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AITHISG OIFIGEIL

# Meeting of the Parliament

Thursday 8 February 2024

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# Scottish Parliament

Thursday 8 February 2024

[The Presiding Officer opened the meeting at 11:40]

## General Question Time

**The Presiding Officer (Alison Johnstone):** Good morning. The first item of business is general question time.

### Police Numbers (Edinburgh)

1. **Sue Webber (Lothian) (Con):** To ask the Scottish Government what its response is to the most recent “Police Scotland Officer & Staff Numbers” statistics showing the number of police officers in Police Scotland’s Edinburgh division. (S6O-03078)

**The Cabinet Secretary for Justice and Home Affairs (Angela Constance):** The latest statistics on police officer numbers were published earlier this week, showing that there were 48 more officers deployed in Edinburgh as of 31 December 2023 compared to the same point in 2022. Additionally, the city’s E division is able to access specialist regional and national expertise when that is required to meet demand. I welcome the chief constable’s commitment to restarting officer recruitment in March, following the positive budget settlement for policing in the draft 2024-25 budget. That means that the chief constable will have more officers available to deploy, in addition to the almost 1,480 officers who have been recruited since the beginning of 2022.

**Sue Webber:** Since the Scottish National Party Government decided to merge Scotland’s police forces into one, that action has had a devastating impact on the visible footprint of police officers in our communities. Despite the cabinet secretary’s response, in the Edinburgh police division alone, there has been a drop of 76 officers, which is a loss of more than one in 20 officers in just over a decade. It is no wonder that recorded violent crime in Edinburgh has increased by 10 per cent in the past year alone. Why has the SNP Government left our hard-working police officers to fend for themselves in the face of rising violent crime?

**Angela Constance:** As I am sure the member is aware, since this Government took office in 2007, Scotland is safer—recorded crime is at one of the historic lows since 1974—and there has been a decrease of 40 per cent in recorded crime. I remind the member that our police officers remain the best paid in the United Kingdom, and that we continue to have more hard-working police

officers now compared with what we inherited in 2007.

**Audrey Nicoll (Aberdeen South and North Kincardine) (SNP):** While the UK Government continues to slash Scotland’s public service funding, with the latest autumn statement imposing further damage after more than a decade of austerity, the Scottish Government has supported our vital emergency services and has increased pay for staff. Can the cabinet secretary provide detail on the funding that has been allocated in the recent draft budget and what it will mean for Police Scotland?

**Angela Constance:** If the UK Government is not cutting public services and the Scottish block grant, it is meddling with pension changes, which has a huge impact on the retention of police officers. Protecting front-line services and supporting those who deliver them is a key priority for the Scottish Government. That is why, despite the challenging financial circumstances, there is a very good settlement for the Scottish Police Authority and Police Scotland in the draft budget. We will invest £1.55 billion in policing in the next financial year, which is a significant increase of £75 million in resource and a 12.5 per cent increase in capital. As the budget progresses, I hope that we will have the Conservatives’ support, for the sake of policing in Scotland.

**The Presiding Officer:** As ever, there is much interest in the questions. I would be grateful if we could pick up the pace.

### Psychological Services (Availability)

2. **Fulton MacGregor (Coatbridge and Chryston) (SNP):** To ask the Scottish Government what action it is taking to ensure the availability of psychological services for all who need them. (S6O-03079)

**The Minister for Social Care, Mental Wellbeing and Sport (Maree Todd):** We want people in Scotland, regardless of their background or circumstances, to have access to the right help at the right time when they struggle with their mental or physical health. To support the delivery of that ambition, the Scottish Government published the “National Specification for the Delivery of Psychological Therapies and Interventions in Scotland” in September 2023. The specification sets out what people can expect when they are referred for a psychological therapy. It also details the evidence-based treatments and whole-system approach that services should offer. That includes a choice to access our much-expanded range of digital interventions. More than £1.3 billion will be invested in mental health services and support in 2024-25. The implementation of the specification will help to ensure that our national health service

delivers psychological therapies to the highest standard and will enable greater equity and consistency across Scotland.

**Fulton MacGregor:** The minister will be aware that I have recently written to her about the Lanarkshire Counselling and CBT Centre, which is based in Coatbridge. Set up in 2019, the service has already provided therapy to more than 9,000 people across Lanarkshire. It has more than 100 therapists on hand and can provide individual counselling and group work sessions. Crucially, there is no waiting list, so people can access the support when they need it. Local people seem to really value that service, which is undoubtedly taking pressure off other NHS services. Will the minister be open to visiting the centre and discussing the further supports that are available to allow it to continue to provide that service and to meet the increasing demand?

**Maree Todd:** Our mental health and wellbeing strategy is absolutely clear on the need for a wide range of options to provide support for those who need it. I am aware of the member's letter and will respond as soon as I can. I welcome him drawing that to my attention and I appreciate the additional support that the centre is providing in Lanarkshire.

We continue to work with NHS boards across Scotland to offer high-quality, enhanced and specialist psychological care by implementing the new national specification for psychological therapies. We are focusing on increasing public access to free, evidence-based therapies throughout the NHS.

**Paul Sweeney (Glasgow) (Lab):** Recent figures show that one in four consultant psychiatrist roles are currently vacant. All the while, the Government is freezing the mental health budget again and is failing to meet its waiting time targets. Does the minister accept that mental health will be a priority for the Government only when it starts treating it as such?

**Maree Todd:** We continue to invest record amounts in mental health provision across the country to ensure that people's needs are met effectively, safely and in a timely fashion. We are working in an unprecedented financial situation, which might lead to difficult decisions about future investment, but we remain committed to supporting all boards to achieve the standard that 90 per cent of patients start treatment within 18 weeks of referral and to improving the quality as well as the choice of treatments. A suite of work is going on across the board—from medical student level to consultant level—to increase the number of psychiatrists and trainees at every level. Recently, we have had huge investment in psychological therapies, so clinical psychology numbers have gone up. As a result of that work, the median waiting time for psychological

therapies—from referral to being seen—is now a mere three weeks.

**The Presiding Officer:** From this point, to enable more members to contribute, we will have concise questions and responses.

### **Budget 2024-25 (Primary Care Services)**

**3. Liz Smith (Mid Scotland and Fife) (Con):** To ask the Scottish Government whether it has conducted an analysis of the potential impact that its 2024-25 budget will have on primary care services. (S6O-03080)

**The Minister for Public Health and Women's Health (Jenni Minto):** The draft budget invests more than £2.1 billion in primary care to improve preventative care in the community, by supporting the development of multidisciplinary teams in general practice, sustaining national health service dental care through enhanced fees, and continuing free eye examinations.

In-depth analysis of specific primary care service requirements was fed into budget considerations at both official and ministerial level. For example, delivery projections for multidisciplinary teams were assessed using six-monthly primary care improvement plan trackers, while, for dentistry and optometry—which are predominantly demand-led lines—forecast models and estimates of activity were prepared to inform budget allocation.

In addition to assessment of financial need, equality impact assessments were conducted as necessary to support changes in policy, and they can be found on the budget web pages.

**Liz Smith:** We know that general practitioner numbers have decreased since 2017 to fewer than 3,500 whole-time equivalents, although demand has increased substantially. Is there not now a strong case for reconfiguring the health budget so that there is more emphasis on primary care?

**Jenni Minto:** Scotland continues to have a higher number of GPs per head of population than the rest of the United Kingdom. A record number of GPs are working in Scotland and we are committed to increasing that number further. The GP head count now sits consistently at more than 5,000, with an increase of 271 additional GPs since 2017. We also invest more than £1 million per annum in a range of recruitment and retention initiatives, so that working as a GP in Scotland remains an attractive career choice.

### **Covid-19 (Scottish Government Decisions)**

**4. Russell Findlay (West Scotland) (Con):** To ask the Scottish Government, in light of the United Kingdom Covid-19 inquiry, what its response is to reports that Scottish Government decisions

appeared to have been taken for “purely political” reasons, including comments made by the former First Minister’s chief of staff regarding seeking a “good old-fashioned rammy” with the UK Government. (S6O-03081)

**The Minister for Parliamentary Business (George Adam):** The comments that Mr Findlay refers to were extracted from evidence regarding the furlough scheme, which was controlled by the UK Government. The comments were for the purpose of delivering the right results: to push the UK Government into action to ensure that furlough would be available to the people of Scotland if the Scottish Government wanted to apply restrictions. Throughout the pandemic, our sole focus and intention was to protect the people of Scotland from the harms of Covid-19. The Scottish Government remains wholly committed to assisting the UK and Scottish Covid-19 inquiries in all their work.

