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Scottish Parliament

Wednesday 27 March 2024

[The Deputy Presiding Officer opened the meeting at 14:00]

Portfolio Question Time

Wellbeing Economy, Net Zero and Energy

The Deputy Presiding Officer (Annabelle Ewing): Good afternoon. The first item of business is portfolio question time and the first portfolio is the wellbeing economy, net zero and energy. I remind members that questions 3 and 7 have been grouped and that I shall therefore take any supplementaries to those questions after both have been answered.

Economic Inactivity

1. **Liz Smith (Mid Scotland and Fife) (Con):** To ask the Scottish Government what analysis it has undertaken to measure the extent of economic inactivity in Scotland post-Covid-19 pandemic. (S6O-03260)

The Cabinet Secretary for Wellbeing Economy, Net Zero and Energy (Màiri McAllan): The Scottish Government routinely analyses labour market data. Despite challenging conditions, the labour market remains resilient, with near-record numbers of payrolled employees in February this year. Scotland's inactivity rate from October 2022 to September 2023 was 22.1 per cent, which was similar to the pre-pandemic rate. Data from the Office for National Statistics indicates that more people were inactive because of being students or because of illness, whereas fewer people were inactive because of looking after the family and home or because of retirement.

We are taking action to help people access and stay in the labour market. That includes employability support, health and work services and an investment in childcare.

Liz Smith: The cabinet secretary will know that, two years ago, her colleague John Swinney identified economic inactivity as the biggest challenge facing the Scottish economy, which I entirely agree with. Since then, the economic inactivity rate has remained stubbornly high. Will she explain in a little more detail what policies the Scottish Government is enacting to address that problem, particularly given that the economic inactivity rate here is higher than that elsewhere?

Màiri McAllan: Tackling the inactivity rate in the economy remains an important part of the Government's approach to economic prosperity. It is in our national strategy for economic transformation, which I am working to refresh.

As my initial answer suggested, there are a number of reasons for inactivity in the labour market—not least study, care, retirement and ill health. As I have set out recently in a number of fora, I am determined to tackle that high number, in particular through our employability work, to which £90 million has been dedicated in the coming year.

We are pursuing other policies to support that. One that is important to me, which I take the opportunity to highlight today, is childcare. Scotland is the only part of the United Kingdom to offer 1,140 hours of funded early learning and childcare per year to all three and four-year-olds and to eligible two-year-olds. That sits alongside the work that we have been doing with Public Health Scotland to understand the barriers that ill health—physical and mental—can create to having and sustaining work. I hope that a combination of all those factors will drive down the economic inactivity rate.

Willie Rennie (North East Fife) (LD): The Scottish Women's Budget Group's recent childcare survey found that 55 per cent of respondents said that the challenge of managing childcare was impacting on their ability to work. In my constituency, after-school provision has closed in Newburgh and Newport, which is causing further problems for working parents. What further pressure is the cabinet secretary putting on her education colleagues to ensure that more is done, particularly with wraparound care and after-school provision?

Màiri McAllan: I have just narrated the present childcare offer and will not do so again, but it is worth noting that that has been in place since 2021 and that, if families had paid for that themselves, it would have cost about £5,800 per eligible child per year.

The results of the 2022 ELC parent survey were in some ways encouraging, because 74 per cent of parents reported that accessing the 1,140 hours enabled them to work or to look for work. However, I agree with Willie Rennie that there is a strong case for expanding access to funded childcare, particularly for families who are on the lowest incomes and for those who are furthest from the labour market, and I am beginning work to develop an expanded national offer for more families with two-year-olds, which will focus on those who will benefit most. As Willie Rennie correctly points out, that is very much a cross-Government objective.

Michael Marra (North East Scotland) (Lab): I am sure that the cabinet secretary will share Labour's concern that the numbers of people who are economically inactive are rising, particularly among younger people. Given that habits are formed between the ages of 18 and 24 that can guide people's participation in the labour market for a significant part of their life, what concerted effort is the Government making to understand the causes of that change in behaviour among younger people?

Màiri McAllan: I do not disagree with what has been said at all. I will quote some of the most recent data. For 16 to 24-year-olds, the most common reason for inactivity is being a student, which accounts for 77.9 per cent of those who have presented as inactive. As Mr Marra notes, that is followed by inactivity due to being long-term sick.

I am reluctant to and will not generalise about the reasons why people find themselves economically inactive. That data speaks to some of those reasons. However, I am clear about the importance of the employability work that the Government is doing. That is why I am pleased that, despite very challenging financial circumstances, we have managed to back a package of measures with £90 million in the coming year. That sits alongside really important work to understand what creates difficulty with regard to ill health in respect of mental and physical health. I should say that this is about working not just with those who are inactive but with employers to ensure that the right conditions, including flexibility of work, are in place to ensure that people can have and sustain work.

Job Creation (Chapelcross)

2. Oliver Mundell (Dumfriesshire) (Con): To ask the Scottish Government what steps it is taking to support the creation of new jobs at the Chapelcross site near Annan. (S6O-03261)

The Minister for Green Skills, Circular Economy and Biodiversity (Lorna Slater): Through the Borderlands inclusive growth deal, the Scottish Government has committed £7.5 million to unlock the potential of the former nuclear site at Chapelcross. That investment will deliver a strategic investment site for low-carbon energy generation and energy-efficient businesses. The project is part of the Borderlands plan to create high-value jobs that support low-carbon energy generation and carbon reduction schemes.

South of Scotland Enterprise has also purchased 17 acres of land adjacent to the main Chapelcross site to accelerate access and infrastructure development and is actively working with inward investors that are expressing interest in the site.

Oliver Mundell: As the minister said, part of the site is now available and in the hands of South of Scotland Enterprise. Alongside a cross-party group of local MSPs, I have been working hard to support a company that is called ReBlade, which is interested in setting up a wind turbine recycling hub on the site. I have raised the matter before, but there has since been a change of cabinet secretary. Is the minister interested in meeting the MSPs that are involved in the cross-party group to see what more can be done to ensure that the project becomes a reality?

Lorna Slater: I thank the member very much for his and his colleagues' work on that. Yes—absolutely—I am happy to meet him and his colleagues. The Minister for Energy, Just Transition and Fair Work is also content to meet, so I ask the member to please contact her office to make arrangements.

Prestwick Airport

3. Willie Coffey (Kilmarnock and Irvine Valley) (SNP): To ask the Scottish Government what its position is on the importance of Prestwick airport as a strategic asset for Ayrshire and Scotland. (S6O-03262)

The Cabinet Secretary for Wellbeing Economy, Net Zero and Energy (Màiri McAllan): Glasgow Prestwick airport is an asset of strategic importance to Ayrshire and Scotland. It directly employs 300 staff and supports a growing cluster of aerospace businesses that have created several thousand skilled jobs in South Ayrshire.

The value that we place on Prestwick airport is clear from the Scottish Government's decision in 2013 to take the airport into public ownership. Thanks to the hard work of the board, management and employees at the site, the airport is now consistently profitable and can look to its future with confidence.

Willie Coffey: The cabinet secretary is well aware that it was this Government that saved Prestwick airport and the jobs there, which brought certainty to the wider aerospace industry. All that was despite claims from the Tories that the airport was a failure, that money was being wasted and that the airport should be closed. Will the cabinet secretary give me and the thousands of workers who are associated with this strategic airport an assurance that any possible future sale will ensure that all its current activities are maintained and developed in the years to come?

Màiri McAllan: Willie Coffey is absolutely right that Prestwick airport is the hub of an innovative aerospace cluster in Ayrshire. It was therefore vital that we intervened to secure its future, along with the thousands of jobs that he was absolutely right refer to.

I stress again that the airport is now consistently profitable. I am sure that colleagues across the chamber will welcome the contribution that the airport brings to the region.

The terms of any sale of Prestwick airport will be a matter for negotiation between relevant parties. I have been clear that any decision to sell must be guided by the best interests of taxpayers, Glasgow Prestwick airport and, of course, the Ayrshire economy.

Prestwick Airport (Former Chairman)

7. Brian Whittle (South Scotland) (Con): To ask the Scottish Government what its response is to reports that the former chairman of Prestwick airport resigned his post to lead a bid to purchase the airport. (S6O-03266)

The Cabinet Secretary for Wellbeing Economy, Net Zero and Energy (Màiri McAllan): Following receipt of an expression of interest from Forsyth Black, it was mutually agreed that he should step back from the role of chairman of the board of Glasgow Prestwick airport, to ensure that an independent and fair assessment could be made.

Brian Whittle: During Forsyth Black's time as chair of Prestwick airport, various expressions of interest were made to his board. None were recommended to the Scottish Government, and bidders reported a lack of willingness to engage from airport management. Now, after suddenly leaving his post in February, Mr Black has emerged to lead a new bid.

Does the cabinet secretary consider that it is acceptable for the former chair to take his financial and operational knowledge of the airport, which is certainly beyond what is publicly accessible, and his knowledge of all the content of previous bids, which ministers have declined to detail on grounds of commercial sensitivity, and lead a bid? Does she agree that that represents an unfair advantage that should preclude the bid from going forward?

Màiri McAllan: It was mutually agreed by both parties that Mr Black should step back to ensure a fair and independent process, which will now prevail. Brian Whittle refers to previous bids. In late March 2023, the board of GPA was approached by a party that expressed an interest in acquiring the airport. The board considered that expression of interest and, after drawing on independent advice from commercial advisers, it advised ministers not to proceed because of the high risk of transaction failure.

All expressions of interest will be fairly and independently assessed and, ultimately, decided on by ministers. Potential buyers will need to provide a clear pathway for the airport and

demonstrate that they have the financial experience to make it a success.

Daniel Johnson (Edinburgh Southern) (Lab): The future of Prestwick airport needs to be viewed in the broader context. Will the cabinet secretary give her reaction to the report that was commissioned by Edinburgh airport and authored by Duncan MacLennan, which asserts that policy making has viewed airports too narrowly as consumers of energy and in narrow economic terms and says that it needs to view them in terms of their spatial role, their connectivity and their broader role in the economy?

The Deputy Presiding Officer: Cabinet secretary, please focus on Prestwick airport.

Màiri McAllan: I will try to, Presiding Officer. In that context, I will stress what I have already said. First, Prestwick airport is consistently profitable. Secondly, it is an aerospace hub and it plays an important part in contributing to the Ayrshire region and Scotland's national economy.

We absolutely have to work on future proofing our airports. To combine my economy and net zero interests, I am clear that sustainable aviation fuel and the development thereof are a key part of that. One of the final things that I did prior to leaving my transport post was commission a working group on sustainable aviation fuel, which I hope will play an important part in the future viability of our airports.

Small Modular Nuclear Reactors

4. Russell Findlay (West Scotland) (Con): To ask the Scottish Government whether it will undertake an evaluation of the potential benefits of small modular nuclear reactors within Scotland's energy provision. (S6O-03263)

The Minister for Green Skills, Circular Economy and Biodiversity (Lorna Slater): The Scottish Government's position on traditional fission nuclear energy is clear: we do not support the building of any new nuclear power stations in Scotland using current technologies.

Small modular reactors use the same method of electricity generation as traditional nuclear fission. That causes the same environmental concerns as traditional nuclear power plants. SMRs still create radioactive waste that requires complex and expensive management, and they are unnecessary in Scotland given that proven renewables and storage technologies already provide a pathway to net zero for Scotland.

Russell Findlay: More than 20 countries around the world have pledged to triple nuclear energy capacity by 2050. Canada, Finland, France, Japan, Sweden, Poland and the Netherlands all get it. To be pro-nuclear is to be

pro-environment, yet the Scottish National Party and its Green bosses reject all new nuclear and the thousands of jobs that it would create. How can the minister possibly justify her Government's opposition to highly skilled and high-wage Scottish jobs?

Lorna Slater: I can justify opposition to that particular type of energy because we do not agree with the United Kingdom Government that nuclear energy is environmentally sustainable. As I have previously stated, it is not required in Scotland. Our draft energy strategy sets out that the capacity for renewable generation in Scotland could mean that Scotland's annual electricity capacity generation will be more than double our demand by 2030 and more than treble by 2045. We have a route to net zero through renewables. We do not need nuclear power.

Bill Kidd (Glasgow Anniesland) (SNP): It could take decades for new nuclear power to become operational, and it would involve great expense, which could potentially push up household bills. What assessment has the Scottish Government made of the benefits of a significant growth in renewables, compared with nuclear power, in reducing household energy bills?

Lorna Slater: New nuclear is expensive, and those costs will impact consumer bills. Under the contract for difference that the United Kingdom Government awarded to Hinkley Point C, the electricity that it generates will be priced at £92.50 per megawatt hour, at 2012 prices. That is significantly higher than the administrative strike prices for solar and onshore and offshore wind that were set in the March 2024 allocation round, which were £61, £64 and £73 per megawatt hour, respectively, at the equivalent of 2012 prices.

Wellbeing Economy (United Kingdom Government Policies)

5. Collette Stevenson (East Kilbride) (SNP): To ask the Scottish Government what assessment it has made of any impact of United Kingdom Government policies on its vision for a wellbeing economy in Scotland. (S6O-03264)

The Cabinet Secretary for Wellbeing Economy, Net Zero and Energy (Màiri McAllan): A wellbeing economy, which the Scottish Government is building, places economic growth side by side with our pursuit of the health and wellbeing of our people and the integrity of our natural environment. We have achieved success: since 2007, Scotland's gross domestic product per capita has grown by 10.8 per cent, whereas the UK's has grown by 5.6 per cent. For the benefit of Murdo Fraser, I point out that those are onshore levels.

At the same time, more workers in Scotland are paid the real living wage; likewise, the gender pay gap and child poverty rates are lower in Scotland than they are in the rest of UK.

Equally, we have reduced our greenhouse gas emissions by around 50 per cent since 1990, while our economy has grown. At the same time, policies that the UK Government has pursued—chief among which are austerity, so-called social security reform and Brexit—have undermined that.

Collette Stevenson: The Tory Government's budget offered nothing to the millions of people who are really struggling with the cost of living, and Sir Keir Starmer has already confirmed that Labour would follow the Tories' tax and spending rules. If we add to that the fact that Labour and the Tories do not want to devolve employment law, it is clear that Westminster offers no solution for the people of Scotland.

Will the cabinet secretary provide an update on the policies that the Scottish Government is pursuing, within the limited powers of devolution, to build a fairer, dynamic economy and tackle the scourge of in-work poverty? Does she agree that only independence can offer Scotland—*[Interruption.]*—a better future and give it the full powers to tackle inequality, abolish poverty pay and build an economy with wellbeing at its heart?

Màiri McAllan: The groaning when a Scottish National Party member mentions the scourge of in-work poverty says a great deal—*[Interruption.]*

The Deputy Presiding Officer: Members!

Màiri McAllan: —about the Opposition in this place.

The UK Government's budget prioritisation of tax cuts over public spending and investment will have a significantly negative impact on our ability to develop a wellbeing economy. However, given the Westminster consensus on Brexit and austerity, it is clear that only independence will enable Scotland to take the action that is needed to fully tackle poverty and fully build our wellbeing economy.

Until then, we will use every power at our disposal to do what we have to do to support economic growth with purpose. Our economic strategy contains ambitious actions to deliver fairer, greener prosperity for all, and it reiterates our commitment to fair work, including the real living wage, living hours and flexible working, all of which are vital in reducing poverty, which, in and of itself, is vital to economic growth.

Murdo Fraser (Mid Scotland and Fife) (Con): I say very gently to the cabinet secretary that she should perhaps have a word with her economic adviser, Professor Mark Blyth, about the strength of the economic case for independence.

According to the results of a survey of businesses that was published this week by the Institute of Directors in Scotland, their biggest concern is the tax difference that exists between Scotland and the rest of the UK—82 per cent of respondents cited that as an issue. It is clear that they prefer the UK Government's approach to personal taxation to that of the Scottish Government. When will the Scottish Government start listening to Scottish business?

Màiri McAllan: I listen carefully to Scottish business and the IOD, which are among the members of our new deal for business group, with which I held my first round-table meeting as cabinet secretary last week. I take on board the results of that survey in respect of tax and the risks, as the IOD sees it, of tax divergence.

We have faced some of the most difficult financial circumstances in the devolution era. We are determined to continue to provide excellent public services and good, high standards of living for the people of Scotland, and that has required a progressive tax regime. However, I am clear that tax is but one tool that we have, that it has to be used carefully, and that we have to consider the risk of divergence across the UK.

John Swinney (Perthshire North) (SNP): In making the judgment that she has just talked about, does the cabinet secretary believe that it is important that, in the tax debate, people are mindful of the significant benefits that arise to people in Scotland as a consequence of living here, such as access to elements of the social contract, including the much more significant early learning and childcare offer, the fact that people do not have to pay tuition fees and the fact that, comparatively, council tax is significantly lower in Scotland than it is in other parts of the United Kingdom? The kind of crude analysis that Murdo Fraser has just put to the cabinet secretary is as valid as his call was for us to follow the economics of Liz Truss.

The Deputy Presiding Officer: I think that there was a question there, cabinet secretary.

Màiri McAllan: John Swinney is absolutely right. He has narrated so much of what is on offer with the strong social contract that we have fostered in Scotland. I do not need to narrate that again, but I add that I expect that people choose to come to live in Scotland for a wide number of reasons, not least some of the universal provisions that John Swinney has mentioned.

I am absolutely clear that the Scottish National Party's pursuit, and willingness to pursue, a progressive tax regime since we came into government has insulated the people of Scotland from some of the worst aspects of the austerity that has been imposed on us, such as the cruel

social security reform that I mentioned earlier, and that it is now helping to insulate people and businesses from the quite extraordinary act of economic harm that was Brexit.

The Deputy Presiding Officer: Question 6 was not lodged.

Food Waste Reduction Target

8. Annie Wells (Glasgow) (Con): To ask the Scottish Government whether it will provide an update on any progress towards meeting its target of reducing food waste by 33 per cent by 2025. (S6O-03267)

The Minister for Green Skills, Circular Economy and Biodiversity (Lorna Slater): Scotland is not on track to meet its target, due to an increase in food waste levels, which has been observed across the United Kingdom. To accelerate progress towards our 50 per cent reduction target in 2030, the Scottish Government has committed to resetting its approach. As proposed in the Circular Economy (Scotland) Bill, our refreshed approach will include the mandatory public reporting of waste and surplus by businesses. We also have ambitions to target household food waste, and we aim to deliver a behaviour change intervention plan to enhance support for householders and enable them to take action.

Annie Wells: The Government has failed to meet recycling targets. At the current pace, it is set to miss further recycling targets, such as to have a maximum of 5 per cent of waste to landfill and a minimum of 70 per cent recycling of waste by 2025. Given last week's devastating report by the Climate Change Committee, what confidence does the Government have that it will meet all six of its targets by 2025?

Lorna Slater: The member is right about the challenge of meeting the existing targets, which is why we are resetting our approach through the Circular Economy (Scotland) Bill and our waste route map, both of which have significant measures in them to improve our reuse and our recycling, and to help us to meet the targets that we need to meet to achieve net zero for Scotland.

Gordon MacDonald (Edinburgh Pentlands) (SNP): Recent major food organisations have warned that new Brexit border rules could cut the shelf life of fresh fruit from mainland Europe by a fifth and leave some deliveries from the European Union unsaleable. Does the minister share those concerns, and has the Scottish Government made any assessment of the impact of Brexit border rules on increased food waste?

Lorna Slater: I share the member's concerns. Although the model is imperfect and might have an impact on food imports from the EU and on

food waste because of Brexit, we must introduce import controls to deliver biosecurity protections for Scotland. We have repeatedly called for the UK Government to sign a veterinary agreement with the EU, which would remove many of those barriers. We will actively monitor the implementation of the first physical checks on some goods, which will start on 30 April.

We are finally getting the opportunity to see legislation. I presented one of the first pieces of associated legislation to Parliament just last week, and I am clear that the UK Government's process for introducing this fundamental change in how we import goods from the EU is severely lacking. The UK Government has had years to prepare for it, but, like everything that it has done on Brexit, it appears to be making it up as it goes. There is no doubt that that negligence has created unnecessary barriers and costs to trade. Scotland, our communities and our businesses are paying the price.

Foysoyl Choudhury (Lothian) (Lab): Last year, I visited Empty Kitchens Full Hearts in Edinburgh, which is an organisation that creates meals for vulnerable people using surplus food. Surplus food sharing can help to fight food poverty and reduce food waste. Will the minister outline how the Scottish Government is encouraging businesses to join the surplus food scheme?

Lorna Slater: The member is absolutely right. I know that he volunteers and is very active in this area. During a cost of living crisis, waste food costs a four-person family around £1,000 a year. For people who are unable to access food, organisations such as FareShare, which share out surplus food, are vital. Since 2021, the Scottish Government has provided around £1.4 million of funding to FareShare, and we are delighted with the work that it does.

The Deputy Presiding Officer: That concludes portfolio questions on wellbeing economy, net zero and energy. There will be a short pause to allow front-bench teams to change positions, should they so wish.

Finance and Parliamentary Business

Public Finances (Impact of Stagnation)

1. Gordon MacDonald (Edinburgh Pentlands) (SNP): To ask the Scottish Government what assessment it has made of any impact that stagnation has had on Scotland's public finances, in light of the final report of the Resolution Foundation's economy 2030 inquiry, which found that the United Kingdom is a decade and a half into a period of stagnation. (S6O-03268)

The Deputy First Minister and Cabinet Secretary for Finance (Shona Robison): The

Resolution Foundation has found that the stagnation that we have experienced has been devastating in terms of the wealth that has been taken out of the country. Despite limited powers of devolution, we have transformed the landscape in Scotland. The Resolution Foundation report highlights that the past 15 years of lost growth mean that the United Kingdom economy is 22 per cent smaller than it could otherwise have been. That has inevitably led to significant lost revenue, for which Scotland has paid the price.

Recent budget decisions by the UK Government have compounded that, with tax cuts being prioritised over investment in public services, and up to £1.6 billion in potential consequential for Scotland that we will not see.

Gordon MacDonald: I thank the Deputy First Minister for that answer. The Resolution Foundation found that benefit levels have not kept pace with prices, and that people who rely on benefits have had their incomes reduced by £3,000 at the same time that wealth has risen from three times to more than seven times national income since the 1980s. Given the powers that it has, what steps could the Scottish Government take to address that?

Shona Robison: Gordon MacDonald is right to ask that question. Despite the limited powers of devolution, we have transformed social security in Scotland in comparison with the UK Government, which is steadily eroding the safety net with, for example, benefit freezes, caps and limits, and by providing inadequate levels of financial support. In contrast, we have spent more than £733 million in the past five years to mitigate the effects of UK Government policy.

As Gordon MacDonald alludes to, with full powers over social security, we would aim to eliminate poverty and to ensure that everyone has a decent standard of living through a fairer and more adequate benefits system.

Liz Smith (Mid Scotland and Fife) (Con): Does the cabinet secretary agree that the stagnation issue to which Mr MacDonald's question refers is as much a Scottish problem as a UK one, given that the recent Confederation of British Industry-Fraser of Allander report into productivity in Scotland clearly shows that Scotland is failing in 10 out of 13 productivity metrics?

Shona Robison: Liz Smith wants us to be held to account as if we are an independent nation when the macroeconomic levers lie with the UK Government. However, despite not having those levers, Scotland's gross domestic product per capita has grown faster than the UK's since 2007. Accounting for population growth since 2007, gross domestic product per person has grown by

10.8 per cent in Scotland, compared with 5.6 per cent in the UK.

