millions of pounds. The First Minister's fag-packet blueprint for defence, which was unveiled in January, has one naval base, one air base and

one army brigade. Special forces were conspicuous only by their absence. Norway has special forces. Would Scotland have the same? We did not hear a peep about special forces, a Scottish MI5, a Scottish MI6 or Government communications headquarters monitoring. We know from a few moments ago that the First Minister is happy to rely on the Bank of England to be the lender of last resort, but is he content to have what would be the special forces of another country as Scotland's defence of last resort, too?

The First Minister: The first thing that I said in answer to the previous question was that we would have the range of forces that are required to protect Scottish assets.

It is interesting that the Prime Minister is in Norway today. I say to Ruth Davidson that one thing that the Prime Minister of the United Kingdom will absolutely not do in Norway today is suggest that in any way, shape or form the Norwegian Government is incapable of protecting the Norwegian oil and gas assets in the North Sea. Is it not extraordinary that the unionist parties in Scotland—Tory and Labour—are willing to praise those small, independent European countries, saying how well they are doing in managing their assets and signing agreements with them and lauding them, except when it comes to the small European nation of Scotland, which according to the Conservative party is somehow incapable of doing the things that other countries take for granted?

In terms of the security of this realm, the reason why we have but one Royal Air Force base and one naval base is that the Conservative party and the Labour Party before it closed all the rest. In terms of our armed forces there is, of course, the continuing threat to the integrity of the Scottish regimental tradition. I read a report in the papers today in that regard that should make all Conservatives in this Parliament hang their heads in shame.

Finally, on the security that we are charged with at present, let us look at the record numbers of police in Scotland, the standing ovation for the Cabinet Secretary for Justice at the Scottish Police Federation conference, the huge decline in police numbers in England and Wales and the slow handclap that the Police Federation of England and Wales gave to the Home Secretary, which is another reason for Conservative party members to hang their heads in shame.

“The National Fraud Initiative in Scotland”

3. Murdo Fraser (Mid Scotland and Fife) (Con): To ask the First Minister what the Scottish Government's response is to the recently published Audit Scotland report, “The National Fraud Initiative in Scotland”. (S4F-00746)

The First Minister (Alex Salmond): The Scottish Government welcomes the latest national fraud initiative report. These reports make a huge contribution to the protection and security of public sector finances. This is a time of severe pressure on public sector budgets, so any fraud against the public sector is entirely unacceptable. We must take every action that we can to safeguard taxpayers' money and ensure that, as far as possible, it is used for all intended purposes.

Murdo Fraser: I am sure that the First Minister will join me in commending Audit Scotland for its work, which has uncovered £78 million-worth of fraud and overpayments over the past 10 years. However, the report highlights that a number of public bodies are not using or integrating the national fraud initiative. Given that this is an area of financial policy over which the First Minister does currently have control, can he tell us how those bodies will be encouraged to make greater efforts to save vital public funds?

The First Minister: There are two points to make. First, Scottish Government bodies fully co-operate—as Murdo Fraser should know—with the national fraud initiative. Secondly, to put the matter in context we should look at Robert Black's comments in the report. He states:

“Most people are honest and behave with integrity. Some do make genuine mistakes, but there is a small number who set out to cheat the public sector. Our successful National Fraud Initiative should be a deterrent.”

That is exactly why we set up the national fraud initiative. Robert Black states that the overall findings show that there is in Scotland a “high degree of commitment” to the national fraud initiative. That contrasts with the criticism that has been levelled at the UK Government in the UK NFI report, which highlighted that only two central Government agencies have participated, to date. In comparison—I am sure that Murdo Fraser will be the first to acknowledge this—all Scottish central Government departments participate in the national fraud initiative.

Year of Homecoming 2014

4. Nigel Don (Angus North and Mearns) (SNP): To ask the First Minister what plans are being made for the year of homecoming 2014. (S4F-00748)

The First Minister (Alex Salmond): The first year of homecoming delivered £54 million in additional tourism revenue for Scotland. I can confirm that planning for homecoming Scotland 2014 is progressing well. EventScotland is leading that work on behalf of the Government, with a wide range of partners involved in the planning. An inspirational nationwide programme of events will be developed and set around the five themes of ancestry, food and drink, and active, creative and

natural Scotland. We are investing an initial £3 million in the events programme and details of the funding application process will be announced shortly.

Nigel Don: What concerns me as a local MSP is that although there will undoubtedly be some very large events in our large cities—I am sure that that is entirely appropriate—there should also be events in some of the smaller communities that I and other members represent. What plans are there to ensure that such communities are given the opportunity to host events?

The First Minister: That point is very well made. Knowing that Nigel Don was going to ask that question, I took the opportunity to look back at the 2009 events and I noticed that the Angus and Dundee roots festival was one of more than 400 homecoming events that took place in Scotland. Such events across the communities, towns, villages and cities of Scotland are absolutely fundamental to the success of a homecoming initiative. I think that in 2014 we can surpass that number. Once the application process is announced, I will encourage all local authorities and their partners, the community organisations, to work together to harness the unique potential for Scotland of that extraordinary year.

Sarah Boyack (Lothian) (Lab): After the gathering in 2009, many businesses were not paid for services that they had provided in good faith. What safeguards will the First Minister ensure are put in place to prevent businesses from losing out again?

The First Minister: Sarah Boyack knows that—as I said—the homecoming involved more than 400 events, of which the gathering was one. The Public Audit Committee's report on the gathering provided valuable information that was of interest.

A key aspect is that major events that are part of the homecoming should have major significant partners and should not rely on relatively small private sector companies. Stirling Council's having taken the initiative to buy the rights for the gathering is a significant step forward.

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): Further to his answer to Nigel Don, will the First Minister ensure the involvement in the plans and publicity for the year of homecoming of the various common ridings that are held annually between June and August in communities in the Borders and Midlothian?

The First Minister: That is a splendid suggestion from Christine Grahame, which I will ensure becomes part of the homecoming Scotland planning. As ever, she has put her finger on an extra aspect of community involvement on which we would do well to listen.

Mary Scanlon (Highlands and Islands) (Con):

As the First Minister plans for the 2014 year of homecoming, will he ensure that the 100 small businesses in Scotland that are owed £300,000 as a result of the 2009 gathering receive payment before further plans are made?

The First Minister: I have every sympathy for the creditors that were affected by the liquidation of The Gathering 2009 Ltd, but it was a private company. As the Public Audit Committee's report showed, we received clear advice from the Scottish Government's chief accountable officer on what we could and could not properly do within the law. I am sure that Mary Scanlon has read that advice and will understand the limitations under which we worked.

Prisons (Proposed Statutory Monitoring Service)

5. Lewis Macdonald (North East Scotland)

(Lab): To ask the First Minister whether members of the existing prison visiting committees will have a role in the statutory monitoring service proposed by the Scottish Government. (S4F-00740)

The First Minister (Alex Salmond): Under our proposals, independent monitoring of prisons will be carried out regularly by professional monitors who will report directly to the chief inspector of prisons. Many opportunities will remain for people who wish to volunteer to work with prisoners, including mentoring, community mediation and restorative justice, as well as the potential to be involved with the new prisoner support service that the Government is establishing as part of the movement forward.

Lewis Macdonald: In relation to Scotland's international obligations on independent visiting of prisons, I think that that answer means "No." The answer is disappointing for people who have given their time and effort on prison visiting committees.

Does the First Minister really believe that replacing 240 unpaid volunteer members of visiting committees with three former prison governors or other senior people with prison experience as full-time Government inspectors is the right way to respond to the public service commitment of prison visitors, including councillors of all parties? Is it the right way to meet Scotland's international obligations on independent monitoring of our prisons?

The First Minister: Lewis Macdonald is being less than fair. As he probably knows, we revised our proposals to reflect concerns about the independent monitoring of prisons that were expressed in Parliament on 2 February. The Cabinet Secretary for Justice wrote to key stakeholders on 24 May to set out his proposals on monitoring, which were sent to the Howard

League for Penal Reform, the Scottish Human Rights Commission, the Convention of Scottish Local Authorities, the Scottish Independent Advocacy Alliance, the Association of Visiting Committees for Scottish Penal Establishments and the chair of the United Kingdom national preventive mechanism.

Lewis Macdonald should not underrate the importance of some of the things that I mentioned. The mentoring service offers support for offenders who want to reduce their offending and to lead healthier lifestyles, travel services provide a regular transport service to many of Scotland's prisons, and restorative justice is hugely important in addressing the harm that is caused by crime and helping to work out practical solutions for the future.

As I said to Malcolm Chisholm on 2 February, many opportunities remain for interested parties to feed in their views, including the three-month consultation that the justice secretary is progressing. Lewis Macdonald is being less than fair about the range of mechanisms that are available to allow people to participate in that vital and valuable service.

Alison McInnes (North East Scotland) (LD): The Government has stated that a criterion for the recruitment of the new prison monitors

"will be that they possess previous high level experience of working within a prison service".

To be blunt, the justice secretary is proposing that the Scottish Prison Service be monitored by former senior employees of the Scottish Prison Service. How independent is that? Can the First Minister explain why that criterion is necessary when it is not required for HM Chief Inspector of Prisons or his staff?

The First Minister: It is reasonable to ask for significant expertise, qualifications and experience, but I will ask the justice secretary to look at that question in detail and to give Alison McInnes a fully considered reply. We should not diminish that request. There are many people in Scotland who fulfil the criteria, and we want the very best people available for the institutions that are being established. However, I will ask the justice secretary to reply specifically in order to allay Alison McInnes's concerns.

Annabel Goldie (West Scotland) (Con): How much more expensive is the proposed new system?

The First Minister: We are confident that the move to the new system will fulfil not just our statutory requirements but other requirements, and we believe that it will deliver substantial value for money.

Population

6. Joe FitzPatrick (Dundee City West) (SNP):

To ask the First Minister what the Scottish Government's response is to the figures from the National Records of Scotland showing that the population is at its highest-ever level. (S4F-00742)

The First Minister (Alex Salmond): It is very encouraging that Scotland's estimated population has now reached 5,254,800, which is its highest-ever level. Population growth is a key priority in the Scotland performs indicators. The target is to match the average European population growth over the period from 2007 to 2017, and those latest statistics indicate that we are substantially on track to reach that target.

Joe FitzPatrick: Scotland has a proud history of welcoming people from around the globe, and they have undoubtedly enriched Scottish society. However, in Dundee our life sciences and games sectors often have problems in recruiting specialist staff due to restrictive United Kingdom immigration laws.

What steps can the First Minister take to get the message across to the UK Government that "immigration" is not a dirty word, and to ensure that we can recruit the talent that is needed to drive forward Scotland's economy?

The First Minister: Joe FitzPatrick touches on a key point. It is not only the life sciences and games sectors that are bringing that issue to the attention of Government: a range of industries are finding difficulties in meeting key skills requirements, which is preventing investment in our country, at present. I assume that that was not the Home Office's intention in issuing its most recent guidelines, and I believe that it should listen. I am particularly concerned, because we have had huge success—as members will know—given the increase of more than 20 per cent in overseas students coming to Scotland and our universities.

As members have always reflected during the Parliament's entire 13 years of existence, it is important not only to encourage international students into our economy, but to allow those students the opportunity of work experience in it.

I hope that we can send a substantial joint message to Damian Green, the UK Minister of State for Immigration, that his proposals should not be allowed to harm businesses and investment in Scotland, nor should they in any sense restrict the international excellence of the Scottish education system.

Margo MacDonald (Lothian) (Ind): The First Minister will know that the greatest population growth is recorded in Edinburgh, Midlothian and Aberdeen. I am anxious to know that there will be

a reallocation of resources, which this time will take account of that population growth. We would then avoid the mistake of underfunding the health boards, for example, which happened under the Arbuthnott review.

The First Minister: I know that Margo MacDonald will have noted and welcomed this Government's decision, in the face of criticism and opposition from others, to put a funding floor on the Convention of Scottish Local Authorities allocation to local authorities, which has benefited both the City of Edinburgh Council and Aberdeen City Council. That was designed to ensure fairness for all Scotland's local authorities, and a similar system has been introduced for health boards. Those are substantial changes, and they have not been greeted unanimously with satisfaction. *[Interruption.]*

I hear voices from members on the Labour benches. I hope that they will be able to tell people in Edinburgh—which we now control in an SNP-Labour coalition—or in Aberdeen why on earth they want to criticise the obvious fairness that was introduced to funding allocations.

I know that Margo MacDonald would want to welcome the changes and acknowledge their significance.

Dr Richard Simpson (Mid Scotland and Fife) (Lab): The increase in population is in part accounted for by the increase in the number of births. Since 2001, the annual number of births has gone up from 52,000 to almost 59,000. Will the First Minister invite his Cabinet Secretary for Health, Wellbeing and Cities Strategy to reconsider the 40 per cent cut to the student midwifery intake, which is happening at a time when the birth rate has gone up, complex problems to do with drugs and alcohol are increasing, breastfeeding rates are poor and there are high rates of smoking among pregnant women? This is not the time for such cuts.

The First Minister: Richard Simpson should welcome the excellent population trends. The matters that he raised are fully discussed in order to ensure that there is adequate provision of midwifery and other key services in the Scottish health service.

It is worth remembering that if Scotland had had the misfortune of there being a Labour Government in 2007, that Government would have spent less on the health service. Members may remember that other services, like health, were to "cut their cloth", because all consequential were to be awarded elsewhere. Of course, at the most recent election, no guarantee was given by the Labour Party, led by Iain Gray and Johann Lamont, to protect national health service spending. One thing of which we can be

absolutely certain is that if the Labour Party had won the election in 2007 or the election last year, less money and less resource would currently be being provided for the Scottish national health service. That is only one reason why Richard Simpson is sitting where he is sitting and this Government is where it is.

12:31

Meeting suspended.

14:15

On resuming—

Scottish Executive Question Time

Finance, Employment and Sustainable Growth

The Presiding Officer (Tricia Marwick): Question 1, from Ken Macintosh, has not been lodged. The member has provided me with an explanation.

Jobs

2. Richard Lyle (Central Scotland) (SNP): To ask the Scottish Government what its position is on the statement by the chief economist at the Bank of Scotland that “April’s barometer showed the strongest improvement in the Scottish jobs market for 11 months.” (S4O-01100)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Scottish Government welcomes the news that April’s Bank of Scotland barometer showed the strongest monthly improvement since May 2011, with Scotland once again outperforming the United Kingdom as a whole.

The barometer is further indication of the continued recovery in the Scottish economy despite the backdrop of increased economic uncertainty in the euro zone. Our current employment rate of 71.2 per cent continues to exceed the UK rate of 70.5 per cent, thus reflecting the Scottish Government’s commitment to promoting growth and jobs in the Scottish economy. However, it is clear that the recovery remains fragile, and we must continue to do all that we can to protect it. That is why we have repeatedly called on the UK chancellor to increase investment in infrastructure and highlighted £300 million of shovel-ready projects in Scotland that could protect jobs and strengthen the economy.

Richard Lyle: The cabinet secretary will be aware that figures were published in the Reed job index yesterday that show a 5 per cent rise in the number of new job vacancies in May compared with the previous month, and a 17 per cent rise compared with the figures for May 2011. Does he agree that, although those signs are positive, if we are to keep the momentum going, we need an injection of capital investment in key shovel-ready projects across Scotland?

John Swinney: I certainly welcome the different signs of improvement in the labour market, which is a substantial indicator of the progress that has

been made in Scotland. However, as I set out to Parliament in last week’s debate on the euro zone, we must be mindful of the issues—principally, those that arise from the euro zone—that could undermine our economic performance. The obligation on Governments is to maximise the effective capital investment programmes that can be implemented, which is why we, as the Administration, have shifted revenue into capital funds and why, in a number of other areas, we have taken decisions, such as that on the non-profit distributing model, to support capital investment. It is also why a number of commentators argue, as we do, for increased capital investment. I encourage the UK Government to act on those points.

Murdo Fraser (Mid Scotland and Fife) (Con):

The survey to which Mr Lyle referred shows an improvement in the job vacancy position in the whole UK, not just in Scotland. Mr Swinney is a fair-minded person, so I am sure that he will be happy to acknowledge that the improving prospect across the UK must be down to, at least in part, the efforts of the UK coalition Government to improve the economy.

Mary Scanlon (Highlands and Islands) (Con):

Just say yes.

John Swinney: I will never give an answer that was scripted by Mary Scanlon, I can tell Parliament that. That will be the last thing I will ever do.

I am very fair-minded about these issues, and yes, the Reed job index shows an improvement across the UK. Equally, I could point out for Mr Fraser’s benefit that the Scottish employment rate is higher than that of the rest of the UK. We can probably all agree on those factual points.

The issue that concerns me most is that I can see real difficulties in the availability of private investment to support the creation of economic growth in our country. That is why it is important for the UK Government to recognise the importance of infrastructure investment. We keep getting nods and winks from UK ministers—we got one from the Deputy Prime Minister the other week—that there is going to be a rise in capital investment to support the economy. I just wish that there was some action rather than rhetoric.

Council Tax Exemption (Students)

3. Marco Biagi (Edinburgh Central) (SNP): To ask the Scottish Government what progress it has made in taking forward proposals to extend the council tax exemption to include articulating students and those moving directly from an undergraduate to a postgraduate course. (S4O-01101)

The Minister for Local Government and Planning (Derek Mackay): The Scottish Government will propose legislation to extend the council tax exemption for students, as set out in our manifesto. Ministers consider the current council tax system to be unfair and intend to consult others on proposals to replace it as a whole with a fairer local tax later in the parliamentary session.

Marco Biagi: I reiterate the importance of that interim step for students such as those in my constituency who have contacted me through Edinburgh University Students Association because they are appalled by the grey area that they fall into. Does the minister share my view of the importance of that step?

Derek Mackay: Yes, I do. Whatever we do in relation to the issue, we must handle it carefully. It is important that council tax exemptions and their definition do not affect other welfare benefits to which students may be entitled.

Local Government Taxation

4. Neil Findlay (Lothian) (Lab): To ask the Scottish Executive what plans it has to review local government taxation. (S4O-01102)

The Minister for Local Government and Planning (Derek Mackay): The current council tax system is unfair and the Scottish Government will consult others later in this parliamentary session to produce a fairer local tax that is based on the ability to pay. Business rates will be reviewed over the summer.

Neil Findlay: Does the minister accept that, with no prospect of a local government taxation change and a freeze on council tax, we will inevitably see a further decline in public services over the present Government's term?

Derek Mackay: No, I do not accept that proposition. The council tax freeze has been fully funded and has been a great relief to many households in Scotland. The financial package that ensured that the council tax freeze was in place was agreed by all parties in Scottish local government through the Convention of Scottish Local Authorities. The council tax freeze is fully funded and sustainable, and it is a great relief to households across the country.

Kevin Stewart (Aberdeen Central) (SNP): Can the minister outline the benefits of the council tax freeze to the average household in Scotland and tell us how the position compares with that under the previous Scottish Executive's tax regime?

Derek Mackay: The average band D household will have benefited from a cumulative saving of around £487 over the period of the council tax freeze, between 2008 and 2013. That compares

with an increase in the average band D council tax of £441—an increase of 62.4 per cent—between 1996-97 and 2007-08.

Unemployment (Glasgow)

5. James Dornan (Glasgow Cathcart) (SNP): To ask the Scottish Government what discussions it has had with Glasgow City Council about unemployment. (S4O-01103)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Scottish Government engages regularly with Glasgow City Council on the varied employability initiatives of the Glasgow works partnership. That includes two recent meetings to discuss the use of the extra £3.4 million that Glasgow was allocated to help to tackle youth unemployment.

I recently met the leader of Glasgow City Council to discuss joint working between our respective organisations, based on our shared aspiration to see Glasgow as a prosperous and successful engine for Scotland's economy.

My colleague Angela Constance will host an event in Glasgow on 12 June to encourage local action on supporting young people into work. Bringing together businesses and young people from across the city, as well as key partners such as colleges, Jobcentre Plus and Skills Development Scotland, the event is one in a series of regional action forums at which tackling youth unemployment in Scotland will be discussed.

James Dornan: I am delighted to hear that there are positive discussions between the Scottish Government and Glasgow City Council. Does the cabinet secretary agree that the council should seriously consider making strategic use of its pension fund to boost employment opportunities in the city?