**The Presiding Officer:** Before I call Mr Findlay, I ask Mr Lumsden to refrain from commenting.

**Russell Findlay:** Those comments were not from some junior civil servant or back bencher. They were said by former First Minister Nicola Sturgeon’s right-hand woman, her closest adviser. Liz Lloyd was one of the most powerful people in the Government, with huge influence over key Covid decisions, including on the numbers of people who were allowed at funerals and weddings. When she says that the Scottish National Party should act for “purely political” reasons and provoke a “rammy” with the UK Government, we should believe her. Does that not show the very worst of the SNP’s toxic nationalist agenda—exploiting a pandemic to try to drive a wedge between the people of the UK?

**George Adam:** First and foremost, I found Mr Findlay’s use of language repulsive given that he was talking about Covid-19 and the families who suffered during that period.

Mr Findlay’s supplementary question was a bit confused at best, but I will endeavour, as always, to try to give the member an answer. As I said in my original answer, it was for a purpose—to deliver results for the people of Scotland, to protect them from harm and to ensure that they had financial liquidity during a very difficult period in our recent past. Surely Mr Findlay thinks that that is a good thing for the people of Scotland.

#### Humanitarian Aid (Funding Criteria)

5. **Bill Kidd (Glasgow Anniesland) (SNP):** To ask the Scottish Government what criteria it considers when determining how to allocate funding for humanitarian aid in situations such as those in Gaza. (S6O-03082)

**The Minister for Culture, Europe and International Development (Christina McKelvie):** The primary mechanism through which the Scottish Government responds to a humanitarian crisis is the humanitarian emergency fund. Decisions on which crises to respond to through the HEF are made by the Scottish ministers, based on recommendations from a panel of eight leading humanitarian aid organisations.

We have recently responded to emergencies in Pakistan, Malawi, Ukraine, Turkey and Syria, and Gaza. Key considerations in those cases were which organisations were already on the ground and able to provide a rapid response and value for money. That was the case for Gaza and, similarly, for Zambia, for which I announced last week £500,000 to respond to a deadly cholera epidemic through the Red Cross.

**Bill Kidd:** The humanitarian crisis that we have seen unfold in Gaza is harrowing and is worsening by the day, underscoring the need for urgent action. Does the minister agree that the only way to ensure mutual peace and security is through the recognition of a Palestinian state, alongside a binding commitment to the two-state solution? Can she say what representations the Scottish Government has made to the United Kingdom Government with regard to such recognition?

**Christina McKelvie:** I do not think that anyone can look at the images that we are seeing on our TV screens every day and not realise that we need a ceasefire now in order to bring about progress to peace. I wish all the sides well, and I will continue to do that.

We would add our voice to that aim. The Scottish Government supports a two-state solution. We think that it is the only way to progress to peace. In November last year, the First Minister wrote to the Prime Minister in those terms. We will continue to make such representations to the UK Government as the issue continues. Today is another example of the Scottish Government calling on the UK Government to get round the table, call for a ceasefire and make some progress to peace in order to support the people—the civilians—in Gaza.

**Jamie Greene (West Scotland) (Con):** All of us despair about the on-going conflict and crisis that is happening the world over, but that is my point—there is conflict the world over. In that vein, what criteria does the Scottish Government use to decide where and to whom it sends financial aid and what due diligence does it undertake before and during such financial payments?

**Christina McKelvie:** I will ensure that Jamie Greene gets more details on our humanitarian

emergency fund and our partners in it. Eight leading humanitarian aid organisations are involved in the decision-making process. When they alert us to an on-going or a possible crisis, we take their advice and decide whether it meets the criteria for funding from the humanitarian emergency fund.

The system that we have in place is well rehearsed and organised. I will ensure that Jamie Greene gets more detail on the HEF and conversations with key partners such as Oxfam, which gives us a sitrep almost every day on the situation in Gaza.

#### **Predator Control (Animal Welfare Standards)**

**6. David Torrance (Kirkcaldy) (SNP):** To ask the Scottish Government what action it is taking to ensure that all legal predator control is carried out in a way that is consistent with best practice in animal welfare standards. (S6O-03083)

**The Minister for Energy and the Environment (Gillian Martin):** I recognise that control of predators is sometimes necessary in order to protect livestock and other vulnerable species. However, the Government is committed to the highest standards of animal welfare, which we are demonstrating through provisions that we are bringing forward in the Wildlife Management and Muirburn (Scotland) Bill to ban the use of glue traps and snares, for example. We are also seeking to license the use of certain cage and spring traps to ensure that trapping is undertaken only in line with best practice for animal welfare.

**David Torrance:** The minister will be aware of the Oxford Centre for Animal Ethics report “Killing to Kill”, which examines the trapping and killing of animals so that more grouse can be shot for sport. Will that ethical issue be addressed through the Wildlife Management and Muirburn (Scotland) Bill?

**Gillian Martin:** Yes, that issue will be addressed. The “Killing to Kill” report highlighted that 39 per cent of animals trapped in a range of traps are “non-target species”, such as hedgehogs and protected species such as badgers. Our recent decision to ban the use of snares in Scotland is in part due to their indiscriminate nature and the unacceptable risk that they pose to non-target species, including other wildlife and domestic species—we have heard many reports of domestic cats being caught in snares.

The Wildlife Management and Muirburn (Scotland) Bill will require that individuals who use traps, such as Larsen or crow cage traps, to capture live birds have to undertake training in order to hold a licence. When they are operated in line with best practice, those traps have a much lower risk of trapping non-target species.

#### **Scottish Languages Bill (Areas of Linguistic Significance)**

**7. Alasdair Allan (Na h-Eileanan an Iar) (SNP):** To ask the Scottish Government what support will be put in place to assist local authorities in establishing “areas of linguistic significance”, as set out in the Scottish Languages Bill.

Gus faighneachd de Riaghaltas na h-Alba dè an taic a bhios ann do dh’ughdarrasan ionadail a tha airson àitichean a tha “sònraichte a thaobh cànan” a stèidheachadh, mar a chaidh a chur an làthair ann am Bile nan Cànan Albannach. (S6O-03084)

**The Cabinet Secretary for Education and Skills (Jenny Gilruth):** The designation of areas of linguistic significance will ultimately be a matter for local authorities. For areas that may wish to be designated as areas of linguistic significance, a range of Gaelic support and provision is already in place, which includes the central Scottish Government funding support, the commitments of public bodies and local activity from Gaelic community organisations. That support will be built on and strengthened by the new provisions in the Scottish Languages Bill. Guidance will also be prepared to assist local authorities in their process of considering areas in their local area that could benefit from designation.

**Alasdair Allan:** Can the cabinet secretary say any more at present about whether the Scottish Government or Bòrd na Gàidhlig may seek to place a duty on local authorities to establish an area of linguistic significance where, for example, a high proportion of the population are Gaelic speakers?

**Jenny Gilruth:** As Dr Allan will be aware, it is fair to say that there is a range of opinions on the matter. However, I expect that, during the parliamentary consideration, views will be offered that suggest that the Scottish Government or Bòrd na Gàidhlig should have an enhanced role in the designation of areas of linguistic significance. We are still at a very early stage with the legislation, but I assure the member that I will seriously consider those views and any observations that the Education, Children and Young People Committee might wish to make.

## First Minister's Question Time

11:59

### Michael Matheson (Resignation)

**1. Douglas Ross (Highlands and Islands) (Con):** I begin by sending my deepest condolences and, I am sure, those of the entire chamber to the family of Keith Rollinson, who tragically died following an assault at Elgin bus station last Friday. Keith died serving his community, and there is a huge amount of shock and anger across Moray. Keith was a loving husband and father, and our thoughts are with his family at this deeply tragic time, as well as with his many friends and colleagues at Stagecoach.

I echo what the Presiding Officer said earlier this week, following the King's announcement that he is receiving treatment for cancer. We wish His Majesty and the entire royal family all the very best for the King's full and speedy recovery. *[Applause.]*

Michael Matheson has finally resigned as health secretary, months after it emerged that he was dishonest and misled Parliament over an £11,000 iPad bill that he charged to taxpayers. Humza Yousaf described Michael Matheson as

"a man of integrity and honesty."

How much does the First Minister now regret those words?

**The First Minister (Humza Yousaf):** I, too, pay my condolences, as I did earlier this week, to the family of Keith Rollinson. His tragic killing has undoubtedly impacted not just his family but the local community. As someone whose family members were previously bus drivers, I know that that community is extremely close, so all of the bus-driving community will be impacted and affected by that tragic killing.