Since 2007, productivity in Scotland—which Liz Smith referred to—has grown at an average annual rate of 1 per cent per year, compared with the UK average of 0.5 per cent. Earnings in Scotland grew by 8 per cent in 2023, which is faster than in any other part of the UK, including London and the south-east. Despite not having the macroeconomic levers, Scotland is doing pretty well, by comparison.

Michael Marra (North East Scotland) (Lab): Those of us on the Labour benches agree that we need to get rid of the rotten Tory Government, which crashed the economy, left working people paying higher prices on bills and mortgages and has now led the country into recession. However, the reality is that the Scottish Government has made a bad situation worse because of its total failure to grow Scotland's economy. A range of academics and economists have told Parliament that the recent Scottish Government budget is categorically not a budget for growth. Is it not time that we had two Governments that are focused on growing the economy, so that we can grow our tax base and fund the services that we need?

Shona Robison: The problem with what Michael Marra said is that the shadow chancellor, Rachel Reeves, is going to emulate the same tax and spending plans of the “rotten” UK Tory Government that he cited. It is hard to distinguish between UK Labour policy and UK Tory policy.

In my answer to Liz Smith, I outlined where—despite not having control of the economic levers—Scotland's economic performance during the past 30 years was better, including its GDP per capita, productivity growth and earnings. Foreign direct investment has grown faster in Scotland than in the UK and Europe in recent years. Those on the Opposition benches tend to try to talk down Scotland's performance. However, despite all of the headwinds, comparable data shows that Scottish economic performance is much better than they would have us believe.

ScotWind Option Fees (Allocation of Income)

2. Kate Forbes (Skye, Lochaber and Badenoch) (SNP): To ask the Scottish Government how it has allocated the funding raised through ScotWind option fees in the 2024-25 Scottish budget. (S6O-03269)

The Deputy First Minister and Cabinet Secretary for Finance (Shona Robison): As outlined in the budget document, £200 million of income from ScotWind option fees has been provisionally allocated in the 2024-25 Scottish budget to support the total resource funding position. As the end of the 2023-24 financial year

approaches, I am pleased to say that the financial position has improved. I am working towards entirely removing any utilisation of ScotWind fees while still achieving a balanced budget. The upcoming medium-term financial strategy will provide a further update on the future approach to ScotWind utilisation.

Kate Forbes: I welcome the Deputy First Minister's commitment. We have often lamented the way in which, during the past 30 years, revenues from oil and gas have been squandered on annual running costs, rather than on establishing a sovereign wealth fund as was the case in Norway. What plans does the Scottish Government have to ensure that we will not lament a similar situation happening with options fees from our great renewables potential in 30 years' time?

Shona Robison: We continue to work closely with Crown Estate Scotland to ensure that we realise maximum economic benefits for ScotWind licence fees, and that we protect the value of proceeds that remain available for spending in future years. Sadly, the devolution settlement constrains our option to establish a sovereign wealth fund as such. I suspect that the member will agree that it would be far preferable for Scotland to have the full fiscal and economic powers of independence, so that we can take sensible steps to establish a sovereign wealth fund or an equivalent.

Willie Rennie (North East Fife) (LD): As we heard, for decades nationalists berated Margaret Thatcher for failing to create a sovereign wealth fund from oil and gas energy resources. However, now that they are in Government, nationalists have failed to create a sovereign wealth fund and have instead used almost half of the funds from wind energy resources to repair the mismanagement of their public finances. Why is it one rule for the nationalists and another rule for everyone else?

Shona Robison: It is not. If Willie Rennie listened to my answer to Kate Forbes, he would have heard me say that the devolution settlement, as it exists, constrains our option of establishing a sovereign wealth fund.

I suspect that Willie Rennie, given that he often comes to the chamber demanding additional spend on various areas of public services, would be the first to challenge me if we were sitting with an unallocated ScotWind fund. He would, no doubt, be arguing for that money to be deployed to whatever spending area he came to the chamber about on that particular day.

There is a balance to be struck here. I would certainly want to utilise ScotWind money and, in fact, when we look at the £4.7 billion being

invested in positive action on climate change, we could argue that ScotWind money has supported that £4.7 billion investment as well as supporting public services.

Freedom of Information Improvement Plan 2024

3. **Evelyn Tweed (Stirling) (SNP):** To ask the Scottish Government what steps it has made towards the goals of the freedom of information improvement plan 2024. (S6O-03270)

The Minister for Parliamentary Business (George Adam): The previous commissioner's October progress report recognised the significant advances that had already been made, which have been commended by the new commissioner. That progress has been achieved despite a significant increase in requests. More than 5,000 requests were responded to in 2023, an increase of 20 per cent since 2021 and an increase of two thirds since the pre-pandemic period.

Our revised improvement plan, which was published in January, builds on earlier work. Since January, investment in key roles has enabled further improvements around advancing and maintaining response times and providing more focused staff training. We are building resilience and capability through longer-term projects.

Evelyn Tweed: Last December, the Scottish Information Commissioner had a backlog of 200 FOI appeal cases. What discussions has the Scottish Government had with the Scottish Information Commissioner to ensure that the backlog is cleared in a timely manner and that those awaiting decisions are updated on progress?

George Adam: As members will be aware, the Scottish Information Commissioner is an independent regulator, who is appointed by His Majesty the King on the nomination of this Parliament. The Scottish Government therefore has no involvement in operational matters—rightly—regarding the commissioner's discharge of his functions.

I am aware, however, that the commissioner has spoken publicly, including in his evidence to the Standards, Procedures and Public Appointments Committee on 22 February, about measures taken by his office to address that backlog issue.

The Deputy Presiding Officer: Question 4 was not lodged.

Small Business Bonus Scheme (South Lanarkshire)

5. **Clare Haughey (Rutherglen) (SNP):** To ask the Scottish Government how many premises in

South Lanarkshire currently receive rates relief through the small business bonus scheme. (S6O-03272)

The Minister for Community Wealth and Public Finance (Tom Arthur): As at 1 July 2023, over 5,000 properties in South Lanarkshire were in receipt of small business bonus scheme relief. The Scottish budget for 2024-25 maintains the small business bonus scheme, which is the most generous small business rates relief scheme in the United Kingdom, offering up to 100 per cent relief for eligible properties.

Clare Haughey: Many of the powers to support businesses, as well as wider economic levers, are reserved to Westminster, including the level of VAT, alcohol and fuel duty, energy prices and interest rates, but I know that the Scottish Government's small business bonus scheme has been a lifeline for many businesses in my Rutherglen constituency. Can the minister outline the work that will be undertaken through the new deal for business group, which is keeping reforms to the non-domestic rates system under review to ensure that they support businesses and communities?

Tom Arthur: Details on how the recommendations of the new deal for business NDR sub-group will be taken forward are outlined in the new deal for business group's implementation plan and include the establishment of five short-term task teams to consider particular issues that were raised. The NDR sub-group has continued to meet regularly and is committed to quarterly meetings, which will support dialogue and engagement to explore how the NDR system can best support business growth, investment and competitiveness while acknowledging the important role that NDR income plays in funding public services.

Income Tax

6. **Jamie Greene (West Scotland) (Con):** To ask the Scottish Government at what specific annual income any individual would start to pay more income tax in Scotland than they would elsewhere in the United Kingdom under its new Scottish income tax levels. (S6O-03273)

The Minister for Community Wealth and Public Finance (Tom Arthur): Just over half of Scottish taxpayers will continue to pay less income tax in 2024-25 than they would if they lived elsewhere in the UK, including all individuals who are earning up to £28,850. Those who call Scotland home enjoy a range of support that is not available throughout the UK, such as the Scottish child payment, free prescriptions and free higher education. All of that helps to make Scotland a great place to live, work, study and do business in.

Jamie Greene: Buried away in that answer was the figure of £28,867. According to this Scottish National Party Government, the richest in society should pay more tax. I wonder what people who are earning £28,000 a year would have to say in response to that. In fact, when we get to £50,000 in income, there is a 20 per cent differential between what we pay in tax in Scotland and what is paid elsewhere in the UK. Those are not wealthy tycoons; senior teachers, senior nurses, senior police officers and many in our public sector are earning that sort of salary. How does the minister think we will attract the brightest and best to work in our public sector, as well as our businesses, if they are paying more in tax in Scotland than they would pay anywhere else?

Tom Arthur: One of the ways in which we attract the best and brightest to work in our public sector in Scotland is by giving them the best remuneration anywhere in the UK. There are many examples of that across the public sector in Scotland. We continue to invest and we have taken the decision to have a progressive tax regime, because that is what is required in order to invest in our public services. Had we replicated the tax policies of Mr Greene's party, that would have left us £1.5 billion a year cumulatively worse off. It is important that we continue to invest in public services and that we continue to have a progressive tax regime that allows us to do so. That could not only help us to retain the best and brightest who are working in the public sector in Scotland, but provide a range of benefits and services that are not available to taxpayers elsewhere in the UK, which can attract many more people to come to Scotland.

Capital Spending Review

7. Rhoda Grant (Highlands and Islands) (Lab): To ask the Scottish Government when its review of capital spending will be complete. (S6O-03274)

The Deputy First Minister and Cabinet Secretary for Finance (Shona Robison): Work is currently under way to update the pipeline of projects and programmes relating to our infrastructure investment plan, which was published in 2021, to ensure that it is affordable and deliverable and that it provides the best value for money. We intend to publish the refreshed infrastructure pipeline this spring, alongside the medium-term financial strategy.

Rhoda Grant: The cabinet secretary will know that women in Caithness and Moray are currently travelling more than 100 miles to access maternity care in Raigmore hospital, in a unit that is not fit for purpose. The promised Caithness redesign has been shelved, along with the Dr Gray's hospital and Raigmore hospital maternity unit

improvements. People in Fort William have waited two decades for their new hospital, as have people in Barra and Vatersay, with their new hospital having been abandoned altogether. General practitioners and their patients in Grantown thought that they had a new surgery, but the last part of that complete service redesign has also been paused. A pause to those capital projects will disproportionately affect patients across the Highlands and Islands because of past neglect. Will the cabinet secretary give me a commitment that those projects will be reinstated when the review completes in the spring?

Shona Robison: Rhoda Grant raises important points. I remind the member and the chamber that the capital budget outlook will result in a nearly 9 per cent real-terms cut, which is a cumulative reduction of £1.3 billion over the period to 2027-28. That will impact the capital projects that were in the 2021 infrastructure pipeline right across the board. It is right and proper that we have had to analyse all of that, and that work is on-going. As I said to Rhoda Grant earlier, we will bring forward the revised infrastructure investment pipeline alongside the MTFs at the end of May.

There are already a number of investments in health infrastructure, and we are investing £314 million in 2024-25. However, I recognise that some vital health projects are in that pipeline. I will ensure that Rhoda Grant and the rest of Parliament get an update in May, but let us not underestimate the impact of taking £1.3 billion out of our infrastructure budget. That will have an impact and there is no avoiding it.

Budget (Impact on Highlands and Islands)

8. Jamie Halcro Johnston (Highlands and Islands) (Con): To ask the Scottish Government what analysis it has undertaken of the impact of its 2024-25 budget on the Highlands and Islands region. (S6O-03275)

The Deputy First Minister and Cabinet Secretary for Finance (Shona Robison): The Highlands and Islands local authorities will receive more than £1.3 billion to support vital day-to-day services in 2024-25, which is an extra £70.7 million or an additional 5.4 per cent compared with 2023-24. All councils will receive their share of the currently undistributed £201.1 million following agreement with the Convention of Scottish Local Authorities. The Scottish Government is increasing the islands cost of living fund by £4 million in 2024-25.

Jamie Halcro Johnston: Budgets for Highlands and Islands Enterprise and VisitScotland have been slashed, with news breaking today that information centres across the region will be closing. Councils are facing severe strain on their budgets, and there are to be cuts to the housing

budget across Scotland, with reports yesterday that housing association new-build starts were at their lowest level last year since 1998. Work on major health projects such as the Belford hospital in Fort William has been paused.

The cabinet secretary did not mention anything about the question that I asked her, which was about what analysis the Scottish Government had undertaken. If the Scottish Government has not undertaken any analysis of the impact of the budget on the Highlands and Islands region, given that it is a bad budget for the region, will she?

Shona Robison: Unfortunately, Jamie Halcro Johnston has failed to recognise a number of things. One is that the UK Government has delivered a real-terms reduction to our funding, not least a 9 per cent real-terms cut to capital funding, which is £1.3 billion cumulatively removed from our budget by 2027-28. Jamie Halcro Johnston's Government cannot make those decisions—

Jamie Halcro Johnston: Answer the question I asked.

The Deputy Presiding Officer: Please take a seat, Deputy First Minister.

Mr Halcro Johnston, the question has been asked and we are listening to the response. There is absolutely no point to this process if members are not going to listen to the response given and extend that courtesy to the Deputy First Minister.

Shona Robison: Jamie Halcro Johnston's Government cannot make decisions to cut capital funding by £1.3 billion without that having some impact on some of the projects being undertaken around Scotland or on some of the investments that we would like to make. That is the first point.

The second point concerns resource funding, whether for HIE or for councils. Just a few minutes ago, the member sitting behind Jamie Halcro Johnston, Jamie Greene, was criticising some of the tax decisions that we have made that have resulted in extra funding for public services. Had we followed the tax plans of the Tories, we would have £1.5 billion less to spend on local authorities, Highlands and Islands Enterprise or any other services in Scotland. The Tories cannot come to this place arguing for more money when they set their stall against raising any more money and when the Government that they support cuts the funding to Scotland. Those things do not add up, and it is about time that we heard some honesty from Jamie Halcro Johnston and the Tories.

The Deputy Presiding Officer: I have received a request to ask a supplementary question from a member, and I remind the member that, as per the *Business Bulletin*, the question concerns impacts on the Highlands and Islands region.

Emma Harper (South Scotland) (SNP): I will link my question to the Highlands and Islands region, because South Scotland faces similar challenges.

The Deputy Presiding Officer: Ms Harper, this is a question about the Highlands and Islands, and, to give the Highlands and Islands their place, we need to focus on the Highlands and Islands. Please resume your seat.

I have no further requests for supplementaries, so that concludes portfolio questions on finance and parliamentary business.

Point of Order

14:49

Finlay Carson (Galloway and West Dumfries) (Con): On a point of order, Deputy Presiding Officer.

Following publication of the Rural Affairs and Islands Committee's stage 1 report on the Agriculture and Rural Communities (Scotland) Bill on Monday 18 March, the Government's response was not received until 6.29 last night, which gave members virtually no time to reflect on the response or, indeed, to consider its implications for the general principles of the bill, on which we will vote this afternoon.

Members will be aware that, in its report, the committee raised a number of issues relating to how the powers that are provided for in the framework bill would be used. The response from the Cabinet Secretary for Rural Affairs, Land Reform and Islands did not address those issues; rather, it indicated that the cabinet secretary will reflect on whether amendments will be necessary at stage 2.

I recognise that the timings for stage 1 reports and debates are tight, so I would welcome the Deputy Presiding Officer's views on whether the timings are fit for the purpose of supporting the Parliament's deciding on the general principles, or should be strengthened and amended—first, to give the Scottish Government more time to provide a substantive response to stage 1 bill reports that meaningfully engages with the recommendations and, secondly, to give all members more time to consider the Government's response in advance of stage 1 debates.

The Deputy Presiding Officer (Annabelle Ewing): I thank Mr Carson for his point of order. Of course, the issue of timing of Government responses to stage 1 reports does not engage the standing orders of the Parliament, so it is not a matter that I can rule on from the chair. The timing of the stage 1 debate is, of course, an issue that members are free to raise with their business managers.

Agriculture and Rural Communities (Scotland) Bill: Stage 1

The Deputy Presiding Officer (Annabelle Ewing): The next item of business is a debate on motion S6M-12640, in the name of Mairi Gougeon, on the Agriculture and Rural Communities (Scotland) Bill at stage 1. I invite members who wish to speak in the debate to press their request-to-speak buttons.

14:51

The Cabinet Secretary for Rural Affairs, Land Reform and Islands (Mairi Gougeon): Scotland has a proud and long-standing heritage as a farming nation. Today, agriculture continues to play a significant role in our rural economy. Throughout history, how our land has been farmed and stewarded has changed, with change often being done to the people who live and work on the land rather than with them.

The need for the Agriculture and Rural Communities (Scotland) Bill has been forced on us by a Brexit that we neither voted for nor wanted, but we have taken that necessity and have, by working side by side with farmers, crofters, land managers and representative and stakeholder organisations, sought to create a new way of supporting farming in Scotland that responds to our unique circumstances. We have listened to their expertise and experience and—yes—we have taken our time to make sure that we get the bill right.

We have built on the work of farmer-led groups and have, over the past two years, been working closely with industry on developing the proposals in the bill and consulting on options ahead of our having introduced the bill in September last year. That work includes the agricultural reform implementation oversight board—ARIOB—which is co-chaired by me and NFU Scotland president, Martin Kennedy, and includes farmers, crofters, academics and stakeholder representatives.

Wider engagement was undertaken between August and December 2022 through a consultation that received 392 responses from a range of stakeholders and members of the public from across Scotland. We also received feedback from approximately 600 attendees at nine in-person and five online consultation events that were held across Scotland.

I thank everyone who has contributed to the consultation on and development of the bill—everyone who has given evidence at stage 1 and is still engaging with me, with the new Minister for Agriculture and Connectivity, Jim Fairlie, and with

Government officials, in order to help to develop the new rural support framework that the bill will underpin.

The bill will embed in law this Government's vision for agriculture and our ambition for farming and crofting, which is that we become world leading in sustainable and regenerative agriculture; that we farm in a way that increasingly protects and restores nature and helps Scotland to mitigate and adapt to climate change; that we produce high-quality food, and do so more sustainably; and, ultimately, that we enable rural and island communities to thrive.

We have heard from hundreds of people and, overwhelmingly, the message has been the same—that an adaptive and flexible approach to support for agriculture and rural communities is the key to their and our futures.

Brian Whittle (South Scotland) (Con): I am concerned that a farm that is local to me has been bought over and planted with trees. Does the cabinet secretary think that there is scope in the bill for a presumption against planting trees on good-quality farmland?

Mairi Gougeon: As Brian Whittle will no doubt be aware, we have a national planning framework that sets out a lot of the rules in relation to such matters. However, we want to ensure that farmers and crofters have the flexibility and adaptability to do what is right for their farms and businesses.

What the bill does not and cannot do is undo the damage that has been caused by—and is still being caused by—Brexit, which was created and delivered by the Tories and is now supported by Labour and the Liberal Democrats. The European Union common agricultural policy has many flaws and weaknesses, some of which are being played out on the streets of European cities, but it gave us funding certainty over recurring seven-year periods. Thanks to the Tories at Westminster, we now have no funding certainty. Brexit began with a huge cut to rural funding for Scotland and all the nations in the United Kingdom. The best that we have achieved is an annual ring-fenced funding envelope, but that limited amount of certainty runs out next year.

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): The cabinet secretary is absolutely right that, in the views of farmers and crofters across the United Kingdom, the CAP system was seriously flawed. It disproportionately benefited some EU states and did not give sufficient funding for smaller farms. Does the cabinet secretary believe that the Scottish Government now has the power to create a system that can better suit our farmers in Scotland?

Mairi Gougeon: As I have outlined, the bill will ultimately enable us to have the flexibility to design support schemes that benefit our unique circumstances in Scotland. That is exactly how we are developing the policy.

Agriculture requires future funding certainty due to its multi-annual funding commitments and long lead-in times for farmers, crofters and land managers. No matter how hard I try—I have tried, having written to no fewer than four UK secretaries of state covering agriculture in under three years—

Finlay Carson (Galloway and West Dumfries) (Con): Will the cabinet secretary give way?

Mairi Gougeon: No. I have already given way a number of times and I need to make some progress.

I asked those UK secretaries of state for some sense of what future funding will look like, but I have yet to receive any clarity or, in some cases, even the courtesy of a response. I welcome the Rural Affairs and Islands Committee's support on that issue in its stage 1 report.

Despite the lack of future funding certainty and clarity, the Scottish Government's bill sets out a framework that will enable support measures to be developed and delivered over the long term, as needed. That approach does not tie us to any particular model of support, and it will help to ensure that we can put in place the right support at the right time.

A framework bill provides flexibility. As we continue to recover from the pandemic and are impacted by the illegal invasion of Ukraine by Russia, as well as by Westminster economic mismanagement, the bill—crucially—provides us with flexibility to respond to future geopolitical, economic, climate and nature challenges. It gives us the flexibility to design measures, support and conditions to be implemented through secondary legislation and to be further adapted on a regular basis, as required.

During stage 1, many people called for more detail in the bill. However, the complex and technical nature of support schemes and the requirement for regular updating are better suited to secondary legislation. That will allow future schemes to be brought into operation as and when that is appropriate. That will enable me to deliver on the commitment that I have made many times to Scotland's farmers and crofters that the transition from the current support schemes and framework to new ones will be gradual and just, and that there will be no cliff edges. That is what we are delivering.

To reassure people and to take them with us on this journey, we have published a route map that sets out what they can expect in the future and

what they will have to do to continue to receive support. Yesterday, I published an update to that route map, which sets out clearly the changes that will come into effect from 2025 and the support that is available to farmers and crofters now to help them to prepare.

From 2025, we will begin to introduce the foundations of a whole-farm plan. That will require farmers and crofters to complete two baselining activities from a list of options that will include carbon audits, biodiversity audits, soil analysis, and the creation of animal health and welfare plans or integrated pest-management plans.

We are also introducing new conditions for peatlands and wetlands, under good agricultural environmental condition 6, for cross-compliance. Those conditions are vital to protecting and restoring Scotland's peatlands, which will help us to do so much to mitigate climate change.

From 2025, it will, on land with peat soils over 50cm in depth and in wetland habitats, be prohibited to plough, cultivate, drain or maintain existing drainage that causes further drying out of peatland. Activities that damage the vegetation cover and expose the soil in those areas will also be prohibited.

In addition, we are introducing conditions to help our crucial beef sector to become more productive, profitable and sustainable. Last June, I announced that new conditions linked to calving interval would apply to the Scottish suckler beef support scheme. In October, I made it clear that the new conditions would apply to individual animals, and not to herds. Yesterday, I provided more detail on that. From 2025, a new condition will be added to the suckler beef scheme, stipulating that calves will be eligible for payment only if their dam has a calving threshold of 410 days or fewer, or if that is the first calf to be registered as being born to that dam.

Edward Mountain (Highlands and Islands) (Con): Will the cabinet secretary give way?

Mairi Gougeon: I am sorry, but I need to make progress.

The interval has been determined by working with the beef sector and reviewing industry data about calving intervals. All animals claimed for from the 2025 scheme year onwards will be subject to the new calving interval conditions, regardless of their year of birth.

I have made clear this Government's continued support for Scotland's livestock industry by announcing that the suckler beef scheme will continue until at least 2028, thereby providing continuity for beef farmers to allow long-term planning and investment, while ensuring that there are no cliff edges. Until now, Scotland has been

the only nation in the UK to provide additional support for beef production, and my announcement confirms that our support will continue throughout much of this decade.

At the same time as providing as much certainty and continuity as we can, we are preparing for change, not least through the bill and its powers and provisions. I therefore welcome the Rural Affairs and Islands Committee's support for the general principles of the bill and its agreement that a framework approach provides the right way forward. I also agree with many of the conclusions and recommendations in its stage 1 report, as I set out in my response to the committee, which I issued yesterday evening.

I note what the committee's report says, and what stakeholders and individuals have said, in relation to the objectives of the bill and on the proposed rural support plan, and I acknowledge the views that have been given by the Rural Affairs and Islands Committee and the Delegated Powers and Law Reform Committee on procedures on a range of regulation-making powers in the bill. I will, of course, give further consideration to all those issues ahead of stages 2 and 3.