John Swinney: There is an opportunity for long-term pension funds to be used to support investment in economic infrastructure. In the past, that has been a relatively underutilised element of support for public infrastructure. The city council is actively exploring that option, and I encourage it and other local authorities to pursue that initiative as a way of utilising significant resources that can assist economic recovery. There is an opportunity for public authorities to play an increasing part in that activity, and I encourage them to take it.

Employment Initiatives (Central Scotland)

6. John Wilson (Central Scotland) (SNP): To ask the Scottish Government what employment initiatives it is pursuing in Central Scotland. (S4O-01104)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Scottish Government is supporting a range of employment initiatives in Central Scotland. For example, North and South Lanarkshire councils have been allocated around £1.8 million and £1.4 million respectively to support their efforts to get more young people into employment. Community planning partnerships in Central Scotland have received nearly £6.7 million from the current round of European funding towards programmes that will help a range of people to access employment. In addition, between April 2011 and March 2012, companies in Central Scotland accepted offers of regional selective assistance to the value of £7 million, which will create or safeguard 616 jobs in the region. Central Scotland will also benefit from our continuation of community jobs Scotland and our on-going commitment to deliver 25,000 modern apprenticeship starts in each year of the parliamentary session.

John Wilson: Youth unemployment is constantly in the news, and we know that tackling it is high on the Scottish Government's agenda. I welcome the cabinet secretary's comments on the initiatives that he mentioned, but will he expand on what initiatives are available to older constituents who are unemployed?

John Swinney: A great deal of activity is taken forward as part of the work programme from the Department for Work and Pensions. I am sure that Mr Wilson has heard ministers say that we have actively discussed with United Kingdom Government ministers the importance of ensuring that there is no duplication of activity in our programmes. We are therefore allowing the DWP programme to take its course in supporting back into employment people who have been out of work for a longer period, and we do not attempt to operate in that area.

In Lanarkshire, Routes to Work is a well-established brand that provides advice and support to people in the area who are out of work, and in Falkirk there is an employment and training unit with 32 full-time, experienced members of staff who provide support. Some of the programmes that I mentioned in my original answer to Mr Wilson in relation to European social funding will also provide some opportunities to assist his constituents.

Kezia Dugdale (Lothian) (Lab): The cabinet secretary will be aware that the number of young people in Scotland who are long-term unemployed has quadrupled in the past year. What is the Government doing specifically to address long-term youth unemployment?

John Swinney: The work that the Government is taking forward on support for young people is

captured in the various initiatives that have been set out. The Minister for Youth Employment has set out on at least a couple of occasions since her appointment in December a number of different elements in the programme that are supporting young people to get into employment.

The point that I made on modern apprenticeships is a substantive one. More than 26,000 young people joined the modern apprenticeship programme in the previous financial year, and we have budget support for 25,000 in the current financial year. We will continue to promote that.

There has to be a focused approach to supporting young people who find it difficult to access the labour market, and the Government is committed to ensuring that we have such an approach. Our various interventions are designed to achieve that outcome, and we will continue to take forward the substantive and significant progress that is being made in the area.

Business Support (West of Scotland)

7. Stuart McMillan (West Scotland) (SNP): To ask the Scottish Government what assistance it is providing to businesses in the west of Scotland. (S4O-01105)

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): Such assistance is delivered by the enterprise network and the business gateway, with support from business representative bodies and voluntary organisations. In addition, initiatives such as Entrepreneurial Spark support growth businesses. The Cabinet Secretary for Finance, Employment and Sustainable Growth officially opened the Entrepreneurial Spark facility in Tom Hunter's premises in Dundonald earlier today.

Stuart McMillan: The minister will be aware of the Economy, Energy and Tourism Committee's inquiry into the Scottish Government's 2020 renewable energy targets and the wide variety of evidence that we have received so far. According to the evidence, there are parts of Scotland that are not yet fully engaged in the job opportunities that will be available in the renewables sector, particularly the offshore sector. What actions has the minister tasked public agencies to undertake to ensure that every area—particularly areas in the west of Scotland such as Inverclyde and West Dunbartonshire—can get involved in creating jobs, apprenticeships and other opportunities in renewable energy? Will he agree to meet me to discuss the matter further?

Fergus Ewing: Yes. We want all parts of Scotland to benefit as far as they can. As far as the west of Scotland is concerned, the member will be aware of the major test and demonstration

site at Hunterston, which is an excellent example of the benefits that are accruing to the west coast. Recently, at the all-energy conference in Aberdeen, which I attended, the First Minister announced the first national renewables infrastructure fund project, which involves a £1.3 million investment in the 53 hectare Westway industrial site and adjoining dock in Renfrewshire.

In addition to that, in the west of Scotland we have a number of successful businesses. A great number of jobs have been created and are being sustained by Scottish and Southern Energy in Glasgow, Scottish Power Renewables in Glasgow, Gamesa in Bellshill, Steel Engineering in Renfrew, Mainstream Renewable Power in Glasgow, Atkins in Glasgow, Gaia-Wind in Glasgow, Gareloch Support Services in Helensburgh and Mott MacDonald in Glasgow. Time does not permit me to add to the list, but there are lots more—and lots more to come.

Monetary Policy Committee (Scottish Representation)

8. Paul Martin (Glasgow Provan) (Lab): To ask the Scottish Executive what discussions it has had with the Bank of England regarding representation on its monetary policy committee for a Scotland separated from the rest of the United Kingdom. (S4O-01106)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Scottish Government has engaged in discussion with the Bank of England on a number of occasions on matters of importance to the Scottish economy. Our proposal is that, post-independence, Scotland will retain the pound, with the Bank of England as the central bank for the sterling zone. That would be in the interests of both the Scottish and UK economies.

As we announced in March, to support the development of the white paper that is to be published in Autumn 2013 we have established a fiscal commission working group, comprising four eminent economists, to help shape the design of a macroeconomic framework for Scotland.

Paul Martin: I am afraid that the minister has evaded the question. I will make the question clear: has the minister had any discussions with the MPC about the break-up of the United Kingdom, and will he provide a public record of any exchanges that have taken place?

John Swinney: In my earlier answer I said to Mr Martin that we engage in discussions with the Bank of England on a number of issues of importance to the Scottish economy. That dialogue is appropriate for us to have, as a Government.

Mr Martin mentioned the monetary policy committee. Although I was not present for First Minister's question time earlier—because, as Mr Ewing said, I was in Dundonald—I listened to it on the radio, and I was present at last week's question time. The Government's position on the approach that we have taken on the issue has been more than amply put on the record.

Bob Doris (Glasgow) (SNP): The cabinet secretary will have seen the comments of the former member of the monetary policy committee, Professor David Blanchflower, who stated that it is not unreasonable for Scotland to have a seat at that table. Will the cabinet secretary join me in welcoming those comments?

John Swinney: I saw Professor Blanchflower's remarks, which also featured during today's First Minister's question time. They represent a very authoritative contribution to the discussions that are taking place and reinforce the substantive point, which is that it is clearly in the interests of the remainder of the United Kingdom to ensure that Scotland is able to continue to make an effective contribution to the sterling zone, not least because of the boost to the UK's balance of payments to the tune of £32 billion, which emerges from the oil and gas industry in Scotland alone. Such points strongly reinforce the point that Professor Blanchflower made.

Subsea Sector

9. Dennis Robertson (Aberdeenshire West) (SNP): To ask the Scottish Government how important the subsea sector is to the economy. (S4O-01107)

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): The subsea sector makes an immense contribution to the Scottish economy. The extraction of oil and gas contributed to nearly £12,000 million of gross value added to the Scottish economy in 2009, and related services contributed a further £2,500 million.

Dennis Robertson: The minister will be aware that in my constituency of Aberdeenshire West, particularly at Westhill, there is continuing growth of small and medium-sized businesses, which denotes the confidence that they have to invest in Scotland. However, there is a skills shortage. At what stage can the Government intervene to alleviate the skills shortage in the industry?

Fergus Ewing: Dennis Robertson is absolutely right. I am aware of his extensive engagement in Westhill in his constituency. The Scottish Government has committed to the funding of 500 modern apprenticeships in energy and climate change each year, half in the oil and gas sector. Last year, the First Minister announced new

investment of £2 million to support an additional 1,000 flexible training places.

In addition, we work very closely with a number of companies in the subsea sector to create more jobs. Last week, I opened a newly expanded office for FMC Technologies in Bellshill. Yesterday, I visited Oceaneering at Rosyth and heard about its exciting new investment in the subsea sector. Later this afternoon, I will again meet representatives of Subsea 7. There are immense opportunities in the oil and gas sector, which will be around in Scotland for the next 50 or 100 years.

Beecroft Report

10. John Park (Mid Scotland and Fife) (Lab):

To ask the Scottish Executive what discussions it has had with the United Kingdom Government regarding the potential impact of the recommendations of the Beecroft report on employment in Scotland. (S4O-01108)

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): The UK Government is taking forward a wide-ranging review of employment law. Official-level exchanges have confirmed that the Beecroft report was commissioned to contribute to that on-going work and that not all its recommendations are expected to be adopted.

John Park: I thank the minister for his response but hope to get a more unequivocal response from him on some of the concerns that I think are shared across the chamber. In particular, when I raised the issue with the First Minister in November of last year, he indicated that he shared many of my concerns and said that the Scottish Government would respond shortly. If the minister expresses this Parliament's concerns directly to the UK Government, I ask that he share that with us. Can he assure the Parliament that a dialogue is taking place not only between officials but at ministerial level?

Fergus Ewing: I am struggling to work out which part of my answer was equivocal. It was a perfectly clear, direct answer to the question, which was about discussions. There was no lack of clarity in my response. We are, of course, extremely concerned that employers and employees should be treated fairly and appropriately. We have made known to the UK Government our views on a number of aspects of the report. However, as I said, we understand that some of the proposals are not expected to be adopted.

Gross Domestic Product (Measures)

11. Claudia Beamish (South Scotland) (Lab):

To ask the Scottish Executive what progress it has

made towards developing alternative methods of measuring GDP to reflect quality of life and the sustainability of Scotland's development. (S4O-01109)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): This Government is leading the way in measuring more than just gross domestic product. The national performance framework describes the kind of Scotland that we want and how our actions will improve the quality of life for the people of Scotland.

Progress is assessed through a diverse range of indicators. Measures on the economy and employment are balanced with other indicators on education, health, safety, inequalities and environmental matters. We publish that material in an impartial and transparent way on the Scotland performs website.

Claudia Beamish: The cabinet secretary will know that a range of civic society organisations have recently requested a more expansive version of the indicators that he mentions, which I am sure will be helpful in moving us forward. How will indicators that take into account issues outside the market and the need to live within our environmental limits sit with GDP and fit in with the national performance framework?

John Swinney: I am very familiar with the work that Claudia Beamish cites, which comes from a number of non-governmental organisations and other civic organisations. I respect the work that they have put into the matter. There is extensive international commentary around many of the issues.

I am happy to discuss the issue more widely, because I do not in any way seek to be difficult. The national performance framework is an attempt by the Government essentially to set out a measurement framework that is not only about GDP. GDP is the measure of GDP—on that I state my position emphatically. [Laughter.] However, it is important that we look at a range of indicators, which is what the national performance framework is designed to do.

We have had a dialogue with organisations that are involved in such work. If Claudia Beamish wanted to speak with me further about the issue, I would be only too happy. Although the content of the national performance framework might not reflect all the performance indicators that members want to see in all areas, I would like it to be owned and respected across the political spectrum as a good measure of Scotland's overall performance.

Scottish Enterprise (Meetings)

12. Margaret Mitchell (Central Scotland)

(Con): To ask the Scottish Executive when it last met representatives of Scottish Enterprise and what issues were discussed. (S4O-01110)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): Ministers and officials meet representatives of Scottish Enterprise regularly to discuss a range of issues that are important to the delivery of the Scottish Government's purpose.

Margaret Mitchell: Has the cabinet secretary had talks with Scottish Enterprise about the effects of the Local Government Finance (Unoccupied Properties etc) (Scotland) Bill on Maxim park, the superb office-block space in Lanarkshire that the First Minister opened in 2009? Despite active marketing, it is only 5 per cent occupied—rising soon to 15 per cent with the relocation of the Scottish Environment Protection Agency. Can the cabinet secretary provide the annual cost of the additional business rates that Scottish Enterprise will pay as a result of the bill? My colleague Gavin Brown requested that figure on 24 May.

John Swinney: I cannot give Margaret Mitchell a definitive answer to the point about Maxim park today, but I will be happy to answer the question. If the Parliament enacts the Government's proposals through the legislative process, the position that will emerge in Scotland will still be more competitive for and more beneficial to businesses than the position south of the border.

The Parliament is now scrutinising the bill. The Government will listen carefully during that process; Mr Mackay spoke to the Local Government and Regeneration Committee about the bill just last week. We will consider the committee's conclusions on points that have been raised.

I stress to Margaret Mitchell the point of principle: the Government is trying to put in place a framework that will encourage and motivate the setting of a business rental regime and an overall approach that encourages the occupation of business premises for productive economic benefit. That must surely be the object of all of us in the Parliament.

Maureen Watt (Aberdeen South and North Kincardine) (SNP): Will the cabinet secretary join me in congratulating Scottish Enterprise's energy team on its work on Scotland's oil and gas strategy and the successful launch of that strategy at Hydrasun's premises in my constituency last month? Does he agree that the oil and gas sector has a key role to play in the reindustrialisation of Scotland?

John Swinney: The oil and gas strategy, which in the Government's opinion was long overdue, was successfully put together through work alongside the oil and gas industry leadership group, which is chaired jointly by Melfort Campbell and Fergus Ewing, the energy minister.

The oil and gas sector has a significant contribution to make to the Scottish economy in two respects. First, it has its traditional role of exploration and development in Scotland. Secondly, it is a major illustration of the internationalising capability of the Scottish economy.

Many of the companies that have established roots in Aberdeen and its surroundings are promoting their work to an international audience. I hope that we will hear more of that at the business in the Parliament conference tomorrow, which will focus on internationalisation. I am sure that the oil and gas sector has strong examples of how international activity can be taken forward to benefit the industry in Scotland.

Economy (North Ayrshire)

13. Margaret Burgess (Cunninghame South)

(SNP): To ask the Scottish Government what recent discussions it has had with North Ayrshire Council regarding the economic situation in its area. (S4O-01111)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Cabinet Secretary for Infrastructure and Capital Investment, Mr Neil, met North Ayrshire Council in March to discuss a range of key local issues. He will meet the council again later in the year for an update on economic and regeneration activities.

The Minister for Local Government and Planning regularly meets councils to discuss various issues. Ministerial contact is, of course, supplemented by regular discussions between council and Scottish Government officials, who are on North Ayrshire economic development and regeneration board and are members of North Ayrshire community planning partnership board.

Margaret Burgess: I thank the cabinet secretary for that answer—

The Presiding Officer: Can we switch Ms Burgess's microphone on, please?

Margaret Burgess: Thank you.

I have mentioned before in the chamber that North Ayrshire has among the highest levels of deprivation, unemployment and child poverty in Scotland. Of the 2,045 growth companies in Scotland, only 36 are in North Ayrshire, of which eight are significant for the local economy. Very few other companies are at a stage at which they

can receive Scottish Enterprise support. What assistance is the Scottish Government offering to encourage businesses in North Ayrshire, in order to help to stimulate economic growth?

John Swinney: I appreciate the issues that Margaret Burgess raises powerfully and effectively in Parliament on behalf of her constituents. I had the pleasure of being in Margaret Burgess's constituency for the launch of the enterprise areas initiative at the GlaxoSmithKline premises in Irvine. That is one example of where the Government is making support available to encourage the development of new business activity in North Ayrshire.

As Fergus Ewing said this morning, I attended the opening of the Entrepreneurial Spark facility in Dundonald, which I appreciate is outside Margaret Burgess's constituency. The beauty of that initiative is that it is being supported by the three Ayrshire local authorities. All of them were represented at the event, and I had a brief conversation with representatives from North Ayrshire Council this morning in Dundonald. It is an excellent initiative that is designed to complement some of the business start-up work in which the business gateway is involved. It has the potential to identify emerging companies—they do not have to be large—that have in their business activities strong growth potential that can be supported.

I assure Margaret Burgess of the interest and involvement of ministers in progressing those priorities. I would be happy to arrange discussions that she might want with Scottish Enterprise about other companies that could benefit from Scottish Enterprise support. I have met, in her constituency, such companies, with which we could arrange further dialogue on the availability of support.

Economic Support (South Scotland)

14. Aileen McLeod (South Scotland) (SNP): To ask the Scottish Executive what action it is taking to support the economy in the south of Scotland. (S4O-01112)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Scottish Government is committed to supporting sustainable economic growth across Scotland. We recognise the particular challenges that are faced in the south of Scotland, and we work closely with a range of delivery partners including Scottish Enterprise, Scottish Development International, Skills Development Scotland, VisitScotland, local authorities, the third sector, financial institutions and specialist sectoral advisory bodies to promote economic activity in the area.

Aileen McLeod: The cabinet secretary will be aware of the Scottish Agricultural College report, "Rural Scotland in Focus 2012", which was published last week and highlights a number of serious issues concerning the long-term economic challenges that face many of our communities—our small towns, in particular.

The cabinet secretary may also be aware that 83 per cent of employment in rural Scotland is in the private sector. Will he identify the measures that can be taken in rural communities, including Dumfries and Galloway, to ensure that private sector investment is maintained and increased in order to support those communities?

John Swinney: The key point is that the Government must take an approach that supports and encourages the development of business opportunities in rural Scotland. Some of that will come from the active promotion that the Cabinet Secretary for Rural Affairs and the Environment takes forward—for example, in the area of food and drink to provide a strong platform for food and drink companies. I can think of a number of companies in the area that Aileen McLeod represents that are being prominently promoted by the rural affairs secretary.

In addition, initiatives such as the south of Scotland knowledge transfer hub and the creative clusters project, which are being taken forward in association with Dumfries and Galloway College, are good examples of private and public sector partnership work that can be advanced.

Following on from the point that I made to Claudia Beamish, the national performance framework puts an obligation on the Government to ensure that, in working to deliver growth in the Scottish economy, we do so sustainably and in every part of the country so that we address, or work to address, issues of regional equity. That is an important foundation for what the Government can do to support the development of businesses and the economy in the south of Scotland.

Employment (Disabled People)

15. Bob Doris (Glasgow) (SNP): To ask the Scottish Government what it is doing to develop and maintain employment opportunities for disabled people. (S4O-01113)

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): I am working with a range of partners including Remploy, the Department for Work and Pensions, Scottish Enterprise, Skills Development Scotland and trade unions, to look at how new enterprises could be grown from the affected factories, or to support individuals into new employment.

More generally, significant progress has been made in the past year to implement our supported

employment framework for disabled people. That includes the development by the Scottish Qualifications Authority of a supported employment qualification, which will help to raise standards in delivery. The qualification will be ready for use in the summer.

We have commissioned an independent review of supported businesses, and a reserved framework under article 19 for use by the Scottish public sector is currently out to tender. We anticipate that it will be in place by September.

Bob Doris: I recently met the GMB in relation to the United Kingdom Government's plan to close Remploy Springburn unless a buyer is found. The GMB expressed serious concern that significant constraints might have been placed on interested buyers by the tying into the process of R Healthcare. Given the commercially sensitive nature of the process, I do not want to say more. I have written to the appropriate UK minister, Maria Miller, to set out the concerns. I know that Mr Ewing takes an interest in the matter, so will he meet me urgently, given the tight timescales that are involved, to discuss what can be done to facilitate progress?

Fergus Ewing: Yes, I am happy to meet Mr Doris to discuss the matter, and I would be grateful to receive more detail on his concerns, so that we can consider them fully, as is appropriate.

The Scottish Government is very concerned about the issue. I have chaired two meetings of stakeholders, most recently on 16 May. I am due to have a teleconference with Maria Miller next week and I will meet her in London on 16 July, to express the concern that is felt across Parliament about the way in which disabled people are being dealt with in this matter.