I echo what I said earlier this week. After His Majesty's openness about his recent prostate treatment, I, like many, was moved and saddened to hear of his subsequent unrelated cancer diagnosis. As a supporter of many cancer charities over the years, His Majesty's candour is admirable. A cancer diagnosis is a cause of great worry in any family, and I wish His Majesty a speedy and full recovery. He and the entire royal family are in my thoughts and prayers and, I am sure, the thoughts and prayers of everybody in the chamber.

On the question of substance that Douglas Ross asked, Michael Matheson made a mistake and has apologised for that mistake. What he asked for was due process. I think that somebody who has served this Parliament, served his country and

served in the Government—not for years but for decades—should be afforded that due process. As that due process comes to its conclusion, Michael Matheson has concluded that he should stand down, and I have accepted his resignation.

The Conservatives talking about integrity in public life will be quite galling for those who are listening. I remind Douglas Ross that he called Boris Johnson an "honest man". That would be the Boris Johnson who lied about partygate. That would be the Conservatives, of course, who awarded multimillion-pound personal protective equipment contracts to their pals. If there is one party in the chamber that has no credibility in talking about integrity in public life, it is the Conservatives.

**Douglas Ross:** As clear as day, there was not a bit of regret from the First Minister about claiming that Michael Matheson is

"a man of integrity and honesty."

The First Minister said that the former health secretary came to his decision after due process. Mr Matheson says in his two-page letter that he has not received the findings of the review but thinks that it is in his best interests and the best interests of the Scottish National Party Government that he resigns. If he is so keen on due process, why not wait for the report to be published?

Let us be clear. Michael Matheson was dishonest about his £11,000 iPad bill. He made a false claim for thousands of pounds of taxpayers' money. He misled the public, the press and this Parliament. He kept on being dishonest, even as his story changed. He has resigned, but Humza Yousaf should have sacked him the minute it became clear that Michael Matheson had not told the truth. In the former health secretary's lengthy letter, there is not one word of apology to the people of Scotland for what he did and for his dishonesty. I hope that the First Minister will apologise on his behalf.

Why did Humza Yousaf continue to have this disgraced minister in his Government for months after the situation first came to light?

**The Presiding Officer (Alison Johnstone):** First Minister, before you begin, I remind members that the investigation process, which is a confidential process, is still on-going.

**The First Minister:** As I said, Michael Matheson reiterated in his letter that, as the process is coming to a conclusion, he has offered his resignation, and I have accepted his resignation.

I remind Douglas Ross that, when it comes to mistakes being made, he forgot to declare tens of thousands of pounds of income—he simply forgot to do that. I do not think that I asked for Douglas

Ross's resignation at that time, because we understand that mistakes can happen.

Douglas Ross said that Michael Matheson did not apologise, but that is incorrect—[*Interruption.*]

**The Presiding Officer:** Can we please have quiet so that we can all hear the questions and responses?

**The First Minister:** That is incorrect. If Douglas Ross wants to look at the *Official Report*—[*Interruption.*]

**The Presiding Officer:** Mr Ross!

**The First Minister:** Douglas Ross might not want to listen to what I have to say, but he can read the *Official Report* of the personal statement that Michael Matheson made in the chamber. He reiterated his apology on numerous occasions for the mistake that he had made. He did make a mistake; I am not suggesting that he did not. All that I am suggesting is that a man who has served this Parliament for many years—decades, in fact—and who has worked diligently and hard in every role that he has been in should be afforded due process. He has been afforded that due process and has come to the conclusion that he should stand down.

What he has helped to achieve is the recovery of our national health service. That process is, of course, on-going but, under Michael Matheson and this Government, we have been focused on the recovery of the NHS. That includes, of course, record funding for our NHS—

**The Presiding Officer:** Briefly, First Minister.

**The First Minister:** —which is in stark contrast to the Conservative Government, which is imposing real-terms cuts on the NHS in England.

**Douglas Ross:** Michael Matheson tried to cheat the taxpayer out of tens of thousands of pounds. He has been backed every step of the way by Humza Yousaf, and he is still being backed by the First Minister. Even when the former health secretary's story changed, Humza Yousaf was still there defending him. He stood by him even when Michael Matheson had to cancel appearances at general practitioner surgeries and stop doing his job to avoid scrutiny. Humza Yousaf let Michael Matheson continue to be health secretary while he was distracted and was a distraction. The First Minister was just about the only person who still supported Michael Matheson. Humza Yousaf staked his own personal reputation on backing the former health secretary. Why was he willing to tolerate such dishonesty?

**The First Minister:** Let me again remind Douglas Ross what we have been focused on. Let us look at the facts and at the recovery of the NHS. In Scotland, we have the best-performing

accident and emergency departments in the entire United Kingdom. We have provided a real-terms uplift for the NHS in Scotland while the Tories have inflicted a real-terms cut to NHS England to the tune of more than £1 billion. Under the Scottish National Party, there is record staffing in NHS Scotland, which is up by more than 31,000. In Scotland, we have the best-paid NHS staff anywhere in the UK. The number of out-patients who have been waiting for more than two years has reduced by almost 70 per cent, and the number of in-patients who have been waiting for more than two years has reduced by more than 25 per cent. [*Interruption.*]

**The Presiding Officer:** First Minister.

**The First Minister:** The Conservatives do not want to hear it, Presiding Officer, because it points to an NHS recovery.

**The Presiding Officer:** Can I remind all members of the atmosphere that we wish to have at this session? We want members to be able to put questions and to respond in an orderly manner, and we wish to be able to hear one another.

**The First Minister:** Unlike where the Tories are in charge, Scotland has not lost a single day of NHS activity to strike action—due to the deal that Michael Matheson concluded, that includes strike action by junior doctors. We are a Government that takes great pride in supporting our NHS at its time of greatest need, which is in stark contrast to a Tory Government that is gutting NHS England to the bones.

**Douglas Ross:** From that answer, it is as if Humza Yousaf does not realise that his disgraced former health secretary resigned this morning. It is incredible.

Humza Yousaf said that the £11,000 claim was a "legitimate parliamentary expense". Months ago, the First Minister claimed that the matter was closed—that there was nothing more to see here. Last year, he told me in the chamber that he had "absolute and full confidence" in Michael Matheson. He said that Michael Matheson was

"a man of integrity and honesty."

Humza Yousaf backed him to the hilt, but most of Scotland has known from the very beginning that Michael Matheson was dishonest. Humza Yousaf's own reputation is in tatters over the scandal. He looks weak.

Trust in this Government is gone, the SNP's credibility is gone and Michael Matheson is gone, but Humza Yousaf, the human shield, is still here defending him. How can anyone trust a single word that this SNP Government says ever again?

**The First Minister:** Well, well, well, Presiding Officer. Douglas Ross wants to talk about trust, but did he not see yesterday's Ipsos MORI poll, which showed that we in the SNP are trusted—*[Interruption.]*

**The Presiding Officer:** First Minister!

We are simply not going to conduct our business in this manner. I ask front-bench members, in particular, to set the best of examples.

**The First Minister:** The Tories do not want to listen to the facts. The facts show that the SNP continues to be trusted by the people of Scotland over the NHS, the economy, transport and health, in stark contrast to the Conservatives.

How dare Douglas Ross talk about standards in public life in the week in which his leader, the Prime Minister—*[Interruption.]*

**The Presiding Officer:** First Minister!

Mr Ross, you have put your questions. The First Minister is now responding. Let us do one another the courtesy—we might not always agree with what we are hearing, but we are simply not going to shout at one another, are we?

**The First Minister:** How dare Douglas Ross stand up in this Parliament, in this chamber, in this week of all weeks, and talk about standards in public life when his leader, the Prime Minister, quite literally gambled with the lives of the most vulnerable? Just yesterday, the Prime Minister decided to punch down on one of the most marginalised communities in the entire country. Of course, he did that not just on any day; he did it on the day that Brianna Ghey's mother was in the House of Commons. That was a disgrace. It was shameful. So, I will take no lectures whatsoever from the Conservatives on standards and integrity in public life.

### **NHS (Delays in Accessing Treatment)**

2. **Anas Sarwar (Glasgow) (Lab):** I join colleagues in paying our respects and passing on our condolences to the family of Keith Rollinson. He was a much-loved member of his community. I know from my family in Elgin how deeply wounded and hurt the community in Elgin is feeling over this period.