I hope that we can continue to engage respectfully and collegiately during the coming stages of the bill to ensure that we come together as a Parliament to deliver the legislative framework for future support that our agricultural industry and our rural and island communities need and deserve. Our nation needs them and our rural land to help us to deliver our priorities for the future—to produce high-quality food more sustainably, to cut carbon emissions, to sequester more carbon and to restore and enhance nature and biodiversity. Only our farmers, crofters and land managers can deliver those outcomes, so all of Scotland owes them a debt of support.

As we move to the next stage of the bill and look to the future, I reiterate my commitment that farmers and crofters in Scotland will continue to receive direct support, but that they—and we—will also transition to a different way of stewarding land and producing food in a way that is just, which we will do by taking our agricultural industry and rural communities with us.

The Deputy Presiding Officer (Liam McArthur): I advise members that we have a little bit of time in hand this afternoon. I call Finlay Carson to speak on behalf of the Rural Affairs and Islands Committee. You have about nine minutes.

15:02

Finlay Carson (Galloway and West Dumfries) (Con): I am pleased to speak as the convener of the Rural Affairs and Islands Committee about our

stage 1 report on the Agriculture and Rural Communities (Scotland) Bill. The bill and the direction of our future agriculture policy are of fundamental importance to Scotland. The committee has undertaken considerable work on the bill and agricultural policy over the past year, and I thank my committee colleagues and committee clerks for all their hard work leading up to our report.

During our inquiry, many individuals and organisations gave evidence in person or in response to our call for views. We visited arable, dairy and hill farms, and we held a consultative event with farmers, crofters and other land managers, and representatives from rural communities and development organisations. Those events helped us to better understand grass-roots views about the challenges and opportunities in Scottish agriculture and whether the bill will address those. I thank everyone for their time and contributions. Their views were heard and have helped to inform our scrutiny of the bill.

The Government states that the bill will be the framework to deliver the Government's vision for agriculture and will be a platform

“to develop the support that farming and rural communities need in order to adapt to new opportunities and challenges, and to prosper in a changing world.”

The framework bill will replace the retained EU CAP legislation by giving ministers the powers to provide financial and additional support for agriculture and rural communities; set conditions and eligibility requirements for that support; and facilitate a transition away from the current support measures.

The committee notes those intentions, but a number of concerns were raised by various stakeholders, which we reflected in our report and on which we agreed to seek greater clarity from the Government.

I thank the cabinet secretary and her officials for their response to the report; however, it is very disappointing that we did not receive it until 6.29 pm yesterday. Although it picked up on some of the issues that we raised, it lacked substantive responses to our specific conclusions and recommendations. The cabinet secretary's response is heavy on noting the committee's position, but it fails to engage with the committee's substantive points. In a few places, the response indicates that the committee will be updated on the Scottish Government's thinking ahead of stage 2. Perhaps in her summing up, the cabinet secretary will wish to advise members whether there is a timescale for doing so and when exactly that will happen before the stage 2 considerations.

I turn to our report and recommendations. We have heard that this is a framework bill, and that the detail of future agriculture and rural support schemes will follow in secondary legislation. The committee considered whether a framework bill was the right approach to provide a long-term basis for future support schemes. We heard that a framework bill would provide the necessary powers to provide support while also offering flexibility to adapt to changing circumstances. The committee agrees with the Government's approach. However, stakeholders voiced concerns about the lack of detail on how the powers would be used, what the associated costs would be and the time that would be taken to introduce new support schemes. The committee shares the concerns about the impact of delays on farmers' and crofters' businesses and livelihoods, and it recommended that the Government should give them additional reassurance by providing for statutory consultation in the co-design of support schemes.

The committee notes and agrees with the views that were expressed by the DPLR Committee and the Finance and Public Administration Committee about the use of framework bills and the challenges that they pose for parliamentary scrutiny. Therefore, we ask the Government to provide more clarity on when and how the potentially large volume of sectoral legislation will be brought forward. We have written to the Conveners Group to consider the broader question of how to ensure the effective scrutiny of secondary legislation and framework bills. I welcome the cabinet secretary's reassurance on those points.

Section 1 sets out the Government's four objectives of agricultural policy. They are:

“sustainable and regenerative agricultural practices, ... the production of high-quality food, ... on-farm nature restoration, climate mitigation and adaptation, and ... enabling rural communities to thrive.”

Stakeholders expressed support for the four objectives, but they noted a lack of definition of the meaning of each objective. They broadly agreed that agriculture and rural communities are fundamentally intertwined, and that that should be reflected in the bill. The committee was told that farmers are “a cornerstone” of their local communities and that, in turn, rural communities are essential to the agricultural industry and landscape. The committee recognises the importance of the objectives in shaping the direction of future support, and we agree with stakeholders that their scope and meaning should be made clearer in the rural support plan and secondary legislation.

Stakeholders commented on potential tensions in the allocation of funding for achieving each

objective, and they made some suggestions for additional objectives such as food resilience and the sustainability of farm businesses. The committee has asked the Government to consider those suggestions.

Section 2 places a duty on the Government to prepare a five-year rural support plan that sets out the “expected use” of the section 4 powers. Section 3 places a requirement on Scottish ministers to “have regard to” various considerations in producing the plan, including the climate change plan and EU alignment. Many stakeholders supported the provision for a rural support plan and the proposed five-year plan period. However, many had concerns about the content and detail of the plan and felt that the plan should set out more detailed outcomes, targets or milestones; information about the budget priorities for each tier; delivery mechanisms; and procedures for monitoring and evaluation. The committee believes that such additions, as well as an evaluation of the previous plan period, would make the plans more meaningful and useful for stakeholders.

It was also noted that the bill does not provide for statutory consultation on the plan. I would welcome the cabinet secretary’s commitment to that, and the committee recommends that an amendment be lodged to that effect at stage 2. There is also no provision for parliamentary scrutiny of the plan. Stakeholders and the committee felt that such scrutiny would be important and that the Parliament should have an on-going role in scrutinising future support schemes. The committee asks the Government to consider lodging an amendment to the bill at stage 2 to require a draft plan to be laid before the Parliament for scrutiny.

Regarding the first plan, the committee believes that it would be helpful for the Parliament to have sight of a working draft in advance of stage 3 and that the draft plan should be laid before secondary legislation is laid in 2025. Given the huge significance of the rural support plan and the numerous calls for a draft to be produced as a matter of urgency, it is very disappointing that the Government was silent on that. The Government’s response to our report made no mention of when the plan will be produced, so perhaps the cabinet secretary will also bring us up to date on that.

Part 2 of the bill gives the Government powers to provide, and place conditions on, support for the purposes that are set out in schedule 1. Those include agriculture, food and drink production, the environment, forestry, knowledge exchange and animal health and welfare. The committee was broadly content with the powers that are set out in that part. Some stakeholders felt that the list of purposes could be broader, and the committee

asked the Government to consider amending the purposes of support in line with the evidence that we heard.

The committee notes that schedule 1 may be modified by regulations under section 4(2). Currently, such regulations would be subject to the negative procedure, but the committee agrees that the affirmative procedure might be more appropriate, given the potential implications for stakeholders of modifying the purposes of support. Any change to schedule 1 should be taken forward through consultation and co-design with stakeholders.

The committee took evidence on the section 9 powers to limit or cap support for assistance or to progressively reduce support beyond a certain threshold. The committee understands that a similar power is in place under EU CAP legislation. We heard from the Government that no agriculture support in Scotland surpasses the threshold for UK subsidy control. Some stakeholders held strong views on the need for the element of redistribution in agriculture support through a system of capping, tapering or front loading of payments, whereas others had reservations about capping. However, there was broad agreement that any cap should not be applied to payments that are targeted at achieving specific outcomes, such as environmental payments.

The Government should set out its thinking on payment distribution in the rural support plan, and any proposals must be accompanied by impact assessments to avoid unintended consequences. Given the potential impact of that power, the committee agrees with the DPLR Committee’s recommendation that section 9 regulations be subject to the affirmative procedure.

Regarding the section 13 powers to make regulations on eligibility and enforcement of support, the committee will monitor the use of that either-way power. We consider that the definition of what would constitute “significant” powers that will thereby be subject to the affirmative procedure should be expanded.

The committee was generally content with the part 3 powers to amend existing post-EU legislation.

I turn to part 4.

The Deputy Presiding Officer: You need to begin winding up.

Finlay Carson: Section 7 gives a power to provide continuing professional development for farmers and landowners. The committee agrees that a well-designed and co-ordinated CPD scheme would be important.

Finally, the committee considered the costs that are associated with the bill. As a framework bill, it

contains very little detail on costs, and the committee recommends that the information is fully set out along with the secondary legislation. The committee also notes that the Government's funding decisions on allocations between each tier were announced by the First Minister outwith Parliament. No information was shared specifically with the committee, despite it considering the issue at stage 1, and we would like the Government to reflect on that approach.

The Deputy Presiding Officer: You need to conclude, Mr Carson.

Finlay Carson: I look forward to taking views from our colleagues and to stage 2 of the bill.

The Deputy Presiding Officer: We have a little bit of time in hand, but that is more to allow for interventions than for members to go over their allocated speaking times.

15:13

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): I am grateful for the opportunity to open the debate on behalf of the Scottish Conservatives. I thank the Rural Affairs and Islands Committee clerking team and my colleagues for the way in which we got to this stage 1 debate.

I appreciate the cabinet secretary's presence here today. I hope that her recent trip to Chile to discuss aquaculture was not the reason why her response to the committee's stage 1 report came through this morning or why the update to the agricultural reform route map arrived yesterday.

After years of endless consultation and discussion groups, the stakes are high for the survival of rural Scotland. Key decisions that are made during the passage of the bill will have a significant impact on the lives of farmers, crofters and rural communities across Scotland for decades to come. That is why it is so important to bring people along with us on this journey.

The Scottish National Party's choice to introduce yet another framework bill has come at the cost of parliamentary scrutiny. I accept that framework bills offer some benefits, but it is crucial that we strike a balance between providing flexibility and ensuring that the Parliament can scrutinise the secondary legislation, which the Government continually reminds us will contain the core of the policy decisions.

After reading the cabinet secretary's response to the stage 1 committee report, I am somewhat suspicious of the motivations behind the desire to use a framework bill. Specifically, I am concerned about the Parliament's ability to robustly scrutinise key aspects of the secondary legislation.

Alasdair Allan (Na h-Eileanan an Iar) (SNP): Notwithstanding the suspicions that Rachael Hamilton has expressed about the reasons for having a framework bill, will she acknowledge that the evidence that we received at committee was overwhelmingly in favour of a framework bill?

Rachael Hamilton: That is absolutely correct. I thank Alasdair Allan for that reiteration.

In response to the stage 1 committee report, the cabinet secretary implied that the affirmative procedure will be used only for matters of principle or of great significance, later adding that the Scottish Government will give careful consideration to concerns from Parliament about the use of negative instruments on specific issues—thereby making it clear that it is up to Scottish National Party ministers and their Green allies to decide which pieces of secondary legislation will be put to scrutiny in the chamber.

Mairi Gougeon: I do not know whether Rachael Hamilton is talking about the provisions in section 13. As a member of the rural committee, she will be aware that there are either-way provisions and that we have introduced—I think—seven pieces of regulation over the past three years in relation to which we have used that procedure, and not once has the committee questioned or queried the type of procedure that was chosen. Does she therefore recognise that it is a recognised and established practice in relation to some of those instruments?

Rachael Hamilton: I am not sure whether the cabinet secretary is insinuating that the Rural Affairs and Islands Committee is not doing its job properly. However, currently, the way that the power to provide support sits is through the negative procedure, which is, in fact, a Henry VIII power and should be subject to the affirmative procedure, as was noted by the DPLR Committee. That is where the committee took its advice from.

I know that it can be hard to justify this Government's policies, but Parliament should nevertheless have the opportunity to hold it to account. Should we really trust the SNP to decide what are not matters of principle or great significance? I, for one, alongside many farmers and rural communities, have stopped trusting this Government.

It lost all trust when the cabinet secretary failed to stand up for rural Scotland at the cabinet table, leading to a £33.2 million reduction in the agriculture budget. It lost the trust of farmers by stealing £45 million of ring-fenced funding from the agriculture budget—cuts so deep that they were described as a "last act of betrayal" by farmers across Scotland.

Mairi Gougeon: There is so much to address in the falsehoods that have just been perpetrated by Rachael Hamilton, who has used such emotive

words that are completely untrue. The money and the savings that we had to take from that portfolio—every single penny of which will be returned to it, as has been committed to by me, the Deputy First Minister and the First Minister; they are ring-fenced funds that must be returned—were a result of the economic mismanagement of the Tory Government at Westminster, which has given us the worst settlement since devolution—

The Deputy Presiding Officer: Cabinet secretary, briefly.

Mairi Gougeon: —and cut our capital allocation by 10 per cent.

Rachael Hamilton *rose*—

The Deputy Presiding Officer: Please resume your seat, Ms Hamilton.

I would encourage interventions, but they will need to be brief. I also caution against using language that, as the cabinet secretary will know, is not acceptable in the chamber.

John Swinney: On a point of order, Deputy Presiding Officer. I heard your remarks to the cabinet secretary. I wonder whether you would care to give us an opinion from the chair as to the appropriateness of Rachael Hamilton making the accusation that the Government is “stealing” money from farmers. That word rather jars with me, and I would be grateful for your opinion on whether it constitutes appropriate language to be utilised.

The Deputy Presiding Officer: I thank Mr Swinney for that point of order. As Mr Swinney will know, I would encourage robust debate. However, the reference to “falsehoods” skirts—as Mr Swinney will acknowledge—very close to language that is not acceptable in the chamber.

I call Rachael Hamilton to continue.

Rachael Hamilton: Thank you, Deputy Presiding Officer.

The bill fails to deliver on the detail. Why should we be surprised that the *raison d'être* of the SNP-Green Government is to sow seeds of division? Let us take, for example, the bill's provision for continued alignment with the EU. While farmers in the rest of the UK will be able to benefit from gene editing technology, Mairi Gougeon and Jim Fairlie have decided to put Scottish farmers at a competitive disadvantage by siding with ideology and not science. Instead of backing hard-working farmers in Scotland, they have put their obsession with independence first.

Last March, Mairi Gougeon chose to give an indulgent soliloquy on independence rather than use the time to provide farmers with key details on this vital bill. The lack of detail has left farmers uncertain about their future, uncertain about their

future investment and uncertain about how they will continue to put food on plates up and down Scotland.

The Minister for Agriculture and Connectivity (Jim Fairlie): Will the member take an intervention?

Rachael Hamilton: Have I got time, Presiding Officer?

The Deputy Presiding Officer: I can give you a little bit more time back, but probably not the time for all the interventions.

Can we have the minister's microphone on, please?

Jim Fairlie: [*Inaudible.*]

The Deputy Presiding Officer: As the minister's microphone is not working, I call Rachael Hamilton to continue.

Rachael Hamilton: The First Minister regurgitated a promise of 70 per cent direct payment in tiers 1 and 2 but gave no indication of a successor to the less favoured area support scheme. Previously, under LFASS, direct support made up up to 86 per cent of payments. If the Scottish Government wants to avoid Highland clearances, it needs to provide clarity on that.

While the SNP Government was supposedly providing all the answers for creating an entirely independent nation in its 12 independence papers, it failed to provide one iota of detail on its rural support plan. We need to deliver a bill that is designed with farmers and communities at its core. Although I welcome the Government's recognition of that, stakeholders have warned that a steering group must be different from the current oversight board.

Recently, we have seen this Government cast aside the experience and knowledge of rural stakeholders to suit its own dogmatic and conceptual aims. The Wildlife Management and Muirburn (Scotland) Bill and the consultation on managing deer for climate and nature are recent examples of that. Many are rightly worried that that approach will be repeated, given that the Delegated Powers and Law Reform Committee's suggestion to include a requirement for statutory consultation due to the strategic significance of the rural support plan was flat-out refused by the cabinet secretary.

In response to the committee, the cabinet secretary notes the concerns of the Rural Affairs and Islands Committee and the DPLR Committee that decisions to be made on capping should be subject to the affirmative procedure. There is a lot of noting but not much commitment to acting on recommendations, which is deeply disappointing.

On the financial memorandum, the Scottish Government says that it will provide further detail on the transition costs associated with the bill and is currently using estimated costs. Stakeholders, including RSPB Scotland, the NFUS and Scotland's Rural College are concerned that costs will be passed to farmers, crofters and land managers. If a business conducted itself in that manner, it would not survive.

The Scottish Conservatives will bring forward sensible amendments to fix the bill, but we can do that only if the SNP is willing to work with us. We will give the Scottish Government the opportunity to work with us to design an agricultural system that has Scotland's farmers at its heart. Central to that will be ensuring that the Scottish Parliament can scrutinise the detail, particularly on the Government's introduction of enhanced conditionality.

Presiding Officer, would you like me to conclude, or do I have a bit more time?

The Deputy Presiding Officer: I can give you a little more time.

Rachael Hamilton: Thank you, Presiding Officer.

We want to ensure that claimants do not have to jump through hoops to access support. That means that farmers and crofters must be part of the co-design of the compliance parts of the bill, the code of practice and the continuous professional development scheme.

On that point, it is regrettable that the financial memorandum does not contain any projected cost for the CPD scheme. We want to see Scotland's food future at the heart of the bill. We want a critical mass of livestock to be retained rather than Scotland's uplands replaced with renewables and rewilding. We want a catchment management approach to protect Scotland's best growing land. We want farmers to benefit from a fit-for-purpose public procurement strategy, as is outlined in our paper on Scotland's food future.

I could say so much more, but I will close by saying that the Scottish Conservatives are pleased to support the general principles of the bill but have distinct concerns about the financial memorandum.

15:23

Rhoda Grant (Highlands and Islands) (Lab): I thank the clerks and staff of the committee and all those who gave evidence during stage 1 consideration of the bill.

This is rightly an enabling bill, because it needs to adapt to future circumstances. However, because it is an enabling bill, most of the

meaningful legislation will be secondary legislation. That is why we need to see a draft rural support plan before the bill is finalised and we need scrutiny of that secondary legislation—an affirmative process with consultation to ensure that the rural support plan is right.

We should have had the bill a long time ago, and we should have had the rural support plan before now. As the clock runs down, there is the excuse not to make change, because we cannot have cliff edges. We do not have a clear direction of travel and that cannot be done with farming, which is a long-term industry. Farmers need time to adapt, and introducing legislation this late in the parliamentary session shows that there is no clear vision for agriculture. That is stalling innovation in the sector, because people do not want to move until they have a clear indication of which direction they should be going in.

Finlay Carson talked about the principles of the bill and I think that everybody agreed with them, but many witnesses who gave evidence suggested that there should be further principles, such as food security, local production, fair work practices in both terms and conditions and housing for migrant workers, protection of income for farmers and crofters, animal welfare and so on. A number of other things along those lines should be principles within the bill, and funding the sector should depend on those.

As I said earlier, the rural support plan is where the detail will be, and that detail can make or break farmers and crofters. It needs to be co-designed, and changes in direction must give the industry time to adapt. We had evidence saying that the outcomes of the rural support plan need to be highlighted, and that they should be clear and measurable. At the moment, there is nothing in the bill about that.

The bill allows capping. There is a need to manage that and to show a clear direction of travel, because people need to know when the capping powers will be used, which I hope that they will be. At the moment, 50 per cent of the entire agriculture budget goes to the top 7 per cent of recipients, based on the size of their enterprise. That cannot be right.

Crofters and other small producers are contributing to public goods. Indeed, at the round-table meeting, we heard that many are already sequestering carbon and providing local food, but they are not paid for any of those public goods. They are often unable to access environmental grants, because their small areas of land cannot have as many features as the larger areas that sweep up all those grants, even if proportionately they do more.

Funding is not currently given to those who work on three hectares or less; they are excluded. There is a small producers pilot fund, which distributes £1 million of funding to small producers, but that equates to an average of £143 per year to the registered producers who have less than 30 hectares. However, if we compare that with region 1 funding, where every hectare receives £223 per year just for fulfilling the minimum requirements of active farming, it shows the disproportionate influence that some of our larger farms have compared with smaller producers.

Rachael Hamilton: Rhoda Grant is speaking passionately about the crofting sector, but the supply chains are key to ensuring their success, particularly in providing abattoirs and mitigating the issues that crofters have that others across Scotland do not have. That could be a part of the bill that could be very important for crofters.

Rhoda Grant: Indeed. If we are looking at local production, we need to look at how to provide abattoirs and the other services that allow people to farm, produce and put the end product into the market, because that is where the funding is.

We also need to ensure that the legislation is in keeping with other legislation. For example, the Land Reform (Scotland) Bill seeks to deal with our pattern of land ownership and make it more diverse. However, the payments that we give out for agriculture encourage larger holdings and that simply is not right. We need to make sure that we create a level playing field.

Concern was also expressed about unsupported forms of agriculture, such as market gardening, and co-ops such as grazings committees in the crofting counties. Grazings committees have a history of working together, but such committees cannot claim agricultural funding for themselves as well as for individual crofters who might wish to apply for it. That ability is missing from the bill, and I hope that it will go into the bill at a later stage.

Emma Harper (South Scotland) (SNP): Rhoda Grant mentioned market gardening. There are some really good producers that produce a lot of local produce for delivery in a very small area. Does she agree that we need to think about how we support smaller producers such as market gardeners?

Rhoda Grant: Yes, I do, because they are a public good, not least in the work that they do in providing healthy, good-quality food to their local community.

There are a number of anomalies with the bill, one of which relates to sustainable and regenerative agriculture. Everyone agrees that that should be defined in the code rather than in the bill, because we must change as the science changes. However, in her response to the

committee's report, the cabinet secretary said that, as the code would not be mandatory, there was no need for a lot of scrutiny of the code. She also suggested that the provision of support would be dependent on adherence to the code, which suggests that the code will be mandatory for people who wish to receive funding.

Concerns were expressed about continuing professional development. Everyone agrees that that is a good thing, but it must be proportionate and it must be delivered locally, given that farmers and crofters are tied to the land.

In addition, the bill needs to be joined up with other legislation. We need to make sure that the bill ties in with the good food nation plan, the climate change plan and all our statutory duties under EU law and policy and the Climate Change (Scotland) Act 2009, rather than cluttering up the landscape any further.

Finally, it is right that farming funding should not be devolved through the Barnett formula. Currently, we get 17 per cent of the funding, plus convergence funding. That needs to be retained, if not increased.

Scottish Labour will support the bill. We look forward to working with the cabinet secretary and to the bill being improved through consensus working, rather than the Government using its built-in majority to force it through.

15:32

Beatrice Wishart (Shetland Islands) (LD): I, too, offer my thanks to the committee clerks, committee colleagues and all who have been involved in the stage 1 process.

The passion of people in the agriculture sector to grow and produce quality food is evident. As custodians of the land, many have shown good practice for nature and the climate, and that should be fostered and encouraged. For years now, crofters and farmers have been crying out for certainty over future agricultural support. Combined with the increased uncertainty that Brexit has caused, the impacts of global political instability and rising costs, the length of time that it has taken to introduce the bill has had negative impacts—including on mental health—on farmers, crofters and land managers across Scotland.

I recently met young farmers in my Shetland constituency. They are enthusiastic and knowledgeable, but the information vacuum on the future support system has made them—as it has made others in every part of Scotland—hesitant to invest in improvements or new innovations.

Alasdair Allan: I agree with much of what the member is saying about the need for greater certainty in the support that is given to farmers.