Community Planning Partnerships

16. Roderick Campbell (North East Fife) (SNP): To ask the Scottish Government what its position is regarding the review of community planning partnerships. (S4O-01114)

The Minister for Local Government and Planning (Derek Mackay): The review of community planning and single outcome agreements, which was conducted jointly by the Scottish Government and the Convention of Scottish Local Authorities, was completed at the end of February. A set of actions to implement the review's conclusions has been agreed with COSLA and is being taken forward.

Roderick Campbell: As part of that agreement, can we hope for clarity about the alignment of local and national priorities?

Derek Mackay: Yes, we can. There exists a window of opportunity, now that councils have

secured their mandates, through single outcome agreements that focus on the pillars of public sector reform that we set out in our response to the Christie commission. They are prevention, integration, workforce development and improved services. The new arrangements for community planning and single outcome agreements will achieve the aspiration that Mr Campbell outlined.

Mobile Telephone Masts (Siting)

17. Kezia Dugdale (Lothian) (Lab): To ask the Scottish Executive what plans it has to review planning law in relation to the siting of mobile telephone masts. (S4O-01115)

The Minister for Local Government and Planning (Derek Mackay): We have no plans at present to review the planning legislation and guidance on the siting of mobile phone masts.

Kezia Dugdale: I have received a number of representations from constituents in the south of Edinburgh who are worried about the health implications of the siting of telephone masts close to residential areas. Does the minister agree that public agencies could do more to open up development on their own land, so that we can have fewer telephone masts in residential areas?

Derek Mackay: It is for individual public sector organisations to determine the policy that they regard as being appropriate on location of masts on their property. Some councils have adopted a precautionary principle while others have taken a different approach.

It is important that the Government remains sighted on all health and safety concerns, reviews and research, so that the policies that we adopt are appropriate and proportionate to the health concerns of our communities.

Sustainable Economic Growth

18. George Adam (Paisley) (SNP): To ask the Scottish Government what it is doing to encourage sustainable economic growth. (S4O-01116)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Government economic strategy sets out how we are maximising economic potential from the existing levers, to support recovery and promote sustainable economic growth.

George Adam: Does the cabinet secretary agree that many town centres are struggling as a result of absentee landlords of empty shops, for whom regeneration of the town is not a priority, and who are blocking redevelopment and regeneration? Does he agree that the Local Government Finance (Unoccupied Properties etc)

(Scotland) Bill is one solution? Does the Scottish Government have further plans in that regard?

John Swinney: I agree with the fundamental point that Mr Adam made. There are barriers to economic activity in our town centres.

The Government has put in place strong support, through the small business bonus scheme, to try to make it as easy as possible for individuals to go into business in our town centres. We introduced the Local Government Finance (Unoccupied Properties etc) (Scotland) Bill, and a review of the role and function of town centres is under way. The proposed community empowerment and renewal bill, which is the subject of the consultation that Mr Mackay launched yesterday, will present further opportunities to take forward the discussion.

Taxation

The Presiding Officer (Tricia Marwick): The next item of business is a statement by John Swinney on the Scottish Government's approach to taxation. The cabinet secretary will take questions at the end of his statement. There should therefore be no interventions or interruptions. I call John Swinney. Cabinet secretary, you have up to 15 minutes.

14:55

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): I wish to update Parliament on the Government's proposals for the future of taxation in Scotland in the context of our economic and constitutional aspirations.

The passing of the Scotland Act 2012 means that from April 2015 this Parliament will be empowered to introduce and manage taxes on the purchase or leasing of land and buildings, and on the disposal of waste to landfill. From April 2016, under current constitutional arrangements, this Parliament will set a partial rate of income tax to be administered and collected by Her Majesty's Revenue and Customs.

Prior to both those events, we will ask the people of Scotland to support this Government's belief that decisions about Scotland should be made by those who care most about Scotland—the people of Scotland—and that, as a result, this Parliament should hold responsibility for the full range of taxes that are needed to generate sustainable economic growth and to support our public services.

The transfer of powers in the Scotland Act 2012 falls significantly short of our ambition for full fiscal autonomy. It does not even match the ambition of the Calman commission, as it fails to deliver on its proposals that air passenger duty and aggregates levy also be devolved.

After the measures are in place, 85 per cent of tax that is paid in Scotland will remain reserved. This Parliament will exercise responsibility for only 15 per cent of taxes that are paid in Scotland and for only 58 per cent of the revenue that is spent in Scotland. Our aspiration for full fiscal responsibility would allow Parliament to design and set all taxes in the interests of stimulating economic growth, supporting the public services of Scotland and building social cohesion and wellbeing.

Since 2007 we have demonstrated an approach to taxation that is equitable and that promotes economic growth. We have put an end to unfair council tax rises that punished some of the poorest people in our society. In business, we

have used our responsibility for non-domestic rates to develop the most competitive environment for business in the United Kingdom.

The Scottish Government intends to introduce two new taxes to replace the UK taxes that will cease in Scotland from April 2015—a tax on land and building transactions and a tax on disposal of waste to landfill. Today, I launch the consultation on the land and buildings transaction tax. We will consult on a landfill tax in the autumn and we will follow that with a consultation on tax management provisions later in the year.

As with the entire approach the Government takes and intends to take on taxation, those proposals are firmly founded on principles—Scottish principles—that have stood the test of time. In 1776 Adam Smith set out four maxims with regard to taxes in his “An Inquiry into the Nature and Causes of the Wealth of Nations”—the burden should be proportionate to the ability to pay and there should be certainty, convenience and efficiency of collection. Smith’s maxims allow us to build a system that will meet the needs of a modern, 21st century Scotland that is grounded on solid foundations. To those four principles, this Government will add our core purpose of delivering sustainable economic growth for Scotland and meeting the distinctive needs of Scotland.

This Government has sought to use what responsibility it has on taxation to ensure that no one is asked to pay more than they can legitimately afford. In today’s consultation on the proposed land and building transaction tax, we continue that approach. Our consultation signals our preference for a move from the UK’s slab-tax approach to a progressive system of taxation in which the amount that is paid is more closely related to the value of the property and, therefore, to the ability of the individual to pay. At the same time, our consultation also indicates our willingness to adjust the threshold at which taxation is levied in order to support those who are at the lowest end of the market.

We will take the views of the public and tax professionals through our consultation. However, to demonstrate the difference that taking a progressive approach can bring for people who are purchasing property in Scotland, the consultation paper illustrates two revenue-neutral scenarios. One scenario would remove the tax charge from all house purchases below £180,000, which would significantly benefit first-time buyers. The other scenario would ensure that all those who purchase properties that cost under £325,000 would see the tax that they pay decrease, which would bring benefits to about 95 per cent of the property market. Those who would purchase

property at higher values would, of course, pay more.

We are also consulting on reliefs and exemptions, with proposals for simplifying the present arrangements for stamp duty land tax, and for tailoring exemptions to Scottish needs and policy interests. We are proposing anti-avoidance measures and will be interested to hear views on those. We are also giving thought to the merits of a general anti-avoidance measure and are seeking views throughout our consultation processes on what form that might take.

We have another nearly three years before the devolved taxes come into force. It would not make sense, nor would it be the practice of any Government, to consult now on tax rates that will apply so far in the future. The examples in the consultation document that I am launching today are therefore illustrative. However, I expect to propose rates for parliamentary approval through the annual budget process nearer the time.

We believe that it is important to create certainty around the amount of tax that individuals have to pay. To do this, we need to consult effectively on our proposals and to implement them with care. That is the process that we commence today and which will take a final form in the proposals that we will enact.

The UK Government’s recent mismanagement of the North Sea fiscal regime has illustrated the damage that can be caused by a lack of engagement with taxpayers. The Chancellor of the Exchequer’s decision to increase the tax rate on all North Sea oil fields last year, irrespective of their profitability and without consultation, seriously damaged investor confidence. Providing certainty about when and how much tax is due is therefore an important guiding principle for our new system.

We will engage with taxpayers to provide certainty and ensure that tax changes have been properly thought through and communicated before being introduced. As is the case for any Government, we may at times need to move swiftly in order to tackle threats of tax evasion and avoidance, or to limit or reduce distortive behaviours. However, wherever possible, we will seek to provide information and clarity about our intentions.

One of the opportunities that are before us is to create a simple and administratively efficient tax collection system. Improving ease of payment will contribute to our agenda for economic growth. Businesses that are operating in Scotland tell us that our doing that would significantly reduce the tax burden and increase the attractiveness of doing business here.

We will ensure that it is easy to fulfil the obligations of a citizen in Scotland to pay taxes. We envisage a system that is simple to operate and is what we call digital first. Although we are basing our system on the principles of Adam Smith, no one should feel that they have to journey back to Smith's time to pay their taxes. We will develop appropriate information technology systems to ensure that information about Scottish taxes and ways to pay them is easily accessible to all, in line with our broader objectives.

Our consultation also proposes a link between payment of tax on property purchases and the provision of land registration documentation in order to simplify processing and reduce late payment.

It is essential that our tax system be efficient. It is received wisdom that taxes that are paid must be devoted to running the country and not consumed in administration of the system. That is a lesson that we will take on board. Scotland will benchmark itself against international standards to ensure that as little as possible of the revenue that is raised is spent on administration of the system. Our approach to collection will be not only the right one for Scotland, but the most cost-efficient one.

Having the responsibility in Scotland, for Scotland, for the design of the new system, as well as for rates and the approach to tax itself, can bring clear benefits. Scottish taxes will fit our distinctive social context and be expressed in Scots law. I have given careful thought to the appropriate arrangements for administration of those taxes, by weighing up the considerations of flexibility, cost and risk. In taking forward our proposals for taxation, I am determined to ensure that we have a system that is fit for purpose—now and in the future.

I have considered carefully the option of paying Her Majesty's Revenue and Customs to collect taxes on behalf of this Parliament. In evidence to the Scottish Parliament's Finance Committee, a representative of HMRC said of the role that it would play:

"If the Scottish Government ... wants something that has a different framework or different rates, we would have to look at the details of what it wanted to do and decide whether it made sense for us to try to adapt our systems to operate that or whether we would need to say that it was so different that there would be no point in our trying to operate it."

Pressed on what would happen if a future Scottish Government sought to amend the tax, the representative of HMRC said:

"In the end, however, it will be up to HMRC management to decide whether ... to operate the taxes."—[*Official Report, Finance Committee*, 30 May 2012; c 1291-92.]

It is clear to me that, if we ask HMRC to operate land and buildings transaction tax on behalf of this

Parliament, the freedom of this Parliament to take forward in full taxation responsibilities could be inhibited. That cannot be right. The very purpose of devolution is to allow the will of the Scottish Parliament to prevail.

We will establish a tax administration function for assessing and collecting both the taxes here in Scotland. The function, which I propose to name revenue Scotland, will be established this year. By 2015, in line with international best practice, it will be operationally independent and its governance enshrined in legislation. That will enable people in Scotland to judge for themselves the benefit of the Scottish Parliament having responsibility for the issues and it will ensure that the will of Parliament is delivered.

Revenue Scotland will offer an innovative approach to collection of taxes. It will work with two firmly established and highly respected organisations: Registers of Scotland, to administer the new land and property tax; and the Scottish Environment Protection Agency, to administer tax on disposals to landfill. Those partnerships will offer further opportunities for us to customise tax collection arrangements that are specific to the Scottish situation, drawing on the relevant knowledge and expertise in Registers of Scotland and SEPA to eradicate duplication and to deliver greater simplicity.

Our costs for revenue Scotland are based on the assumption that we will incorporate the changes to the structure of taxation on land and building transactions that I have already set out. It is a sign of the costliness of HMRC that we will establish revenue Scotland and implement and collect both the replacement taxes for less than HMRC would charge us to deliver what it terms a like-for-like system within the United Kingdom. I estimate that, in the period to 2020, start-up and operational costs in pursuing that approach will be at least 25 per cent lower than they would be had I asked HMRC to deliver the status quo. Through revenue Scotland, we will serve the needs of the people of Scotland at a lower cost than the UK set-up, and we will deliver a better system that is more in line with Scotland's needs. In due course, revenue Scotland will oversee administration of the full range of taxes that are set by Scottish ministers. It will become the focus of the expertise in tax administration that will grow in Scotland.

In contrast, under the Scotland Act 2012, HMRC will implement the Scottish rate of income tax. Under current constitutional arrangements, that tax will be introduced in 2016 at an estimated cost of £45 million to the Scottish public purse. By establishing revenue Scotland, the Parliament and I can exert our influence to keep costs to a minimum. As yet, the UK Government has not provided a means for me or the Parliament to

keep such a check on HMRC's costs. I will continue to pursue that matter and I hope that I will have Parliament's full support in that.

Aligned with our broad approach and principles, our tax system will be supported by regular and engaged consultation of taxpayers. In reaching this point, we have already engaged with the Institute of Chartered Accountants of Scotland, the Law Society of Scotland, the Chartered Institute of Taxation, the Scottish Property Federation and the Council of Mortgage Lenders on the issues of tax on land transactions.

To ensure that the views of taxpayers and expert communities remain embedded in the development of our approach to taxation, we will also establish a tax consultation forum to which representative bodies, networks and organisations with an interest in the tax system can contribute. I will chair the forum, which will receive updates on the Government's emerging taxation proposals and provide an opportunity for us to engage in regular and active listening to the concerns of industry, interest groups and individuals. The first meeting of the forum will take place early in the autumn.

Our work on taxation will also be supported by our recently established fiscal commission, which is a panel of eminent international experts who will oversee our proposals for developing a tax system for an independent Scotland. That is part of our broader programme of work in establishing a macroeconomic framework that promotes fiscal responsibility and market confidence in an independent Scotland.

The views of Parliament are also of primary importance. The ability to scrutinise effectively and to manage properly a taxation system are key responsibilities that come with devolution of taxation. We must work together across party divides to fulfil the function, both in scrutiny of HMRC's administration of the Scottish rate of income tax, and of the devolved taxes.

The approach that I have outlined represents a strong foundation for the future and creates the basis for this Parliament to acquire the full range of tax powers. With full fiscal responsibilities, we could tailor policies to match the aspirations of the Scottish people and deliver competitive advantages. We could change air passenger duty, harmonise the tax and benefits systems to create a fairer and simpler regime for people, and we could reduce corporate taxation. We could seek opportunities to simplify the tax system and make it more transparent in order to reduce compliance and administration costs, and we could use borrowing powers for capital investment. Those are the opportunities that would be opened up by independence.

This Government is focused on taking forward the powers that we have, implementing the powers that we are scheduled to receive and preparing the foundations for utilising the full range of powers that we require. With that approach, this Government is preparing Scotland effectively for the future.

The Deputy Presiding Officer (John Scott):

The cabinet secretary will take questions on the issues raised in his statement. I intend to allow around 30 minutes for questions, after which we will move to the next item of business.

Ken Macintosh (Eastwood) (Lab): I thank the cabinet secretary for giving the chamber notice of at least some of the Scottish Government's thinking on taxation. We have heard a great deal this afternoon about why we need to establish a Scottish HMRC, but there has been very little on the question that most people want to know about: whether the new taxes will be higher or lower. The Scottish Government says that it wishes to cut corporation tax, over which it has no control, and yet has said very little about what it plans to do with the taxes for which it has full responsibility, other than to make the rather unconvincing assertion that one option to be consulted on involves a revenue-neutral proposal that will leave 95 per cent of people better off.

Given that, will the cabinet secretary tell us exactly how much it will cost to establish revenue Scotland, what the additional on-going costs to the Registers of Scotland and SEPA will be and whether he has discussed with HMRC the costs of collecting the new tax? Will he also undertake to publish in the Scottish Parliament information centre all his research and costings on these matters?

The cabinet secretary remarked about certainty:

"We believe it is important to create certainty around the amount of tax that individuals have to pay. To do this we need to consult effectively on our proposals".

Will he apologise for not carrying out a consultation or business impact assessment on the public health levy and undertake to implement just such a consultation on the empty properties levy?

Given that the First Minister has said that he will use the new powers transferred under the Scotland Act 2012 to replace the council tax with a local income tax, will the cabinet secretary tell us exactly when those proposals will be brought forward? Will he assure us that he will not spend any more Government funds or taxpayers' money on court fees to prevent the Scottish public from seeing the Government's calculations? Finally, will he confirm that he is still committed to introducing this new income tax?

John Swinney: First, on the question of tax rates, I have in the consultation document set out a couple of proposals on how the land and buildings transaction tax could be designed to fulfil the progressive principle for which the Government has expressed a preference. I note that the Labour Party has expressed no opinion as to whether it believes in the kind of progressive approach that the Government has suggested, but I suppose that that is just another policy vacuum that lies at its heart. It would have been nice to know whether there was any empathy with the progressive principle that the Government is taking forward.

I think that that essentially deals with the question on tax rates, because in the consultation document, which is freely available for people to consider, I illustrate the implications of the move to the progressive approach. The tax rates themselves will be set in the appropriate budget implementing the provisions after the period of consultation on which I am embarking today.

As for the cost of collection, HMRC has indicated to me that, with regard to land and buildings transaction tax and landfill tax, the total cost of delivering and administering the status quo on our behalf until 31 March 2020 would be £22,274,000; the equivalent cost for the proposals that I have set out today is £16,706,000. If Mr Macintosh wishes to see further workings in that regard, I will of course put the details in SPICe.

I have set out the Government's principles on certainty. As for Mr Macintosh's point about consultation, the purpose of my being here today is to launch a consultation. Another consultation, on landfill tax, will be held later on in the year. Even when we undertake consultation, Mr Macintosh seems to complain about it.

In relation to the public health levy and empty property relief, I announced the relevant provisions when I announced the draft budget in late September 2011. That is a consultative document, which expresses the Government's view on its proposed direction. We have heard views from members of the public. Of course opinion is divided on the public health levy. Every week, opinion in the Labour party is divided on the public health levy. I was certainly surprised when, during stage 3 proceedings on the Alcohol (Minimum Pricing) (Scotland) Bill, Dr Richard Simpson gave the public health levy the most emphatic endorsement, despite the fact that, for most of the time for which I stewarded that proposal through the Parliament, I was unaware of the Labour Party's enthusiastic and definitive support for it.

As for local taxation, the Government fought the election in 2011—in which, I remind Mr Macintosh, we received a pretty sturdy mandate to remain in Government—on the proposition that we would

consult on a form of local taxation that was based on the ability to pay during the parliamentary session following the election. That was the Government's position in 2011, and it remains the Government's position.

Gavin Brown (Lothian) (Con): I thank the cabinet secretary for advance sight of his statement and the consultation document.

It is just what we have always wanted—yet another quango. The economy is in a mess, public services are being squeezed and the big wheeze from the Scottish Government is revenue Scotland, a new quango the purpose of which is to collect two taxes during each financial year. *[Interruption.]* Scottish National Party members are getting very excited. I have no doubt that "Revenue Scotland" lapel badges and wristbands will soon appear.

I have some specific questions for Mr Swinney. He told us that the cost of collection by HMRC would be £22 million. That surprises me, given what HMRC said in evidence to the Finance Committee a mere eight days ago. Mark McDonald—who was bellowing at me across the chamber earlier—asked:

"So you have not provided any cost estimates as part of your discussions with the Government."

The answer from HMRC was:

"No, because we have not yet been told what kind of tax the Government wants to introduce."—*[Official Report, Finance Committee, 30 May 2012; c 1291.]*

Where does the cabinet secretary get the figure of £22 million from? Is it just an estimate that has been plucked out of thin air? Has it magically appeared in the course of the past eight days? How does the background to that estimate compare with the build-up to the £17 million figure that he told us about? Would it not have been wiser to get detailed collection cost estimates from HMRC after it had been given the detail of the taxes and a detailed estimate of the costs of another collection agency, such as the one that Mr Swinney has proposed, and to get the most appropriate and cost-effective agency to do the work on the basis of such real and detailed estimates?

John Swinney: I thought that Mr Brown would welcome the fact that the Government is taking forward an approach that is designed to deliver efficiency and savings to the public purse, and to ensure that we do not spend taxpayers' money on administration when we could be spending it on other priorities to support the growth of the economy.

Mr Brown asks where I get my numbers from. The figure of £22,274,000 is a detailed estimate from HMRC of what it would cost to deliver the

status quo on stamp duty land tax and landfill tax. That is the information that HMRC has given me. I understand the point that Mr Brown makes about what was said in the *Official Report* of last week's meeting of the Finance Committee. What HMRC says to the Finance Committee is a matter for HMRC.