I also echo the comments that have been made about sending our thoughts and best wishes to King Charles and his loved ones. We hope that His Majesty makes a full and speedy recovery.

After months of Humza Yousaf battling to keep Michael Matheson in his job, today the health secretary has finally resigned. That will make the headlines today, but the crisis in our national health service has been 17 years in the making.

Humza Yousaf might hope that swapping one failing Scottish National Party minister for another will solve the problems, but it will not.

I want to ask about the real-life consequences of the Government's failure. Although the Government pretends that there is no crisis and that it has everything under control, that is not the experience of patients across the country. For many people, delays in accessing treatment can be fatal. Can the First Minister tell Parliament how many people called an ambulance last year but died before they could reach an accident and emergency department?

**The First Minister (Humza Yousaf):** I do not have that figure in front of me, but I can say that a significant chunk of the winter funding that we announced was to recruit additional staff to the Scottish Ambulance Service.

I take real exception to Anas Sarwar's characterisation of the situation as one in which nobody in the Government understands the real challenges that the NHS is under. We do. In fact, we are the ones who brought forward the recovery plan that is helping the NHS to recover. That is why there has been a reduction in the number of out-patients who have been waiting longest—those who have been waiting two years or more. That figure has reduced by almost 70 per cent. The number of in-patients waiting more than two years has been reduced by more than 25 per cent.

There is not a single person on the this front bench who does not understand the significant challenges for the NHS. That is why we are ensuring additional resources for the Scottish Ambulance Service. I would be happy to write to Anas Sarwar with the details of what we are doing to tackle the far-too-long ambulance waiting times across the country.

**Anas Sarwar:** That answer proves how much Humza Yousaf has his head in the sand. He talks about a recovery plan, but waiting lists have gone up since he published his recovery plan, and more than 800,000 of our fellow Scots are on NHS waiting lists while he dithers around looking for a decent statistic in his book. He needs to wake up to the reality that is faced by far too many Scots.

The answer to the question that I asked is that there were more than 12,000 people last year for whom an ambulance was called but who died before reaching hospital. That figure is up from just over 7,100 in 2019, which is an increase of more than 70 per cent in just four years. Many of those people might have survived if an ambulance had reached them sooner or if they had been admitted to hospital more quickly. That is the real-world consequence of the SNP's incompetence and its failure to get to grips with the crisis in our NHS.

Here is another example. Back when Humza Yousaf was health secretary, the Government promised that all 150,000 women who had been wrongly excluded from cervical screening would be contacted by August 2021. More than two and a half years later, 65,000 women are still waiting to have their cases reviewed and to hear whether they are at risk. Why has the Government failed those women?

**The First Minister:** Anas Sarwar rightly raises a couple of important issues, but when he interrogates issues in the health service, he talks about the past four years without giving any recognition to something quite significant that happened in the past four years: there was a global pandemic, which was the biggest shock that the NHS has faced in its 75-year existence. NHS services in Labour-run Wales, in Conservative-run England and in SNP-run Scotland are all facing really significant challenges because of that global pandemic. Anas Sarwar cannot simply say that things have deteriorated in four years without giving any context whatsoever. It is quite something for Anas Sarwar to say that things should have got better in the midst of a global pandemic.

Regarding current waiting lists, there is no suggestion from me that we should do anything other than focus on reducing those waiting times. I can look at the throughput of operations performed. In the past year, there was an 11 per cent increase in the number of operations performed, compared with the previous 12 months, and a more than 15 per cent increase, compared with the 12 months before that. There is no doubt that too many people in Scotland are waiting. We are working to reduce that number, where we can.

I can give Anas Sarwar more detail in writing about the women who might have been affected by issues with cervical cancer screening. Having done an initial audit, NHS boards reached out to women who were deemed to be most at risk and have taken the appropriate action, where necessary. I am more than happy to write to Anas Sarwar with more detail, but it would be incorrect to suggest that they are at risk, or at high risk. There has been a focus on the women who were impacted and whom clinicians believe to be at the highest risk of cervical cancer.

**Anas Sarwar:** I am honestly gobsmacked by the First Minister's outrageous answer. He says that there is no evidence that those women are at high risk, but that is why their cases are being reviewed. Three women have died while waiting for that review and 65,000 women still have not been processed by the review. I think that he should look seriously at what is actually happening in the national health service that he presides

over, because the reality is that those women, and too many other people who need the NHS, are being failed by an incompetent SNP Government. The result is that A and E delays get worse, waiting lists grow, staff burn out and patients' lives are put at risk.

The Government would rather deny its incompetence than face up to the problem. Its financial mismanagement is further threatening front-line NHS services. It would rather continue with a culture of secrecy than learn the lessons of its failures.

Whoever this weak First Minister chooses to be the next health secretary, is not it the case that we need more than a change of health secretary, and that we need a change from this failing and incompetent SNP Government?

**The First Minister:** Anas Sarwar has completely mischaracterised what I said. As he knows—I am happy to provide him with more detail, if he does not—the review of cervical screening exclusions had two parts to it. There was the initial review of 1,500 records, which was completed in 2021, and a much wider review of all exclusions from the programme, which is very much on-going and covers about 150,000 individuals. I am more than happy to provide Anas Sarwar with the full details of the progress that is being made.

Under this Government's stewardship of the NHS there has been record staffing, and we have the best-paid staff anywhere in the United Kingdom. We have not lost a single day to strike action, unlike Labour-run Wales and Conservative-run England. We are making a dent in the longest waits for people who were impacted by the global pandemic.

What does not help recovery is the devastating cuts to the budget by the Conservatives. It would be really helpful if Anas Sarwar was able to confirm that UK Labour, if it forms the next UK Government, would reverse those Tory cuts. What we have had from Labour, Keir Starmer and Rachel Reeves, however, is absolute confirmation that they will not reverse Tory spending cuts.

**The Presiding Officer:** Briefly, First Minister.

**The First Minister:** I am afraid that, while we currently face headwinds of austerity from the Conservative Government, it does not look like the situation will change under a UK Labour Government.

### Scottish Government (Use and Retention of Informal Communications)

3. **Craig Hoy (South Scotland) (Con):** To ask the First Minister what the Scottish Government's response is to the Scottish Information

Commissioner's intervention into its use and retention of informal communications, in light of the United Kingdom Covid-19 Inquiry. (S6F-02813)

**The First Minister (Humza Yousaf):** The Government is committed to complying with all of its legal obligations in relation to freedom of information and records management legislation. We received details about the intervention yesterday afternoon, and we will, of course, fully co-operate with the Scottish Information Commissioner's office once we have considered the contents fully.

I have already instructed that there should be an externally led review looking at use of mobile messaging apps and non-corporate technology. Given that we have heard that the former Prime Minister, the current Prime Minister and the Secretary of State for Scotland were unable to provide the UK Covid inquiry with any WhatsApp messages, due to their having been deleted, the Deputy First Minister has written to the UK Government, the Welsh Government and the new Northern Ireland Executive to invite them to participate in that externally led review

**Craig Hoy:** On the day that the disgraced health secretary is forced to quit the shambolic and secretive Scottish Government, it is worth reminding Parliament that the Scottish National Party's deputy leader, Keith Brown, claimed last year that the SNP was

"the most transparent party in Scotland".

Since then, Nicola Sturgeon has revealed that she deleted each and every one of her informal Covid-related messages—in line, she said, with Scottish Government policy. Last October, however, Humza Yousaf claimed that he kept and retained his WhatsApp messages from that period. To assist the Scottish Information Commissioner with his investigation, will the First Minister now confirm who breached his Government's record management rules—Nicola Sturgeon or Humza Yousaf?

**The First Minister:** A poll that has come out in the past few days has shown that 51 per cent of Scottish voters—[*Laughter.*] Members are laughing at this; they do not want to hear it. It said that 51 per cent of Scottish voters feel that the Scottish Government handled the pandemic better; just 13 per cent thought that the UK Government had handled the pandemic better. I really do not think that the party that was secretly handing over multimillion-pound personal protective equipment contracts to its donors and friends should be lecturing anybody about transparency. That party's leader took the inquiry to court and lost. That party was breaking the rules, with partying in number 10 while people

were missing the funerals of their loved ones. Of all the parties that might lecture anybody on public integrity or transparency, it should certainly not be the Tories—and certainly not Craig Hoy.