However—she knows what I am going to say—does she also accept that there is a need for greater certainty on the funding envelope from the UK Government, under which we will have to build an agriculture policy in Scotland, if we are to achieve any of our aims for agriculture?

Beatrice Wishart: I will come on to that. If the member will give me a minute or two, I will get there.

Certainty is needed soon to avoid a scenario in which many scale back their activities or leave the sector altogether, as some have already done.

The changes that the bill will bring will have far-reaching impacts not just for farmers and crofters directly, but for members of the wider associated professions—agricultural suppliers, fencing contractors, sellers of farming vehicles and equipment, vets, auctioneers and abattoir workers.

A healthy and profitable agriculture sector adds value to rural economies and communities through rural employment. Schools, health services and businesses need people living and working the land in rural and island areas.

An industry cannot change overnight, but if the right support is given, farmers, crofters and land managers will be able to make positive changes to create a thriving sector that works for both climate and food production.

Jim Fairlie: Does the point that the member has just made not signify that the Scottish Government, in ensuring that there are no cliff edges, has taken exactly the right approach in the first place?

Beatrice Wishart: It is important that there are no cliff edges, but we still need a bit of certainty.

The Scottish Government is requiring a 31 per cent reduction in agricultural emissions by 2032. It will be difficult, if not impossible, for the sector to deliver on the climate change targets now, given that the Scottish Government's introduction of the bill has been so delayed.

I understand the reasoning behind the use of a framework bill to establish a flexible basis for future support schemes. However, I share concerns about Parliament's ability to effectively scrutinise the detail in secondary legislation. The Parliament must be given an opportunity to scrutinise significant funding decisions, and I echo calls for the Parliament and the Scottish Government to work together to ensure that Parliament will have sufficient time and information for effective scrutiny of secondary legislation.

I highlight the committee's call for the Scottish Government to ensure there is a multiyear, ring-fenced budget for support schemes. The UK Government needs to make that possible, using a

formula that reflects Scotland's agricultural landscapes. The excuse that it cannot bind a future parliament does not stop policy making in other areas, so it should not stop it here.

The Scottish Government previously said that it could not provide detail on the funding split because it did not know the overall budget from the UK Government. That budget is still unknown but the funding split has been announced, which proves that that information could have been provided sooner.

I ask, as others have asked, when the Scottish Government will introduce the draft rural support plan. Questions remain over who will be consulted and how it will be scrutinised by Parliament. That is time critical. The Scottish Government must publish a draft plan as soon as possible.

Scotland's agricultural sector is diverse. Small producers and crofters play an important part in many rural communities, including in my constituency. The bill must work for farmers of all sizes and be sensitive to the needs of crofters and small producers—Rhoda Grant highlighted the importance of grazings committees.

Active farming should be encouraged, and everyone should get access to support schemes. I have heard how essential it is that the less favoured area support scheme continues. Concerns have been raised about the capacity and resource of the Scottish Government to implement the new support scheme, and I ask the cabinet secretary to respond on that point.

I have received reports of prime agricultural land being sold at way above the asking price for the sole purpose of planting trees. The Scottish Government appears to be doing nothing to control that use of agricultural land, rendering the rhetoric of "the right tree in the right place" meaningless.

The bill carries a weight of responsibility. Getting it right is key to securing the future of the agricultural sector and providing not just existing farmers and crofters, but also new entrants, with the confidence that they need. Scotland's agricultural sector is important not just to our rural areas, but to our entire country. The bill must reflect that importance.

The Deputy Presiding Officer: We move to the open debate.

15:38

Emma Harper (South Scotland) (SNP): I am pleased to speak in the debate in support of the general principles of the Agriculture and Rural Communities (Scotland) Bill. Previously, I was a substitute member of the Rural Affairs and Islands Committee and had been present for some of the

evidence sessions. My colleagues on the committee must be thanked for all their work, including the committee clerks and everyone who came to provide evidence for the bill.

I am now a permanent committee member, and I was able to attend a consultation event that was held in Parliament in February, which almost 40 farmers, crofters, land managers and representatives from the rural community and development organisations attended. The purpose of the event was to engage directly on the ground with the agricultural and rural practitioners to hear their views about future agricultural policy.

As has been mentioned, this is a framework bill, which will provide measures that the Scottish ministers will use to develop the support that farming and rural communities need so that they can adapt flexibly to new opportunities and challenges and prosper in a changing world. That means that the bill must allow for a flexible model of support to be delivered. The bill replaces the common agricultural policy legislation that was retained after the UK's exit from the EU. As the bill progresses, I will explore the area of food security and food resilience.

Section 1 covers the four overarching objectives of the future agricultural policy. Those are sustainable and regenerative agriculture, the production of high-quality food, which I will come back to, on-farm nature restoration, climate mitigation and adaptation and enabling rural communities to thrive. Enabling rural communities to thrive is important to me and is one of the items that came up at the February consultation event. Another item that we needed to consider from that event was depopulation. A lot of issues were raised at that event in Parliament.

Any action that we take to address depopulation and enable repopulation is extremely important. I know that many members across the chamber raise questions about retaining our young people or encouraging them to return following university education and raise questions about attracting people to choose to move to and settle in our rural communities, including in Dumfries and Galloway and the Scottish Borders. We hear about the same issues of recruitment, retention and the need for rural housing in the current inquiry of the Health, Social Care and Sport Committee, which I am a member of. In that inquiry, we are focusing on healthcare in remote and rural areas. The same issues are reflected in different portfolios, so it is welcome that the Government has launched a depopulation action plan. I recognise the work that the Minister for Equalities, Migration and Refugees, Emma Roddick, has done on that, and I thank her for her visit to Dumfries last year to hear directly from young people.

On objective 2, which is the production of high-quality food, the stage 1 report recommends that

“the Scottish Government ... explore amending the number, theme or wording of the objectives, in line with the evidence provided.

An example of that could be found in relation to food resilience and sustainable farm businesses. I would be keen to hear from the cabinet secretary in her closing speech on whether amendments to the objectives that would strengthen the language to do with food security and resilience could be considered, given the impact on farm production of the war in Ukraine and the cost of living crisis that people living in Scotland are still experiencing.

Supporting our local producers, whether they are small enterprises or small-scale market gardeners, who produce and provide food that serves local communities and uses short supply chains, needs to be considered. I know that our farmers, crofters and producers who raise the best welfare-bred animals in Scotland—

Rachael Hamilton: Reflecting on what Emma Harper just said regarding market gardeners and small producers and supporting the local economy, does she support capping and redistribution?

Emma Harper: We need to look at the wide range of what is happening in food production across Scotland. As we move forward, I will certainly be engaging to hear everyone's feedback, and I thank the member for that intervention.

I know that members will cover other aspects of the stage 1 report and the inquiry, including the creation, monitoring and evaluation of the rural support plan, so I will not go into too much detail about that, except to say that stakeholders, including industry bodies and land managers, wanted early input into the plan. Quality Meat Scotland argued for embedding co-design principles into the plan.

To relate that back to the creation of the framework legislation, co-design will be very important. I know that the cabinet secretary acknowledged the importance of co-design when I asked her about it during her recent appearance at the Rural Affairs and Islands Committee.

This is my final point, Presiding Officer. This issue has been raised directly with me by NFU Scotland, as well as in its press release today. The committee noted in its stage 1 report a lack of certainty about future funding for agriculture and rural support from the UK Government, and the committee believes that it is important for Parliament to have oversight of the minister's strategic priorities.

Finlay Carson: Will the member take an intervention?

Emma Harper: No, I am in my last 10 seconds. In fact, I probably have no seconds left, so my apologies.

The committee believes that it is important for the Parliament to have oversight of the minister's strategic priorities, budget priorities and the consequential impact on the support schemes. There should be democratic oversight and an appropriate level of scrutiny.

I realise that time is short. I agree with the general principles of the bill and, although there is a lot more that we could have discussed today, I will support the bill at decision time.

15:45

Edward Mountain (Highlands and Islands) (Con): I have had two treats in two weeks: I had a chance to talk about muirburn and wildlife management last week, and I have the treat of talking about agriculture this afternoon. I refer members to my entry in the register of interests. I am a member of a farming partnership in Morayshire. We grow barley and vegetables, and we produce pedigree cattle. I am in that partnership with my wife, and we receive subsidies as a result of being in it.

My family has farmed for three generations, and we take it very seriously. I am sad that we are where we are today, and the reason why I am sad is that we could have been here two years ago if the—I believe—strange deal that was done between Mike Rumbles and Fergus Ewing, who, sadly, has left the chamber, had not been allowed to happen. The Conservatives wanted this policy to be in place by 2024, but the deal that was done between Mike Rumbles, of the Liberal Democrats, and the SNP allowed the policy be put back until 2026. This is not where we should be; we wanted the policy earlier, and I am sad that we are not there. However, we are getting closer, and I accept that the bill is a step towards an agricultural policy.

I have looked carefully at the proposed legislation and, although I do not like framework bills, I understand the need for a framework bill in this situation. I also understand the need to move forward. It would have helped if the cabinet secretary had told us about some of the proposals that she will moot after the bill has been passed, so that we can see what the bill is all about and what it will bring in.

Farmers are desperately nervous, because the last time we went through a review was under Richard Lochhead, and it was called, "The Future of Scottish Agriculture". As a result of that, we had

the project assessment committee—PAC—review and we ended up with a complete rewriting of the agricultural subsidy scheme, which was a disaster because it had not been costed. Richard Lochhead did nothing to find out where the money would go or to understand the outcome of what he proposed. Consequently, some farmers who were not doing a huge amount of farming got a lot more subsidy than those who were doing a lot of farming.

I would have liked to see the policy come forward, because I want to understand how the Government will ensure that farmers get properly rewarded for their high-quality food. Make no bones about it, what happens at the moment is that, if farmers grow barley, for example, the people who buy the barley look to see what subsidy the farmer will get from the Government per acre, deduct that off the price that they are prepared to pay for a tonne of it, and farmers end up with a profit of about 5 per cent. That is not where we want to be. We want to be rewarding farmers for public good, not rewarding the people who are consuming their products. A careful balance is needed.

I looked at the bill and at the evidence carefully to try to find a definition of "sustainable and regenerative agriculture"—what does that term mean? To me, it is just three words grouped together without a definition. I am told that it is going to be defined, but we are being asked to pass the first stages of a bill on something that we do not know the meaning of. That seems bizarre. If the cabinet secretary would like to stand up and define sustainable and regenerative agriculture, I am very happy to give way. I see that she does not—no, the cabinet secretary does want to intervene, so I am happy to give way.

Mairi Gougeon: I understand the member's point about the definition of sustainable and regenerative agriculture, but I am sure that he will also understand that this is about a basket of measures. We set out a lot of that information in our route map, which I hope the member has read.

Edward Mountain: I try to read everything, even if it comes out just before we are discussing something. I try to read the response to the committee—if it is circulated to members. I have watched the route map change on a daily basis, and I am not sure that I am any clearer.

I want to pick up on three specific points and I will have to do this carefully and quickly. I understand the need for capping, but we need to be careful that we are not capping support when it is linked to environmental projects and improvements because, if we do that, we will get even further away from the environmental targets that we are setting out to achieve.

I understand why people want to talk about increasing—

Rhoda Grant: Will the member take an intervention?

The Deputy Presiding Officer: Mr Mountain, I can give you most of the time back if you take the intervention.

Rhoda Grant: I will try to be as quick as possible.

The member surely realises that those with larger areas of land are pushing smaller land managers out of getting any funding at all for environmental benefit, because they have more features than the smaller land managers.

Edward Mountain: I accept that there is a need to make sure that there is a careful balance here, but what we have seen in the past few years is money being paid under the farming scheme to charities that are not actually farming. That is the kind of thing that I want to get away from. I would like to see farmers being rewarded for farming and also being rewarded for doing environmental schemes.

I am very keen on animal welfare, and I make the point to members that, in Scotland, we have some of the highest standards of animal welfare in the world. I am rightly proud of that, and that is where we should be. However, those animal welfare standards do not cut across when housewives and people are buying meat in the shops. They look at what is often the cheapest cut of meat and will buy meat that is—

Jim Fairlie: Will the member give way?

Edward Mountain: No. I am sorry, but I cannot give way. [*Interruption.*] I did say “housewives”. If that is the point that you are going to make, I will say that anyone can do the shopping; it is the basket that counts. [*Interruption.*] It is very difficult to conclude, Presiding Officer, when I am being barracked by somebody in a sedentary position.

The Deputy Presiding Officer: Mr Mountain, could you bring your remarks to a conclusion? I would discourage members on the front benches from heckling during the speeches.

Edward Mountain: My final point is on CPD. This Government loves to make sure that everyone is trained and I refer people to section 27(3), which gives a whole range of reasons why farmers need to go through CPD. I can support that if ministers would do the CPD training as well, because I think that, if it is good for farmers, it is good for ministers.

Presiding Officer, I know that I have run out of time. I will just say that I am supporting the bill at stage 1 but I want to see a lot more clarity from the

Government, because the bill is seriously unclear at the moment.

15:52

Elena Whitham (Carrick, Cumnock and Doon Valley) (SNP): As a member of Parliament representing the vast and wonderful rural constituency of Carrick, Cumnock and Doon Valley, a new member of the Rural Affairs and Islands Committee, a granddaughter of a dairy farmer—and, indeed, a former housewife—it is imperative that I stand here today to speak in this debate and support the Agriculture and Rural Communities (Scotland) Bill at stage 1. My constituents saw no just transition away from the mining industry, which, along with the agricultural sector, was the life-blood of many generations in rural Ayrshire. It is vital that we support our rural communities through their transition away from EU agricultural funding and that we support them in the transition towards land use that is mindful of the existential climate and nature emergencies—emergencies that we must ensure are at the heart of policy creation and direction.

The Scottish Government’s vision for Scotland is for it to become a global leader in sustainable and regenerative agriculture. The new support powers that are outlined in the agriculture and rural communities framework bill must enable delivery of the Scottish Government’s vision for agriculture and provide flexibility to deliver future outcomes beyond the current vision. I would welcome additional clarity on how those powers will work in practice.

Finlay Carson: Does the member agree that the framework is a framework and that the bill—the substance of it—will be delivered through the rural support plan, and that it is important that we see that as soon as possible, to give clarity to farmers on what the Government sees as the way forward?

Elena Whitham: Yes, I agree with the member on that and I was just coming to that point.

In order to secure that just transition and vision, Scotland must have a support system and a rural support plan in place to deliver high-quality food production, climate mitigation and adaptation, nature restoration and thriving rural and island communities. Scotland’s vision for agriculture, as set out, is positive; it puts farmers, crofters and land managers at its core and values their effort to help feed the nation and steward our countryside.

So far, the Scottish Government is demonstrating that it understands that the sector needs flexibility now and into the future so that it can respond to the pressures and challenges that we will face in an ever-changing and volatile world. A framework bill will allow for adaptive support for

farmers, crofters and land managers in the near, medium and long-term future. I know that the cabinet secretary recognises the need to ensure that there is real co-design in developing the detail of the Scottish Government's agricultural policy, with the people who are directly affected by it being able to participate in its formation and adaptation. As the Scottish Government continues to co-develop the measures for the four-tier support framework, I implore ministers to remain committed to supporting active farming and food production with direct payments now, and to have a phased approach to integrating any new conditionality. I ask them to please ensure that we have no cliff edges for our rural economies and that stakeholders and the Parliament are consulted along the way, which will allow for adequate scrutiny.

All that I have just set out has been repeated to the committee by stakeholders across the rural landscape during our consultation on and detailed consideration of the draft bill. The biggest plea that we heard repeatedly was the need for certainty, and although I appreciate the Government's commitment to multiyear funding, I also recognise, as have others, the impossible situation of having yearly funding tranches coming from the UK Government with no information on what will happen to that funding beyond next year. The uncertainty since Brexit is wholly unfair to rural Scotland. Collectively, the committee recognises the need for future agricultural funding to be set out on a long-term, multiyear basis, as per the former EU support payments, and we call on the UK Government to engage with the devolved nations to that end. The Scottish agriculture sector requires future funding certainty due to the long-term nature of investment decisions and the long lead-in times that are required. We heard repeatedly that farmers and crofters are reluctant to invest, as they have been completely uncertain since Brexit about what the future will hold.

I have been passionate about regenerative agriculture for many years—maybe I will sit down sometime with Edward Mountain and go through what I feel regenerative farming is. Indeed, one of my first speeches in the Parliament was about the trailblazing work of dairy farmers in Ayrshire who have developed and implemented regenerative practices and shared those innovations with their fellow farmers at on-farm, peer-to-peer continuing professional development events. I learned that the costs of new machinery and a wholesale change in methods was costly in the short term, but was being done for long-term sustainability. I urge the Government to consider how it best supports the sector to embrace regenerative agriculture through effective CPD as well as through funding for innovation and the transition that is required. I ask the cabinet secretary to

confirm that that will be included in the detail of the rural support plan.

We must look at the bill in the context of the wider legislative and reform landscape in which it will operate—as others such as Rhoda Grant have mentioned—and consider issues such as land and estate management, land reform and environmental and biodiversity matters. It is absolutely necessary that we consider the interplay and overlap between such reforms to ensure that there is a consistent and aligned approach across all policy development that is affecting the rural sector. We cannot operate in silos. I ask the cabinet secretary to outline in her closing remarks how the bill will interact with our aims for a wellbeing economy; how it will help our rural communities to embrace and support the principles of community wealth building via local and small producers, which we have heard about time and again in the debate, including supporting shorter local supply chains; and where food resilience and security will fit into its priorities.

I represent a vast rural area that is facing significant demographic and depopulation issues, and it is only when we put those challenges at the heart of decision making that we will be truly supporting our rural communities.

15:58

Richard Leonard (Central Scotland) (Lab):

There is much in the bill that I can, in principle, support, such as the laying down of conditions on the grants, loans and guarantees that are paid out. Those conditions must include fair work and must cover seasonal workers—not just their terms but their conditions, including their living conditions. The retention of the Scottish Agricultural Wages Board is welcome and the promotion of biodiversity is positive.

I am drawn to the summary in the financial memorandum that states:

“In future, support will be focused on food production”

and

“actions that support nature restoration and reduce greenhouse gas emissions in a way that is economically and socially just.”

For too long, under the old common agricultural policy, incentives worked in precisely the opposite direction, with hedgerows and trees uprooted and biodiversity destroyed. All too often, a great injustice was served upon those who live and work on the land.

The vital role of producer co-operatives is acknowledged in the bill. They must be nurtured and grown. The commitment to continuing personal development will be applied, I hope, to

the 67,000 farm labourers as much as to the managers of our land.

The bill's title, with its recognition of rural communities, its schedules, with their recognition of rural economies, and the importance of investing in local secondary businesses

“relating to agriculture, food production or processing, forestry or other rural land-use activity”

all represent important statements of intent.

I must also record—this may not be my party's exact position—that I quite like the idea of a five-year plan, and a recognition that market intervention is absolutely necessary, not least when there are exceptional market conditions.

In my view, those are all correct principles, but there are some basic flaws in the bill that need to be addressed. We know that 62 per cent of direct farm payments go to the largest 20 per cent of farms, and we know—only from freedom of information requests—that the biggest recipients of farm payments continue to be the least deserving: the biggest and wealthiest landowners.

In 2022, the Duke of Buccleuch pocketed £1.8 million for Queensberry Farming Ltd, and then £1.7 for Bowhill Farming Ltd. Some of our other ancient noble families are also apparently in need of a helping hand from the state, such as the Earl of Moray, who netted £1.7 million, the Duke of Roxburghe, who got £1.4 million, and the Earl of Rosebery, who got £1.3 million. When we are talking about a cap on support and assistance under the bill, we need to remember that that aristocratic lot have had centuries of practice in rigging and fleecing the system.

Rachael Hamilton: Will the member take an intervention?

Finlay Carson: Will Richard Leonard give way?

Richard Leonard: Yes—I will give way to Rachael Hamilton.

Rachael Hamilton: I understand that Richard Leonard is passionate about ensuring that there is a balance here, but the Rural Affairs and Islands Committee heard from a lot of stakeholders, from the grass roots through to large-scale farmers, and it is important to recognise their contribution to biodiversity, rewilding and reforestation. It is important that we get that balance right.

The Deputy Presiding Officer: I can give you the time back, Mr Leonard.

Richard Leonard: I am trying to argue for getting the balance right, as well. This is the people's hard-earned cash, so the people should know who benefits from it. We need transparency, which is why, in my view, a table of who the

recipients are should be published by the Scottish Government as a matter of routine.

We cannot preserve the existing system—we must break with it. We need decisive, radical change in the payments system so that it is much more closely aligned with need and with solving the ecological and climate crisis, is proportionate, and better rewards smallholders, small tenant farmers and crofters.

The same is true for forestry, where the spivs and speculators are everywhere, buying and selling land. When the financial memorandum to the bill talks about so-called

“private sector green finance investment”,

does the Government really mean the likes of Gresham House, which received a huge capital injection from the Scottish National Investment Bank and which is now the third-largest landowner in Scotland? I have raised the case of Gresham House in Parliament on numerous occasions. It was recently taken over by a US private equity corporation, and its speciality is not in planting trees or in saving the planet, but in tax avoidance for the super-rich. It represents extractive capitalism at its voracious worst.

At the same time, we have widespread food poverty and growing inequality, and our seasonal and all-round workforce is exploited ruthlessly. We import 46 per cent of our food. Meanwhile, dairy farms are amalgamating, smaller farming enterprises are struggling and medium-sized holdings are being hollowed out.

So let me finish with the words of someone for whom I know the cabinet secretary shares my affection—the words of Lewis Grassie Gibbon, who said:

“this Autumn's crops, meal for the folk of the cities, good heartsome barley alcohol—would never be spread, never be seeded, never ground to bree, but for the aristocracy of the earth, the ploughmen and the peasants. These are the real rulers of Scotland: they are the rulers of the earth!”

With this bill, we cannot go back to being ruled in the old way by the old ruling class in the old order. Power should pass from one class to another—from the old aristocracy to this real aristocracy. That really would be transformative; that really would be radical; that really would be revolutionary and, one fine day, it will happen.

16:05

Kate Forbes (Skye, Lochaber and Badenoch) (SNP): This agriculture bill is a key moment in Scotland's history. For decades—indeed, centuries—agriculture has been a core part of our economy and our society, but in the past 10 years there have been unthinkable disruptions to the

certainty of farmers, crofters and agricultural workers that they will be able to plan ahead.

I commend the Government enormously for the work that it has done in consulting key stakeholders—not least the NFUS—to devise a plan that seeks to give farmers the certainty that they need and to ensure that Scotland has a vision for agriculture, moving forward.

When we deal with such a bill, it is crucial that we face up to the reality that we are not able to deliver everybody's objectives. The committee had a number of round-table meetings that were well attended. At those meetings, I asked stakeholders whether they felt that the number of objectives was right or that they would add more objectives. If I recall correctly, the responses were almost unanimous: everybody wanted to add objectives. It is always interesting to see that very few people want to remove objectives.

Of course, the danger for such a bill is that, in order for it to be effective and transformational and to deliver what agriculture workers—and the communities that rely on them—need and want, we have to be clear. Therefore, I will highlight the three core objectives that I think the bill should deliver, and on which the success of the bill and eventual act should be measured.

The first objective is food security. It often baffles me that, when people are discussing agriculture, land use and Scotland's economy, little thought is given to food security. We have an incredible resource in Scotland. We have a plentiful supply of food—the seafood from our seas, the crops that come from our land and the livestock that graze on our land—and drink.