If I interpret correctly what HMRC said in response to Mr McDonald, it was speculating about what the cost would be of a varied type of proposal from the Government. However, I asked HMRC to put together a proposal for what the implementation of the status quo would be. I take from what HMRC told the Finance Committee that if we were to do anything different, it would be a lot more expensive. That is the only conclusion that I can deduce from the HMRC material. Clearly, Mr Brown will go off and check all those things, but I have put on the record the information that I have. As I said to Mr Macintosh, I will of course put the information in SPICe.

On the point about the quango, I want to make it absolutely clear to Mr Brown that if he looks in detail at what Registers of Scotland does in relation to property transactions, he will see that it is already very much involved, understandably, in the dealings on property transactions. It therefore makes simple administrative sense for us to get Registers of Scotland more involved in the collection of the land and buildings transaction tax. There are many reasons for doing that, not least of which is the fact that it will be convenient for consumers to pay the bills directly when they are dealing with the Registers of Scotland.

I think that I have described an administratively attractive basis on which the Government can proceed. I have every intention of ensuring that we utilise the existing capability of Registers of Scotland and SEPA to collect the taxes in an administratively efficient fashion. That is why the cost estimates are so superior for the delivery of these provisions within Scotland.

The Deputy Presiding Officer: Thank you very much. We have 13 members waiting to ask questions, so to get everyone in from now on, brief questions and answers would be welcome.

Mark McDonald (North East Scotland) (SNP): It is nice to be foremost in Gavin Brown's thoughts. Further on in the *Official Report* of the Finance Committee meeting to which Mr Brown referred, HMRC stated that it could charge Scotland up to an additional £8 million a year depending on what changes were made to its tax system and that it could, indeed, delay the implementation of or even refuse to administer any changes to taxation. It would have been helpful if that part of the *Official Report* of the Finance Committee meeting had been referred to.

What steps can the cabinet secretary take on the control measures to ensure that revenue Scotland will be more efficient and effective than HMRC and will continue to deliver better value for money for the Scottish public purse?

John Swinney: My final point in response to Mr Brown is the key point in this respect. SEPA and Registers of Scotland are already involved in part of the transactions in question. We have the opportunity to deliver an administratively efficient approach and to build expertise in Scotland on this element of tax collection. That is the principal area in which I will be able to exercise control.

The other aspect is that SEPA and Registers of Scotland operate to the financial standards that the Scottish Government sets, so they must act with administrative efficiency very much at their heart. That is the type of approach that ministers will require of those organisations.

Rhoda Grant (Highlands and Islands) (Lab): The cabinet secretary has said that he wishes Registers of Scotland to collect the land and buildings transaction tax. He also states that he wants collection to be carried out digitally. Registers of Scotland's IT system is recognised as not being fit for purpose, so when will the system be replaced and how much will that cost?

John Swinney: Registers of Scotland has some significant IT infrastructure projects that are under way and it has taken forward significant developments in its IT infrastructure, not least of which is some of the online access to undertake individual transactions and registrations. That is part of Registers of Scotland's on-going work. Our particular approach complements the work that is being taken forward in Registers of Scotland.

John Mason (Glasgow Shettleston) (SNP): Given the gap in our society between the rich and the poor, I welcome the cabinet secretary's proposal to move to a more progressive tax regime. Does he agree that if we had full powers over taxation the Scottish Parliament could do a lot more to ensure that the heaviest tax burden does not fall on those least able to bear it?

John Swinney: Mr Mason makes an important point about the progressive character of the Government's proposals. We are obviously interested in the public's views on that. We think that there is an opportunity to deliver a more progressive system than that which we have. There are illustrations in the consultation document that show how people on lower incomes who are undertaking lower-cost property transactions—principally first-time buyers—would be advantaged by our approach. Clearly, the consultation is an opportunity for members of the public and different organisations to express their

views about that and we look forward to hearing those views.

In relation to the wider question about the utilisation of tax systems, in my statement I cited the principles that were set down by Adam Smith in "The Wealth of Nations" in 1776, the first of which is that the tax paid should be proportionate to the ability to pay. That very important principle lies at the heart of the Government's thinking, although I am not sure what other people in the Parliament think of that particular important principle.

Kezia Dugdale (Lothian) (Lab): Will the cabinet secretary explain how he squares his Government's progressive principles with his desire to cut corporation tax and kick-start a race to the bottom?

John Swinney: I believe that cutting corporation tax would assist in creating employment in Scotland and I am utterly focused on creating new jobs and new employment to create opportunities for new livelihoods for individuals. Probably the most significant principle that we can consider is that of getting people into worthwhile, sustainable, remunerative employment. That strikes me as the best way to give people more control over their lives and circumstances, to the improvement of their life chances and those of their families.

Stuart McMillan (West Scotland) (SNP): I welcome the statement and its progressive nature. I am not surprised that the Conservatives do not welcome it, but I am extremely surprised that the Labour Party does not welcome it either and by its negativity once again.

Organisations, such as the National Association of Estate Agents, have voiced support for a more progressive approach. What effect will the adoption of a progressive approach have on first-time buyers and, more generally, the Scottish housing market?

John Swinney: The first point—this is an important caveat—is that we have yet to come to specific decisions about tax rates and, as I said to Mr Macintosh, they will be set out in the relevant budget statements. The examples that we have provided in the consultation document demonstrate that, if the progressive principle is adopted, there are ways in which the amount of land and buildings transaction tax that would be paid by people who are first-time buyers or who are purchasing lower-cost properties can be significantly reduced, so undoubtedly a benefit would arise for those individuals from changes of that nature. That is clearly an important point that could assist in stimulating the housing market in the medium term.

We will of course be interested in the views and the opinions that are expressed in the consultation and the Government will take due account of those points.

Willie Rennie (Mid Scotland and Fife) (LD): I thank the cabinet secretary for an advance copy of the statement and the consultation document. He talks radically about the powers that he wants, but he is cautious and timid about the powers that he has just received. Instead of a grand new vision on energy efficiency, developing brownfield land, or high street regeneration, what seems to have got Mr Swinney out of his bed this morning was the prospect of setting up a new and additional tax office quango. Of the 35 existing reliefs and exemptions, why is he proposing to make changes to only four of them?

John Swinney: I am bit surprised by Mr Rennie's comments, because he should know that what gets me out of my bed in the morning is the service of Scotland—or more particularly, at about 5 o'clock this morning, Matthew Swinney. *[Laughter.]*

I refer Mr Rennie to paragraph 3.12 of the consultation document, where he will see a number of issues raised by the Government on how we can deploy our approach on the land and buildings transaction tax to achieve a number of policy initiatives that are important to Scotland, whether that is about energy efficiency, encouraging business growth or zero carbon homes. The importance that the Government attaches to that is well stated in the consultation document. I thought that Mr Rennie might welcome that type of measure, but we live in hope about his reflections on those points.

Joe FitzPatrick (Dundee City West) (SNP): I, too, welcome the statement and the progressive nature of the proposals, which many of our colleagues in the trade union movement would support. What discussions does the cabinet secretary plan to have with the Public and Commercial Services Union on the proposals to set up revenue Scotland?

John Swinney: The Government has on-going discussions with our trade unions. I see PCS regularly, and we will talk to it about such points. It is important that we focus on the opportunities to strengthen the partnership working with our trade union colleagues as we take forward an agenda of change in the public sector. I think that our trade union colleagues will welcome the opportunities that we have to build expertise in Scotland on important areas of activity and responsibility.

Neil Findlay (Lothian) (Lab): My colleague Mark Griffin and I could not believe our eyes a moment ago, when we saw that well-known redistributive socialist Mr Ewing, who is sitting to

the left of the cabinet secretary, nodding away when the cabinet secretary mentioned progressive taxation. It is a bit far away up here at the back of the chamber, so perhaps our eyes were deceiving us.

Does the cabinet secretary accept that creating tax competition and trickle-down economics is incompatible with the creation of sustainable jobs and quality public services?

John Swinney: I respectfully encourage Mr Findlay to take up the Government's offer of a free eye test. I did so myself last week, and can confirm that I can see Mr Findlay very clearly. That was £37 from the Government's perspective. That money is an important contribution to the preventative spend agenda.

My answer to the question is the same as that which I gave to Kezia Dugdale's question. All our initiatives support the creation of sustainable employment in Scotland. It is about making Scotland a good and effective place in which to do business. Yes, it is about taxation, but it is also about our investment in skills. I regularly encounter companies that tell me how attractive Scotland has been as a place to do business because of the skills output of our colleges and universities. A whole range of other factors will contribute to meeting that economic proposition. Therefore, I encourage Mr Findlay to look slightly more broadly—after the assistance of his free eye test—at the opportunities that are arising to create a competitive economy for Scotland.

Chic Brodie (South Scotland) (SNP): I welcome the clarity of, and the proposals in, the statement.

What discussions have taken place or will take place with HMRC and the Office for Budget Responsibility to establish the methodology and processes that will ensure that the transition to changed Scottish tax forecasts will involve a fair initial block grant assessment and adjustment?

John Swinney: Those are essentially discussions to be had between the Scottish Government and the United Kingdom Government through the Joint Exchequer Committee. As Mr Brodie will be aware, in the discussions between ministers to agree a position on the Scotland Bill, there was acceptance of utilising the Holtham commission's thinking in relation to the block grant adjustment with the Scottish rate of income tax. Those considerations and issues will be fully taken into account when the discussions with the UK Government take place. I confirm that those discussions are on-going.

Elaine Murray (Dumfriesshire) (Lab): Many people in my constituency work on one side of the border and live on the other. HMRC will write to people to ask them where they live, but there is no

obligation for people to inform it of their residential address. Has the cabinet secretary discussed that with HMRC? Has he considered how the burdens on businesses that employ individuals who live on either side of the border can be minimised?

John Swinney: Those are material issues that relate to the implementation of the Scottish rate of income tax and, if my reading of the *Official Report* of the Finance Committee meeting is correct, Dr Murray has raised them with HMRC. We are four years away, at least, from the initial assessment of those points. The issues that Dr Murray has raised are material to that discussion and will be discussed fully with the UK Government when we are implementing the Scottish rate of income tax.

Linda Fabiani (East Kilbride) (SNP): The cabinet secretary will be aware that there is a highly skilled workforce in Centre 1 at East Kilbride that will be well up to doing the income tax job that is outlined in the Scotland Act 2012 or, indeed, in an independent Scotland. Does the cabinet secretary agree that, following concerns expressed by HMRC that there is no state of readiness to implement the Scotland Act 2012 proposals on income tax, any necessary planning and training should be implemented without delay to tap into the expertise in East Kilbride and to show respect for the decisions of the Scottish Parliament and of the people of Scotland?

John Swinney: It is important that we utilise the experience that we already have, which is why I took the decision to utilise Registers of Scotland and SEPA, which have significant expertise in the administration of such arrangements. There are some substantial issues about the capability and capacity of HMRC. It comes back to the guarantees that I have received as the minister who will be responsible for the Scottish rate of income tax, although I will not be operationally in control and I will not be able to direct the organisation that is making those preparations. I will, however, be in that position in connection with the landfill tax and the land and buildings transaction tax.

Linda Fabiani has raised some material issues that are not dissimilar to those raised by Dr Murray and which will be the subject of discussion with the UK Government.

Patrick Harvie (Glasgow) (Green): It is nice to know that we will not be adding HM to the name of revenue Scotland when it is created.

The creation of the new body offers the chance to create from the start a new culture that is not complicit in facilitating corporate tax avoidance. The addition of a general anti-avoidance role would help to underline that. Will the cabinet secretary invite representatives of the tax justice network to join the new tax forum? The network

has done excellent work in this country and around the world to expose tax avoidance and the despicable use of tax havens by those who wish to stash their investments out of reach of the tax system.

John Swinney: That is a helpful point from Mr Harvie and if he wishes to write to me with some further details and suggestions, I will be happy to consider it as part of the consultation exercise. The tax forum is there to ensure that, in a new area of activity, we are able to listen to and absorb the important reflections of a broad range of organisations and individuals, and the organisations that Mr Harvie has mentioned clearly have something substantive to say. I am happy to consider that point.

The Deputy Presiding Officer: Thank you. We will have a final question from Margo MacDonald.

Margo MacDonald (Lothian) (Ind): Oh, great! *[Laughter.]* Thank you very much, Presiding Officer.

First, I add my support to what Patrick Harvie said about tax avoidance.

Secondly, I have been looking at the papers and I think that HMRC is not all that keen on the business. It is not exactly touting to do the work, and I wonder why not. I imagine that we would be grown up enough to say that if HMRC could give us a good service, we would take it. However, revenue Scotland is probably the most sensible choice to make just now.

I am, however, worried that all these proposals are subject to the same override clause as is every other decision that the Parliament takes, and that if some of our Labour members' friends south of the border are ever in government, they might not want to go along with some of the measures. Can we—

The Deputy Presiding Officer: I take it that we are coming to a question.

Margo MacDonald: I have asked it. Can we override Westminster?

John Swinney: If we take the absolutist view—and I would never suggest that Margo MacDonald is an absolutist—the current legislative arrangements mean that the Westminster Parliament can legislate for whatever it likes under our current constitutional framework. I suppose that, in theory and in an absolutist context, Margo MacDonald has a fair point.

Where the legislative framework has been put in place as it has, we have the responsibility to implement measures and the Government will do so in the way that I have set out to the Parliament today.

Agricultural Holdings (Amendment) (Scotland) Bill: Stage 3

The Deputy Presiding Officer (John Scott):

The next item of business is a debate on motion S4M-03153, in the name of Richard Lochhead, on the Agricultural Holdings (Amendment) (Scotland) Bill. I invite members who wish to speak in the debate to press their request-to-speak buttons now.

Now that everyone is in place and the cabinet secretary is ready, I am happy to give him a generous 10 minutes to speak to the motion.

15:40

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): Thank you, Presiding Officer—I will speak very slowly. I welcome you back from your visit yesterday to Scotsheep; indeed, it is good to see you back in the chamber, chairing a debate on another very important agricultural sector.

I begin with a formality. For the purposes of rule 9.11 of standing orders, I wish to advise Parliament that Her Majesty, having been informed of the purport of the Agricultural Holdings (Amendment) (Scotland) Bill, has consented to place her prerogative and interests, so far as they are affected by the bill, at the disposal of the Parliament for the purposes of the bill.

The bill represents another chapter in the development of legislation on farm tenancies in Scotland, which, of course, form a crucial part of Scottish agriculture. Modernisation of farming tenancies was central to the agrarian reforms in the agricultural revolution of the 18th century, and those changes led to the modern Scottish farming landscape that we all see and love today.

However, as we know, this is a very complex—and sensitive—area with regard to legislation, regulation and management because of the balance that needs to be struck between the interests of tenants and landlords. Indeed, the tenant farming forum, comprising leaders from all sectors of the industry, was established some years ago to provide advice on how tenant farming arrangements can be improved for all concerned. The bill is the latest step in that process. Although it is not, as I will make clear later, the end of the story, it represents the culmination of one important phase of work.

In 2009, the TFF made a set of recommendations on addressing certain obstacles to new entrants into agriculture. Although most were implemented, two recommendations could be introduced only through primary legislation. The

bill implements both of those recommendations, plus a later recommendation on the technical treatment of VAT.

The bill has six sections. Section 1 amends schedule 2 in part 3 of the Agricultural Holdings (Scotland) Act 1991, extending the definition of “near relative” to include grandchildren in cases where a deceased farmer’s tenancy is passed by succession. The purpose of that amendment, which was sought by the sector, is to preserve family farming traditions and, of course, to help younger entrants to get a start on the farming ladder.

Section 2 amends section 9 of the Agricultural Holdings (Scotland) Act 2003. At present, it is possible to say in a limited duration tenancy that only the landlord can initiate a rent review or that the rent can only ever go up. Such clauses tip the balance too much in favour of the landlord and, understandably, many people in agriculture wanted the situation to be addressed. The TFF considered the matter and, as it recommended, the bill will stop such practices in the future, putting tenant farmers on a much more level footing with landlords. I am sure that such a move will be welcomed by the chamber.

In response, again, to concerns that were expressed by the industry, section 3 amends section 13 of the 1991 act, which relates to VAT. As members know, the 1991 act says that a rent dispute can be referred to the Scottish Land Court for determination, but only once every three years, and the industry was worried that if, for example, the treatment of VAT in a lease were to be changed that could shut off the option of going to the Land Court for rent review for the subsequent three years. The bill clarifies that that is not the case.

At stage 2, I lodged a Government amendment to section 4(1), which is on the timing of the changes. The amendment means that the new definition of “near relative” will also apply when a tenant farmer has died before the bill comes into force, provided that a notice has not already been served.

Section 5 sets out the timing of the commencement of the act and section 6 states the short title.

Nobody should underestimate how much effort has been made to get to where we are today. Without mutual respect and co-operation across the sectors, we would not have the level of stakeholder support that the bill, which addresses some sensitive and difficult issues, now carries. A great deal of work has been done within the TFF and between the TFF and the Government, and it is thanks to that hard work and constructive

dialogue that areas of consensus have been developed.

However, we cannot be complacent. Scotland needs a sustainable and vibrant tenant farming sector, not least because a tenancy is the first step on the ladder for new entrants to farming. I think that we all accept that we want to attract many more young people into farming, and indeed new entrants of all social backgrounds and ages. As I am sure many members are aware, the lack of new blood coming into agriculture is an issue throughout Europe. At an event in Brussels two or three weeks ago, I heard the commissioner say that only 17 per cent of farmers in Europe are under 35, and there are many similar statistics.

The Government has introduced a number of initiatives to help tenant farmers and new entrants. We have supported industry-led initiatives such as the monitor farms programme and new entrant workshops. We were the first Administration to introduce a dedicated scheme for new entrants, which is delivered through the Scotland rural development programme, and the scheme now provides the maximum support that is allowed under European Union rules. To date, the scheme has given new entrants access to more than £1.1 million of funding. As the Parliament will recall, we offered to make up to £10 million available for that budget heading within the SRDP in the period of six or seven years for which the programme has been in place. The fact that, although some farmers have clearly benefited, the full £10 million has not been taken up perhaps illustrates that barriers to new entrants exist elsewhere in agriculture.

Such initiatives are important, but they must be surrounded by the right support framework under the future common agricultural policy. The position of tenant farmers must be protected and new entrants must be properly catered for from day one. We have committed to setting up a new entrant panel to look at how the new CAP can encourage new entrants. Discussions in Europe are moving in the right direction, but it is fair to say that they have gone nowhere near far enough. We need to broaden the national reserve to cover all new entrants and not just those under 40. We need the ability to keep on using the national reserve throughout the life of the next CAP and not just at the beginning. We also need to ensure that the eligibility criteria for the new system meet the interests of tenant farmers as well as those of new entrants and active farmers who do not hold any current entitlements. I hope that members will join the Government’s efforts to influence the European Commission and the European Parliament in those areas.

However well designed the policy framework is, tenant farming can thrive only if there is access to

land, so we must have more landowners bringing forward land for rent. Some progress has been made on that front in recent months. The Forestry Commission Scotland, which is under the remit of the Scottish Government, has stepped up to the challenge and put land on the rental markets, as have the Crown Estate and some private landlords. I welcome those recent announcements, but we need many other people to follow suit in the coming months.

In the same period, we need to continue to work on improvements to tenant farming arrangements, and a crucial aspect is the way in which rent reviews are carried out. Many members have expressed concern about that, as have many people in Scottish agriculture. Some members of the Rural Affairs, Climate Change and Environment Committee were in Bute last week, where they heard at first hand about the difficulties that tenant farmers can face in undertaking rent reviews. I am sure that those members will refer to that visit when they speak in the debate. The issue is complex, especially given the range of situations in Scotland, so it needs expert consideration.

Alex Fergusson (Galloway and West Dumfries) (Con): The cabinet secretary said that there is a need for a lot more land to come on to the rental market in the coming months. Can he reassure me on that? I do not believe that the matter can be addressed in a few months. Does he agree that this is a longer-term thing? As he says, progress is being made, and we need to encourage that progress so that, in the coming months and indeed years, more land comes on to the market.