### Long Covid

4. **Jim Fairlie (Perthshire South and Kinross-shire) (SNP):** To ask the First Minister whether he will provide an update on what progress the Scottish Government has made towards implementing the recommendations of the COVID-19 Recovery Committee's report, "Long COVID". (S6F-02821)

**The First Minister (Humza Yousaf):** Since the publication of the "Long COVID" report, to which we responded in June 2023, a number of recommendations have been implemented. They include publishing a suite of educational resources on NHS Education for Scotland's learning platform to improve healthcare staff's knowledge and understanding of the condition of long Covid and NHS National Services Scotland commissioning the University of Leeds to support the initial evaluation of long Covid services in Scotland.

Over this financial year, we have made available £3 million of the £10 million long Covid support fund to support national health service boards to increase the capacity of the services that support those with the condition, develop those services into more clearly defined local pathways and provide a more co-ordinated experience for those who need to access support.

**Jim Fairlie:** Addressing stigma and the lack of a single point of contact, evaluation of other approaches to treatment and signposting for affected patients was all recognised as being vital for us to make progress to help sufferers. Will the First Minister reassure the people who are affected that those issues are being taken forward to allow them to learn to live with the condition or to be treated, and to get on with their lives?

**The First Minister:** Yes. Jim Fairlie makes important points about stigma and establishing in every health board a single point of contact for long Covid patients. I mentioned the funding that was provided. I am also happy to write to Jim Fairlie with details of long Covid services that are available in our health boards.

We continue to engage with people who are living with long Covid to develop case study videos for NHS Inform, which will provide an insight into people's personal experiences of living with the condition, and to help us to co-design the policy that is required in relation to long Covid.

The identification, assessment and management of people with long Covid is very much guided by United Kingdom-wide clinical guidelines, which were developed by the National

Institute for Health and Care Excellence, the Scottish intercollegiate guidelines network and the Royal College of General Practitioners. The guidelines were developed using a living approach, which means that they will continue to develop and evolve as we learn more about long Covid.

I therefore give Jim Fairlie an assurance that is not just about tackling the stigma involved in seeking help, because nobody—at all, ever—should feel that they cannot reach out for help; I give him a further assurance that any policy that we design in relation to long Covid will be co-designed with those who have lived experience.

**Sandesh Gulhane (Glasgow) (Con):** The First Minister mentioned the publishing of material. On 31 January, the Scottish Government issued an update on long Covid guidance on NHS Inform via the official @scotgovhealth channel on X, formerly known as Twitter. It was endorsed by the Minister for Public Health and Women's Health, Jenni Minto. The video downplays the challenges that individuals who are grappling with long Covid encounter, fails to fully represent the diversity of symptoms and the severity of long Covid, and disregards treatment for symptom management. In a joint statement, UK long Covid charities urged the Scottish Government to withdraw the video and to apologise. Will the First Minister do so?

I declare an interest as a practising NHS GP.

**The First Minister:** I will, of course, listen to what long Covid charities have to say. We take the issues of long Covid very seriously indeed, and we recognise the impact that it has on the health and wellbeing of those who are affected—not just adults but children as well. We know that people can have a range of experiences.

The video that Dr Gulhane mentioned was made with the input of health professionals and people who are living with long Covid. I give him an absolute guarantee that we will continue to engage with those who have lived experience, including the organisations that he referenced, and will take on board their comments.

**Jackie Baillie (Dumbarton) (Lab):** A report from Washington University in St Louis found that those who had had Covid-19 had a 72 per cent increased risk of heart failure, a 63 per cent increased risk of heart attack and a 52 per cent increased risk of stroke, regardless of age. Similar things are happening to other organs in people who have symptoms that are characteristic of long Covid. The problem has not gone away; long Covid persists.

The recommendations in the committee's report were largely about the collection of data, because little evidence is collected centrally by the Government. What progress has been made to

ensure the consistent collection of long Covid data?

**The First Minister:** Jackie Baillie is absolutely right that one of the report's recommendations was on data collection. The Scottish health survey provides annual monitoring of the population prevalence of long Covid. It includes questions about self-reported long Covid and, more qualitatively, the impact on day-to-day activities. The Scottish health survey for 2022 was published on 5 December 2023. We should seek to see what more we can do to improve that data collection, as per the committee report. I am happy to ensure that Jackie Baillie gets full details of what health boards are seeking to do to improve their data collection on long Covid.

### The Promise

**5. Monica Lennon (Central Scotland) (Lab):** To ask the First Minister what the Scottish Government's response is to the Who Cares? Scotland research report, "Is Scotland Keeping the Promise?", which reportedly indicates that, on the fourth anniversary of the publication of "The Promise", key pledges made to care-experienced people are not being fulfilled. (S6F-02810)

**The First Minister (Humza Yousaf):** I thank Who Cares? Scotland for the continued important work that it does to support the care-experienced community across Scotland. We are carefully considering the findings of the report. We are determined to drive forward the transformational change that is required to keep the Promise and make Scotland the very best place in the world to grow up in, where all children are loved and feel safe and respected.

Yesterday, I had the enormous pleasure of visiting the Hub for Success, which is hosted by Edinburgh Napier University and supported by Scottish Government Promise partnership funding. I met care-experienced students, who shared the positive impact that the service had on them.

There is, as the report has undoubtedly highlighted, more work to do, which we do not shy away from. However, we should also share and celebrate where change is being felt. One key area in which there has been clear progress is in the number of looked-after children. The latest statistics show that there were almost 2,000 fewer looked-after children in July 2022 than there were when the Promise started in July 2020. That does not take away from the work that still has to be done, but I am pleased by some of the progress that we are seeing.

**Monica Lennon:** I agree that Who Cares? Scotland deserves credit for the report, which highlights areas of progress but also major areas of concern. To give one example, its freedom of

information investigation uncovered that care-experienced children have lost more than 1.3 million school days to exclusion, despite the Promise pledging to end that exclusion. That could be just the tip of the iceberg, as several councils could not provide any data.

We need transparency, accountability and leadership if we are to fulfil the Promise, but lack of data is a constant theme of the report. Does the First Minister agree that, to keep the Promise, we have to tackle quality of data? Will he and his Government urgently review the data that is held by public authorities and report annually to Parliament? What we have here is not good enough.

**The First Minister:** I largely agree with Monica Lennon and the Who Cares? Scotland report that data collection, recording, monitoring and reporting is key to tracking progress and ensuring that we are delivering the change that we need. I assure her that we are working closely with the Convention of Scottish Local Authorities, the Promise Scotland and wider stakeholders to develop the national Promise performance outcomes framework—which will be aligned to the 2024 to 2030 plan—to track progress.

I entirely take the points that Monica Lennon made. I am happy to ensure that the appropriate minister writes to her with details of the conversations that we are having with local government about data collection.

School exclusions were mentioned to me in my meeting with the care-experienced community just yesterday. A whole raft of work has been going on to reduce school exclusions to the absolute minimum where we can. I thank Who Cares? Scotland and all the other stakeholders that are working with us to deal with those challenging issues.

**The Presiding Officer:** Concise questions and responses will enable more members to be involved.

**Ruth Maguire (Cunninghame South) (SNP):** The Children (Care and Justice) (Scotland) Bill will play an important part in keeping the Promise. As Parliament moves forward and looks to further improve the bill at stage 3, does the First Minister agree that, despite the complexity of doing so, it is crucial that, in reforming the care and justice system, we uphold and promote the rights of all children, whether they are in direct contact with the system as witnesses, victims or perpetrators or are impacted because of a family member?

**The First Minister:** Yes—I absolutely agree. I am proud that Scotland became the first nation in the United Kingdom to incorporate the United Nations Convention on the Rights of the Child into domestic law. The Children (Care and Justice)

(Scotland) Bill is taking measures to promote that and to help Scotland to keep the Promise.

Action to improve the experiences of child victims and their families is an absolute top priority for all of us, I am sure, and particularly for the Government. We have engaged with stakeholders including Victim Support Scotland, which has helped to inform the bill, and the bill completed stage 2 just yesterday. Protecting and promoting the rights of all children who come into contact with the justice system is at the heart of the bill, which will be an important step towards improving outcomes for young people as we keep the Promise.

**Roz McCall (Mid Scotland and Fife) (Con):** I note the First Minister's reference to 2,000 fewer children being in the care system. However, I highlight the report's statement that that could evidence a "worrying failure". Given that social workers have a crucial role in keeping the Promise, the revelation that more than 83 per cent of social workers had an absence from work in 2023 because of sickness is very concerning. How will the Scottish Government ensure that local authorities receive adequate support and funding to enable them to have sufficient staffing levels so that care-experienced children, young people and their families receive the support that they deserve?