I remember, during the first few days of Covid-19—I was the Cabinet Secretary for Finance and a local MSP at the time—being incredulous that, on one hand, our food producers could not get their food to market and, on the other, people were struggling to access food, and yet, there was no connection. I know that the situation is more complicated than I have just set out, but being resilient and secure when it comes to our food production really matters in a world that is incredibly uncertain, whether the uncertainty is due to war, other geopolitical risks or, indeed, the trade and tariff barriers that exist post-Brexit.

The second objective has to be land management. Effective management of our land is the basis for our tourism, culture, food and drink industries and of some of Scotland's biggest exports. Although we might focus on some of the public bodies and the national strategies that exist to manage our land well, at the end of the day, right now, it is the farmers and the crofters who are out there working in all weathers to manage our land who are really at the coalface, doing the

job. It is incumbent on the Government and politicians to recognise the work that they do, and not to put up additional barriers or hurdles that make what they more difficult than it needs to be, and to incentivise good behaviour.

The third objective, which is really the outcome of the first two objectives, is that we reach net zero and improve biodiversity. By focusing on food security and effective land management, we will further our progress towards meeting net zero and our biodiversity targets. The flipside is that failure to do that and to recognise the role of agricultural workers will only hinder our progress towards net zero. We cannot get there without taking people with us, and the people whom we need to take with us are the workers.

The NFUS briefing is very clear that high-quality agricultural production is vital to our economy. The sector is worth more than £16 billion and employs more than 130,000 people. Agriculture, including discussion of it, is not a niche topic that is relevant only to that sector; rather, it has a huge impact on Scotland as a whole.

As I draw to a close, I emphasise again that if we try to make the bill do too much, it might do nothing. Doing a few things excellently is a far better objective than doing many things in a mediocre way.

I commend the Government, and I encourage it to continue to engage with stakeholders. I look forward to voting for the bill tonight.

16:11

Ariane Burgess (Highlands and Islands (Green)): The Scottish Government, like many Governments around the world, has acknowledged that we are living in a climate and nature emergency—"emergency" being the operative word. That means that, despite having one hand tied behind our back by the unequal union that is the UK, we have a responsibility to mobilise and direct resources as best we can in order to address those twin emergencies. This is not a game or a political football: it is our reality.

I thank everyone who gave evidence on the bill—especially the farmers who came to Parliament or welcomed us to their farms to share their views. I extend my thanks to the clerks and to the Scottish Parliament information centre for synthesising the copious amounts of evidence that we took.

An on-going flow of work has been taking place to support farmers. The bill is a milestone that marks one point in that flow, but it started long before the bill and will continue long after it is passed. However, a huge change in direction is needed and we are at a crossroads. We have a

once-in-a-lifetime opportunity to improve how we support agriculture and rural communities. We can secure food production in Scotland and support farmers, crofters and growers to thrive while we also reduce the sector's impact on climate and nature. We can help more farmers to enhance biodiversity and to capture carbon as they continue to produce food and underpin rural communities. There is no doubt that that is a tall order, and I do not underestimate the hard work, graft and changes that it will require—primarily from farmers, but also in other parts of the supply chain, agricultural policy and the payment system.

I cannot express enough my appreciation to the farmers, crofters and growers who are already leading the way. I am clear that the bill must lead to more support for them, and it must support others to adopt climate-friendly and nature-friendly farming, while ensuring that it is profitable for their businesses as well as for the planet and our future.

Currently, too many farmers are struggling. One third of agro-ecological growers are not planting this season as they face a severe financial squeeze. *The Scottish Farmer* has reported fears about the future of the wider horticultural sector. In the uplands and the islands, the inflated cost of inputs has pushed some farming and crofting communities to the brink. Even before the latest cost crisis, it was difficult for hill farmers to make a good living, with the average less favoured areas sheep farm making a loss of £38,000 without support.

Unlike the position in England, the Scottish Government has committed to continue income support payments to farmers. That is welcome. However, some change is needed, because it is clear that the current system is neither working for farm businesses nor working well for public finances. Indeed, the Scottish Government highlighted that most common agricultural policy funding from the last round

“did not deliver the intended benefits or value for money”.

The current system is also not working for the climate or nature. Since the 1950s, an increasingly intensive agriculture system has, on the whole, driven biodiversity loss above ground and below ground. The proposed measures to reduce the sector's emissions would take us less than halfway to where we need to be in order to stay on track to reach net zero by 2045. Therefore, the Scottish Government's aim to transform how we support farming and food production is absolutely the right one.

The bill is a significant first step in that direction. However, as is often the case at stage 1, there is room for improvement. As the charity OneKind said:

“Given that there are millions of animals in our food system, it is quite a startling omission not to list animal welfare as one of the key objectives of the bill.”—[*Official Report, Rural Affairs and Islands Committee*, 6 December 2023; c 7.]

We should also expand our consideration of climate mitigation and nature restoration through the agriculture sector, and ensure that policy supports improvements upstream and downstream of the farm gate, as well as making measurable landscape-scale improvements on the ground. We must see farms and crofts as part of the wider ecosystem, so we must support farmers to improve soil health through biological and regenerative practices.

There have been calls for the bill to commit to a fairer payment system that includes fair work principles. There have also, as several colleagues have mentioned this afternoon, been strong calls to redistribute some of the budget away from the largest and wealthiest farms to smaller producers. I wholeheartedly support that, given the evidence that was cited in the committee's report saying that small producers generate most jobs per hectare; that they are among the most productive and feed local communities; and that they are more likely to implement nature-based solutions and diversification.

In particular, I would like a commitment to extending support to small-scale fruit and vegetable growers. The key workers in green jobs are hugely valued by my Highlands and Islands constituents, but most receive no public funds, despite modelling the kind of climate-friendly and nature-friendly farming that could make Scotland a true leader in regenerative agriculture.

Finlay Carson: Will the member take an intervention?

Ariane Burgess: In order to plan and implement positive change, farmers need multiyear funding certainty, as others have said. That is being denied them by the UK Government. They also need a clear idea—

Finlay Carson: Will the member take an intervention?

Ariane Burgess: I am sorry—I did not hear the member. I am just winding up.

Farmers also need a clear idea of budget priorities across tiers, which the rural support plan should provide as soon as is reasonably possible.

We have a once-in-a-lifetime opportunity to change how we support farming. It might also be the last chance that we have to course-correct and get on track to end the nature emergency—

The Presiding Officer (Alison Johnstone): You must conclude, Ms Burgess.

Ariane Burgess: —and keep our Paris agreement commitment. I will be supporting the—

The Presiding Officer: Thank you, Ms Burgess. I must ask that you conclude.

16:18

John Swinney (Perthshire North) (SNP): The Agriculture and Rural Communities (Scotland) Bill comes at a moment of enormous change and challenge for the industry in Scotland. The decision to leave the European Union has necessitated the repatriation of decision making on agriculture; the instability in the global community, especially arising out of the illegal invasion of Ukraine, has created a renewed focus on the importance of food security; and climate change is becoming a real and apparent risk for rural communities, with specific pressures on those who are involved in agriculture.

That backdrop of uncertainty makes the consideration of the bill and the issues that it covers ever more difficult, given that there is a wide range of views about what different stakeholders want to see achieved through the bill and from the new support regime for agriculture.

The Scottish Government's willingness to engage with the agricultural community and a wide range of other stakeholders with an interest in developing the proposals in the bill is to be welcomed, as it has been by many organisations, including NFU Scotland. Equally, the decision of the Scottish Government to take a framework approach and to co-develop the detailed propositions that are involved strikes me as the reasonable way to proceed.

Rachael Hamilton: In the agricultural reform route map, peatland and wetlands have been added to the cross-compliance conditions, and provisions on cross-compliance have been added to the bill. There has been no consultation with farmers on that. John Swinney spoke about consultation, but we must be genuine when we do that. That change will affect farmers.

John Swinney: The Conservatives cannot have it both ways. I have sat and listened to them for years saying—Edward Mountain even made this point a moment ago—that the Government has been talking to too many people for too long. Now, apparently, according to Rachael Hamilton, we have not been talking to enough people for enough time. The Conservatives need to make up their mind and to stop being obstructive to everything, because that is all that they do in any debate in this Parliament.

I would imagine that there are some people—indeed, perhaps even members on the Conservative benches—who voted for Brexit, who

previously bemoaned the intricacies and complexities of the common agricultural policy and who are now beginning to regret the loss of some of the inherent stability and certainty that that policy brought to agriculture in Scotland. There was long-term financial stability that enabled effective forward planning. In its briefing for the debate, NFU Scotland bemoans the absence of financial certainty beyond the end of the current United Kingdom Parliament. That is a valid worry, and it does not help long-term planning. However, it is a problem that emanates from Whitehall and not from St Andrew's house.

Finlay Carson: Will John Swinney remind members which Government provided five years of multiyear, ring-fenced funding to the Scottish agricultural budget and which Government took £63 million out of the Scottish agricultural budget?

John Swinney: That takes me back to my point about the Conservatives not knowing which way they are standing—whether they are up or down or inside out or whatever. Earlier, Edward Mountain bemoaned the fact that the Scottish Government had provided funding certainty for as long as it has provided it. Edward Mountain wanted the new regime in 2024, and now Finlay Carson is demanding that we carry on as we are to 2026. Really, the Conservatives are a shambolic bunch when it comes to any issue.

It is vital to note that, also in its briefing for today's debate, NFU Scotland makes the plea, echoing the contents of the committee's report, that the Scottish Government does not take the approach of passing on the Barnett consequential of the funding settlement for agriculture in England. In my experience, organisations in Scotland normally clamour for a Barnett consequential approach to be taken. Why is NFU Scotland not doing so? The answer is simple: it is because the UK Government is butchering financial support for agriculture in England. NFU Scotland can spot the obvious fact that that might have massive ramifications for the financial support that is available for agriculture in Scotland.

I cannot see an incoming Labour Government in the UK taking any sort of different stance. Here we can see one very visible example of the reckless damage that is being done by Brexit. There is a direct financial challenge for Scottish agriculture due to the folly of Brexit and the highly damaging decisions of the UK Conservative Government in the aftermath of Brexit.

The global issues that are now having an effect on food security create an imperative for us to strengthen our approach to maximising our food production here at home. I appeal to the Government, as it wrestles with these key questions, to act in its planning system to preserve

as much prime agricultural land as possible for the utilisation of prime agricultural purposes and to place less emphasis on providing planning consent for solar farms that take a significant amount of prime agricultural land out of production and put the money into the hands of some already very wealthy farmers.

The bill that is before us creates opportunities to address the implications of climate change, which now poses a real and present threat to us all but which is manifesting itself acutely in rural Scotland. The Parliament does not need me to explain the detail of the generally wet, stormy and atrocious series of weather incidents that we have experienced since October, but I will say that I have lost count of the number of my constituents who are active in farming whose volume of land has been eroded because of significant flood damage as a consequence of climate change. That will affect the livelihoods of some of the farmers whom I represent who are unable to actively cultivate land because their land has, quite simply, disappeared.

That is the real and present threat of climate change in our society. I am grateful to the cabinet secretary, the Minister for Agriculture and Connectivity and the Minister for Green Skills, Circular Economy and Biodiversity, who have engaged with me on those questions.

The Presiding Officer: You must conclude, Mr Swinney.

John Swinney: The bill that is before us will create the framework for some very challenging questions to be resolved. The approach that the Scottish Government has taken of bringing together disparate and competing voices to try to create a common approach is at the heart of the bill, which merits our support this afternoon.

16:25

Tim Eagle (Highlands and Islands)(Con): I refer members to my entry in the register of members' interests, which shows that I am a farmer. Sadly, as members can see, I cannot be in the chamber today in person. When I put in my own tups last year, I did not know that I was going to become an MSP, and I now find myself here in the middle of lambing. I am not from a farming background, but agriculture has become my life. I have built what I can of my own farm and worked as an agricultural adviser, a land agent and an assessor for Quality Meat Scotland and Scottish Quality Crops.

For hundreds of years, farming has helped to shape and build our country and our people. That said, how we farm must continue to change and, over the past 15 years, I have seen it change at first hand in the north-east and across the

Highlands. Traditional methods are being replaced with environmentally friendly and digitally fuelled practices, with people modernising and protecting the environment as they move forward. It is important to recognise and commend all those in the sector who already deliver in the spirit of the bill.

I have three quick points to make on the bill. The first is about the framework and the detail. Framework bills seem to be becoming the norm. Although I recognise the need for the adaptability that the framework is trying to provide, it is important to stress the need to be as detailed as possible in the primary legislation, and further thought should be given to how that can be accomplished.

My second point is on objectives. The stage 1 report—*[Inaudible.]*

The Presiding Officer: Colleagues, if you bear with us a moment, we will try to resolve this issue.

Tim Eagle: Am I back, Presiding Officer?

The Presiding Officer: You are back, Mr Eagle.

Tim Eagle: I apologise for that, Presiding Officer. My connection has been stable all afternoon, but it now decides to go off.

I was talking about the objectives. There is an interplay between food production and the environment. We should not have a contest between food and the environment, so more thought needs to be given to balancing the objectives and to their broadness to ensure that that interplay is a strength and not a potential limitation.

My third point is on consultation. I recognise the value of all stakeholders in this debate. A commitment to consultation is vital for the development of the proposed secondary legislation. I support the call for amendments at stage 2 to provide for that, with clear plans provided to stakeholders as soon as possible and consideration given to forming a new advisory group.

The rural support plan is, in essence, the beating heart of the bill. The Scottish Government's current plan is to publish the rural support plan without an accompanying funding plan. I worry that, without funding, the bill will become meaningless. I urge the minister to commit to ensuring a funding plan that runs alongside the rural support plan.

I cannot stress enough that the sector simply cannot take any more bureaucracy or overly complicated schemes. I want applications for schemes to be positive and to involve working with the wider sector and the Government to achieve shared objectives. Overly complicated application

forms, punitive punishments and paperwork that is not useful to the objectives should be minimised.

Most people in the sector agree on the principle of front loading payments. Funding must be shared equally, and front loading is a positive way of doing that. I urge the Government to consider that above capping, the powers for which are laid out in section 9.

There is no current provision in the bill for parliamentary scrutiny of the secondary legislation or the rural support plan, so I urge the Government to give a commitment to introduce that at stage 2.

Other members have picked up on various elements so, finally, I want to pick up on a couple of issues from my personal experience as a slightly ageing new entrant with a small sheep farm. First, as has been said already, it is hard for crofts and small farms to get funding through the current area-based system. I understand that there is the small producers pilot fund, but that still excludes—[*Inaudible.*]

The Presiding Officer: We have lost Mr Eagle again. We will wait a moment and see whether we can reconnect.

Do continue, Mr Eagle.

Tim Eagle: The connection is really not great.

The Scottish Government's proposal for a whole-farm plan—more details of which, I note, came out yesterday—would include a range of measures, such as soil testing, animal health and welfare and so on. It will pose difficulties for small and medium-sized units and crofters. Will the cabinet secretary look at how that will work for smaller farms, given the potential cost, and make sure that there is provision for them to complete the plan themselves?

I have heard talk of new entrants and young farmers for many years, yet both those groups continue to face huge barriers to establishing themselves in the industry. Access to land for sale or rent is minimal, and capital costs for even basic equipment are high. This issue has not been raised yet, but I press the cabinet secretary to think about the inclusion of a succession plan scheme in agriculture that not only gets new blood into the industry but absorbs the years of experience and expertise of those leaving it.

There is so much yet to be done before the next stage. To do it right, we will need intensive industry discussion, clearly defined objectives and a commitment to work with all those in farming across the many regions of Scotland. Above all, it will require the commitment of the Government to genuinely listen to the rural sector, to give more details about what is to come and to reduce unnecessary burdens so that the focus can be on

the delivery of all the objectives that the stakeholders want to see achieved.

I apologise for my internet connection this afternoon.

16:31

Alasdair Allan (Na h-Eileanan an Iar) (SNP): The Agriculture and Rural Communities (Scotland) Bill and the secondary legislation that will follow it will have far-reaching effects across rural Scotland. The Rural Affairs and Islands Committee, on which I serve, has not been idle in taking evidence on the bill. It has already visited farms, held round-table events and received evidence in person and in writing from a wide range of stakeholders. The voices that we have heard have represented not only farmers and crofters but many others who likewise have a stake in rural development, the environment and questions of food security.

Like others, I thank all members of the committee and the clerking team for their work in producing the stage 1 report.

Parliament will now scrutinise the bill closely, as befits any legislation of this scope and scale. With Scotland being forcibly removed from the European Union, the common agricultural policy, as we have all understood it for half a century, now requires wholesale legislative replacement.

As others have pointed out, this is a framework bill. A wide range of voices in the countryside have recognised that that is the best way to proceed. Indeed, a framework bill is the only practicable solution, and it is therefore inevitably only in secondary legislation that many of the questions about the future direction of agricultural policy will receive their answers. However, I have to refute what I think was said in the previous speech, which seemed to suggest that secondary legislation does not involve scrutiny by this Parliament.

The objectives of agricultural policy, as set out in the legislation, take on a particular importance. The overarching objectives of agricultural policy are set out in part 1, which lays out the Scottish Government's vision for agriculture—a vision that has been broadly welcomed by stakeholders and that commits to transforming how the Scottish Government supports farming and food production.

The aim is to make Scotland a global leader in sustainable and regenerative agriculture, and a requirement is placed on Scottish ministers to prepare, lay before Parliament and publish a rural support plan. That plan will cover up to a five-year period and must set out the strategic priorities for providing support during the plan's period. It must

also give details of each support scheme that is in operation, or that is expected to come into operation, during that period.

The plan also allows ministers to make clear how agricultural support contributes to other statutory duties, such as climate commitments and EU alignment. Such a plan offers a level of certainty, which was sought by many through the consultation, within the flexible support model.

Making those objectives into policy on the ground will ultimately involve wrestling with some clear tensions. To cite but one such question, we will have to ask how we reconcile the need for food security, including production at scale, with the need to support forms of agriculture that have a low environmental impact. That has been alluded to by other speakers, but I think of my crofting constituents who, on average, receive £1,400 each in annual farming payments. I hope that we will ask whether that is the balance that we want to see in the future.

As a committee, we have also pointed to the need to recognise that we cannot simply offshore some of these big questions rather than answer them effectively ourselves. I think that we all agree that there would be no point in simply asking areas of the country that cannot easily support much agriculture beyond livestock to stop producing livestock. That would not, of itself, change the demand in Scotland and the UK for meat; it would simply transfer its production to parts of the world that have far lower welfare and environmental standards. At the same time, we are going to have to ask contentious questions about whether the need for national food security should be taken so far as to include subsidising the large-scale production of grain for whisky.

Many of the answers to these and other questions about Scottish agriculture depend to a very large extent on the UK funding envelope that is made available to Scotland in the first place. Despite the posturing of the Tories—[*Interruption.*] I hear some posturing from the Tories, so I will give way.

Edward Mountain: I just want to clarify whether the member was suggesting that we stop whisky production in Scotland. Did I mishear that? That is what I thought that the member said. I am sure that he cannot have meant that.

Alasdair Allan: The member did mishear that. I merely asked, as others have, whether there are some forms of agriculture that we might want to ask questions about in the future—forms that require less support than others. That does not mean that we do not support—[*Interruption.*] That does not mean that we should stop growing grain for whisky, as the member well understands.

Edward Mountain: That is just what the member said.

Alasdair Allan: No, it is not just what I said. The member well understands that point.

When I gave way, I was making a point about posturing by the Tories—a point that has just been illustrated more adequately than I could ever have done myself.

Despite that posturing, we know that there has been a wider catalogue of failures on the part of the UK Government to protect the interests of Scottish farmers and crofters. The obvious example is Brexit itself, about which others have rightly spoken today. However, there has also been the UK's abject failure to secure trade deals that protect our agrifood sector.

Despite all of that, our farmers and crofters remain resilient, and the Scottish Government is determined to support them as we transition from the EU's CAP payment system to a support system that realises the vision for Scotland to be a global leader in sustainable agriculture.

There lies ahead a long process of scrutiny. However, for the moment, I urge the chamber to do as the committee has done and endorse the general principles of the bill.

The Presiding Officer: We move to winding up speeches. I call Colin Smyth.

16:38

Colin Smyth (South Scotland) (Lab): The debate has shown that people get that we cannot dot every i and cross every t of a rural support scheme in primary legislation. We need flexibility to ensure that changes can be made when needed without having to revisit the primary legislation. However, several speakers have rightly highlighted that there is a difference between a framework bill and, frankly, an empty frame.

It is eight years since the vote to leave the EU, and it is four years since this Parliament agreed the Agriculture (Retained EU Law and Data) Scotland Act 2020, paving the way for a transition period—a period that has been extended. However, at a time when the clock is ticking towards the end of that transition period and time is running out to meet our climate targets, the Government's watch is, all too often, stopped.

We have a bill that does not contain enough detail about future rural support.

Jim Fairlie: When I was a member of the rural affairs committee, we tried on a number of occasions to get UK Government ministers to come to the committee to answer the question of where the multiyear funding would come from. Time and again, they refused. They also refused

to answer the letters from the cabinet secretary. Will it be the Labour Party's position that it will provide multiyear funding? Will it also ensure that the 17 per cent payment that currently comes to Scotland is maintained, and will it increase the funding to the level that the NFU has asked for?

Colin Smyth: Mr Fairlie is asking us to write a manifesto for the next election, but Labour in government has consistently committed to providing the funding that our agriculture sector needs. Rhoda Grant was clear that we should not subject that to the Barnett formula. The disproportionate amount that comes to Scotland at the moment should continue in the future, but the Scottish Government needs to take responsibility for what it has authority over at the moment. There has been no draft rural support plan showing how the minister would spend that funding. It is all very well to start demanding funding, but when will we see the plan for how it should be spent? There is no sense of policy direction.

Jim Fairlie: Will the member take an intervention?

Colin Smyth: If I have time, I will certainly take Mr Fairlie's question.

The Presiding Officer: We have no time to give back at this point in the debate.

Colin Smyth: I will continue, and I hope that I might answer some of his points.

There has been no real sense of policy direction from the Government. There has not even been a commitment to statutory consultation on the future support plans. No measurable target has been outlined by the Government. There is no detail on how the Government would allocate any funding that is given and the breakdown of that funding. There is no mention of fair work in the bill. It is a bill that is in danger of undermining the Parliament's ability to do its job, because it lacks proper scrutiny mechanisms and the ability to hold ministers to account.

The bill should have set out a clear strategic direction. The Government's very purpose for the bill should have been future support, and it should ensure that the Parliament has a say over that purpose. No one expects that every single area that could be supported by any scheme should be listed in the bill. As Richard Leonard said, the inclusion of basic principles such as conditionality on grants and support is welcome, but it would be an understatement to say that the four objectives—just 30 words or so—that will define our future agricultural policy are too vague and have obvious exclusions.

When so many people are facing a cost of living crisis, when feeding families has never been more challenging and when we are facing the impact of

conflict and war on security of supply, NFU Scotland and others are right to say that food production must be at the heart of any support scheme and front and centre of any of the bill's objectives. We should never forget that what is often lazily described as subsidies is support to put affordable food on our tables.

Scottish Environment LINK members are right to highlight that the heart of the bill must also be about ensuring that crucial food production is sustainable. They have made the sensible suggestion that the objectives in sections 1(a) and 1(b) should be combined, stressing the need for the production of high-quality food but using sustainable and regenerative agricultural practices.