Richard Lochhead: I accept that it is a long-term process, but the debate has been taking place in the Parliament and throughout Scotland for the past few years and, although I welcome the progress that has been made, many landowners and other people and organisations with a lot of influence in the debate could perhaps devote a little more effort to the issue. I welcome the fact that the issue has a higher profile than ever before, and that minds are being concentrated across the many sectors that are involved in the debate. I hope that we can get more effort in the very near future, although I recognise that there will not be an overnight solution.

I am particularly delighted that the TFF has announced today the launch of its rent review working group, which is a panel of independent experts that will look at rent review arrangements and report its findings to the TFF and the Scottish Government later this year. The Government plans to offer financial support to the group, as we are very keen to see it succeed.

The four members of the group have been chosen for their skills and knowledge, and not

because of any particular organisational affiliation. The group will be chaired by Henry Graham, a farmer of 30 years, who has also been an agribusiness adviser for the Clydesdale Bank. The other members are Ian Duncan Millar MBE, John Ross CBE, and John Mitchell, a senior partner at Anderson Strathern LLP. I hope that the Parliament will agree that that is an upstanding and much-respected group of individuals with a huge amount of experience and knowledge of the issues, who are the right people for the job. The group will report in November 2012, which will enable the TFF to make recommendations to the Government by, I hope, May 2013. I urge members to support the group and allow its members the time to do their work and bring forward their conclusions.

In parallel with the rent review working group, the TFF plans to address other areas of conflict between tenants and their landlords. Those workstreams will be on issues such as equipment repair and renewal, investment in hoardings, waygo compensation, diversification, and assignation and succession. As part of the assignation and succession workstream, the TFF will explore further with the parliamentary committee its suggestion that the definition of "near relative" in section 1 should be extended to include nieces and nephews.

The TFF identified the need for a workstream to look at plugging gaps in the data on tenant farming. There was much discussion of that at stage 1 and stage 2. Accordingly, the Government will take the lead on a data workstream, with assistance and input from TFF members. Delivery of all the workstreams will be no mean feat, and no one here should underestimate the effort that will be required by the TFF to enable the completion of the work before the end of 2013.

The outputs from those workstreams will feed into a review of agricultural holdings legislation. We committed, through our manifesto, to undertake a review within 18 months of the bill becoming an act. I will provide further information to the Parliament on the scope of that review once the outputs of the workstreams and the TFF's recommendations are to hand.

There is still much to do for the future. In the meantime, we have an important step to take today to implement the last pieces of the previous set of TFF recommendations through the bill and to welcome the plan of work for the future. I hope that we can all join together to support the bill, to help move forward our tenant farming sector in Scotland.

It gives me pleasure to move,

That the Parliament agrees that the Agricultural Holdings (Amendment) (Scotland) Bill be passed.

15:53

Claudia Beamish (South Scotland) (Lab): The Agricultural Holdings (Amendment) (Scotland) Bill makes a modest contribution to clarifying and rationalising the relationships between landlord and tenant in the sector and, as such, Scottish Labour supports its passage today.

In relation to succession, the cabinet secretary stated at stage 2 that the broadening of the definition of “near relative” to include grandchildren would

“help to meet our objective of widening the class of people entitled to that degree of protection”.—[*Official Report, Rural Affairs, Climate Change and Environment Committee*, 9 May 2012; c 922.]

In our keenness to encourage opportunities for new entrants, we argue, as we did at stage 1, that further consideration should also be given in the future to the extension of the definition to include nephews and nieces, despite the tenant farming forum’s previous consensus on that issue. That would further broaden the opportunities for new entrants to the sector. I note the cabinet secretary’s remarks about the TFF’s workstream in that regard.

I welcome the Scottish Government’s initiatives for new entrants, including the new entry panel, and I note the remarks about the national reserve. Certainly, Scottish Labour members on the Rural Affairs, Climate Change and Environment Committee, my colleague Claire Baker and I, and others will be working hard to help move forward the CAP in that regard, to give a broader opportunity for new entrants, amongst other issues.

Will the cabinet secretary, in his closing remarks, comment on progress on the development of conservation tenancies, as mooted by RSPB Scotland and others, in addition to the organisations that he has highlighted today, which are working to broaden the tenancies that they offer?

As many have acknowledged during the passage of the bill, many wider issues must still be resolved, from the perspective of both landlords and tenants, to enable the sector to move forward in a confident and secure way.

The TFF reached consensus on a number of challenging issues at the start of the process and has continued to do so during the bill’s progress. However, in our view, it has been an uneasy consensus on some of the challenging issues. I have seen much good practice when I have visited estates and met landlords and tenants over the past few months, especially in south Scotland. I have seen examples of major investment, such as a new state-of-the-art milking parlour and a large

range of sheds for free-range chickens, to highlight but two.

However, concerns about tenancy matters were expressed to the Rural Affairs, Climate Change and Environment Committee during its visit to Bute; Margaret McDougall and, I am sure, other members will highlight that. Oral and written evidence to the committee has made me keenly aware of the need to reach the stage at which, more generally, the individual who owns is confident to let and the individual who rents is confident to invest. There are those who say that the sector should be left in peace to get on with things. Others say that there has been enough chipping away at landlords’ rights, but others again say that their rights as tenants are unclear and do not offer enough security.

In the TFF, as I highlighted, there has been an apparent consensus, which has led to the introduction of the bill. However, the consensus has been uneasy on a number of matters and, in my view, it has not always been a consensus between equal partners. In that context, the future work plan of the TFF is to be welcomed as it is working towards a tenanted sector in which there is fairness and certainty.

Douglas McAdam, of Scottish Land & Estates, said that

“Agricultural Holdings legislation is complex and emotive. However, it is important that everyone with an interest, particularly politicians and decision-makers have clear, hard facts at their disposal. The industry as a whole will benefit from a more evidence-led approach.”

I am sure that all those on the TFF agree with that approach, which must lead to a settled and fair outcome for all.

I believe that there is consensus in the chamber that the rent review section of the bill is a step forward. Today’s announcement by the cabinet secretary that an independent rent review group for secure tenancies will be set up is welcome, as is the offer of technical and secretarial support and the clear reporting timeline. How regularly should rent be reviewed, even if it is not always changed? Will rent be determined by the market alone or by some additional measure? Analysis of the current process and scrutiny of section 13 of the Agricultural Holdings (Scotland) Act 1991 and of the English system will enable the sector to work towards a model that I hope will bring confidence to both sides. Those who have been named as members of the group will inspire confidence in the process, as there is respect for their independence, their experience and their expertise—in particular, the group includes the necessary legal representation.

The Rural Affairs, Climate Change and Environment Committee suggested that the Scottish Government and the TFF should

“re-examine the issue of investment in holdings, to ... clarify who is responsible”

and find

“the most appropriate balance ... for the creation of a vibrant and healthy tenant farming sector.”

The inclusion of the issue in the TFF's work programme will focus the different perspectives. Investment protocols may well be a useful possible way forward, and the group's consideration of diversification is also welcome. It is essential for clarity to be brought on waygo compensation.

A clear timeline for working to resolve those issues is imperative, as is reporting to the Scottish Government. The Rural Affairs, Climate Change and Environment Committee, of which I am, of course, a member, will take a keen interest in those issues.

The aim must be to bring certainty to the sector and to help to restore trust where it has been broken. We support the bill as part of that process, but in doing so we hope that it is another step forward and not an end in itself.

15:59

Alex Fergusson (Galloway and West Dumfries) (Con): I refer to my entry in the register of members' interests, in which it will be seen that I own land that is tenanted—I am delighted to say that I have a very good relationship with my two tenants.

I echo the cabinet secretary's comments to the other Deputy Presiding Officer in welcoming him back to the chamber from Scotsheep. If we are truly serious about parliamentary reform, in two years' time our sitting hours will revolve around us all having the ability to go to Scotsheep—I was very sad not to be able to do so for the first time in a very long time.

I am delighted to take part in the debate, particularly as we had no stage 3 amendments to discuss and only one stage 2 amendment, to which I will return a little later. I am greatly heartened that no attempts were made to amend the bill substantially from the bill that was introduced. The potential for that existed, and rumours abounded that amendments might be lodged to widen the definition of a “near relative” to include the nephews and nieces of existing tenants, in addition to their grandchildren, as was always proposed in the bill. I will continue the excellent example that my colleague Jamie McGrigor set this morning by quoting himself. In the stage 1 debate, I said:

“I heartily commend the cabinet secretary's efforts to resist those possibilities.”—[*Official Report*, 28 March 2012; c 7787.]

I am happy to repeat that endorsement now, just as I am happy to commend those who might have wanted to lodge amendments for not doing so. Lodging amendments would have been a great mistake, and I will explain why.

As has been said, we all know that the situation between landlords and tenants is at a delicate stage. It would take little by way of an uninformed intervention by politicians to upset it. I say that in the full knowledge that a time might well come when someone feels that the situation must be upset or that they need to intervene, but that time is most assuredly not now.

Members might well ask why I say that. I say it simply because I agree with the cabinet secretary that progress is being made. It is better progress than I have ever witnessed in the Parliament's lifetime. As responsible politicians, we must do everything in our power to support, encourage and sustain that progress if we are to bring about what we all want in our country's national agricultural framework—a genuinely vibrant tenanted sector in which trust is restored and in which both sides can have confidence in each other.

Claudia Beamish: Perhaps the member might agree that the possible amendments on nephews and nieces—they certainly were not rumours—that some members considered lodging at stage 2 were not ill informed, but that they were not lodged because of respect for and sensitivities in relation to the tenant farming forum. Those amendments were not considered not to be appropriate provisions that might go forward in the future to give new entrants more opportunity.

Alex Fergusson: I hope that the member accepts that I was being as gentle as I always try to be in debates in the chamber. I was very aware of the possibility that amendments would be lodged and I hope that she accepts that I commended her and others indirectly for not lodging amendments, for the reasons that I just gave.

Trust and confidence already exist in much of the tenanted sector. I was really pleased to hear the cabinet secretary acknowledge that in reply to Rob Gibson's question this morning. It is a fact—even if some seek to deny it—that most landlords and tenants in the agricultural sector get on quite well and have a mutually beneficial relationship.

Rob Gibson (Caithness, Sutherland and Ross) (SNP): Will the member take an intervention?

Alex Fergusson: I will give way if I can have some time, Presiding Officer.

Rob Gibson: I see the train of the member's argument about good relations, which I welcome. Does he agree that good relations occur more often in smaller estates than in larger ones?

Alex Fergusson: I will answer that better when we as the Rural Affairs, Climate Change and Environment Committee have seen a number of those relationships across Scotland—the member was right to call for that this morning and I commend him for that. If he will forgive me, I will not answer his question at the moment, but I will bear it in the open mind that I always have on such issues, as I am sure that he would concede.

The problems of which we are all made aware all too often on the pages of the farming press—almost weekly at the moment—are largely at the extremes of the debate. It is absolutely right to address them, which is why I am pleased to note the great progress that is being made in the tenant farming forum. I have said before that my party will support any measures that are agreed through that forum, because we believe—in the words of the great and one and only Winston Churchill—that

“To jaw-jaw is ... better than to war-war.”

Talking through the issues, negotiating the way forward and agreeing the outcome might take longer than imposing legislation, but it must be the best way forward if we are to maintain the progress that has been made. I hope that we all agree on that, for the time being at least.

The legislation that is before us today is essentially, as other members have said, to tidy up the previous legislation, and it will of course have our support at decision time. The sections that relate to VAT and rent reviews are to be welcomed, and I am happy to join other members in warmly welcoming NFU Scotland's announcement this very morning that it has established a short-life working group to consider specific aspects of rent review procedures in Scotland. It is worth noting publicly that that announcement was made on behalf of the tenant farming forum.

That is yet more progress, which I am sure that we all applaud. I endorse the comments that have been made about the four individual members of the short-life working group, who are hugely respected throughout the agricultural world.

I have one reservation that concerns the issue of retrospective legislation. At stage 2, I had a discussion with the cabinet secretary about what I believe is a retrospective element of the bill. The cabinet secretary said:

“Therefore, section 1 will now also cover circumstances in which the death of the tenant farmer occurs before the bill comes into force but the process of acquisition by the successor is not complete.”

We then, if I may say so, added a touch of pantomime to the proceedings, if the *Official Report* is to be believed—and of course it should be—along the lines that I said that the bill is retrospective, the cabinet secretary said that it is not; I said that it is, and he said that it is not.

My final comment was:

“So there is a retrospective element to it”.

The cabinet secretary responded:

“In respect of the circumstances that lead to the notice to quit, but not in respect of the actual notice to quit.”—[*Official Report, Rural Affairs, Climate Change and Environment Committee*, 9 May 2012; c 922, 924.]

In anybody's language, I think that that is a yes.

I raise that issue not because I intend to oppose the bill, as I do not, but because I think that the bill has a retrospective element to it that has the potential to damage the confidence that is slowly but surely being rebuilt through the TFF's efforts. It would be a pity if that happened.

Time does not allow me to expand at this stage—I am sure that the Presiding Officer is about to remind me of that—but I may return to that topic in my closing speech.

I finish simply by stating that the Scottish Conservatives will support the bill, and that we welcome it and look forward to its passage later on today.

The Deputy Presiding Officer (Elaine Smith):

We come to the open debate. Although the debate is short, I can give members speeches of up to five minutes.

16:07

Annabelle Ewing (Mid Scotland and Fife) (SNP): I am pleased to speak in the stage 3 debate on the Agricultural Holdings (Amendment) (Scotland) Bill. As the deputy convener of the Rural Affairs, Climate Change and Environment Committee, I am pleased to have been involved, along with my fellow committee members, in scrutinising and debating the bill as it has gone through the legislative process.

The bill sets forth just three short provisions. However, as members have said, those provisions are important not just in themselves but because they are a signal that all the key players in the sector are prepared to work together via the tenant farming forum and in partnership with the Scottish Government, which is a point that was well made by my committee colleague Alex Fergusson. It is a tribute to the work of the tenant farming forum in particular that we have reached this point. The work of the forum has focused on making progress on a number of issues that are addressed in the bill and will facilitate a greater degree of legislative

protection for tenant farmers. We will therefore, it is hoped, have a more vibrant tenant farming sector as a result.

The bill extends the definition of “near relative” to include grandchildren of the tenant. In practice, that will mean that there is a wider group of people who will enjoy some protection at least on the death of the tenant with regard to the succession to the tenancy. It is hoped that that will assist new—and perhaps younger—entrants to get a start in the tenant farming sector.

As the cabinet secretary mentioned, the Scottish Government lodged an amendment that responded to the committee's concerns such that the provision will have an impact, notwithstanding the fact that the tenant may have died before the bill comes into effect, in circumstances in which the relevant counter-notice has not been served until after the bill comes into force. I listened carefully to what Alex Fergusson said about retrospection, as I did in the committee at stage 2. I do not think that there is a case of retrospection. That view is shared not just by the cabinet secretary but by Scott Walker, the chief executive of NFUS—I hope that that is of assistance to Alex Fergusson.

Another key element in the bill is the clarification that it provides, further to recent case law, that a variation in VAT will not in itself be deemed to be a variation in rent. That is important, because there could have been a negative impact on the three-yearly rent review cycle. The amendment was sought by the industry and delivered in the bill.

The specific issues that are dealt with in the bill are of great importance and merit our legislative attention but, as members said, during the process it has very much been the case that the elephant has been outside the room, because a parallel debate is going on about a series of significant issues that require to be looked at and resolved. Many such issues were raised in the evidence that the committee took, and it is important that they will be the subject of further deliberation.

I particularly welcome the rent review special ad hoc working group that is to be set up. I commend the efforts of everyone who has been involved in getting to this stage, because the issue is a thorny one, which arises in particular but not exclusively from the difficulties in relation to the recent Moonzie judgment. I also welcome the fact that a series of issues will be considered, many of which have been mentioned in the debate.

We also need to consider dispute resolution. Scotland has set up an excellent arbitration system, which could provide invaluable assistance in the area by negating the need to go to the Scottish Land Court, which is expensive and extremely time consuming.

The bill will do much to improve the position of tenants, while respecting landlords' rights. There is a real debate ahead of us and I hope that the committee will be able to play a constructive part in the process.

16:12

Margaret McDougall (West Scotland) (Lab): I welcome the opportunity to speak in the debate.

When I spoke in the—fairly recent—stage 1 debate on the bill, I said that the bill's main aims were to create a better environment for the letting of farmland to the tenant farming sector of the agricultural industry and to encourage new entrants into tenant farming. I was part of the delegation that visited Bute and I have visited farms on the mainland, so I now have a much better understanding of the issues that face the sector. I have spoken to several tenant farmers, who identified the two main issues arising from the bill as the amendment of the definition of “near relative” and the prevention of certain restrictions in relation to rent reviews in limited duration tenancies.

I note that there was no change in the definition of “near relative” at stage 2. The definition still includes grandchildren as well as a surviving spouse, civil partner or natural or adopted child, but it has not been widened. I still agree with the Scottish Tenant Farmers Association and NFU Scotland, which want the definition to be widened. The STFA said in evidence to the committee that it wanted the definition

“to be extended beyond a grandchild to include nephews and nieces”,

and the NFUS noted:

“It seems a little bit strange that, during your lifetime, you can assign a tenancy to a wider class of people, yet, at the point of your death, it is restricted to certain categories.”—*[Official Report, Rural Affairs, Climate Change and Environment Committee, 18 January 2012; c 520, 522.]*

Scottish Land & Estates expressed fear that extending the definition could destabilise the balance of rights between landlords and tenants and reduce the flexibility of the landlord. That is a valid point.

One farmer I spoke to recently took over the farm from his uncle as none of the uncle's close family members wanted to take up the reins. It seems unfortunate that, if the farmer had died without assigning the farm to his nephew, the family would have lost out although it was clear that the nephew wanted to take over the farm and had a genuine interest in it. The nephew would not have been able to succeed to the farm and he would have lost out on that opportunity—and the farming community would have lost out on a new young entrant to the industry.

Richard Lochhead: That is an important theme and the tenant farming forum has agreed to look at extending the definition of “near relative”. I remind the member that this bill is about extra protection for near relatives. In theory, anyone can inherit or be assigned a tenancy. The point here is that there will be extra protection should a notice be served by a landlord.

Margaret McDougall: It seems odd that the farm can be assigned to anyone while the farmer is alive, yet at the point of death it can be passed only to a select few who might not have any interest in continuing the business, with the result that the farm reverts to the landlord.

There was also widespread support for the provision on rent reviews. The STFA argued in its written evidence that

“This proposal will remove the disadvantage felt by tenants finding themselves in a position of weakness when negotiating the terms of a lease in a sellers market and having to agree to such conditions.”

Tenants expressed many concerns about the current process for conducting rent reviews—including the formula for calculating the appropriate rental levels for farms. Many thought that, even though the process was set out well in legislation and guidance, in practice it did not always work out that way. Others considered that further work was required—including an agreed process for conducting reviews and the establishment of a set formula for calculating rent reviews to remove the uncertainty and stress over when reviews will take place. This amendment will go some way towards tackling that issue, but there is still work to be done.

I welcome the cabinet secretary's announcement that a working group will be set up to look at rent reviews. Ideally, landlords need to be confident to let and tenants need to be confident to invest. There are still many issues to be addressed if we are to improve the relationship between landlords and tenants, to ensure that farmers and landlords can go about their essential business, and attract new entrants into the farming sector.

16:17

Rob Gibson (Caithness, Sutherland and Ross) (SNP): Other members have detailed the modest achievements of this small bill. It brings to an end a series of reforms that could be delivered through secondary legislation, but the points that we are debating are being delivered through this bill. I hope that it gets passed.

The committee believes that the bill makes necessary—albeit modest—changes to agricultural tenancy law. However, as the evidence from stakeholders and the Scottish

Government has demonstrated, there is still much work to be done to improve the law further and to address the recent trend of the decline in the number of agricultural tenancies in order to make more land available for rent and to encourage a greater number of new and younger entrants into farming.

The figures show a drop in the number of secure tenancies from a 2005 figure of 7,172 to a 2011 figure of 6,048. The numbers of short limited duration tenancies and limited duration tenancies increased in the same period. The fact that land is now being let for shorter lengths of time will be detrimental to farming in the long term, because tenants will not invest as they can if they have a longer lease. We will investigate the reasons for that further. When we take evidence on the ground, we may find that there are many farmers who wish to invest as tenants but who find certain barriers in place.