**The First Minister:** We will ensure that we fund our local services and local authorities adequately. That is why they are getting a real-terms uplift in the budget, as announced by the Deputy First Minister. That is despite the fact that we have seen a real-terms cut to our budget of about £500 million over the past couple of years.

The social work workforce is employed primarily by local authorities, which monitor staff absence levels. We recognise the pressure that that workforce is under. We are working with partners who have a collective responsibility to our front-line workers to seek ways in which we can support that workforce. That includes the development, with the Convention of Scottish Local Authorities, of a joint workforce improvement plan that seeks to address the recruitment and retention challenges that the profession faces.

We have formed a joint social care and social work services workforce task force, which is considering how we could deliver improvements for the workforce in adult social care and children's social care. Our proposals for the national care service include the establishment of a national social work agency to support and invest in the profession by providing national leadership, raising the status of social work as a profession and considering the future needs of the workforce.

### **Long-term Empty Homes (Enforcement Powers)**

**6. Ariane Burgess (Highlands and Islands) (Green):** To ask the First Minister what action the Scottish Government is taking to strengthen enforcement powers in relation to long-term empty homes. (S6F-02798)

**The First Minister (Humza Yousaf):** Tackling empty homes is a priority. We want to see more homes being returned to productive use as warm, safe and secure housing. That is why we continue to fund the Scottish Empty Homes Partnership, which since 2010 has helped to bring more than 9,000 homes back into use. We have recently given councils the power to increase council tax on second homes by up to 100 per cent. We have also consulted on proposals for primary legislation to give councils powers to raise council tax above 100 per cent for long-term empty homes. Where we need to rely on enforcement, local authorities have broad compulsory purchase powers that can be, and are being, used to bring empty homes back into use.

**Ariane Burgess:** More action on empty homes is a commitment in the shared policy programme between the Scottish Greens and the Scottish Government. Therefore, the proposal to allow councils further powers to increase council tax on long-term empty properties is important, as is effective use of enforcement powers. Last week, in Glasgow, a backstop was evidenced, with the news that three properties are to be acquired through compulsory purchase for use by housing associations. Does the First Minister recognise the need for reform of the compulsory purchase order system to make it more workable? Does he agree with the recommendations of the independent audit of the Scottish Government's long-term empty homes policy that it should also consider the merits of enforced sales and rental orders?

**The First Minister:** I welcome the news of Glasgow City Council's use of compulsory purchase order powers. I agree that consideration of how we might reform and modernise the CPO process is vital, which is why we committed to progressing the matter in our programme for government. I am pleased to say that we will shortly establish an expert advisory group to inform us on the development of options.

We have also committed to continuing to consider the case for introducing compulsory sales orders. The expert group will consider the extent to which CPO reform could achieve the same aims. The same considerations would also apply to compulsory leasing.

Most long-term empty homes are returned to use through proactive work with the owner to identify barriers and ways to overcome them. We

will continue to support that work, alongside ensuring that taxation and enforcement tools to incentivise the reuse of such homes are available.

**The Presiding Officer:** We move to constituency and general supplementaries.

### **EE Greenock Call Centre**

**Stuart McMillan (Greenock and Inverclyde) (SNP):** At 11 am this morning, EE announced that it will be closing its Greenock call centre site on 30 November. That will affect more than 450 people in my constituency, who will now be forced either to work in Glasgow or to find another job.

Can the First Minister give a guarantee that the Scottish Government agencies will be on hand to assist those who require it? Will he provide an assurance that the Scottish Government will leave no stone unturned to help Inverclyde? We are now to have another large facility left empty, when we need a replacement for both Greenock police station and the West College Scotland campus.

**The First Minister (Humza Yousaf):** This Government has a good record on investment in Inverclyde, and we will continue to work with the local authority to see what further support we may be able to provide.

First and foremost, my thoughts are with all of the 450 workers at the EE site in Greenock; I am very sorry to hear of the news that was given to them at 11 am. I can give those workers, and Stuart McMillan as the local MSP, an assurance that the Scottish Government will engage not only with the local authority, as I said, but with the company directly, where we can.

We will do what we can through our PACE—partnership action for continuing employment—initiative to help those workers who have been affected, should they need it, to look for further employment should that be required. I will ensure that the appropriate minister keeps Stuart McMillan updated on those conversations.

### **NHS Borders (Deficit)**

**Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con):** Rural health boards in Scotland have been forgotten about. The disgraced former Cabinet Secretary for NHS Recovery, Health and Social Care has been too focused on covering his own tracks and has failed to deliver for the rural health service in Scotland.

This week, we learned that NHS Borders is facing a potential deficit of £45 million. Front-line services will have to be cut, which will put my constituents at risk. Will the First Minister step up, once and for all, and deliver much-needed support to ensure that residents in the Borders do not receive second-class treatment?

**The First Minister (Humza Yousaf):** First and foremost, we do support rural health services. The national centre for remote and rural health and care is backed by an investment of £3 million until 2026. That centre will focus on improving the sustainability, capacity and capability of primary care and community-based workforces. We also offer incentives for general practitioners, for example, to work in rural locations, and we are funding 50 GP speciality training bursary posts in 2024-25 to attract GPs to rural Scotland.

Not only that, but—as I referred to in a previous response—the Scottish National Party Government is giving a real-terms uplift to the national health service in Scotland. That is in stark contrast to the Conservatives, who are gutting NHS England with a cut of more than £1.3 billion. Not only that, but in the autumn statement, we received a paltry £10.8 million in health consequential from the United Kingdom Government. That would have provided not five weeks nor five months, but five hours, of NHS activity, so we will take no lessons from the Conservatives on funding our NHS.

#### **Fatal Accident Inquiries (Deaths Abroad)**

**Michael Marra (North East Scotland) (Lab):** Scotsman David Cornock died in Thailand in 2019. His father, Davy, believes that there is strong evidence that he was murdered. The Inquiries into Fatal Accidents and Sudden Deaths etc (Scotland) Act 2016 was meant to enable the Lord Advocate to instruct fatal accident inquiries in such cases, yet it appears that zero fatal accident inquiries into the deaths of Scots abroad have taken place since the law was passed in 2016. The definition of “residency” that is used by our Scottish justice system appears to be at the heart of that failure. Does the First Minister agree with me, and with the families of Scots who have died abroad, that they should be afforded the same chance as other citizens across these islands to know the fate of their loved ones? What can he do to help to ensure that they get the answers that they deserve?

**The First Minister (Humza Yousaf):** First and foremost, I once again give my sympathies and condolences to the family of David Cornock. I agree with the premise that those Scots who lose loved ones should be able to get answers to their questions.

I am more than happy to look at legislation. Michael Marra is absolutely correct that it is the issue of residency—in that particular case, ordinary residency—that is causing the issue in that instance. He knows that decisions around FAs are decisions not for the Government, but for the independent Lord Advocate, to take. Legislation is our responsibility, however, so I am

happy to take a look and speak to the Cabinet Secretary for Justice and Home Affairs on that matter. I will consider it further and respond to Michael Marra in due course.

#### **State Pension**

**Clare Haughey (Rutherglen) (SNP):** In the lead-up to the independence referendum, the better together campaign told people that “pensions are safer” in the United Kingdom. How hollow those words are now. Westminster has presided over the injustice that has been done to Women Against State Pension Inequality—WASPI—women; the state pension is shamefully inadequate as a result of years of austerity; and, although the state pension age is expected to rise to 68, reports this week suggest that it may rise even further, to 71. Can the First Minister give his response to how Westminster is failing Scotland’s older people time and time again?

**The First Minister (Humza Yousaf):** It is hardly a surprise that the—

**The Presiding Officer:** I am sorry, but that is not a question on a devolved matter.

#### **Rail Services (East Lothian and Edinburgh)**

**Martin Whitfield (South Scotland) (Lab):** This week, rail commuters travelling between East Lothian and Edinburgh experienced the consequences of Scottish National Party mismanagement, with a reduction in carriage numbers on the trains during the busy morning commute and overcrowding. One of the commuters, Gregor Millar, said:

“It’s uncomfortable, you have to stand and it becomes hard to hold onto anything. When I get on at Prestonpans you have to stand, when it gets to Wallyford people are just squeezing on, and at Musselburgh people can’t get on.”

Given those on-going issues, what assurances can the First Minister offer to Gregor Millar and other constituents that commuters who travel between East Lothian and Edinburgh can depend on a robust and reliable train service?