Our farmers and crofters are key not just to producing the food that we eat, but to restoring nature, tackling climate change and supporting our rural communities. They are also key to farmed animal health and welfare. OneKind and other organisations are absolutely right to highlight that it is a failure of the bill not to include in its objectives maintaining and enhancing animal welfare. Scotland's farmers cannot and will not compete in a race to the bottom on price and standards. High-quality food production is delivered through the highest possible animal welfare, and the bill's objectives should reflect that.

We know that there is an imbalance in the agriculture supply chain. When our farmers and crofters are facing higher costs, more frequent weather events, a growing need to drive down emissions in the face of a climate crisis and increased threats to food security; when producer margins are increasingly being squeezed by the big suppliers; and when public spending is under more pressure than it has ever been, the power imbalance in the market is growing. The objective of our support schemes should therefore be to strengthen the position of farmers and crofters in the supply chain.

Whatever the objectives are, we need to measure how they are being delivered. I do not expect targets to be in the bill, but, if there are to be no targets in the bill, there should at least be a duty on ministers to set clear and measurable targets in relation to the objectives in any rural support plan.

We need more detail on what the plan should and will contain. When I sat on the Delegated Powers and Law Reform Committee, we were clear that the draft plan should be published before stage 3 and that the Parliament should be sighted on and allowed to scrutinise future plans before approving secondary legislation. Those plans should be subject to statutory consultation.

Time is tight, Presiding Officer, but I want to make one final point.

The Presiding Officer: Be very brief, Mr Smyth.

Colin Smyth: The bill is an opportunity to better distribute the support that we provide. Rhoda Grant and Richard Leonard highlighted that too much of our current support goes to too few. We need to look at issues and powers such as cap and taper payments and free front-loading.

The Presiding Officer: Thank you, Mr Smyth. I regret that I must stop you at that point and call Jamie Halcro Johnston. You have up to seven minutes, Mr Halcro Johnston.

16:44

Jamie Halcro Johnston (Highlands and Islands) (Con): I draw members' attention to my entry in the register of members' interests: I am a partner in a farming business and the owner of a registered croft, and I am a member of NFU Scotland, Scottish Land & Estates and the Royal Highland and Agricultural Society of Scotland. As such, I am in receipt of payments.

I should also note that, as a substitute member of the Rural Affairs and Islands Committee, I took part in some of the consideration of the stage 1 report on the bill, although I was not involved in any of the final recommendations that the committee made or in any of the evidence sessions that guided it. I am also a member of the Finance and Public Administration Committee, which scrutinised the financial memorandum for the bill.

The debate has been a long time coming, given that the UK Government's Agriculture Act 2020 was passed three and a half years ago. In its report, the Rural Affairs and Islands Committee highlighted stakeholders' concerns about how long it has taken the Scottish ministers to introduce the bill and about the impact that the delay has had on farmers, crofters and land managers.

Even though we have waited so long for the bill, we still do not have the detail that we should have by now. We still await the Scottish Government's rural support plan, which Professor Thomson of Scotland's Rural College said

"needs to be front and centre",

while Douglas Bell of the Scottish Tenant Farmers Association said:

"The earlier that can come, the better. There is a real frustration among agricultural stakeholders just now about working in a vacuum."—[*Official Report, Rural Affairs and Islands Committee*, 31 January 2024; c 11, 12-13.]

The Delegated Powers and Law Reform Committee recommended that the rural support plan should be published before stage 3, and the

Rural Affairs and Islands Committee backed that call. During the Finance and Public Administration Committee's consideration of the financial memorandum, when I asked Scottish Government officials whether the plan could be presented earlier than originally planned, I was advised:

"It would be for ministers to commit to that."—[*Official Report, Finance and Public Administration Committee*, 6 February 2024; c 25.]

It is disappointing that, despite the clear calls that have been made by committees of this Parliament, the cabinet secretary has failed to make that commitment in her response to the Rural Affairs and Islands Committee's stage 1 report. That matters because, although I recognise that that committee accepted in its report the need for the bill to be a framework bill, it is worth noting the concerns of the finance and DPLR committees about the difficulties that that poses for legislative and fiscal scrutiny.

I have concerns about co-design. Although I recognise the Rural Affairs and Islands Committee's position on the commitment to co-design and its concerns about the lack of sufficient detail on how that will be achieved and about the lack of assurances that the key stakeholders will be included in the process, as we have seen with other bills, the co-design process can often lead to outcomes and costs that are very different from those that were originally intended or considered.

I will touch on a number of other areas of concern. My party has been clear that we do not support continued alignment with the EU and the approach that the Scottish Government is taking in that regard, as Rachael Hamilton rightly highlighted, which will mean, for example, that Scottish farmers will miss out on the benefits of new gene-editing technology.

In addition, the EU's new CAP scheme requires reserves to be kept for crises. It was confirmed to me at the finance committee that the bill includes powers that would allow for a crisis reserve to be established. However, the officials could not provide more details on any reserve or how it would be funded, because

"The bill is silent on that, but there is flexibility. It would be for ministers to decide."—[*Official Report, Finance and Public Administration Committee*, 6 February 2024; c 28.]

My first concern is about where that funding would come from. Would it be shaved off the top of the agriculture budget? As we have seen with the Scottish Government's appropriation of supposedly ring-fenced agriculture funding to plug gaps in other parts of the budget, money that was meant for farming and held in reserve for crises in funding could be used by the Scottish Government in other parts of its budget. When she winds up the debate, perhaps the cabinet secretary could

give more details on how the Government sees the crisis reserve being funded and administered, and how much it envisages will be held in that reserve.

I turn to other members' contributions. Rachael Hamilton was right to highlight the bill's importance to rural Scotland and the lack of trust in SNP ministers in Edinburgh because of the cuts that they have made to the agriculture budget and their diversion of ring-fenced funding away from farming. *[Interruption.]* It is no wonder that some SNP MSPs seem so sensitive about the issue. That lack of trust is not helped when the SNP-Green Government is able to provide reams of indy papers that no one will read but is not able to produce the rural support plan that farmers are desperately waiting for.

Jim Fairlie: Jamie Halcro Johnston might not be aware that Jonnie Hall of NFU Scotland told the Rural Affairs and Islands Committee that not a single penny of the agriculture budget from the UK Government was cut by the Scottish Government—every single penny went to the farmers. The money that Mr Halcro Johnston is talking about came from a completely different fund that was nothing to do with the original £630-odd million from the UK Government for agriculture.

Jamie Halcro Johnston: There is considerable confusion from the minister on that point. I have spoken with the deputy—*[Interruption.]*

The Presiding Officer: Let us hear one another.

Jamie Halcro Johnston: It is probably best for the minister if we move on from that relatively quickly.

I am sorry that Tim Eagle could not be with us in the chamber today, and I am sure that all of us in the farming sector will appreciate—perhaps enviously—why he could not be. I was going to say that I was disappointed that he did not do his speech live from the lambing shed, but he did. That was great to see, although the wi-fi was not good, which highlights in many ways the importance of technology in our farming communities—that is something that should be part of this. It did have the feel of a Willie Rennie press stunt at some point; I was waiting to see what would happen in the background but, unfortunately, no great incident happened, which was disappointing.

It was extremely valuable to hear from Tim Eagle about his experiences and the challenges that he has faced, particularly as a small farmer. He was right to highlight that the discussion about objectives should not become a contest between food and the environment, which are both important. He also raised the important issue of

new entrants and succession planning, which are concerns that are raised with me regularly.

Speaking as convener of the Rural Affairs and Islands Committee, Fin Carson highlighted his and the committee's concerns about the lack of detail in the bill, which was a common thread in today's debate. He reiterated his committee's call to see the rural support plan before we reach stage 3.

Edward Mountain highlighted his concerns about CPD, and I support his rather mischievous suggestion that, if it is good enough for farmers, perhaps there should be a CPD programme for Scottish ministers, too. More seriously, the committee was clear that it did not believe, other than when training to a certain standard of qualification is required for health and safety reasons or to undertake specific activities, that any CPD should be compulsory or tied to support. Putting additional burdens on the time of already busy farmers and restricting their ability to farm helps no one. As such, I am disappointed that, in her response to the committee, the cabinet secretary failed to rule out the possibility that CPD requirements could be linked to payments or made compulsory.

I agree with Beatrice Wishart on the importance of infrastructure, such as abattoirs, which are an issue in Orkney at the moment. I would also include ferries as a key part of the matter.

Although the bill was delayed and lacks detail, we are being asked to trust the SNP-Green Government, which has siphoned off money that was ring fenced for agriculture, with no answers on when that money will be returned to the sector.

As my Conservative colleagues have made clear, we will look to improve the bill with amendments, and we will support it at stage 1. However, we do so with real concerns about the lack of detail that the Scottish Government has provided—

The Presiding Officer: I must ask you to conclude, Mr Halcro Johnston.

Jamie Halcro Johnston: —a lack of detail that impacts on farmers and crofters, on investment and on jobs—

The Presiding Officer: Thank you, Mr Halcro Johnston. I have to stop you there.

I call Mairi Gougeon to wind up.

16:52

Mairi Gougeon: I welcome today's debate and members' input and views. I am pleased that we mostly agree on the bill's general principles and content. I am also grateful for the considered responses from members from across the

chamber and for the approach that the vast majority have taken to the debate.

I have a lot of information to work through, so I will try to cover as many points as I can. I want to focus on some of the key areas that have featured in the debate, as well as on some of the subjects that were raised during the committee's consideration of the bill.

First, there is the point about the bill's being a framework bill. I welcome the committee's agreement that the approach to establishing a long-term basis for future support schemes is the right one. That framework approach enables tailored provisions and support to be implemented through secondary legislation and to be further adapted regularly, as we might need to do.

That is similar to the approach that we took through the Agriculture (Retained EU Law and Data) (Scotland) Act 2020, which allowed us to introduce regulations that enabled us to start making payments at a much earlier date than was the case previously. As a result of Parliament agreeing to that change, we were able to make basic support and greening payments from September last summer, which we intend to repeat this year. Without that framework approach and the ability to pass secondary legislation to change the dates for making payments, we would not have been able to do so. A flexible approach is needed in the bill too, because that will allow Scotland to adapt to changing social, economic and environmental conditions and challenges.

Secondly, there is the point about scope for parliamentary scrutiny, which I recognise has been widely raised today. I note the Rural Affairs and Islands Committee's views and those that were expressed by the Delegated Powers and Law Reform Committee and the Finance and Public Administration Committee on that point. I have been clear about my intention to be transparent with the industry and with Parliament, and I made clear in my response to the stage 1 report that I will, of course, be giving further consideration to the matter.

Finlay Carson: I appreciate the cabinet secretary giving way, and I know that she might touch on this matter later, but I want to make sure that the question is asked. It is of critical importance—as has been stated by many stakeholders, the Rural Affairs and Islands Committee and the DPLR Committee—that the rural support plan be published as soon as possible. Will the minister commit, as the Rural Affairs and Islands Committee has suggested, to providing a working draft of that plan prior to stage 3, and if not, why not?

Mairi Gougeon: I am glad that Finlay Carson has asked that question. I will come on to the rural

support plan, because I know that it has been widely raised in the debate. In response to Finlay Carson's question, and as I outlined to the committee, I initially wanted to take advice on that but, of course, we would seek, if possible, to provide an outline or a sketch of the plan. We will endeavour to do that as soon as possible.

Rachael Hamilton: Will the cabinet secretary take an intervention?

Mairi Gougeon: I am sorry. I need to make some progress.

Another important point that I want to touch on is the claim that there is a lack of detail being made available to farmers. It is disappointing that there has not been any real acknowledgement of the range of information that has been made available—not least through the agricultural reform route map, which was updated again yesterday. Those updates will continue, and we will continue to seek ways to engage with and inform as many farmers, crofters and land managers as possible to ensure that they know what they need to do from next year, and the actions that they need to take now. However, I reiterate that it is right that the Scottish Government is taking the time that is necessary to develop the detail of the policy with the people who will be directly affected by it. That is important if the Scottish Government is to deliver on its commitment to there being no cliff edges for our farmers and crofters.

Rachael Hamilton: The cabinet secretary heard me intervene on John Swinney about bringing in a cross-compliance approach on peatlands and wetlands. That is a significant move, but farmers and land managers were not consulted. She just made the point that the Scottish Government will consult on such significant issues, so what has changed?

Mairi Gougeon: As I have already outlined, co-development is the foundation of our approach to developing policy. I am surprised that Rachael Hamilton is raising that issue with me now, because we announced that new condition last year and provided more detail on it yesterday, and we have discussed it. I hope that the member is not insinuating that we should not do everything in our power to ensure that we protect our peatlands from further degradation.

Colin Smyth and others raised concerns about the route map and the general timing of the bill. Those criticisms ignore our commitment to stability and simplicity, which has ensured that we have had some security throughout what has been an incredibly tumultuous time. I realise that it might not have been a popular decision at the time, but it has been proved that it was absolutely the right decision to make.

Rhoda Grant delivered a very powerful contribution, and she made a lot of excellent points, which I want to go through. As Tim Eagle did, she touched on how important our smaller producers are. I absolutely agree with the points that they made about that. That is exactly why the work that we are doing on the small producers pilot fund is so important. A steering group of small producers was established to take forward that work and, ultimately, to design the support that they need, so I was glad that Rachael Hamilton recognised the importance of abattoirs and raised the issue in an intervention. The initial phase of the pilot is considering that point and is working with two abattoirs to test solutions for small producers to access abattoirs, as well as working on other matters. The work that we are taking forward on that is important, because the support that we previously had in place for small producers did not work. The pilot is being taken forward so that we can learn from its work and deliver the kind of support that we know our small producers want and, ultimately, need.

Rhoda Grant also made hugely important points about crofting, grazings committees and support for co-operatives. I know that that support has been raised more widely. We recognise that it is vital. I emphasise that if the general principles of the bill are agreed to at decision time, we will have the powers to deliver that support in the framework that we will develop.

A number of members mentioned the objectives of the bill, including Kate Forbes, who focused on food security.

Ariane Burgess and others touched on the importance of animal welfare. As I set out in the evidence that I provided to the committee, the objectives are, by their very nature, wide ranging and align with the principles that are contained in the vision for agriculture. The four objectives are not hierarchical—they are not listed in order of priority nor in terms of the importance of their outcomes; each serves to support the others.

That said, I acknowledge the committee's recommendations and I welcome the wide range of comments that were made during the committee's evidence taking on the proposed objectives. That is why I will continue to listen to views and will consider further whether any changes are needed to the objectives as they stand.

I need to address a couple of important points that were raised today, and I need to clear up the misinformation that has been put from across the chamber. Issues have been politicised when I had hoped that we could work collegiately as we look towards stage 2 of the bill, but based on the way that some contributions have gone today, I fear that that might not be possible.

In relation to the budget, I need to address the comments that were made by Rachael Hamilton and Jamie Halcro Johnston: they were complete and utter nonsense. It is because of the economic mismanagement by the Tory UK Government that we have faced the worst budget settlement since devolution. Significant cuts of up to 10 per cent to our capital budgets have meant that all portfolios across Government have had incredibly difficult choices to make. All funding was ring fenced in my portfolio; we did not take any money from the pockets of farmers and we protected the spend because we recognise how hugely important it is.

It is important that we do not forget that agriculture is devolved and that it is for the Government and the Parliament here to decide what our policy on agriculture should be in the future, and how we will support its delivery. Scotland has a unique landscape, and our agricultural interests and capabilities are different from those of the other nations in the UK. Yes—there are similarities and we should always listen to and learn from one another on these islands, just as we should continue to learn from the EU CAP and from what other European nations are doing.

However, ultimately this is Scotland's bill, and I am glad that its general principles have the support of most members in the chamber and on the Rural Affairs and Islands Committee. I therefore suggest that the general principles of the bill be agreed to.

Rachael Hamilton: On a point of order, Presiding Officer.

I seek your guidance, because I have been accused of giving misinformation. My key point was that the UK Government provided £620 million of ring-fenced funding for the Scottish agriculture budget and will continue to support the sector. The UK Government also secured £61 million to Scottish farming through the Bew review, but the Scottish Government took £46 million from ring-fenced funding in the budget. Those are absolutely black-and-white facts; they are not misinformation.

The Presiding Officer: I remind members that points of order relate to procedural matters.

Agriculture and Rural Communities (Scotland) Bill: Financial Resolution

17:02

The Presiding Officer (Alison Johnstone): The next item of business is consideration of motion S6M-12111, in the name of Shona Robison, on a financial resolution for the Agriculture and Rural Communities (Scotland) Bill. I invite Mairi Gougeon to move the motion.

Motion moved,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Agriculture and Rural Communities (Scotland) Bill, agrees to any expenditure of a kind referred to in Rule 9.12.3A of the Parliament's Standing Orders arising in consequence of the Act.—[*Mairi Gougeon.*]

The Presiding Officer: The question on the motion will be put at decision time.

Urgent Question

17:02

Ferguson Marine (Chief Executive)

Graham Simpson (Central Scotland) (Con):

To ask the Scottish Government for what reason the chief executive of Ferguson Marine had his contract of employment terminated yesterday.

The Cabinet Secretary for Wellbeing Economy, Net Zero and Energy (Màiri McAllan): The termination of the former chief executive officer's contract is a matter for the board, which is appointed by ministers to provide strategic direction at Ferguson Marine (Port Glasgow) Ltd. The chair of Ferguson Marine stated that the action was necessary to ensure strong leadership, amid what a spokesperson for the board has called "concerns around performance".

My focus, and the Scottish Government's focus, is—as ever—on the completion of the Glen Sannox and hull 802, and on helping to improve the commercial viability of Ferguson Marine and supporting the skilled workforce.

Graham Simpson: David Tydeman was brutally sacked yesterday. He was the man with the impossible job of turning things around where the previous turnaround director had failed. In fact, to show what he was up against, last October, he told the Net Zero, Energy and Transport Committee that the design of the Glen Sannox was

"more complex than a type 26"—[*Official Report, Net Zero, Energy and Transport Committee, 24 October 2023; c 4*]

Yesterday was disgraceful. David Tydeman had been in post for only two years. His sacking has sent shock waves through the yard and the industry. Màiri McAllan said that it was a board decision, but Ferguson Marine is owned by the Scottish Government, so there is no way that that would have happened without her approval—the buck stops with her. I think that he was sacked for being too honest about the problems, and I think that he was sacked for demanding answers from the Government about future investment in the yard, but we were told that Mr Tydeman was sacked for performance issues. What were those performance issues? When did the cabinet secretary first become concerned about his performance? Did her predecessor share her concerns? Will David Tydeman be getting a payoff, or does he leave with nothing?

Màiri McAllan: David Tydeman leaves with the contractual matters that he was due. Graham Simpson can theorise on this matter as much as he likes, but the facts are that this has been a

decision for the board of Ferguson Marine, which is in place to provide strategic direction and to hold the executive team to account on performance. The board is, of course, aware of the importance that I—and the Government—place on delivery, accountability, and the prudent spending of public money. Nonetheless, this is, on its four corners, a decision for the board.

In respect of Graham Simpson's characterisation of matters creating shock waves within the Ferguson Marine yard, I would point to comments from the GMB representative, John McMunagle, on "Good Morning Scotland" this morning, where he talked of the newly appointed CEO, John Petticrew. He said:

"John's obviously a shipyard man. He served his time in the local shipyard in Greenock before moving ... We met with him yesterday. We've had meetings with him over the past five or six weeks. We're now going to throw our weight behind John".

Graham Simpson: Well, of course the union will work with whoever the boss is. At least the union had the guts to turn up on GMS this morning, unlike the cabinet secretary.

The new interim CEO is apparently based in Canada. I hope that he is in British Columbia, where they have an excellent ferry service that we could learn from. How is that arrangement actually going to work?

The cabinet secretary has said that there will be further delays to the delivery of the Glen Sannox. How long will they be? What is the cause of those delays? What is the extra cost? Also, now that she has wielded the axe, blaming the board, is the cabinet secretary personally prepared to commit to a date for the Glen Sannox and the Glen Rosa to be completed?

Màiri McAllan: On the incoming CEO, John Petticrew has 40 years plus experience in shipbuilding. He is a resident of Canada; he will be temporarily relocating to the United Kingdom. He knows the business well. He has been a non-executive board member of Ferguson Marine (Port Glasgow) since 2022. I will certainly take the opportunity to meet him as soon as I can, to make clear ministers' expectations around delivery of the vessels and support for the workforce.

On further delays, I updated Parliament recently with a statement on the delays that were put on the record by the management team. I was made aware on Monday of the board's expectation that there could be further risks. I have no more detail that I am able to put on the record about that so far, except to say that it is very much my expectation that the newly appointed members of the board will interrogate that and will seek to minimise risk and cost at all opportunities.

The Presiding Officer (Alison Johnstone):

Before we move on to supplementaries, I say that there is a very high level of interest in them. In order to get through as many as possible and to include as many members as possible, I would be grateful for concise questions and responses.

Stuart McMillan (Greenock and Inverclyde)

(SNP): I want to thank David Tydeman for his time at the yard, but I also believe that it is time for a fresh set of eyes. More generally, I am sorry about some of the rhetoric that we have heard from Mr Simpson this afternoon. It does the yard and the workforce no service whatsoever.

Can the cabinet secretary provide an update on any future work for the yard, particularly with regard to the small vessel replacement programme and the direct award? The new interim chief executive will require all the assistance that he can possibly get from the Scottish Government; he will certainly have that assistance from the shop stewards and the workforce.

Màiri McAllan: I agree with Stuart McMillan's comments on the tone of the question and the need for a respectful tone. I do not need to repeat them, but I agree with them. I also thank Stuart McMillan for his on-going support of the yard.

On the small vessel replacement programme, ministers are considering the outline business case for it. It is an important issue and an update will be provided once a decision has been taken. However, as I said very recently in the chamber, a direct award of public contracts is possible only in strictly limited circumstances under public procurement rules. As I said, ministers are currently considering future vessel contracts from public agencies, including the SVRP.

Rhoda Grant (Highlands and Islands) (Lab):

We are rightly critical of the scandal that is costing the taxpayer £400 million, but the people who are paying the biggest price for the latest delay are the islanders who will endure yet another summer of chaos and disruption. That, alongside ferry breakdowns, is not simply an inconvenience—it will be the difference between a business surviving or folding, and between employers hiring or releasing employees this summer. What support and compensation will the Government make available to save businesses and jobs on Scotland's islands?

Màiri McAllan: I agree with Rhoda Grant, and the islanders are uppermost in my mind. That is why I have been clear that delays are entirely unacceptable. I understand the call for support for island communities, and I know that the Cabinet Secretary for Transport has been involved in that. From my perspective, I point to the relief that was granted in the most recent budget in the form of non-domestic rates relief for island businesses.

In short, I understand entirely how frustrating the delays are. I will continue to impress on the board that they are unacceptable, and ministers will continue to consider how we support our island communities, short of delivery of the boats.

Jamie Greene (West Scotland) (Con): To be clear, we are getting a new turnaround chief at the yard, who is replacing the existing turnaround chief, who was brought in to turn around the work of the previous turnaround chief—all at a cost of about £2 million or £3 million in taxpayers' money. I have not heard any answers to the real questions, which are these. Why was Mr Tydeman fired? If he was fired, why is he getting a pay-off? How much was he paid off on his departure? More importantly, has he signed any non-disclosure agreements?

Màiri McAllan: The decision to terminate the former CEO's contract was a matter for the board. As I said in my opening response to Graham Simpson, the chair of the board has said that the action was necessary in order to ensure strong leadership amid what a spokesperson for the board has been quoted as calling concerns around performance. Equally, I have already answered the point about payment. Mr Tydeman is entitled to contractual payments, which he will receive, and nothing more.