We should take into account the fact that tenant farming has now reached the point of having the European convention on human rights used to determine a case, as in *Salvesen v Riddell*. That expresses the right of people to enjoy their right to private property, but it also expresses the general interest to have land and other property used well. At the next stage in the process, we have to consider the general interest in Scotland to have more secure and sustainable farms of a tenanted and owned nature. Unless we are able to move to that position, through the application of the ECHR, that argument will be used against the development of farming in Scotland, as the case of *Salvesen v Riddell* shows. We await the outcome of the case in the Supreme Court, when the Lord Advocate takes it there next year.

That raises the issue that it takes a great deal of time to reach decisions. It has taken more than seven years to reach the point at which we have this modest bill. There are many things to be done, and I welcome the timetable that the cabinet secretary has laid out for rent reviews and suggest that, if we are going to enable tenants to move forward, the tenant farming forum must achieve answers far more quickly.

I mentioned the needs of young entrants into farming. There was some argument about whether 40 was a reasonable age for someone to be considered a new entrant, given that people are living longer. We think that new entrants could be older than that.

The Rural Affairs, Climate Change and Environment Committee has just received a response to a submission that we made on the future of the common agricultural policy. Commissioner Dacian Cioloş wrote:

"The Commission is mindful of your concerns about new entrants and the 2011 eligibility rule. The legal proposal limits access to entitlements in 2014 to beneficiaries of the Single Payment Scheme or the Single Area Payment Scheme in respect of claim year 2011 to avoid potential negative distortions of the land markets. Nevertheless, the Commission believes that young farmers are a priority group of new entrants. That is why support during the early years is proposed through the young farmers' scheme and to allocate entitlements from the national reserve to this group as a priority. If Scotland considers that the allocation of entitlements to all new entrants is important in areas where there is a risk of land abandonment or in areas with specific disadvantages, it could consider using the national reserve."

I very much welcome that debate being firmed up. At the moment, the offers of land that are made by landlords to tenants are often of a five-year nature—the short limited duration tenancy. I do not believe that new entrants can make a start in farming if that is the only option that they have. We must consider those issues.

I welcome the bill, but I suggest that there is much more work to do.

16:23

Graeme Pearson (South Scotland) (Lab): I thank Rob Gibson for setting the scene for my speech. The use of, access to and ownership of land are subjects that are bound to generate substantial interest and concern. I am supportive of the measures in the bill. I recognise, like others, that the bill ties up some loose ends that were created by the 1991 and 2003 acts, which is to be welcomed.

The cabinet secretary has already covered what the bill is designed to do, so I will avoid going over the same ground. The scope of the bill is extremely narrow and it does not impact on some of the issues that continue to affect tenant farmers—certainly those to whom I have spoken in the south of Scotland. Issues such as dispute resolution, waygo payments and the establishment of a code of conduct are yet to be resolved. The issues of investment in holdings and waygo payments are important ones.

In its report, the Rural Affairs, Climate Change and Environment Committee urged the Scottish Government to re-examine the issue of investment in holdings so that tenant farmers and landowners could have clarity about their responsibilities with regard to what they should be paying for and when such payments should be made. The committee also reported that clarity is urgently needed regarding the compensation that is paid to outgoing or retiring tenants in recognition of the investment that they have made to their holding during their tenancy.

Moves to establish a code of conduct for land agents would be a welcome step. During the

evidence gathering for the bill, the committee heard concerns about inconsistencies in the behaviour and conduct of some land agents. Although the Royal Institution of Chartered Surveyors Scotland issued rigorous guidance for its agents, not all land agents are members of the RICS. The committee recognised the tension and conflict that can arise in relationships between land agents and tenants and, as a consequence, recommended that a code of practice for the industry be developed and that the Scottish Government should monitor the development of the code to ensure that it is fit for purpose.

When there is conflict, effective dispute resolution is required. Although I agree with Alex Fergusson's point about "jaw-jaw", time is of the essence and, given the age profile of those who currently engage in farming, we need to attract young people to the industry now. Many organisations that gave evidence to the committee testified that alternatives are needed to the Scottish Land Court as a means of resolving disputes. As a consequence, the committee recommended that the Scottish Government work with the tenant farming forum to introduce proposals for improving dispute resolution as a matter of urgency.

Much of the best practice in Scotland in the arena of land ownership relies on personal relationships and good people doing the right thing by one another, rather than well-considered structures and systems. Such systems are designed to support people who do a difficult job in an important industry on which Scotland relies. The absence of dependability in the area ensures that those who engage in financing and supporting farming in Scotland—the banks and other institutions—find it difficult to provide finance for prospective tenants who are interested in developing farming for the future.

I welcome the bill and the cabinet secretary's announcement this morning of the creation of a new group on rent reviews that will report to the tenant farming forum. I urge the Scottish Government to introduce additional measures as soon as possible to address the significant remaining challenges that face tenant farmers and the industry in general. Until we can attract young people into the industry and prove that it has a future, we will always find it difficult to support those who work so hard on our behalf, day and night for 52 weeks of the year.

16:28

Graeme Dey (Angus South) (SNP): Four and a half months ago, the Rural Affairs, Climate Change and Environment Committee held a stakeholder event as part of its consideration of the bill. In the main, it was a fairly consensual

meeting, until the latter stages, when the convener—innocently, it should be said—invited brief closing comments from participants. That kicked off a debate on the issue of dispute resolution that, well, kicked off. There was a clear fault line running through the apparent consensus on the bill.

Although there appeared to be majority support for implementing the succession provision in the bill immediately, the majority of stakeholders were prepared to let that go in the interests of keeping Scottish Land & Estates on side. It was clear from the evidence that the STFA and the NFUS favoured further widening the definition of the term “near relative” but, again, in the interests of keeping the peace, SLE’s opposition, which was based on a fear that such a move might destabilise the balance of rights between landlords and tenants, was respected.

The fact that SLE subsequently accepted that its fears about setting a retrospective precedent were unfounded, which led to the Scottish Government amending the original proposal, might have led one to think that a relative calm would descend on the agriculture industry—or as calm as it gets with the CAP renewal process under way. After all, there had been give and take on both sides. However, then came the Moonzie ruling, and for agriculture, we could read agro-culture, or so it seemed.

Among other things, the Moonzie ruling brought back into focus the thorny issue of dispute resolution. Over the past few months, long-standing underlying tensions have come to the fore, with claim and counterclaim—not to mention bulging e-mail inboxes for Rural Affairs, Climate Change and Environment Committee members, and even more so for the cabinet secretary, I suspect.

Today’s news, which others have referred to, that the TFF has established an independent specialist short-life working group to consider agricultural rent review procedures in Scotland is therefore extremely welcome. It was particularly encouraging to read in the press release that the STFA issued on the matter that its chairman Angus McCall has hailed the four-member rent review working group as having

“a wide range of technical knowledge and practical experience”.

I hope that Scottish Land & Estates will be as welcoming of the development. I am sure that it will be, as that offers the possibility that a way out of the present situation will be found.

The progress that this Parliament is making to furnish Scotland with a legislatively protected and vibrant tenanted sector, while safeguarding the rights of the landowning sector, has been

achieved only by Government working closely with the industry. The fact that the cabinet secretary has formally endorsed the setting up of, and provided funding for, the RRWG is further evidence that governmental commitment remains as strong as ever. However, if the industry becomes riven by internal dispute, it becomes difficult to maintain the momentum that has been created or to tackle important associated issues.

From an objective standpoint, it strikes me that neither side is entirely wrong or right in the situation that has developed. For example, it is nonsense to suggest, as some have, that there is little or no evidence of landowners seeking to capitalise on the Moonzie judgment. Equally, claims of demands for massive percentage increases in rent, while perhaps factually accurate, do not always tell the full story. At face value, demands for rent rises of up to 50 per cent are excessive, if not outrageous, but the facts behind the headline claim can paint a different picture.

While attending an industry event the other week, I met a land agent who told me of a call that he took from an estate-owning client, who advised him of his intention to demand a 50 per cent hike in rent from one of his tenant farmers. The agent was a little disquieted by the plan, owing to the controversy and adverse publicity that such increases had been attracting. However, it emerged from the discussion that the estate owner had not increased the rent for the best part of two decades, and at £3,300 per annum the tenant farmer was paying less for their 100 acres and associated buildings than the amount for which individual cottages elsewhere on the estate were being rented out. I highlight that case not as a defence of landowners per se but simply to illustrate my point.

The bill is a step in the right direction as we seek to secure a fairer, better balanced farming sector. I welcome the commitment of the Government to consider, within 18 months of the legislation coming into force, the impact of the changes in it and, in particular, how effective they have been in attracting new entrants and in helping the tenanted sector.

The bill was born of consensus being secured, and it was successfully progressed by there being respect for proceeding in a manner that would not risk unintended consequences. I hope that that sets a trend for further development of land legislation because, as the cabinet secretary indicated, this is not the final chapter in the story.

16:33

Jim Hume (South Scotland) (LD): I start by declaring a farming interest and by noting that I

am a past director of the NFUS. I therefore welcome the chance to speak in the debate.

Much has been said about encouraging new entrants and young people into farming. It is clear from evidence, and it is my experience, that we need a vibrant tenancy market to give access to the limited supply of farming land. As is often said, they are just not making land anymore. New entrants to farming would find it very difficult to find the capital to buy land, so the only real gateway into agriculture is via land that is let.

The bill goes a small but significant way towards addressing some anomalies, and I hope that, through the work of the tenant farming forum, we will go a long way towards addressing the question of the trust that needs to be injected back into the letting market. Indeed, as Rob Gibson said, from 2005 to 2011 there was a 10 per cent drop in the number of holdings. That was due perhaps to holdings getting bigger or perhaps to more landlords taking more land in hand to manage, and therein lies one problem—as we found out in committee, we are data deficient. It would be good if the minister addressed that point.

The trust that I am talking about is addressed in section 1. It extends the rights of succession, which will now cover surviving spouse, civil partner, child or grandchild. An issue that was much debated was who else rights of succession could be extended to—for example, could they be extended to the father or a cousin of a deceased tenant? The relevant provision had been agreed on by the tenant farming forum, with the Scottish Tenant Farmers Association, the NFUS and Scottish Land & Estates agreeing that it was the way forward. Therefore, I think that it was wise, for the sake of maintaining trust and because of the willingness that existed to address other issues in Scottish land tenancies, to move ahead on the basis of the TFF's agreed recommendation.

The committee agreed that the Government should look at further extending succession rights in the future. I agree that that should be done, but it is essential that we bring the whole industry—which includes landlords, tenants and potential future tenants—with us on the issue.

As an aside, I believe that some remarks that have been made on an absolute right to buy have not been helpful, and I would welcome an assurance from the cabinet secretary on the matter when he sums up.

The position of the committee on section 3, on VAT, was fully consensual.

In committee, I found it surprising that upward-only rent reviews and landlord-only rent reviews existed, but I was assured that they were not common. Nevertheless, I welcome the bill's tidying up of the existing legislation.

Transitional provisions have been a matter of concern. Unfortunately, there will be winners and losers, as always happens when a change in the law is made, depending on which side of the set dates someone falls. There was a willingness to look at retrospective legislation, but it was clear from legal advice that that could create legal difficulties. The Government's amendment to section 4 has gone a little way towards addressing that within the existing legal framework.

Although the bill is small, it is extremely important. It has been designed to tidy up existing legislation, and I hope that it goes a long way towards developing trust in the letting market in Scotland, which, as I mentioned, is much needed. There is still work to be done—I am committed to helping with that process—if we are to see a vibrant letting market that will benefit tenants and those who wish to enter the farming industry, which is the backbone of rural Scotland.

We support the bill and we support further work on tenancies. We should recognise the hard work of everyone who is involved in the TFF, and we should wish it well with the rent review group that it announced this morning.

The Deputy Presiding Officer: We come to the closing speeches. I remind the chamber that members who have participated in a debate should be in the chamber for the closing speeches.

16:37

Alex Fergusson: I am not sure that I am capable of making my closing speech, because I am still in shock at Annabelle Ewing's making an entirely consensual speech. That is a wonderful landmark for the chamber, and I encourage her to follow up on it in the future. I hope that she and I are in as much agreement the next time we discuss agricultural holdings as we are this afternoon.

Annabelle Ewing: All that I can suggest is that perhaps the member has not been in the chamber often enough when I have spoken in the past.

Alex Fergusson: I am delighted to hear that it is not a first.

Having listened carefully to the content of the debate, I seek to remember that we are debating the Agricultural Holdings (Amendment) (Scotland) Bill, the purpose of which is to do exactly what it says on the tin—to amend the Agricultural Holdings (Scotland) Act 1991.

It is worth noting, as the cabinet secretary and Rob Gibson have done, that the bill would not have come before us at all if it had been possible for the tenant farming forum's agreed proposals to be dealt with in their entirety through secondary

legislation. Most of them were but, for the legal reasons that we now know about, the changes to the definition of “near relative” and to the provisions relating to rent review required primary legislation. In addition, the opportunity was taken—very sensibly, in my view—to introduce a third technical change, to ensure that a VAT change should not count as a variation of rent.

The Scottish Conservatives welcome the bill, as I made clear in my opening speech, when I also made plain my reservations about its retrospective element, on which I guess that we will simply not agree. I hear what Annabelle Ewing said, and I very much respect her views as a member of the legal profession, but I must hold firm to the view that there is a strong argument to be made that the whole bill is retrospective in nature.

When the bill is enacted it will change the contractual terms that were agreed between two parties when they entered into a lease agreement at some point in the past—full stop. I am sorry but if that is not retrospective, I do not know what is. No matter—as I said, I do not seek to oppose the bill. I fully accept on this occasion that it will impact on only a very few people. For that reason, I am more than content not to seek to oppose it, just as I was at stage 2. However, I repeat my reservation that, in principle, retrospective legislation—no matter how it is dressed up—can undermine confidence in any sector and so should be avoided whenever possible.

Other than that, the bill is eminently sensible. I repeat my commendation of those who might have wanted to broaden its impact but chose not to do so at this stage. I hope that that is the message that, with the passing of the bill, will go out to all sides in the debate. I think that Annabelle Ewing referred to that in her speech. Our message should be: “Keep working together and keep making progress together, and the Parliament will fully support your endeavours.”

Much of the debate has been about what remains to be done to address outstanding issues. I argue that that is a debate for the future, although given some of the comments that have been made this afternoon, I foresee a rather more robust debate next time around.

I end by again following the example of my colleague Jamie McGrigor, so I will quote myself when I wound up in the stage 1 debate, when I finished by saying:

“The way to success is surely through agreement in and through the tenant farming forum. Anything that is imposed from outside, be it by Government, by Parliament, by committee or by any other body, will simply extend the current difficult situation. Frankly, that would do nobody any good at all.”—[*Official Report*, 28 March 2012; c 7787.]

At this stage, I very much welcome the bill.

16:41

Claire Baker (Mid Scotland and Fife) (Lab): I am pleased to be giving a closing speech in this debate.

As members have highlighted, the Agriculture Holdings (Amendment) (Scotland) Bill is a slim piece of legislation. The Scottish Government responded to concerns that were expressed at stage 2 about the transitional arrangements, so the bill has had a smooth passage this afternoon.

The committee’s stage 1 report included calls for the bill to go further on the definition of “near relative”. In evidence to the committee, the STFA told us that part of the response to concerns about an ageing farming population and the need to encourage and support new entrants could be the extension of who qualifies as a near relative. However, the debate took place against a complex background so that, on balance, it seemed better to consider the broader issues in more detail and more comprehensively. In pursuing that route we need to be confident that there will be solutions, that the partners, regardless of their wealth or status, will be treated equally and that we will achieve an improved set of circumstances for tenant farmers. I thought that Graeme Dey gave an insightful analysis of the relationships involved.

There is broad agreement that a vibrant tenant sector is key to the future of farming if it is to survive as an industry. Although we can point to good examples, greater clarity is required on some issues. I understand those who say that their relationship is fine and that they just need to be left to get on with it. However, as the STFA proposal on near relatives highlighted, we need to think about future generations and their opportunities, which can best be achieved by a tenant farming sector that meets modern expectations. Certainly, wherever there is best practice, we need to learn from it. As new entrants struggle to find farming tenancies, it is more important than ever that we encourage collaboration between landowners and prospective and existing tenants from a basis that is fair to all parties.

It was clear from the evidence that the committee took and from my discussions with stakeholders that the bill is fine as far as it goes, but that there are many more issues that need to be addressed. That has been reflected in the debate, in which many members, including Margaret McDougall, have highlighted the pressures that farmers in their regions have explained to them. That is not to fail to recognise that there are many long-standing, stable, positive relationships between tenants and landowners, but even within such relationships there is often a need for greater transparency and clarity, particularly in light of recent court cases.

Last November, the NFUS held a briefing for MSPs in which many of the issues that members have highlighted were discussed. Since then, greater pressure has been applied by the outcome of the Moonzie case, which has led to uncertainty over rent reviews. The decision left the sector feeling vulnerable.

Along with other members, I welcome the cabinet secretary's announcement today on the membership of the independent expert working group on rent reviews. It is heartening that the tenant farming forum is, as a wide group, showing willingness to deal with the problem, and that it is supporting the four members of the group. We cannot underestimate the challenge that the group faces in exploring the determining factors of a rent review, and it will do that against a backdrop of a legal decision that has moved the goal posts.

There is a pressing need to provide clarity and stability to the process, as it can be ill-defined and can lead to disputes, which ultimately sour relationships and make tenancies untenable. The group is dealing with complex problems and it is working to tight timescales. I wish it well in its work and I look forward to the outcome with interest.

Members have highlighted a number of other areas that the tenant farming forum is proceeding with as an agreed set of priorities. Annabelle Ewing highlighted the call for an arbitration system. Although the Scottish Land Court plays a valuable role, there is a need for a simpler, cheaper option that offers dispute resolution. The issue is about building and increasing trust in the system.

The forum will also look at the practicalities of a code of practice. That will address some of the issues that Graeme Pearson raised. Many landowners employ an agent to act on their behalf when dealing with tenants. That is an example of the shifting nature of tenant and landowner relationships—they are moving away from the more personal towards the increasingly professional. In that context, there is an argument that a robust code of practice is needed. The code could include the period of a rent review and what it would cover, which would cross over with some of the work that is being undertaken by the expert group.

A few members raised the issue of waygo compensation. That is often an area of dispute and the uncertainty about what will be recognised leads to a reluctance to invest, which, ultimately, is not good for the tenant or the landlord. There needs to be greater transparency and a better understanding of expectations in relation to how decisions will be made on apportioning assets that may have deteriorated, or assets that may have improved the tenancy.

As Claudia Beamish highlighted at stage 1, we also received representation from RSPB Scotland on its proposals for conservation tenancies. Such tenancies could help it to let more land and overcome some of the obstacles that it and other non-governmental organisations face in trying to let land. The cabinet secretary may want to respond to those points in his closing speech.

It is crucial that we promote an environment that supports long-term letting and gives confidence to the sector. As Rob Gibson highlighted, the current situation is leading to reports of increasingly short-term letting due to uncertainty. That can only mean less investment in farming by tenants and landlords, which will lead to less productivity in and less security for the Scottish farming sector.

The bill will make a small contribution towards resolving those issues, but, in some ways, it has been overtaken by events. The work of the independent expert working group and the tenant farming forum is crucial in pointing to the way forward, but over the next few months we cannot underestimate the challenging questions that there will be for the forum and its partners to answer, nor the complexity of the Parliament's response. Today's work may be finished, but we still have a task ahead of us.

The Deputy Presiding Officer: I call Richard Lochhead to wind up the debate. You have until 5 o'clock, cabinet secretary.

16:48

Richard Lochhead: Thank you very much, Presiding Officer—you are very generous.

It has been an honour to pilot bills through Parliament previously, but this is the first stage 3 debate in which I have had no amendments to deal with. In that regard, it has been an unusual day. However, I expect that one of the reasons why there have not been stage 3 amendments is—as has been acknowledged by many members—the complexity and sensitivity of some of the issues that we are discussing. I have certainly discovered that this particular aspect of my portfolio is a very difficult one to deal with.