**The First Minister (Humza Yousaf):** I was surprised that I was not able to answer the previous question, because it was related to pensioner poverty. I will give Clare Haughey a written answer—*[Interruption.]*

**The Presiding Officer:** I am sorry, but I did not hear what you said, First Minister.

**The First Minister:** I will give Clare Haughey a written response to the question that she asked about pensioner poverty.

**The Presiding Officer:** Members will be aware of the requirement at First Minister’s question time to put questions that are the responsibility of the First Minister and the devolved Government. I

think that, at this stage of the session, members are very well aware of how to achieve that, and I ask members to remind themselves of that.

**The First Minister:** Indeed, Presiding Officer.

On Martin Whitfield's question, I do not at all minimise the impact that rail disruption can have on constituents and their everyday lives, when they are going to work and attending their educational establishments. I say to Martin Whitfield's constituent that we are investing in our rail services. We have invested in our rail infrastructure, in new rail lines on the Borders railway, in new railway stations throughout the country, and in making our railways more affordable by, for example, introducing a pilot that abolished peak fares.

I say to Martin Whitfield that we are, of course, apologetic for any disruption that has been caused on our rail infrastructure, and I am more than happy to ensure that the appropriate minister writes to him with the details of the investments that we are making not just between East Lothian and Edinburgh but throughout the country.

**The Presiding Officer:** That concludes First Minister's question time. There will be a short suspension to allow those who are leaving the chamber and the public gallery to do so.

12:47

*Meeting suspended.*

12:49

*On resuming—*

## Grangemouth Oil Refinery

**The Deputy Presiding Officer (Annabelle Ewing):** I ask those who are leaving the public gallery to please do so quickly and quietly, as we are now continuing with our next item of business.

The next item of business is a members' business debate on motion S6M-11396—

**Stephen Kerr (Central Scotland) (Con)** rose—

**The Deputy Presiding Officer:** I have not yet finished the intro, Mr Kerr. I will call you when I have done my bit.

The next item of business is a members' business debate on motion S6M-11396, in the name of Stephen Kerr, on the future of Grangemouth oil refinery. The debate will be concluded without any question being put. I ask members who wish to speak in the debate to press their request-to-speak buttons.

I advise members that we are resuming at 2 o'clock this afternoon for business. I therefore encourage members to stick to their allocated

speaking times. I appreciate that there is a lot of interest in what is an important debate, but we have to allow time for staff to clear the chamber.

With that, I call Mr Stephen Kerr.

*Motion debated,*

That the Parliament understands what it sees as the importance of the Grangemouth oil refinery to the local economy and national economy; further understands that hundreds of jobs are directly linked, and thousands are indirectly linked, to the refinery; notes the concern about the potential impact that the closure of the Grangemouth refinery will have on the workers at the plant, including the potential job losses; further notes the concern about the consequences of closure for the numerous supply chains that it understands rely on production at Grangemouth, and notes the belief that the proposed closure would have a serious and detrimental impact on the energy security of Scotland and the rest of the UK.

12:50

**Stephen Kerr (Central Scotland) (Con):** I apologise for the false start.

Members will be aware of the shock, worry and frustration in the Grangemouth area following November's announcement on the future of Grangemouth refinery. I will put my cards on the table: I want to see the life of that refinery, which is one of the jewels in central Scotland's economic crown, extended, so I will use this member's business debate to ask the minister some specific questions that deserve her considered response.

Of course, the global dynamics of oil and gas production have undergone seismic shifts, with production waning in Europe while it has been surging in the US, China, west Africa and the middle east. Grangemouth was built in 1924 and I acknowledge that it now needs substantial investment in order to remain viable.

Petroineos is looking into alternatives for the site, including an enlarged import terminal. Its deadline of spring 2025 for final decisions is little over a year away. I believe that the Government has a role to play in ensuring a successful future for that key part of our economy. The devolution settlement resulted in a complex intertwining of energy and net zero, which means that both Governments have to work together for the sake of Grangemouth.

**Daniel Johnson (Edinburgh Southern) (Lab):** I wonder whether Stephen Kerr might reflect on two points. First, he is right about the investment that is required, but the site is still a profitable site according to both Petroineos and the trade unions. That is worth reflecting on.

Secondly, would Stephen Kerr reflect on the fact that the global context includes a situation where the US already has a committed price for things

such as sustainable aviation fuel, but we do not have that from the UK Government?

**Stephen Kerr:** I thank Daniel Johnson for his intervention. He has pre-empted some issues that I will come on to.

I am going to make a serious point, which is not a party-political point, even though it might feel like one. I want to hear an assurance from the minister that we will not get into constitutional game playing on the future of the refinery.

**The Minister for Energy and the Environment (Gillian Martin):** I simply want to say that Stephen Kerr has my absolute assurance on that. Both Governments have to work together for the sake of the future of the site.

**Stephen Kerr:** I thank the minister for that response.

Both Governments must set aside whatever differences there are and embark on the task of crafting a comprehensive strategy that addresses two pivotal aspects. One is energy resilience for Scotland, and the other is the future of Grangemouth and the surrounding communities. A dialogue must be initiated—I think that it might already have been initiated—with Petroineos to unravel the true reasons behind its decision to close the refinery. Is it a joint decision involving both sides of the joint venture, or does it stem from factors beyond economic trends?

A key piece of work in extending the life of the refinery would be to reinstate the hydrocracker line, which has been inactive since April. Daniel Johnson mentioned profitability—the hydrocracker unit is critical to the profit streams of the refinery. I do not pretend to be an engineer, and I do not understand the processes, but I get that the hydrocracker is the critical unit that produces diesel and jet fuel, which are two big—if not the biggest—profit generators for the refinery.

That hydrocracker unit has not been working for a long time. Getting it back online is critical to keeping the refinery going. I ask the minister what is the latest that Petroineos has told her about the hydrocracker? When will it be up and running, and what are the issues preventing it from being restarted?

The Grangemouth future industry board was set up with worthy intentions, but it is stacked with public sector bodies and there is no private sector involvement. The board meets infrequently and the last meeting lasted for only one hour. Can the minister spell out what the Grangemouth future industry board is going to deliver? What are its specific tasks? What are the deadlines? How will it protect the future of the refinery? The workers need to be involved and their voices need to be heard at every level; local people and Falkirk

Council all need to know what the board will do. The board, or a functional replacement, must get to grips with the sustainable future that is required for Grangemouth.

The UK2070 Commission's Teesside task force's paper would be a good template for that strategy. Working with businesses and universities, it is an example of how different bodies—public and private—can come together to address the kinds of challenges that are now being faced by Grangemouth.

What discussions has the minister had with her UK ministerial colleagues about sustainable aviation fuels and a biofuel future for Grangemouth? Another key question is about what are the existing regulatory barriers to the switch to biofuels. Can the minister reassure me that those barriers can be dealt with and that they will not put off potential investors?

My preference, as I said, is for the plant to remain operational, but if, after all avenues have been thoroughly investigated, that cannot be achieved and, if Petroineos, or some other private investor, is still not willing to put in the investment that is required to keep Scotland's only refinery operating, we need to be ready with the right plan. We need to know the scale of the challenge that we will face and what we are dealing with, which means that we need a comprehensive economic impact assessment to be completed as soon as possible. The comprehensive economic impact assessment must look at the detail of the impact on jobs, gross domestic product—locally and nationally—council tax revenue, employment and other considerations. Again, the voice of the workers must be heard.

**Brian Whittle (South Scotland) (Con):** I am grateful to Stephen Kerr for his analysis of what is required. Does he also recognise that, currently, the impact on the supply chain is yet to be established, which is at least as important as what he has just detailed?

**Stephen Kerr:** Absolutely. That is why we need a comprehensive economic impact assessment, which will be a vital piece of work. What timescale would the minister consider to be practical for delivery of that assessment? When will it be completed and published?

The term "just transition" is bandied around a lot in the Parliament, yet I know from my conversations with representatives of the Grangemouth workforce that the term provides cold comfort to most workers. Yes—some jobs will be delivered fairly quickly and some have already been delivered, but the risk of highly skilled, highly paid workers losing their jobs and leaving the area is a devastating prospect for the local economy and, indeed, for Scotland's economy.

We must be honest and acknowledge that anything resembling a full just transition away from fossil fuels is going to take decades. Right now, for the workforce in that community, the Grangemouth just transition feels as though it is a blunt injustice. The Grangemouth refinery is not merely an industrial facility; it is the beating heart of Grangemouth and the surrounding communities. I implore both Governments to do all that they can together to keep the Grangemouth refinery open, including giving serious consideration to Government-backed investment. Finally, let us put aside political colours and favours and work together—as we should—to ensure that the lights of Grangemouth continue to burn brightly.