Paul O'Kane (West Scotland) (Lab): In a previous response, the cabinet secretary chose to selectively quote John McMunagle, the co-convenor of the GMB union at the yard. He also said that David Tydeman had

"inherited an almost impossible job"

and that

"arguably out of the six or seven CEOs that we have had, David has been the best of them".

When is the cabinet secretary going to meet GMB representatives, as well as the workers at the yard that they represent, to hear what they have to say and to listen carefully to their concerns? Will she respond to their ask for direct awards to be made in order to ensure that we keep the yard viable and supporting the economy of Inverclyde and Port Glasgow?

Màiri McAllan: I recently met representatives of the GMB in my office in the Parliament, and I will do so soon. I will shortly meet the new CEO and impress on him the minister's objectives—the completion of the boats, the driving down of costs and the securing of a sustainable future for the yard.

Willie Rennie (North East Fife) (LD): The cabinet secretary dares to lecture us about respect, but where is the respect for the taxpayers who have had to bail out the ferry disaster to the tune of hundreds of millions of pounds, or for the

islanders who have had to put up with endless delays, or for the workers who have been embarrassed by the shocking leadership of this Government? Did the cabinet secretary know in advance about the sacking? Did she know about the appointment of the successor? Does she know why that had to be done in a hurry, such that an interim director had to be appointed? When will somebody in the Government carry the can for the ferry disaster?

Màiri McAllan: Once again, this was a decision for the board and not for ministers. I was made aware on 28 February that the board was considering taking action to address performance-related issues in relation to Mr Tydeman's tenure. I was informed on 18 March that it intended the contract termination to take place in the week commencing 25 March.

Edward Mountain (Highlands and Islands) (Con): I assume that, tomorrow, the Net Zero, Energy and Transport Committee will get an update from the yard on what is happening. In advance of that, I ask the cabinet secretary, what is the actual delay to vessel 801 and what are the actual extra costs? What are the delays to vessel 802 and the extra costs there? She must know, because she said that they are unacceptable. Can she tell us?

The Presiding Officer: Please respond with regard to the substantive question, cabinet secretary.

Màiri McAllan: I gave a statement to Parliament in respect of the most recently formally confirmed costs and expected completion dates. I do not have sufficient information to update Parliament with the specificity that I would want to bring to the chamber. I was formally notified on Monday of potential delays crystallising. The new executive team and the board will now interrogate those, they will update me and they will update Parliament in the normal way.

Neil Bibby (West Scotland) (Lab): There should have been a full ministerial statement on this matter. The Scottish Government is ultimately responsible for this fiasco, yet not one of the countless ministers on the ministerial merry-go-round has taken responsibility. The GMB has been mentioned, and it has been clear that the key change that the yard needs is investment in facilities and a pipeline of future work. There is cross-party support for that, and that needs to happen now.

Does the minister accept that, if the yard does not get the investment and the small vessel contract that it needs, that is setting up the new management, the new leadership and, crucially, the workforce to fail?

Màiri McAllan: I have been clear that ministers will leave no stone unturned when it comes to securing a sustainable, successful future for Ferguson Marine. The best way to secure that future, as I think everybody involved knows, is via improved competitiveness. As I updated Parliament during a statement in recent weeks, we are working with Ferguson Marine (Port Glasgow) Ltd on an updated business case, which I expect to receive at the end of this month. I will consider it and I will update Parliament thereafter.

Douglas Lumsden (North East Scotland) (Con): This question was asked earlier, but I could perhaps ask again. Has David Tydeman been forced to sign a non-disclosure agreement as part of his pay-off from Ferguson Marine? Yes or no?

Màiri McAllan: Not as far as I am aware.

Katy Clark (West Scotland) (Lab): Mr Tydeman was clear that investment was needed for structural changes at the yard, to put it on a firm footing for future orders. In fact, he said that that was required by last Christmas. Is the cabinet secretary still considering those representations?

Màiri McAllan: That question, which Katy Clark is quite right to put, pertains directly to the issue of the business case. I mentioned in a previous answer that we are working with Ferguson Marine on that, we expect it at the end of the month and it will be closely considered.

Paul Sweeney (Glasgow) (Lab): A revised business plan has been prepared, and I believe that it is due to be signed off by the board of FMPG tomorrow, but the fundamental issue remains that the yard needs an order book that justifies investment. That fundamental contradiction is not being addressed by the Scottish ministers. Therefore, the new managing director is doomed to fail unless the Government can commit to investment and a forward programme of orders. That is the fundamental problem, and no litany of managing directors will solve that. Will the cabinet secretary please respond to that?

Màiri McAllan: That pertains directly to matters that I have already answered. Decisions on what contracts to pursue are ultimately a decision for Ferguson Marine. I have updated members today on the small vessel replacement programme, and I understand the centrality of that, in many people's minds, to the future of the yard. However, as I have said, direct award is possible only in strictly limited circumstances. I have also updated the Parliament in respect of the business case.

The Presiding Officer: That concludes the urgent question.

Business Motions

17:19

The Presiding Officer (Alison Johnstone): The next item of business is consideration of business motion S6M-12669, in the name of George Adam, on behalf of the Parliamentary Bureau, setting out a business programme.

Motion moved,

That the Parliament agrees—

(a) the following programme of business—

Tuesday 16 April 2024

2.00 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Topical Questions (if selected)

followed by Scottish Government Debate: Scotland's International Culture Strategy

followed by Legislative Consent Motion: Automated Vehicles Bill - UK Legislation

followed by Committee Announcements

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Wednesday 17 April 2024

2.00 pm Parliamentary Bureau Motions

2.00 pm Portfolio Questions:
Rural Affairs, Land Reform and Islands;
NHS Recovery, Health and Social Care

followed by Scottish Conservative and Unionist Party Business

followed by Business Motions

followed by Parliamentary Bureau Motions

followed by Approval of SSIs (if required)

5.10 pm Decision Time

followed by Members' Business

Thursday 18 April 2024

11.40 am Parliamentary Bureau Motions

11.40 am General Questions

12.00 pm First Minister's Questions

followed by Members' Business

2.30 pm Parliamentary Bureau Motions

2.30 pm Portfolio Questions:
Social Justice

followed by Stage 1 Debate: Scottish Employment Injuries Advisory Council Bill

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time
 Tuesday 23 April 2024
 2.00 pm Time for Reflection
followed by Parliamentary Bureau Motions
followed by Topical Questions (if selected)
followed by Stage 1 Debate: Victims, Witnesses,
 and Justice Reform (Scotland) Bill
followed by Financial Resolution: Victims,
 Witnesses, and Justice Reform
 (Scotland) Bill
followed by Committee Announcements
followed by Business Motions
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Wednesday 24 April 2024

2.00 pm Parliamentary Bureau Motions
 2.00 pm Portfolio Questions:
 Constitution, External Affairs and
 Culture;
 Justice and Home Affairs
followed by Stage 3 Proceedings: Children (Care
 and Justice) (Scotland) Bill
followed by Business Motions
followed by Parliamentary Bureau Motions
followed by Approval of SSIs (if required)
 5.00 pm Decision Time
followed by Members' Business

Thursday 25 April 2024

11.40 am Parliamentary Bureau Motions
 11.40 am General Questions
 12.00 pm First Minister's Questions
followed by Members' Business
 2.30 pm Parliamentary Bureau Motions
 2.30 pm Portfolio Questions:
 Education and Skills
followed by Stage 3 Proceedings: Children (Care
 and Justice) (Scotland) Bill
followed by Business Motions
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time

(b) that, for the purposes of Portfolio Questions in the week beginning 15 April 2024, in rule 13.7.3, after the word "except" the words "to the extent to which the Presiding Officer considers that the questions are on the same or similar subject matter or" are inserted.—[George Adam]

Motion agreed to.

The Presiding Officer: The next item of business is consideration of business motion S6M-

12670, in the name of George Adam, on behalf of the Parliamentary Bureau, on a state 2 timetable.

Motion moved,

That the Parliament agrees that consideration of the Regulation of Legal Services (Scotland) Bill at stage 2 be completed by 31 May 2024.—[George Adam]

Motion agreed to.

Parliamentary Bureau Motion

17:19

The Presiding Officer (Alison Johnstone): The next item of business is consideration of Parliamentary Bureau motion S6M-12671, on committee meeting times. I ask George Adam, on behalf of the Parliamentary Bureau, to move the motion.

Motion moved,

That the Parliament agrees that, under Rule 12.3.3B of Standing Orders, the Standards, Procedures and Public Appointments Committee can meet, if necessary, at the same time as a meeting of the Parliament after Portfolio Questions on Thursday 28 March 2024.—[George Adam]

The Presiding Officer: The question on the motion will be put at decision time.

Decision Time

17:20

The Presiding Officer (Alison Johnstone): There are three questions to be put as a result of today's business. The first question is, that motion S6M-12640, in the name of Mairi Gougeon, on the Agriculture and Rural Communities (Scotland) Bill at stage 1, be agreed to.

Motion agreed to,

That the Parliament agrees to the general principles of the Agriculture and Rural Communities (Scotland) Bill.

The Presiding Officer: The next question is, that motion S6M-12111, in the name of Shona Robison, on a financial resolution for the Agriculture and Rural Communities (Scotland) Bill, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division. There will be a short suspension to allow members to access the digital voting system.

17:20

Meeting suspended.

17:23

On resuming—

The Presiding Officer: The question is, that motion S6M-12111, in the name of Shona Robison, be agreed to. Members should cast their votes now.

For

Adam, George (Paisley) (SNP)
 Adam, Karen (Banffshire and Buchan Coast) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Siobhian (Ayr) (SNP)
 Burgess, Ariane (Highlands and Islands) (Green)
 Callaghan, Stephanie (Uddingston and Bellshill) (SNP)
 Chapman, Maggie (North East Scotland) (Green)
 Choudhury, Foysol (Lothian) (Lab)
 Clark, Katy (West Scotland) (Lab)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Constance, Angela (Almond Valley) (SNP)
 Don, Natalie (Renfrewshire North and West) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dunbar, Jackie (Aberdeen Donside) (SNP)
 Duncan-Glancy, Pam (Glasgow) (Lab)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)

Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gougeon, Mairi (Angus North and Mearns) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Neil (Airdrie and Shotts) (SNP)
 Greer, Ross (West Scotland) (Green)
 Griffin, Mark (Central Scotland) (Lab)
 Harper, Emma (South Scotland) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Haughey, Clare (Rutherglen) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Lochhead, Richard (Moray) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)
 Mackay, Gillian (Central Scotland) (Green)
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)
 Maguire, Ruth (Cunninghame South) (SNP)
 Marra, Michael (North East Scotland) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAllan, Màiri (Clydesdale) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McKee, Ivan (Glasgow Provan) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLennan, Paul (East Lothian) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 McNair, Marie (Clydebank and Milngavie) (SNP)
 McNeill, Pauline (Glasgow) (Lab)
 Minto, Jenni (Argyll and Bute) (SNP)
 Mochan, Carol (South Scotland) (Lab)
 Nicoll, Audrey (Aberdeen South and North Kincardine) (SNP)
 O'Kane, Paul (West Scotland) (Lab)
 Regan, Ash (Edinburgh Eastern) (Alba)
 Rennie, Willie (North East Fife) (LD)
 Robertson, Angus (Edinburgh Central) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Roddick, Emma (Highlands and Islands) (SNP)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Slater, Lorna (Lothian) (Green)
 Smyth, Colin (South Scotland) (Lab)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Collette (East Kilbride) (SNP)
 Stewart, Kaukab (Glasgow Kelvin) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Sweeney, Paul (Glasgow) (Lab)
 Swinney, John (Perthshire North) (SNP)
 Thomson, Michelle (Falkirk East) (SNP)
 Todd, Maree (Caithness, Sutherland and Ross) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Tweed, Evelyn (Stirling) (SNP)
 Whitfield, Martin (South Scotland) (Lab)
 Whitham, Elena (Carrick, Cumnock and Doon Valley) (SNP)
 Wishart, Beatrice (Shetland Islands) (LD)

Abstentions

Balfour, Jeremy (Lothian) (Con)
 Briggs, Miles (Lothian) (Con)
 Burnett, Alexander (Aberdeenshire West) (Con)

Carlaw, Jackson (Eastwood) (Con)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Dowe, Sharon (South Scotland) (Con)
 Eagle, Tim (Highlands and Islands) (Con)
 Findlay, Russell (West Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallacher, Meghan (Central Scotland) (Con)
 Golden, Maurice (North East Scotland) (Con)
 Gosal, Pam (West Scotland) (Con)
 Greene, Jamie (West Scotland) (Con)
 Gulhane, Sandesh (Glasgow) (Con)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Hoy, Craig (South Scotland) (Con)
 Kerr, Liam (North East Scotland) (Con)
 Kerr, Stephen (Central Scotland) (Con)
 Lumsden, Douglas (North East Scotland) (Con)
 McCall, Roz (Mid Scotland and Fife) (Con)
 Mountain, Edward (Highlands and Islands) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Ross, Douglas (Highlands and Islands) (Con)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Webber, Sue (Lothian) (Con)
 Wells, Annie (Glasgow) (Con)
 White, Tess (North East Scotland) (Con)
 Whittle, Brian (South Scotland) (Con)

The Presiding Officer: The result of the division on motion S6M-12111, in the name of Shona Robison, on a financial resolution for the Agriculture and Rural Communities (Scotland) Bill, is: For 89, Against 0, Abstentions 31.

Motion agreed to,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Agriculture and Rural Communities (Scotland) Bill, agrees to any expenditure of a kind referred to in Rule 9.12.3A of the Parliament's Standing Orders arising in consequence of the Act.

The Presiding Officer: The final question is, that motion S6M-12671, in the name of George Adam, on behalf of the Parliamentary Bureau, on committee meeting times, be agreed to.

Motion agreed to,

That the Parliament agrees that, under Rule 12.3.3B of Standing Orders, the Standards, Procedures and Public Appointments Committee can meet, if necessary, at the same time as a meeting of the Parliament after Portfolio Questions on Thursday 28 March 2024.

The Presiding Officer: That concludes decision time.

Renewable Energy Sector (Economic Impact)

The Deputy Presiding Officer (Liam McArthur): The final item of business is a members' business debate on motion S6M-12237, in the name of Audrey Nicoll, on "The Economic Impact of Scotland's Renewable Energy Sector—2023 Update". The debate will be concluded without any question being put.

I encourage members who wish to take part in the debate to press their request-to-speak buttons and ask those who are leaving the chamber to do so as quickly and quietly as possible.

Motion debated,

That the Parliament welcomes the publication of the Fraser of Allander Institute report, *The Economic Impact of Scotland's Renewable Energy Sector – 2023 Update*, commissioned by Scottish Renewables, which, it understands, provides the latest estimates of economic output and job figures for Scotland's renewable energy industry; understands that the report demonstrates that Scotland's renewable energy industry and its supply chain supported more than 42,000 full-time equivalent jobs in 2021, with offshore wind supporting the most employment across Scotland's economy from the renewable energy sector for the first time, with 15,005 full-time equivalent roles, while onshore wind supported 12,030 full-time equivalent roles and renewable heat supported 7,220 full-time equivalent roles; recognises the report's estimate that Scotland's renewable energy industry supported over £10.1 billion of output in 2021, with offshore wind contributing, it understands, the largest estimated economic output of £4 billion, followed by onshore wind and hydropower, generating £3.4 billion and £1.2 billion respectively, and welcomes the continued growth of Scotland's renewable energy industry, which, it believes, is critical not only for achieving Scotland's energy security and net zero ambitions, but also for building a greener, growing economy that benefits communities across Scotland, including in the Aberdeen South and North Kincardine constituency.

17:26

Audrey Nicoll (Aberdeen South and North Kincardine) (SNP): It is my real pleasure to introduce this members' business debate on "The Economic Impact of Scotland's Renewable Energy Sector—2023 Update". I thank all those colleagues who supported the motion, and I am grateful to those who are taking the time to speak this afternoon.

Before I get into the detail of the report, I will focus some remarks on the north-east, including my constituency of Aberdeen South and North Kincardine; the opportunities that our net zero economy brings to an otherwise cloudy economic picture; and the role of Government in bolstering competitiveness and supporting Scotland's clean energy transition.

Renewable energy generation is the foundation of any net zero economy. In Scotland, we are fortunate to have a plethora of renewable technologies, including onshore and offshore wind, marine energy, hydro power, solar and clean heat, which will all play a key role in reducing our carbon footprint and supporting our future energy security.

Scotland has set ambitious targets, and challenges exist in delivering those ambitions. However, today is a time—I hope—for us to acknowledge the positive impact that the renewables sector is having on jobs and economic output in Scotland.

Nowhere has the energy transition been more evident than in the north-east. As an Aberdonian, and now as a north-east constituency MSP, I have followed the journey of the energy industry, which was built around oil and gas and is now transitioning to renewables. Hitting the sweet spot between a declining fossil fuel sector and a growing renewables footprint is the challenge that we all face, and we must endeavour to deliver for our planet and our future prosperity.

According to the Energy and Climate Intelligence Unit's report, "The UK's net zero economy—The scale and geography of the net zero economy in the UK", which was published last month, Aberdeen remains one of many local economies in Scotland to see a significant proportion of its gross value added attributed to the net zero economy. The city and the wider region continue to host a diverse mix of operators, developers and supply chain businesses that support energy generation activities.

Robert Gordon University has published a series of reports that set out scenarios for how the north-east can continue to exploit its world-class energy ecosystem, and present a range of workforce outcomes that could materialise in the coming years. Its "Powering up the Workforce" report found that the United Kingdom's offshore energy workforce can increase by up to 50 per cent, from over 150,000 in 2023 to 225,000 by the end of the decade, with new renewable jobs outnumbering oil and gas roles, if a successful transition is achieved, thereby helping to secure Scotland's world-class energy sector for future generations.

The area of technology and innovation is a fundamental part of our energy transition, and the north-east hosts a wealth of activity in that space. Last week, I was delighted to attend the opening of the Offshore Renewable Energy Catapult floating wind innovation centre in my constituency, which is the UK's first centre that is focused purely on floating offshore wind technology. The National Energy Skills Accelerator has brought north-east academics and industry together to accelerate the upskilling of our existing and future workforce. The

Net Zero Technology Centre works with stakeholders to drive technology for a net zero industrial future. Those initiatives demonstrate how Scotland is combining our strengths, bringing creativity together with expertise to support the delivery of a successful energy transition.

I turn to “The Economic Impact of Scotland’s Renewable Energy Sector—2023 Update”, which was commissioned by Scottish Renewables and produced by the Fraser of Allander Institute. The report provides the latest estimates of economic output and job figures for Scotland’s renewables industry and its supply chain. The sector was supporting more than 42,000 full-time jobs in 2021, with offshore wind supporting the most employment: around 15,000 full-time equivalent roles. Onshore wind supported just over 12,000 full-time equivalent roles and renewable heat supported around 7,200. Scotland’s renewables industry supported more than £10.1 billion of output in 2021, with offshore wind understood to contribute output of £4 billion, and onshore wind and hydro power generating £3.4 billion and £1.2 billion respectively.

At this point, I will make a brief observation about the just transition. I recognise that, with the transformation of Scotland’s energy sector over the coming decades, the lives of communities and workers will be directly affected. A truly just transition calls for action on providing green jobs, building community wealth and embedding genuine participation, and I agree with calls for greater clarity on how we are going to measure progress in that regard.

The renewable energy industry currently presents Scottish supply chain companies with the biggest opportunity for business growth. However, that growth depends on enabling a stable and ambitious pipeline of clean energy projects, and will require both the Scottish and UK Governments to collaborate on enabling deployment, including by driving efficiencies and extra resource into our planning and consenting system, maximising Scottish capacity in contracts for difference, building new transmission infrastructure, upgrading our ports and investing in skills. On transmission, I welcome SSE’s investment programme in Scotland, in particular the north of Scotland build-out, which is anticipated to be worth £20 billion alone and will provide lasting economic and social benefits across Scotland.

Douglas Lumsden (North East Scotland) (Con): On that point, does the member have any concerns about the level of disruption that some of the SSE upgrades will have on many of our communities in the north-east?

Audrey Nicoll: I thank the member for that very appropriate intervention, and I would not underplay the challenge that such big projects

present. However, it is perhaps up to us to challenge and monitor what is happening, with particular regard to representing our constituents.

Before concluding, I want to highlight the role of Government. Notwithstanding how policy decisions at UK level impact on the way in which Scotland meets its net zero targets, the Scottish Government’s approach, as outlined in its “Draft Energy Strategy and Just Transition Plan” document, as well as the just transition fund and the forthcoming green industrial strategy, reflect, in my view, a distinct, more planned approach to addressing our climate crisis, which I very much welcome.

As time passes, progress on Scotland’s transition to net zero will become increasingly critical to the future of the UK, due not only to the social and environmental imperative of curbing climate change, but to the economic upside that is associated with the transition to a cleaner, cheaper and greener energy system, bringing fresh investment to our shores, regeneration to our industrial heartlands and high-value jobs to the next generation.

I offer my thanks again to everyone who supported the motion, and I look forward to hearing members’ contributions.

17:35

Maurice Golden (North East Scotland) (Con): I thank Audrey Nicoll for securing the debate. The motion has the key facts and figures on the many thousands of jobs that the renewable energy sector supports and on the incredible economic output that it generates, but I want to highlight another statistic, which comes from the Scottish Renewables document, “Scotland’s Renewable Energy Industry—Supply Chain Impact Statement 2022/23”. That found that an overwhelming majority of the featured organisations—some 90 per cent—regarded renewable energy as Scotland’s biggest economic opportunity. That is important, because it highlights the fact that, as impressive as the existing economic impact has been, there is much more to come if we get future priorities and policies right. We must get them right if we are to ensure that there is a bright future for communities across the north-east as we transition from fossil fuels.

At a basic level, there must be a pipeline of projects that is both ambitious and stable. It is worth mentioning that greater recycling and reuse of energy infrastructure would open up another avenue of economic activity in addition to expanding generation, especially when we consider that the decommissioning of offshore fossil fuel assets alone is set to ramp up to £2 billion per year over the next decade.

Looking at renewables, refurbishing many thousands of wind turbine components would open up a £10 billion market for the UK and Scotland, as around 120,000 turbines come online across Europe by the mid-2030s. That has the potential to create 20,000 full-time equivalent jobs across the UK, according to research that was conducted on behalf of the coalition for wind industry circularity. Scotland could, and should, be part of building the UK-wide supply chain to make that circularity happen, yet there is no mention of that kind of circularity in the energy sector in the Circular Economy (Scotland) Bill. As it happens, the cross-party groups on the circular economy and on renewable energy and energy efficiency are holding a joint session after this debate. We will be looking at the issue of circularity in the energy sector, and I invite all members to come along.

We cannot afford to miss those opportunities, because international competition is fierce. As MSPs, it is our job to ensure that Scotland is the go-to place for net zero investment—and we will need a lot of investment. The Climate Change Committee estimates that the net zero transition will require £50 billion of investment each year across the UK, the majority of which will need to be delivered by the private sector. Of course, Government must lead the process and send out encouraging signals.

I therefore repeat the calls for the Government to provide clarity on the just transition fund, which—as was reported last week—has had its budget cut by a whopping 75 per cent this year. That is the wrong signal to send out if the Government is serious about a just transition, and about cementing renewables as a cornerstone of our economy.

17:39

Sarah Boyack (Lothian) (Lab): I, too, congratulate Audrey Nicoll on securing this important debate. It could not be more timely. I have lost count of the number of meetings that I have had with the renewables sector, from large companies to community and co-operative projects. The supply chain networks are talking to us, and everyone agrees that we have made huge progress in the past couple of decades and that the renewables sector is now a key part of the economy, but we need more action.