We are dealing with many different circumstances right across the tenancy sector in Scotland, and what may appear to be solutions to some of the genuine struggles, difficulties and challenges in some sectors of tenant farming can cause other problems for other parts of the same sector. I therefore welcome the fact that all parties have recognised the clear challenges. I think that we all have, ultimately, the same objective, which is to create a healthy tenanted sector that offers protection to tenants and security of tenure, while acknowledging that there are two contracting parties in every commercial agreement. However,

because we are dealing with land there are extra challenges and sensitivities, and we have to be wary of where the power lies in that relationship, which is why so much regulation applies to tenant farming and agricultural holdings.

We have to recognise that not all landowners in Scotland are as benign and cuddly as Alex Fergusson claims to be; we have a number of unscrupulous and immoral landlords. We are not saying that all landlords are unscrupulous and immoral, but we need legislation that copes with extreme circumstances if we are to prevent a very empowered but unbalanced relationship in tenancy arrangements in some parts of Scotland. We all know from harrowing cases that our constituents have brought to us—I say this as an MSP who has had to deal with a number of such cases, as, I am sure, many other members have—that there are extreme cases in Scotland.

Unfortunately, some landowners do not see their role as being to ensure that their land is producing food or to ensure that there is environmental protection to safeguard biodiversity, and nor do they see that they have a role in relation to the people who live on their land. They do not go out of their way to attract new blood into agriculture. As Mr Pearson and many other members said, it is a national interest; we must attract people into agriculture in order to secure the nation's future. There are people out there who are not doing that and who could do a lot more. It is important to recognise that.

I am proud that the Government has taken the issue seriously. Since 2007, we have, of course, recognised that to attract new entrants into agriculture, there must be access to land. We were, for example, the first Administration to introduce a dedicated new entrant scheme to help people to deal with some of the challenges that new entrants face. Some 65 new entrants have benefited from support to the tune of over £1 million that has been available under the SRDP.

The Administration tasked the tenant farming forum with identifying the barriers to entry, and asked it to propose solutions to help new blood to get into agriculture. In the previous session, we legislated on five of the TFF's recommendations; today, of course, we are legislating on the remainder of them. That means that we have acted on all the recommendations for required legislation that the TFF brought forward two or three years ago.

We have done more, of course: we have worked with the Forestry Commission Scotland to create new tenancies. That initiative has been very successful, and I am looking forward to handing over the keys, so to speak, to new tenants in a couple of weeks. A number of people from right

across Scotland applied for the few tenancies that were available. Therefore, there is demand out there, and we have to investigate new opportunities.

I am interested in how the RSPB and other large landowners in Scotland can create new tenancies, whether they are conservation tenancies, which Claudia Beamish mentioned, or other tenancies. I am happy to investigate what we can do to support the NGOs and other landowners in going down that road.

We have also introduced new advisory services and higher rates of support for new entrants who apply to take part in some existing schemes elsewhere in the rural development programme, and we will, of course, do much more. We will establish a new entrants panel, host a new entrants summit and work with the TFF on its workstream, which will address dispute resolution, waygo compensation and other issues that many members have addressed. We gave a commitment in our manifesto to review all agricultural holdings legislation within 18 months of the bill's being passed.

We must recognise that the number of tenancies in Scotland is in decline, but that is a common problem throughout these islands and, indeed, throughout the whole of Europe. The problem is not Scotland specific, but we must find Scottish solutions to some of the challenges that we face.

On the scale of the challenge, I think that I inadvertently said in my opening remarks that the European commissioner said that 17 per cent of farmers in Europe are under the age of 35. I should have said 7 per cent. That shows the scale of the problem that we face right across Europe in attracting a new generation of farmers to be active in our respective countries.

The debate has demonstrated, as previous parliamentary consideration of the bill did, that the issue is only one part of a much bigger jigsaw. More work will need to be undertaken if we are to make progress on the journey for Scotland to have a vibrant tenant farming sector. Nevertheless, the bill's successful passage through Parliament demonstrates that we are making progress. There is widespread recognition that it is in everybody's interests that tenant farmers and their landlords succeed.

I enjoyed working on the bill with the parliamentary committee at stages 1 and 2 and am grateful for its smooth transition through stage 3. I also thank my officials. The bill is short, but, given its complexities, the mental challenge that is involved with it is equivalent to that for a much larger bill.

We all know that, on its own, the bill will not change the world, but it is part of a bigger picture that will enable the Scottish tenant farming sector to become more sustainable, progressive and fit for the future. The passage of the bill lays the foundations on which we can build a new future. We can then move on to tackle other issues that could stand in the way of our securing a vibrant tenant farming sector: many members have highlighted such issues. We all know what they are and they have been rehearsed in the chamber today and in recent months and years.

Rent reviews are a crucial area, as are repair or replacement of equipment, investment holdings, waygo, diversification, assignation, and succession. There is no doubt that they are tricky issues, but I am confident that the planned workstreams will deliver on time and will feed into the future review of agricultural holdings legislation that we have committed to in our manifesto.

I take this opportunity to thank the members of the TFF and the other stakeholders for the interest that they have shown in helping us to get the bill through the parliamentary stages. Everyone is in a better place as a result, and it allows us to draw a line in the sand and move on to deal with other issues.

As I have said, the bill is part of a bigger picture of supporting the future of Scottish agriculture. Scotland has been shaped by agriculture for centuries. We owe the vibrancy of our rural communities, the unparalleled beauty of our landscapes, the food that is on our plates and the wildlife that is in our countryside to our farmers. For centuries, tenant farming has played an irreplaceable role in that rich farming tapestry.

To be a farmer today, a person needs many things. They need access to capital. Unless someone is lucky enough to be a millionaire, that probably means access to a combination of loans and Government support. They need to have the right training and skills for their chosen enterprise, whether it be traditional shepherding in the hills or high-tech precision farming with the most modern equipment. They need to have a policy framework that puts them on a level playing field with all other farmers. That has been a hard thing to deliver recently. However, progress is finally being made with the CAP negotiations that are now in full swing in Brussels. I have said time and again that a big priority for Scotland is to stop basing support today for what people are doing on what they were doing 10 years ago when new entrants or active people might not get any support whatever. We must move on from that system to a better system that rewards active farmers and new entrants.

A farmer needs to have the business acumen to succeed in an increasingly competitive commercial environment. They also need the determination

and grit to make a go of it against the odds in one of the toughest jobs anywhere in the world.

The most fundamental need for a farmer is access to land. Land is, quite simply, the key to the entire farming sector. It always has been and, no doubt, it always will be. That is why tenant farming legislation is not some obscure backwater legislation; it is crucial to the farming industry today and it will be in the future. It is the key to the door of an entire sector of our nation's economy. Tenant farmers represent one third of the farming sector and tenant farming allows thousands of families to play their part in rural life. It is the glue that holds rural Scotland together, and I am glad to be able to say that Parliament can be proud of the role that it has played during the past few years to support such a vital sector and Scottish institution.

We all appreciate that regulating arrangements between individuals or businesses is fraught with difficulty, as we have discussed today, but the stakeholders, meeting as the tenant farming forum, have found much consensus. The Government, working with the TFF, has found ways of implementing its recommendations, and Parliament has played its part by putting together a modern legislative framework for the 21st century. I therefore ask Parliament to join me in thanking the TFF for all that has been achieved so far and I urge the TFF to spare no effort in addressing, in the coming months, the issues I mentioned earlier.

Scottish agriculture is at the heart of our nation and tenant farming is at the heart of agriculture. I ask all members to value our land, our countryside and our way of life, and to join me in helping tenant farming towards a brighter future. With the bill, we can pass an important milestone on that important journey. I commend the bill to Parliament.

The Presiding Officer (Tricia Marwick):

Before we come to decision time, I remind members that we have the business in the Parliament event tonight. I look forward to welcoming as many MSPs as possible to the event tonight, which promises to be a fantastic dinner. I have just seen the garden lobby and it is looking absolutely spectacular.

We then have the business in the Parliament conference tomorrow, and I look forward to welcoming as many members to that as wish to take part.

That concludes our consideration of the Agricultural Holdings (Amendment) (Scotland) Bill.

Point of Order

16:59

Liam McArthur (Orkney Islands) (LD): On a point of order, Presiding Officer.

This point of order is further to Sandra White's point of order at the end of this morning's debate on common fisheries policy reforms. As you will be aware, she insisted that it was unreasonable for me to raise a question with the cabinet secretary during his winding-up speech and asserted that I had arrived only towards the tail end of the debate. That was a bold claim from someone who had not been present herself at the debate. It was also, as your deputy, the cabinet secretary and the dozen or so MSPs who spoke in the debate will testify, a false claim.

Scottish National Party members might feel that my question to the fisheries secretary was not "the right question", but they cannot claim that I did not have every right to ask it. Can you advise Parliament of the opportunities that are open to Sandra White to remedy her inadvertent misleading of Parliament?

The Presiding Officer (Tricia Marwick): I note the member's point. It is, of course, not a point of order, but he has made sure that it has been entered into the record.

Decision Time

17:00

The Presiding Officer (Tricia Marwick): There are four questions to be put as a result of today's business. The first question is, that amendment S4M-03163.2, in the name of Claire Baker, which seeks to amend motion S4M-3163, in the name of Richard Lochhead, on the reform of the common fisheries policy, be agreed to.

Amendment agreed to.

The Presiding Officer: The next question is, that amendment S4M-03163.1, in the name of Jamie McGrigor, which seeks to amend motion S4M-03163, in the name of Richard Lochhead, on the reform of the common fisheries policy, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Gavin (Lothian) (Con)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Carlaw, Jackson (West Scotland) (Con)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)

Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Goldie, Annabel (West Scotland) (Con)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hume, Jim (South Scotland) (LD)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Keir, Colin (Edinburgh Western) (SNP)
 Kelly, James (Rutherglen) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDonald, Mark (North East Scotland) (SNP)
 McDougall, Margaret (West Scotland) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McLetchie, David (Lothian) (Con)
 McMahan, Michael (Uddingston and Bellshill) (Lab)
 McMillan, Stuart (West Scotland) (SNP)
 McTaggart, Anne (Glasgow) (Lab)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Against

Harvie, Patrick (Glasgow) (Green)
 Johnstone, Alison (Lothian) (Green)
 MacDonald, Margo (Lothian) (Ind)

The Presiding Officer: The result of the division is: For 111, Against 3, Abstentions 0.

Amendment agreed to.

The Presiding Officer: The next question is, that motion S4M-03163, in the name of Richard Lochhead, on the reform of the common fisheries policy, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Gavin (Lothian) (Con)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Carlaw, Jackson (West Scotland) (Con)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Goldie, Annabel (West Scotland) (Con)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hume, Jim (South Scotland) (LD)

Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Keir, Colin (Edinburgh Western) (SNP)
 Kelly, James (Rutherglen) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDonald, Mark (North East Scotland) (SNP)
 McDougall, Margaret (West Scotland) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McLetchie, David (Lothian) (Con)
 McMahan, Michael (Uddingston and Bellshill) (Lab)
 McMillan, Stuart (West Scotland) (SNP)
 McTaggart, Anne (Glasgow) (Lab)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Against

Harvie, Patrick (Glasgow) (Green)
 Johnstone, Alison (Lothian) (Green)

The Presiding Officer: The result of the division is: For 109, Against 2, Abstentions 0.

Motion, as amended, agreed to,

That the Parliament calls for the current European negotiations to deliver radical reform of the failed Common

Fisheries Policy to provide genuine decentralisation of decision making that empowers fishing nations and stakeholders to work together, including on a regional basis, to promote fisheries conservation, while recognising the enormous efforts that the Scottish fishing fleet has already made in complying with conservation measures to tackle discards and safeguard Scotland's historic fishing rights for the benefit of its fishing communities, seafood sectors and wider marine environment, and, in recognising the role that the Cabinet Secretary for Rural Affairs and the Environment has as part of the UK delegation to the Council of Ministers, urges the Scottish Government to work closely with the UK Government to ensure that the long-term interests of the Scottish fishing and aquaculture industries and Scotland's marine environment are at the centre of the discussions at the council.

The Presiding Officer: The next question is, that motion S4M-03153, in the name of Richard Lochhead, on the Agricultural Holdings—*[Interruption.]* Whoever has their phone on—Ms Grahame—could you please switch it off?

The next question is, that motion S4M-03153, in the name of Richard Lochhead, on the Agricultural Holdings (Amendment) (Scotland) Bill, be agreed to.

Motion agreed to,

That the Parliament agrees that the Agricultural Holdings (Amendment) (Scotland) Bill be passed.

Death Penalty in India

The Deputy Presiding Officer (John Scott):

The final item of business is a members' business debate on motion S4M-02598, in the name of John Mason, on the death penalty in India. The debate will be concluded without any question being put.

Motion debated,

That the Parliament notes the recent rally that was held in Edinburgh by members of the Sikh community from Shettleston and across Scotland to express their opposition to the reintroduction of the death penalty in India; understands that, as a result of the Indian Government's decision, a death sentence has been imposed on Balwant Singh Rajoana, who has been in prison since 2007, when he was sentenced to 17 years; understands, however, that, following a mercy petition to the President of India, the death sentence on Balwant Singh Rajoana has been postponed; notes the calls for the Indian Government not to proceed with the death penalty for Balwant Singh Rajoana or any other prisoners, and believes that capital punishment is fundamentally wrong and has no place in the twenty-first century.

17:05

John Mason (Glasgow Shettleston) (SNP):

I thank the Presiding Officer for the opportunity to have this debate. The subject is the death penalty in India and, specifically, the sentence on Balwant Singh Rajoana. At the outset, I make a clear distinction. Violence and other criminal activity is not acceptable and I in no way condone it. However, there is a separate question as to what sentences are acceptable in a civilised country. I will argue this evening that the death penalty is not acceptable whatever the crime.

I clarify that I am not in any way singling out India concerning the subject. I and others would be equally critical of the United States or China. India is a sovereign country and has the right to make her own decisions. I have visited India only briefly, but what I saw hugely impressed me. I lived in neighbouring Nepal for some years, and I think that we in the west have much to learn from south Asia, not least about how family members look after one another and the fact that having older relatives is seen as a privilege and not as a burden.

We do not in any way try to speak down to India, which can sometimes be a criticism of countries such as ours with a sad imperial past. India has a much longer and more impressive history than ours. Instead, we want to appeal to India, almost as a younger brother, to consider this particular outcome of its legal system.

We focus not just on a particular country, but on a particular individual who has been sentenced to death. Balwant Singh Rajoana is a Sikh—that is, a member of a minority community in India. In 1995,

he is said to have witnessed the mass murder of many Sikhs ordered by the Chief Minister of Punjab, Beant Singh. In 2007, Balwant Singh was convicted for the assassination in 1995 of that same Chief Minister Beant Singh.

I am not here to condone revenge, although that is a reaction that many of us might have under such circumstances, but I am here to question the use of the death penalty, which only continues the cycle of violence and revenge rather than seeking to break it. Sikhs themselves oppose the use of the death penalty, and I understand that the family of Beant Singh would not oppose a pardon.

At this stage, I thank members from various parties for supporting my motion, which helped to secure this evening's debate. I also thank Scotland's Sikh community, some of whom are present in the public gallery, for highlighting the issue, especially by demonstrating outside the Parliament in March.

Scotland and Britain have carried out many barbaric acts over the years and the death penalty was finally abolished here only in 1998, although it ceased to be available for murder in 1965. We are not innocents, but that is not an excuse for us to say nothing on the issue. Other countries can rightly criticise Scotland when we get things wrong, and we have the right to comment on other countries' practices. We all gain from being in the family of nations and from mutual constructive criticism.

One of my hopes for Scotland, whether within the United Kingdom or not, is that we have a strong record in standing up for human rights. I hope that we can agree on that point tonight.

I pay tribute to Amnesty International for its briefing for this evening's debate, and, more important, for its tireless campaigning against the death penalty and all other human rights abuses. In its briefing, Amnesty points out that, across the world, most countries are moving away from the death penalty. When Amnesty started campaigning against it in 1977, only 16 countries had abolished it, but today 141 countries are abolitionist in law or in practice.

China, Iran, North Korea, Yemen and the United States carried out the most executions in 2011. Excluding China, which is believed to have carried out more than the rest of the world put together, there were 676 known executions worldwide, up from 527 in 2010.

There are many reasons for not having the death penalty. I expect that members will mention a variety of those, but I will highlight a few. All judicial systems make mistakes at times, but the death penalty is irrevocable. Members of minority communities tend to be the victims of the death penalty more than others. Poorer people and

those with mental health problems are also often sufferers—we know that such groups often populate our prisons in this country. Furthermore, the death penalty has not proved to be a deterrent to violence in this or other countries. I believe that as members of a civilised society we should rise above what has been done to us and should even treat criminals with mercy, while not undermining justice.

To focus again on India, for seven successive years no executions have taken place. However, in 2011, 110 people were sentenced to death and mercy petitions to the president have been rejected. There is a fear that the death penalty could be reintroduced.

Apart from anything else, a prolonged stay on death row has to be considered a form of torture. The world's longest-serving death-row inmate is believed to be Japanese. He has been there for 44 years and suffers from a mental illness as a result. How can that be right?

On 2 April I wrote to the Foreign Secretary, William Hague, to ask about the United Kingdom Government's position on the death penalty, both in India and across the rest of the world. I received a response from Jeremy Browne MP, who is a minister of state in the Foreign and Commonwealth Office, dated 3 May. I thought that it was a reasonable response. He detailed the work that the UK Government has done on the matter, specifically raising the case of Balwant Singh Rajoana and the wider issue of the death penalty in India. The UK Government has raised the matter both bilaterally with India and through the European Union. Among the other things that he says in his letter, he states:

"It is the longstanding policy of successive British Governments to strongly oppose the death penalty in all circumstances as a matter of principle. We regularly make our position clear to the Indian Government".

I welcome that.

Turning to home, I ask the Cabinet Secretary for Culture and External Affairs whether any representations have been or can be made by the Scottish Government in respect of this case or more generally about India's plans to perhaps reintroduce capital punishment. Perhaps she can clarify the Scottish Government's policy on engaging with India.

I invite the cabinet secretary to put on the public record the Scottish Government's opposition to the death penalty. Will she also make representations to the Foreign Office on behalf of this Parliament?

Wrongly imprisoning someone is one thing, as they can potentially be released and compensated, but ending their life is final: there is no going back. I conclude by quoting Desmond Tutu. He said:

"To take a life when a life has been lost is revenge, it is not justice."

17:13

Humza Yousaf (Glasgow) (SNP): I thank John Mason for securing the debate. I welcome and say Sat Sri Akal to our delegation of activists from the Sikh community, who are—colourfully—in the public gallery.

Along with John Mason, John Finnie, Sandra White and Bill Kidd, I had the pleasure of addressing more than 200 members of the Sikh community who recently came to the Parliament to protest against India's use of the death penalty. We promised to highlight the issue in the Parliament, and I thank John Mason for helping us to keep our word.

The fundamental issue is what kind of society and, ultimately, what kind of world we want to live in. I do not blame the victims or the families of victims of heinous crimes who wish to see the perpetrator face the harshest of punishment and, often, direct retribution for ending a life. I thank God that I have never found myself in such a situation, but I imagine that I, too, would struggle to feel anything other than the thirst for revenge if anything was ever done to a loved one of mine. However, our humanity is most often put to the test in difficult circumstances. At times it is easier to react with anger and emotion than it is to take a step back and think rationally about the wider implications of our actions.

India is the world's largest democracy and its third largest economy; it is an emerging world superpower. It is therefore troubling that it is resorting to the use of the death penalty. I echo John Mason's point that we in the west have no particular moral high ground. Many perceive double standards from countries such as the UK when we continually lecture eastern countries on human rights and the use of the death penalty in particular, but our leaders remain silent on that when they travel to the United States, where 33 states still have the death penalty and which is the only country in the G8 to have it.

I will make a couple of points about why the death penalty should be abolished in India. Wherever capital punishment is practised in the world, it is used disproportionately against the poorest in society and against minorities. In Pakistan, Christians are mostly on the receiving end; in Saudi Arabia, the market trader is infinitely more likely to face the death penalty than is one of the hundreds of Saudi princes for committing the same crime. The disproportionality in the use of the death penalty is stark.