When I first set our renewables targets in the Parliament's early days, they were seen as somewhat bold and radical. That we have got to where we now are, therefore, is a credit to the sector and to the companies that have been delivering the jobs and the infrastructure over that time. We have seen huge steps forward in onshore and offshore wind, in solar, wave and

tidal energy and in hydro and pumped storage, and technological developments are opening up new options for the future.

However, we need action to develop supply chains and to give clarity and certainty to the sector in the future. If we are to make progress, it is critical that we do not miss the boat. We also need to maximise the opportunities from our natural capital while investing in renewables infrastructure that will help to promote biodiversity. There is now a lot of research and experience that needs to be widely shared.

I thank all those who gave us briefings for the debate, and groups such as Scottish Renewables that have, in recent months, shared their thoughts on the need to act urgently to address the challenges that the sector faces.

We need strategic leadership, effective consenting and planning processes and development of the grid. We also need access to apprenticeships and reskilling opportunities to allow people to move into the sector. I am thinking in particular of workers with skills, knowledge and experience who want to move into the renewables sector, especially those who have been working in the oil and gas sector—they should not have to pay for that training. We need to deliver “North Sea 2”, as Gordon Brown recently described it.

I highlight the Scottish Trades Union Congress report on the just transition, which includes some key recommendations that need to be addressed with regard to Scotland's missed potential and the need to prioritise more manufacturing of renewables in Scotland. We also need joined-up thinking, and—as we just heard from Maurice Golden—we need to link the renewables sector to the circular economy in practice. Companies such as ReBlade are moving ahead on that, but that approach needs to be built in to the whole sector.

As I mentioned, we urgently need action on planning and consent processes. Our local authorities are suffering after a decade of cuts—£1 billion of cuts—from the Scottish National Party Government. We need urgent action to ensure that local authorities get the support that they need now and to bring new planners into the sector to bring an end to the never-ending processes.

We also need more community and co-operatively owned heat and power projects, as that will be central to Scotland's economy as we move forward. Labour's local power plan would see us making the progress that we urgently need, because we need investment in our local communities so that they, too, gain the benefits from the transformation that is possible.

Our commitment to a “Great British Energy” company—

Audrey Nicoll: Will the member take an intervention?

Sarah Boyack: Yes.

Audrey Nicoll: I will backtrack a little, to the matter of planning, which Sarah Boyack highlighted. Does she welcome the proposal for a floating resource of planners and the commitment to halve onshore wind planning timescales?

Sarah Boyack: It is not just about timescales. We definitely need more resources for local authorities that are separate from the sector, but we need that for onshore and offshore, not just one of the two. It is critical that we get that urgently, because if we are to get the jobs that we need in Scotland, we need strategic leadership and investment, which would mean transformational change in our economy. That is why Labour wants to see a “GB Energy” company established and headquartered in Scotland, which would give us the strategic leadership and investment that other European countries have baked into their projects.

This morning, I saw for myself the impact of joined-up thinking and investment on an inspiring visit to Forth Ports. I saw the work that it is doing to invest in the port to make it fit for the future. As part of that process, 2,000 jobs will be created through a new renewables factory; new harbour infrastructure to enable floating wind to be developed; and the building of new affordable social housing in Leith, which is urgently needed. I note my entry in the register of members’ interests on that point.

We have new renewables developments that will benefit from the investment that is being made by Forth Ports, which will sit alongside the work that is being done up and down our east coast. However, we need more young people to be inspired to join the sector, and they need access to the skills, training and academic development that our renewables sector needs now if we are to deliver the jobs, investment and low-carbon power that Scotland needs now.

17:44

Kenneth Gibson (Cunninghame North) (SNP): I congratulate my colleague Audrey Nicoll on securing tonight’s debate, and I thank the Fraser of Allander Institute for producing the report and Scottish Renewables for commissioning it.

In a matter of weeks, the Parliament will celebrate its 25th anniversary. Compared with 1999, we have a much clearer consensus on the environmental, financial and, indeed, moral imperative for tackling climate change. Since 1999, successive Administrations have developed a distinct and ambitious approach to tackling it.

Today, Scotland produces more electricity from renewables than it consumes. Recent figures show that renewables technologies generated the equivalent of 113 per cent of Scotland’s overall electricity consumption in 2022, which is the highest recorded figure to date.

PwC’s green jobs barometer consistently identifies Scotland as the best-performing part of the UK for developing green jobs—4.04 per cent of all jobs advertised are considered to be green, which is 74 per cent higher than the UK average.

Skills Development Scotland estimates that £90 billion-worth of green investments are being made now or will take place over the next three years. ScotWind, hydrogen, carbon capture, wave and tidal technologies and green ports do not just represent opportunities to decarbonise; they open massive economic opportunities to secure a generation of well-paid green jobs.

Scotland’s renewables sector is not confined to supporting domestic decarbonisation. Hunterston, in my constituency, will host the UK’s first high-voltage direct current factory, which is a fantastic example of the type of project that Scotland needs to attract. The ambition that is shown is immense. Some 2,485 miles of cable will be produced to connect Morocco’s renewable energy-rich region of Guelmim-Oued Noun to the British mainland. That world-first project will generate 11.5GW of zero-carbon electricity from the sun and wind to deliver enough low-cost clean power to the equivalent of more than 7 million homes, eventually supplying 8 per cent of the UK’s electricity needs.

XLCC, which is the company behind the £1.4 billion cable manufacturing facility, is working closely with Scottish Enterprise, North Ayrshire Council, Skills Development Scotland and local schools and colleges to deliver the project in ways that maximise economic benefits for the local area and its people. The first cohort of apprentices has already been recruited and has recently returned from eight weeks’ training in Germany. When it is fully operational, the site will employ up to 900 highly skilled permanent workers, with thousands more jobs created through the supply chain.

With industry projections indicating that subsea cable demand will outstrip supply by two and a half times in 2030, and given that existing manufacturers have supply backlogs of up to nine years, the facility will tackle a crucial bottleneck in global energy decarbonisation.

Scotland’s renewable energy industry already supports more than £10.1 billion of output and more than 42,000 jobs across the economy, as Audrey Nicoll pointed out in her motion. That is substantial but only a fraction of our renewables potential. A 2022 report by economist Dr David

Skilling suggested that Scotland could increase its green energy output fivefold, with capacity increasing from 12GW to more than 60GW by 2050. Scotland could become a green energy powerhouse, creating up to 385,000 jobs in the process.

Unfortunately, the Scottish Government is constrained in what it can do to turn potential into reality. Energy policy is reserved, so we cannot change disastrous policies such as transmission network use of system charges, which were brought in by Labour's Ed Miliband. Those charges uniquely disadvantaged Scottish projects. Scottish Renewables has said that they are

"enormously destructive to Scotland's offshore wind industry and"

are

"clearly at odds with everything we need to do to reach net-zero."

Maurice Golden: Will the member take an intervention?

Kenneth Gibson: I am in my last 20 or 30 seconds, I am afraid.

Although the Scottish Government can invest and has allocated £500 million for Scotland's offshore wind supply chain, its borrowing powers are limited. It cannot invest in the sector as the UK and other Governments of independent countries can.

As nations invest billions in green industries, Labour's 83 per cent cut to the promised £28 billion of annual funding to meet net zero—a figure that was once considered to be the bare minimum necessary—means that there is now a cosy consensus among Westminster parties on leaving green industries to fend for themselves, holding back Scotland's energy potential.

Scotland has an opportunity to achieve a just transition to net zero that enhances energy security and lowers energy costs for households. To fully realise that, we need all the powers to act—powers that can be secured only through independence.

17:49

Alexander Burnett (Aberdeenshire West) (Con): I, too, thank Audrey Nicoll for bringing the motion to the chamber for debate.

The energy sector supports hundreds of thousands of livelihoods in the north-east and is vital to Scotland and the UK economy. We all hope that renewables will boost our energy security and recognise the opportunities for those who work in the oil and gas sector. However, the current strategy disregards the views of people in

rural communities, who feel neglected by the SNP-Green Government.

When talking about the economic impact, people have so far pointed only to the positives and failed to take into account the many negative costs that can arise. What is worse is that the £750 million of ScotWind revenue has already been blown plugging the SNP's tax-and-axe budget.

I want to voice the concerns of those who are living through the demolition of their communities and countryside. Aberdeenshire's ever-growing list of infrastructure projects now includes 26 giant turbines in Glendye, 16 on the Hill of Fare—those would be among the tallest in the UK, at up to 200m, if they proceed against the wishes of more than 1,100 people in the community who have objected—and more than 150 turbines making up the ring of steel in the Cabrach.

I note my entry in the register of members' interests. The two 12kW farm turbines, which were built a decade ago, are some 45,000 times smaller than those of the Cabrach.

Other related infrastructure projects, including pylon developments, are wiping out the countryside. The ESO "Beyond 2030: A national blueprint for a decarbonised electricity system in Great Britain" report outlines a north-to-south electrical spine that will turn the north-east into a power distribution corridor.

Last year, the National Grid paid a record £275 million in constraint payments to Scottish wind farms. That is a slap in the face to constituents who are struggling with high energy bills and the blight of turbines and pylons for which we have to pay hundreds of millions of pounds to turn the power off.

Scotland is already at capacity, so how can the Government justify those developments despite community objections? The benefit that communities receive is minuscule compared with the income that is generated for developers.

More than a million visitors come to Aberdeenshire each year to enjoy the scenery and historic sites. Infrastructure of the scale that is proposed for Aberdeenshire will scar the landscape. We need look no further than the Cabrach, with new evidence having found that Craig Dorney fort, which is one of the few intact Pictish sites remaining in Scotland, is a site of national importance. However, Historic Environment Scotland has abdicated responsibility and will not amend the designation because the planning application for the Craig Watch wind farm has started—what a disgraceful response from a statutory consultee.

I have heard from constituents whose homes have been devalued by more than 10 per cent. Sales have fallen through. One constituent wrote to me to say:

“We are now basically trapped in a home which is not able to be sold and which will soon be adjacent to our pylons, where we no longer want to live.”

Wind farm developments do not even offer sustainable local employment opportunities. Both the Glendye and Hill of Fare environmental impact assessment reports emphasise the remote operational control of modern wind farms. The Clashindarroch wind farm extension proposes 22 jobs at this stage, but just five locally in Moray. The Hill of Fare project manager, Gavin Shirley, lives in Dumfries, and the project would be managed at the Renewable Energy Systems control centre in Glasgow. Once again, north-east communities have their opposition ignored, while those who benefit do not have to live through the desecration of their community.

The Scottish Government’s target to install 3,400 turbines between now and 2030 will mean a wind farm on every hill and a pylon in every field. Other sources of energy and other distribution routes must be pursued. Communities must be heard, and they should have a statutory voice in the planning process.

17:53

Mark Ruskell (Mid Scotland and Fife) (Green): I warmly thank Audrey Nicoll for bringing to the chamber what is now a regular debate on the success of the Scottish renewables sector.

The growth of the renewables sector is truly remarkable. We are now living through a revolution that would have been unimaginable 30 years ago, and we are still on the very edge of what was thought to be achievable 20 years ago. Despite what Mr Burnett has just outlined to members, that has been done largely with public consent. Public support for onshore wind power remains strong in this country and, of course, developers need to work closely with communities to ensure that that public consent continues.

The analysis from the Fraser of Allander Institute paints a strong picture of progress. However, for me, there is no better way to take the temperature of the renewables sector than at the annual Scottish Renewables green energy awards. I have been going to that gathering for many years, and it felt very different last year. There was a level of confidence that I had not seen before. Some incredible innovation was certainly celebrated, but it was also great to see so many young professionals and young people joining the industry—especially women, who are

really driving the change and innovation in the sector.

That confidence is reflected in the recent Scottish Renewables supply chain survey, which showed that 89 per cent of companies now think that renewable energy is the largest economic opportunity for Scotland. Ninety-four per cent of those companies in the supply chain have invested in upskilling, and 83 per cent have recently recruited new employees. It is important that the supply chain is grown here in Scotland as much as possible. The STUC “Mind the Gap” report, which is out today, points to the critical importance of a green industrial strategy to guide that growth and to crowd in investment. I agree with Sarah Boyack that there is a strong role for the public sector in delivering that mission.

I also agree with Maurice Golden that there are exciting opportunities in the supply chain. The repowering of wind farms does not mean having a wind farm on every hill. We can repower some of the existing wind farms—we can even repower Mr Burnett’s wind farm, if he wants, and make it generate many hundred times more capacity than it currently provides to the grid.

There are exciting opportunities for repowering, which we will talk about later at the cross-party group. I say to Maurice Golden that I do not know whether that would require an amendment to the Circular Economy (Scotland) Bill, but a sector-wide approach could really deliver the benefits here.

The growth of onshore and offshore wind will be critical to drive the continued electrification of our society, from heating to transport and beyond. I am sure that the minister who will be responding to the debate is well aware of the criticality of renewable electricity generation in decarbonising the heat in our buildings.

There are vulnerabilities, and Sarah Boyack pointed to one of them. We are seeing a real surge in consent applications right now, and that is not being matched by the capacity in the energy consents unit. I understand that 25 per cent of posts in the consents unit are currently vacant and that there are delays with work programmes, such as streamlining the consenting process. I am well aware of the financial pressures that the Government is under and, of course, we have a national shortage of planners, so it is difficult to fix the issue overnight. However, I urge the Government to look with some urgency at how we fix the consenting delays. That does not mean short-cutting processes or ignoring communities, but it does mean ensuring that consent delays are brought down.

Last week’s Climate Change Committee report was a huge wake-up call, but the good news

coming out of that report is that Scottish renewable electricity generation is on track, which will bring a huge benefit for the future. There is a fresh wave of confidence in the Scottish renewables sector right now, and we should be doubling down on that success. However, it is important that the Government plays its role in facilitating that growth, especially through speedy decision making when it comes to projects that involve communities, and that processes are robust, get the job done and get us to the 2030 target of doubling onshore wind capacity.

17:57

Douglas Lumsden (North East Scotland) (Con): I thank Audrey Nicoll for securing the debate. Renewables technologies play a significant component role in Scotland's energy mix, contributing towards our work to reach net zero. It is welcome news to hear that the renewables sector in Scotland employs more than 42,000 people in full-time work, with the sector contributing more than £10 billion to our economy. That is a remarkable achievement, and those in the sector should be proud.

However, it is disappointing that the Scottish Government cannot give us a breakdown of where those jobs are being created. That would give us an idea of whether there is a true transition of jobs in the north-east. The jobs that the renewables sector creates and sustains are good jobs. They are skilled and well paid, with the average salary in the industry being around £44,600. Scotland should embrace with open arms the opportunities and benefits that the industry provides. That is recognised the length and breadth of the islands, and that is why, in the spring budget, the chancellor announced £1 billion of funding for the contracts for difference scheme. The scheme has been welcomed by the industry and will support the development of the new energy technologies of the future.

The SNP-Greens like to flaunt their record on climate like it is something to be proud of, but, just last week, the Climate Change Committee's report showed that it is certainly nothing to flaunt, with targets missed and unobtainable, and a plan for the future nowhere to be seen.

This weekend, we were treated to a spectacular stage show of nationalist fantasy economics, guest starring the self-proclaimed energy-obsessed Gillian Martin, the Minister for Energy, Just Transition and Fair Work. The event was organised by disgraced former Aberdeen SNP councillor Kairin van Sweeden, who the First Minister had to apologise for after Ms Sweeden made racist comments directed at Labour councillor Deena Tissera. During the minister's performance, she spoke of how she believed that

her Government's just transition would mean that everyone in Scotland would be able to get a job in the energy sector. In fact, she said, we have more jobs than people. It reminded me of when Alex Salmond said that we were going to be the Saudi Arabia of wind.

Mark Ruskell: Leaving the politics aside, there is some benefit to the work that is going on around heat in buildings. For example, Aberdeen Heat and Power shows exactly how we can roll out district heating schemes. Will the member reflect that the Government is doing some really good work on heat in buildings, which was recognised by the UK Climate Change Committee in its report last week? I hope that he can get on board with that and celebrate the success in his region.

Douglas Lumsden: There is success and I know that Aberdeen Heat and Power works well. My point is that the minister has to be honest with people. Coming out with statements like that is just not believable and does a disservice to the whole industry.

When it comes to creating those high-skilled, well-paid jobs, the luddite Scottish Government is depriving our communities of them through its ban on new nuclear. That ridiculous stance demonstrates how out of touch the Government is with the western world and, indeed, the Scottish people. Nuclear is clean, green, reliable and delivers cheap energy to thousands of homes. We need a diverse mix of green energy technology that is capable of meeting our demands as we transition our energy base. The SNP is blocking that.

In refusing to follow the science, the SNP has pursued technologies that will seek the mass industrialisation of the Scottish countryside. In the north-eastern Highlands, our beautiful rural landscapes are now threatened with monstrous pylons due to the Government's obsession with chasing offshore wind at any cost. Communities across rural Scotland will not stand for that. They will not be made to pay the price for the Government's prioritisation of the central belt. The rush to offshore wind must not be at any cost to our communities. Many parts of the north of Scotland are, rightly, angry at the scale of the infrastructure planned on their doorstep. They feel neglected and ignored, and that they are paying a disproportionate price for our journey towards net zero. The Scottish Government controls the planning system, and it needs to ensure that the impact to communities is mitigated whenever possible.

Last week, I attended the electricity system operator's launch of its "Beyond 2030" plan. That will mean even more industrialisation of large chunks of the north-east while the ink is not yet dry on the up to 2030 plan. The plan will set alarm

bells ringing for many north-east communities. Those upgrades can take place only if we bring communities with us. We owe it to our constituents to ensure that their voices are heard and that their homes are not collateral damage in our journey to net zero.

18:03

The Minister for Zero Carbon Buildings, Active Travel and Tenants' Rights (Patrick Harvie): I think that most members—perhaps all—began by thanking Audrey Nicoll for bringing the debate to the chamber. We begin most members' business debates in that way, but, today, that was more than just the usual courtesy, because this topic is critically important to the future of Scotland's economy, and I think that the majority of members who have spoken in the debate clearly get that and see the positive opportunity for the future.

I am particularly grateful to Audrey Nicoll for securing the debate, and to those other members who have engaged constructively and positively in it. As well as Audrey Nicoll, other members—Sarah Boyack, Kenny Gibson and Mark Ruskell—put the issue into the context of the long-running positive story that Scotland has to tell about the transition not just away from fossil fuels but, assertively and positively, towards a renewable future. As Sarah Boyack reminded us, the scepticism that abounded when initial renewable energy targets were set has been proved to be unjustified. Most of Scotland's political spectrum has been committed to the long-term, clear signal from the Government that we are serious about the transition to renewables and getting an economic benefit from that. That long-term certainty is why we have been successful, so I hope that Scotland's political spectrum—or at least most of it—remains fully committed to that positive future for Scotland.

I welcome the findings of the Fraser of Allander Institute report, which shows the thriving renewable energy sector that other members have described. There was more than £10 billion of output in 2021, supporting more than 42,000 jobs. That report and today's debate are helpful in reminding us of the beneficial impact to Scotland that the transition to net zero is having. It is not only reducing emissions but tangibly benefiting our economy and our communities as we ensure that Scotland seizes the benefits.

On offshore wind, we can see a rapidly developing sector that is already helping to deliver on our ambition to provide a new, stronger and more productive Scottish economy, with a world-class renewables workforce in more than 15,000 jobs. The latest report from the Offshore Wind Industry Council predicts that the number of jobs

in the sector across the UK could grow to more than 100,000 by 2030. ScotWind reflects significant market ambition for offshore wind in Scottish waters. It has delivered more than £750 million in revenue to the public purse in initial option fees and the Scottish Government welcomes the commitment of developers to invest an average projection of £1.5 billion per project across the 20 ScotWind offshore wind projects. I hope that we can all agree that offshore wind represents a significant opportunity for jobs, and for Scotland more generally.

Scotland continues also to lead the way with our deployment of onshore wind, which still has significant potential for growth. The Fraser of Allander report estimates that the sector already supports more than 12,000 jobs. Onshore wind is one of the lowest-cost ways of producing electricity, so we are keen to continue working closely with the sector, through the onshore wind sector deal, to realise our ambition of increasing capacity to 20GW by 2030. That will help to create further opportunities and positive impacts across our economy while delivering long-term value for consumers.

In the marine space, Scotland is in a prime position for the development and deployment of tidal stream and wave energy. Scotland is home to almost all of the approximately 10MW of operational tidal stream energy capacity in the UK and more than half the total capacity installed globally. The sector will continue to grow, with projects in Scotland receiving around 30MW of the total 53MW of tidal stream capacity supported in the fifth allocation round of the UK Government's contract for difference.

The development of the renewable energy sector will also bring wider benefits as a result of investment in supply chains. The announcement of the £24.5 million Sumitomo grant award that has been mentioned already will help to support the first cable factory in Europe, with the potential for hundreds of high-quality green jobs in the Highlands. That will be hugely important as an addition to our supply chains for offshore renewable energy generation and distribution, and it will help to support our move towards net zero. That is an example of the wider economic opportunities that the renewable energy sector can stimulate and is already stimulating, and it is a real demonstration of the public sector working together with industry for the benefit of Scotland's economy and environment.

Sarah Boyack: On the particular point about the public sector working with the private sector, the minister has not mentioned solar energy yet. Does he accept that there are huge opportunities in solar, both in solar farms, given the new tech that is developing, and in our homes and

buildings? Would it not help if we still had a grant to enable individual home owners to put solar on their roofs, and if we also work across our cities and towns to see whether we can do more urban solar developments?

Patrick Harvie: Yes, indeed. As I think that Sarah Boyack knows, we still have grant funding available for the installation of solar. We direct that to support the installation of clean heating, as well, because that is the way to get the maximum decarbonisation benefit. However, as we work on completing the just transition and energy strategy, we will continue to develop work that was announced a few months ago on the development of a solar ambition for Scotland.

I want to mention something about clean heat and energy efficiency, because those are vital to our transition, to meeting our targets and to getting public benefit through community-scale, decentralised ownership and the involvement of the public sector.

This morning, I spoke at the start of the Scottish Enterprise clean heat event in Glasgow, which brought together Scottish companies, investors, consumers and innovators in the sector to make connections and highlight the huge opportunity that has been presented to companies in our supply chain through the transition. That event highlighted the strong foundations that Scotland already has, with people and businesses already engaged in that transition. I am encouraged by the discussions and the connections that are being made in order to enable people to collaborate as we develop our policy and regulation proposals for heat in buildings.

As we move towards net zero and delivering those high-skilled jobs, we are also committed to maximising community benefit from, and ownership of, energy projects. We are encouraging developers to offer community benefits and shared-ownership opportunities to communities as standard on all new renewable energy projects.

Over the years ahead, we must continue to push forward to deliver an energy system that supports net zero by 2045. That will require collaboration with the UK Government. We have consistently urged the UK Government to provide an appropriate market mechanism for hydropower, for example, to ensure that its potential is fully realised and to unlock the substantial private investment that is needed to develop further pumped hydro storage. As we transition to net zero, we also need new flexibility and market arrangements that will support a range of other storage technologies, including at commercial, community and domestic scale. That is critical to ensuring that we maintain security of supply, as well as making the most of our electricity network.

We should all be excited about the potential for our communities, our economy and Scotland more generally as we transition to net zero. The report on which Audrey Nicoll has secured this debate demonstrates the scale of the benefit that we have achieved already and that is yet to be delivered. The Government is determined to continue to support that as it is delivered in the years and decades ahead.

Meeting closed at 18:12.

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