The death penalty cannot be undone. By most accounts, the UK's legal system is robust, but we

often have miscarriages of justice—just think of the Guildford four or the Birmingham six. At worst, we restrict somebody's liberty wrongly, which is of course still unacceptable. If a court overturns a decision, we can restore an individual's freedom. However, we cannot bring people back from the dead. That is why the death penalty is such a dangerous punishment mechanism.

In March, Amnesty International published its annual report on the death penalty, which showed that only 21 of the 198 countries in the world carry out executions. That figure has dropped by more than a third in the past decade. If India—an emerging world superpower—abandoned its use of this cruel and inhumane punishment, that would send out an incredibly powerful message. India could then use economic leverage to softly persuade countries that rely on it for support to reconsider their positions on capital punishment.

I stand shoulder to shoulder with those who pursue human rights as vigorously and passionately as our Sikh community and our gurdwaras do in Glasgow. Perhaps Mahatma Gandhi put it best when he said that an eye for an eye will make the whole world go blind. I sincerely hope that the Indian Government sees with clear vision and makes the brave decision to abandon the death penalty.

17:17

Hanzala Malik (Glasgow) (Lab): I, too, thank John Mason for bringing the debate to the chamber. He spoke eloquently about the plight of people around the world and not just in India.

Balwant Singh Rajoana's case is not a single issue; a big issue is involved. India is surrounded by hostile countries—Pakistan, China, Burma and others—and there are huge pressures on its security and wellbeing. Since gaining its freedom and independence, India has struggled to secure its borders. I understand the challenges that the Indian authorities face but, unfortunately, I cannot agree with them on the death penalty.

As far as I am concerned, taking a life is not an option. There are huge issues in communities. As a child, I saw a film with a story about a father and husband who was found guilty of a crime. He was given a death sentence and, after he passed away, the truth that he was innocent came out. That has stayed in my mind since childhood, when I realised for the first time that, if such a sentence is given wrongly, it cannot be fixed. Once a life has been taken, it cannot be brought back, as Humza Yousaf was right to say.

Such issues are very important. Democracies around the world have a huge challenge. They have the challenge of ensuring their citizens' wellbeing and securing their borders, but they

must also show compassion and show that they are above what others do. That is important.

I see much indifference in countries around the world and I see the hypocrisy of some laws that are out there. I cannot justify people resorting to taking lives. That is why I wrote to the President of India. India is the largest democracy in the world, and a big brother—I do not call it a small brother, but a big brother. It is full of history and tradition, and it is rich and diverse.

I have had the privilege and the pleasure of travelling in India, and I am nothing but impressed by what I see there. I had the opportunity to visit the Golden temple before and after its storming, and to visit other parts of India. I have always come back enriched by and impressed with what India has to offer its people. I request the Indian Government to consider removing the death penalty from its statutes, as that is important and fundamental.

The Sikh community in Scotland, in the UK and around the world is fighting for not only one individual, but a just cause, which is that we should not be taking life. I wish the community Sat Sri Akal for joining us in the public gallery today. It is always a pleasure to work with the community, which has done a lot for Scotland and for the United Kingdom, and it is right that the community looks to the Parliament to support it in its hour of need.

I reiterate that I would welcome the Indian Government's decision to withdraw the death penalty for all its citizens, and I wish the community luck with that.

17:21

Fiona McLeod (Strathkelvin and Bearsden) (SNP): I thank John Mason for bringing this incredibly important debate to the chamber tonight. I also thank Glasgow gurdwara and Amnesty International for the briefings that they sent us.

I was pleased, as many members were, to meet the delegation from the Glasgow Sikh community that came here in March. The motion reminds me how important the stance of the community is, and how important it is to me personally.

The last line of the motion states:

“capital punishment is fundamentally wrong and has no place in the twenty-first century.”

I think that all of us in the chamber would echo that sentiment.

I understand from my reading that Sikh teaching does not encourage retribution or retaliation, which is a philosophy that I would recommend to one and all. That philosophy is very apparent in the

case of Balwant Singh Rajoana, and we should view it in exactly that way. Amnesty International opposes the death penalty in all cases without exception—a category that includes the Rajoana case—and that is a sentiment that I utterly endorse and echo.

Why do so many of us oppose the death penalty? Article 3 of the United Nations Universal Declaration of Human Rights states that we have “the right to life”—it is as fundamental as that.

As many members will know, I like to quote the evidence when I am making a speech, and the evidence is that capital punishment does not deter crime. That was clearly shown in surveys that were carried out in the US in 1998 and 1996. A more recent survey, from 2010, stated:

“the average Murder Rate of Death Penalty States was 4.6, while the average Murder Rate of States without the Death Penalty was 2.9”.

Could the evidence be clearer than that?

Many members have referred to the fact that the death penalty cannot be reversed. If there is a miscarriage of justice, there is no opportunity to roll that back.

The death penalty is a harsh punishment, but it is not harsh on crime. It brutalises society, and it legitimises state violence. I hope that this debate in the Scottish Parliament will convince the Indian Government to join the 96 states around the world that have abolished capital punishment.

17:24

Patricia Ferguson (Glasgow Maryhill and Springburn) (Lab): I apologise to Fiona McLeod—I had a lectern malfunction, and I am sorry if the noise interrupted her speech.

I congratulate John Mason on bringing this debate to the Parliament, and I thank the many constituents who took the time to contact me on this important issue.

I grew up in the 1960s and 1970s, so I am only too aware that our country abolished the death penalty relatively recently. The last hanging in Scotland took place in Aberdeen in 1963, and the last hanging in the UK was in 1964. By then, public opinion had begun to demonstrate concern about the use of the death penalty, not least because of cases such as that of Derek Bentley, the teenager who was convicted in very unsatisfactory circumstances of killing a policeman.

The Murder (Abolition of Death Penalty) Act 1965 suspended the use of the death penalty for five years. However, before the end of the moratorium, in 1969, Parliament—in a move that was controversial to some and much welcomed by

others—abolished hanging as a punishment for murder. It is worth noting, as members said, that the death penalty was retained for crimes such as treason and piracy with violence until the signing of the sixth protocol of the European convention on human rights in 1999.

My opposition to the death penalty is one of principle. I do not believe that we have the right to take away someone's life. However, I am also acutely aware that, on a practical basis, the death penalty just does not work. It is not a deterrent, as Fiona McLeod demonstrated, and it sullies us all. We know of many cases in which it seems clear that people were killed for crimes that they did not commit. Equally worrying is that, if the death penalty had continued to be an instrument of the justice system after 1969, others who were wrongly convicted, such as the Birmingham six, might well have received the death sentence.

As John Mason correctly said, this debate is not an attack on India. India is a sovereign state and must make its own decisions, and it is welcome that in the past seven years no executions have taken place in India, as Amnesty International said, although 110 people were sentenced to death in 2011. It is notable, however, that the mercy petitions that were submitted in respect of five people have been rejected. Activists fear that those men, having exhausted the legal process that is available to them, are extremely vulnerable.

John Mason was right to highlight the physical and mental health issues that often arise for prisoners who are kept incarcerated with the threat of death hanging over them, sometimes for many years.

The motion highlights the case of Balwant Singh Rajoana, who was convicted of the assassination of the former Punjab chief minister, Beant Singh, and was due to be executed in March. Pressure from Sikhs around the world and from pressure groups such as Amnesty International has resulted in a reprieve for Balwant Singh, which is of course very welcome.

The message from tonight's debate is that the death penalty is not acceptable, wherever it is practised. I am grateful to John Mason for securing the debate. It seems to me that the death penalty, instead of being a deterrent, as its supporters claim that it is, is a signal from a Government that it considers life to be expendable. I am sure that no nation really wants to set such an example.

17:28

John Finnie (Highlands and Islands) (SNP): I congratulate John Mason and thank him for lodging this significant motion. This is Scotland's

Sikh community's Parliament and we must articulate and address the community's concerns.

I attended the rally outside the Parliament, which was colourful and vibrant. Animated speakers outlined fundamental principles regarding human rights and humanity, and I listened intently. Like other members, I have no doubt that pressure from the worldwide Sikh community has brought about the postponement of the death sentence for Bhai Balwant Singh Rajoana.

I am grateful to Amnesty International for its briefing—I should declare my membership of the organisation. I join Amnesty in congratulating the Sikh community in Scotland on its campaign work on India and the death penalty. I am also grateful to Glasgow gurdwara for its briefing.

It is evident that, in 1995, Bhai Balwant Singh Rajoana witnessed vile acts, which would shock any decent human. I was shocked by references to the systematic pattern of abuse against the Sikh community. Extrajudicial murders—the acts of the very people who are charged with protecting the community—undermine any society.

As we have heard, Amnesty opposes the death penalty for two fundamental reasons, articles 3 and 5 of the Universal Declaration of Human Rights—"the right to life" and the right not to be tortured or subjected to any "cruel, inhuman or degrading" punishment. Amnesty states:

"The death penalty is the ultimate cruel, inhuman and degrading punishment. It is irrevocable and can be inflicted on the innocent. It has never been shown to deter crime more effectively than other punishments."

As John Mason also mentioned, the effect on the mental wellbeing of someone who has been sentenced to death is significant—the experience of that Japanese gentleman is surely beyond our comprehension.

The briefings that we were given have some graphic detail and some alarming information about the execution process. I was taken by the following definition from Amnesty:

"An execution, like physical forms of torture, involves a deliberate assault on a prisoner. The only difference is that the assault is continued until a person is killed."

That is a telling explanation. In India, a number of executions have been suspended by courts to allow for the consideration of separate legal challenges on the delay in deciding mercy petitions, and the constitutionality of a prolonged stay on death row—that is important.

It is also important to understand the issue of revenge that Humza Yousaf mentioned. What is the purpose of punishment? Is it retribution? Is it to bring about reform? Certainly, as a child I was told that two wrongs do not make a right, which stands

me in good stead in my views on other matters, too.

The state of Georgia was referred to. We can talk in abstract terms about the death penalty, but linking it to an individual provides a graphic example. Many of us will recall the death last year of Troy Davis who, by any stretch of the imagination, was far from compellingly convicted—there were serious doubts about his guilt. That was one of the 676 executions that took place worldwide in 2011.

According to the Amnesty International 2012 annual report on human rights, which was released last Friday, India's growing influence in the world was marked by its election to the UN Security Council and the UN Human Rights Council.

I did some research—I hope that I got this right and certainly do not wish to offend if I got it wrong—and I understand that the Sikh turban symbolises discipline, integrity, humility and spirituality. I hope that India will think again, display discipline, integrity, humility and spirituality, and dispense with the barbarity of the death sentence.

17:32

Drew Smith (Glasgow) (Lab): I am grateful to speak in this debate, which has proved to be interesting and informative. I congratulate John Mason on securing the debate. In terms of the motions that Mr Mason brings before Parliament, he is probably one of the most interesting members we have in this parliamentary session. I congratulate him on raising a subject that is worthy of debate in this chamber.

The death penalty is never justified although—as others have said—it has existed in different parts of the world at different times. John Mason correctly outlined that point at the start of the debate. Patricia Ferguson spoke in a bit more detail about the history of the death penalty in Britain, which sobers us before we seek to lecture other parts of the world about how their judicial systems work.

In my view, judicial killing never represents a justified sentence in a fair legal process, for reasons that others have outlined: first, because it is an ineffective deterrent, and secondly because it is an action that cannot be overturned. Those two fundamental reasons go to the heart of why we should campaign against the death penalty wherever it remains. I add my voice to those who have congratulated Amnesty International and the campaigning that it has been involved in around the world, particularly on this issue, for about 30 years.

I do not think it is for countries such as ours—particularly with our history—to tell others what to do, but on this issue there is a role for Governments to put pressure on our friends around the world and to encourage them at every opportunity to respect human rights.

In taking part in this debate, I simply want to add my voice to the congratulations that have been extended to the Sikh community in Scotland on its campaigning on the issue. I am sorry that I was not able to be present when they staged their protest at Holyrood, but I know that other members—particularly Glasgow members—who spoke at that event were mindful of the importance that the Sikh community, especially the community in Glasgow, places on this case. When I visited the Nithsdale Road gurdwara on the south side last week, the issue's importance to the community was evident.

It is offensive that executions take place but, in my view, it is as offensive that the concept of death row should exist and that a death sentence can be passed even if an execution is not carried out.

I am sure that the minister will tell us that the Scottish Government raises the issue of human rights whenever it interacts with Governments around the world, and I hope that it continues to do so.

17:36

Sandra White (Glasgow Kelvin) (SNP): I congratulate John Mason on securing the debate. To my mind and, I believe, to everyone's mind the issue that we are debating is important, not only for those throughout the world who are interested in human rights, but for the many thousands of Sikhs who are fervently opposed to the death penalty—as was eloquently outlined by Fiona McLeod—and who face persecution and death in their thousands in India. That is reflected in the motion.

I agree with members who said that the death penalty is abhorrent in any country, but I will focus my remarks on the motion, which deals with the death penalty in India.

I record my thanks to the gurdwaras in Scotland, particularly in Glasgow, and to Charandeep Singh, for the absolutely fantastic work that they have done and the dedication that they have shown in bringing this injustice to the attention not only of MSPs and MPs but to many other groups. Without their lobbying and campaigning, many people would be unaware of what is happening in India today.

Humza Yousaf mentioned the meeting outside the Parliament in March, which I and others

attended. It just so happened that Sir Alan Haselhurst MP, who is on the executive committee of the Commonwealth Parliamentary Association, was visiting Parliament that day. I had a meeting with him and took a message to Charandeep Singh outside Parliament. I was able to hand Sir Alan a petition that had been handed to John Mason and me. I record my thanks to Sir Alan, who took the petition to the Foreign and Commonwealth Office, which led to further lobbying of the Indian Government. The Foreign and Commonwealth Office sent a thought-provoking letter to John Mason and me to say that it is vehemently against the death penalty and would have a meeting with the Indian high commissioner.

When we think of the variety of people who have been lobbying in Scotland and around the world on behalf of the Sikhs, and who have been making representations about what is happening in India, we must give thanks to the Sikh community for raising the matter with us.

As has been said with regard to the situation in India, the Sikhs are vehemently against the death penalty—in fact, I think that when the Sikhs were in Government many hundreds of years ago in the Indian provinces, they did not persecute and hang people or pursue any other particularly abhorrent way of treating people. We owe our thanks to the Sikhs for letting us know exactly what they feel, through their religion and beliefs.

There have, as is absolutely right, been many good speeches tonight highlighting the fact that there is no way back from capital punishment. We have to say to the Indian Government that it is a member of the UN Security Council, as John Finnie said, and the UN Human Rights Council, and that it should act in accordance with international law.

We in the Parliament, and people outwith it, appeal to the President of India to outlaw the abhorrent practice of capital punishment. As John Finnie said, the Scottish Parliament is a people's Parliament and Sikhs are part of the Scottish community, so we should support Sikhs in their request for us to lobby the Indian Government to outlaw the absolutely horrific practice of capital punishment. I hope that the cabinet secretary, in any dealings that she has with the Indian Government and the high commissioner, will raise the issues that have been raised in the debate.

We have had many debates in the Parliament on international issues in which the cabinet secretary has said that it would perhaps be good to send a copy of the *Official Report* to the country or Government involved. I suggest to the cabinet secretary that it would be a good idea to send the *Official Report* of this debate to the high commissioner or to the Indian Government.

17:40

The Cabinet Secretary for Culture and External Affairs (Fiona Hyslop): I thank John Mason for the motion on the death penalty and for highlighting the case of Balwant Singh Rajoana. I pay tribute to the manner in which John Mason introduced the debate, which has been thoughtful and respectful. Hanzala Malik reminded us of the need to be compassionate and Fiona McLeod told us that the death penalty brutalises society.

I reiterate the Scottish Government's commitment to working in partnership with ethnic minority communities throughout Scotland to tackle racism and religious intolerance and to achieve the one Scotland to which we all aspire. The Sikh community in Scotland has made a valuable contribution to Scotland since the first Sikhs arrived here in the 1950s. Like Sandra White, I welcome the fact that the Sikh community has raised the issue by holding a rally in Edinburgh and bringing it to the attention of many people in Scotland.

The right to life is a fundamental human right. I certainly cannot regard the decision of a state to extinguish the life of an individual, after conviction for a serious crime, as a punishment that fits the crime, whatever the crime. The Scottish Government strongly opposes the death penalty in all circumstances and urges all states worldwide that practise capital punishment to establish a moratorium on executions, with a view to the abolition of the practice, which has no place in modern times.

As John Finnie and Drew Smith said, Amnesty International has been at the forefront of campaigning for the abolition of the death penalty worldwide and has described it as the

"ultimate violation of human rights".

On 24 May, Amnesty published its 2012 report, which noted that, in 21 of the world's 198 countries, executions, some public, are carried out and that nearly 20,000 people were under sentence of death at the end of 2011.

Substantial progress has been made in eradicating the death penalty worldwide, but there is still much to do. I welcome and commend the work of Amnesty and others in seeking to eradicate capital punishment worldwide. I am pleased that, despite the recent developments in India, the direction of travel internationally is very much away from capital punishment, and I hope that that will continue.

I should take the opportunity to recognise the strong stance that the UK Government has taken on the issue. It has developed a specific strategy of continuing to push towards abolition internationally and has in recent years played an

active part in helping to secure successful outcomes in relation to the resolution of the General Assembly of the United Nations on a moratorium on the use of the death penalty. The UK Government will work with others to secure record support for the resolution in autumn 2012.

An independent Scotland would be the 48th signatory to the European convention on human rights, protocol 13 to which states:

"The death penalty shall be abolished. No one shall be condemned to such penalty or executed."

As a result, the European continent has almost completely moved away from capital punishment, except for Belarus, which I hope will one day join the fold. Scotland will continue to lead the way as a beacon of progressive opinion on these matters, as we actively demonstrate to the wider world the importance of, and the benefits inherent in, protecting and realising the human rights of all in society.

The Scottish Government is committed to creating a modern and inclusive Scotland that respects and realises human rights. Within the current constitutional settlement, Scotland frequently takes a distinctive progressive approach to issues—one that is geared towards reducing inequalities in our society and realising the rights, whether civil, political, economic, social or cultural, of all the people of Scotland.

Internationally, the First Minister and Mr Stevenson have been at the forefront of championing climate justice. Scotland benefits from having its own statutorily independent and internationally respected national human rights institution, the Scottish Human Rights Commission, which currently chairs the European group of national human rights institutions.

Of course, we can do much more by acting as a progressive beacon internationally and showing that having a commitment to human rights is not just the right thing to do, but something that delivers real benefit to society.

As I have said, it is not only the Scottish Government that opposes the death penalty. My officials are in regular contact with the UK Government on a range of issues that are pertinent to international affairs. I understand that the relevant UK minister at the FCO, Jeremy Browne, wrote to the Indian high commissioner in London last November to set out the UK Government's strong opposition to the death penalty and to urge the Indian Government to commute such sentences to life imprisonment. Mr Browne also raised the issue with the Indian Foreign Minister when they met on 28 June 2011 and with the Indian Minister of State for External Affairs at a meeting on 5 July 2011.

The Scottish Government has received correspondence from a number of members of the Sikh community on the issue, in response to which the points that I have just made have been reiterated.

I have noted the concerns of the Sikh community and others about the death sentence that was imposed on Mr Balwant Singh Rajoana, but I should explain that, as the case was heard in an Indian court, which is outwith Scottish jurisdiction, it would be inappropriate for the Scottish Government to comment on the details of the case, apart from the death sentence that was imposed. As Patricia Ferguson and others said, we should recognise India's status as an independent sovereign state.

John Mason asked about engagement. As members will be aware, the Scottish Government has a plan for engagement with India, and ministers have visited India on a number of occasions. In addition, we have welcomed a number of Indian ministers and delegations, and we want to build on what is a warm, important and highly valued relationship.

However, we are mindful of our responsibility to raise human rights issues with countries at the appropriate opportunity. As John Mason, Humza Yousaf and others have said, we must acknowledge the UK's role and recent history in doing so, but I assure members that although foreign affairs is currently reserved to the UK Government, human rights know no boundaries and Scottish Government ministers are committed to promoting respect for human rights internationally.

This has been a valuable and important debate that has a wide international reach. It is important that the Scottish Parliament puts on record our views on this extremely important issue and that we do as Sandra White requested.

Meeting closed at 17:47.

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