**The Deputy Presiding Officer:** I remind all members who wish to speak in the debate to check that they have pressed their request-to-speak buttons. We move to back-bench speeches of up to 4 minutes.

12:59

**Michelle Thomson (Falkirk East) (SNP):** I am pleased to speak in this important debate and I thank Stephen Kerr for his reflective comments. Let us hope that the debate continues to bring more light than heat.

I am a ferocious protector of my constituency of Falkirk East, including Grangemouth. The Grangemouth community is quite remarkable in its resilience and deserves praise for the pragmatic way in which it has sought to play its part in shaping our future. This can only be a worrying time for the workers, too, so I commend the efforts thus far of the unions that are involved. Grangemouth is, indeed, the beating heart of both an industrial past and a greener future.

Those who describe the refinery as a national strategic asset are right; those who have concerns about energy security are absolutely right; and those who say that we must do all that we can to retain it as an oil refinery are not wrong, but my focus must be on doing all that we can to ensure that the entire industrial cluster around Grangemouth continues to thrive—now and in the future.

What do my asks look like? I was pleased that Graham Stuart MP—the UK Government Minister of State for Energy Security and Net Zero—indicated his willingness to look at all options for the refinery. We wait to hear what more support his Government will offer, and the Minister for Energy and the Environment might be able to give more insight today on discussions thus far. I know that the UK Government will offer financial support to strategically important industrial and commercial ventures that are making a loss. I draw attention to

the UK Government grant of up to £500 million for the Port Talbot site that is run by Tata Steel UK.

**Stephen Kerr:** I pay tribute to Michelle Thomson for the work that she is doing to support the community in her constituency. Does she agree that it would be a cold shower for all of us if the economic impact assessment showed us the impact of losing the refinery with no replacement or continuity? That work would allow us to see what the Government needs to do, and what it might look like proportionately in relation to the cost that might arise from closure of the refinery.

**Michelle Thomson:** I absolutely agree and I, too, will reflect on that in my speech.

Another barrier that I have previously highlighted is around enabling the site to be modified to become a biorefinery and to produce the likes of sustainable aviation fuel. I note that Graham Simpson pressed Graham Stuart hard on that at a previous visit to the Economy and Fair Work Committee. I agree with Mr Simpson that it cannot be right that none of the eight potential sites that have been considered thus far is in Scotland. Any measures will require a pause before starting the work to convert the refinery to an import facility. I call on Petroineos to extend its timescales to allow us all to reach a positive outcome. Petroineos has a moral duty to Grangemouth and the vital cluster that surrounds it.

I know that the Scottish Government and its partner agencies are undertaking considerable work. Indeed, as has already been mentioned, by mapping current supply chains not only do we get a proper impact assessment for today, but we gain a deeper understanding of what economic policy measures can be taken for tomorrow. Proactively enabling supply chains is a fundamental part of enabling a just transition.

Skills are also an important part of developing our target operating model and, although I realise that skills belong in another brief, maybe the minister could give more information on work that is under way in both those areas.

Finally, when I was on the Economy and Fair Work Committee we raised questions about the purpose, governance and membership of the Grangemouth future industry board. I am interested in hearing more from the minister on how she sees that vital body developing.

Grangemouth is absolutely fundamental, so I want to put on the record my disappointment about the about-turn by the potential next Prime Minister, Keir Starmer, in the latest announcement about dropping the £28 billion energy fund, which had included vital promises for Scotland. Those promises included £1 billion to modernise Grangemouth and the suggestion that there could

be around 50,000 clean power jobs. Obviously, that will have an immediate impact, but the vital mood music suggesting that the UK is serious about attracting global investment is severely lacking.

To that end, I encourage a clear proposition from the Scottish Government about our ambitions. I am sure that the minister will have reflections on that.

13:04

**Graham Simpson (Central Scotland) (Con):** I thank Stephen Kerr for bringing the debate to the chamber, and I welcome the tone of the debate so far.

I, too, was disappointed to hear the announcement by Petroineos last year. Like Stephen Kerr, I would like the refinery to continue operating. If there is any way to achieve that, we should do it. Stephen Kerr is absolutely right that this matter needs to involve both Governments. The UK Government certainly has a strong role to play, but so does the Scottish Government. They need to work together.

Michelle Thomson—it was a privilege to be a member of the Economy and Fair Work Committee with her—referred to our report on a just transition for the Grangemouth area. It contained a number of recommendations, one of which was about the Grangemouth future industry board, which has already been mentioned. It is fair to say that, as a committee, we were very frustrated that there was no private sector involvement with the board and, frankly, we found it to be rather secretive. In the words of the report:

“the Committee calls for more clarity on the role and purpose of GFIB and what it is intended to achieve”.

When I was on the committee, I repeatedly mentioned the role of sustainable aviation fuel. I probably raised it at every meeting and bored the pants off members, who, at that point, might not have known what I was on about, although eventually they did, because now everybody is mentioning SAF.

SAF could provide a future for Grangemouth, or a part of its future. My frustration is that, as Michelle Thomson has already said, Grangemouth has not been one of the places that have been earmarked to produce SAF. Frankly, somewhere in Scotland should be making it, but, at the moment, there is nowhere.

We came up with the recommendation that there needs to be legislation

“for a price support mechanism for SAF to accompany the mandate”,

because that

“may be required to incentivise private sector investment in UK and Scottish SAF production”.

In other words, the Government—the UK Government, in this case—needs to create a market for SAF. I gave Graham Stuart quite a grilling when he appeared before the committee—rightly so, as that is my job. The UK Government really needs to do that, because we need to create a market for SAF.

We need to look not just at SAF but at hydrogen, as there are also opportunities there. I am not completely downcast about Grangemouth. I am disappointed with the announcement that was made, but Grangemouth can have a strong future.

Nobody in the debate has yet mentioned the Grangemouth flood protection scheme, which is really important for the wider economy. Michelle Thomson and others know that I have recently written to Màiri McAllan about that. She has responded to me, and I have shared her response with others. She has committed to setting up a task force. [*Interruption.*] Mr Lumsden is groaning, but I think that, if he sees the letter, which I am happy to share with him, he will see that the tone was quite positive. I would like that task force to be set up, and I want the UK Government to be involved, too, because that scheme needs to go ahead.

13:09

**Daniel Johnson (Edinburgh Southern) (Lab):** I thank Stephen Kerr for securing time for us to speak about this important topic. He set out the basis for the debate incredibly well. It is about investment, about energy resilience and therefore the future of our economy, and about ensuring that we have a genuinely just transition, not a chaotic end to key elements of our economy.

Michelle Thomson and Graham Simpson set out some very important points that flow from that. If we are to have a just transition, we need to retain the critical skills that we have—including those that we undoubtedly have at Grangemouth—and we need to look at what our future energy requirements will be, including for things such as SAF.

I would also like to reflect on the workforce. I have met the workforce twice since the announcement—once before Christmas and once thanks to the drop-in that was organised by my friend Richard Leonard. What struck me was the workforce’s composure, focus and seriousness at a time when many of us would just be outraged and angry. It is a profitable site, and those are highly skilled people, who thought that they were being trained to learn skills and provide opportunities for themselves and their families in

the future. They are seeing those opportunities in potential jeopardy.

**Gillian Martin:** Having spoken to the unions, I certainly get the impression that the workforce holds the key and the answers to the future of the site with regard to their ideas about how their skills can be deployed, and particularly about the area becoming a biorefinery.

**Daniel Johnson:** Exactly so. It is really important that we retain those skills. I pay tribute to the workforce's focus and commitment to ensuring that there is a viable site at Grangemouth.

Let us make no mistake—this is an incredibly important site. There are only six large refineries in the entire UK, so there will be a major loss of capacity. That is important for future requirements relating to biorefining or the production of SAF, but we must remember that not all refined products are for fuel. As much as 50 per cent of every barrel of oil leads to products that are not about fuel, such as pharmaceuticals, dyes and plastics. We might be seeking to reduce our reliance on such products, but we will be relying on them long after we, hopefully, stop burning oil. Oil is an important product, and refining will be an incredibly important part of that process.

However, we all need to reflect on what has happened here. Petroineos has, in essence, made a decision based on cost. The site is profitable, but not as profitable as other sites, although it is fair to say that there is still a large degree of confusion about those factors. We need to ask why Petroineos has made that decision. It is not just about pure profitability but about stability, and we need a plan. That has been a theme across a number of—

**Michelle Thomson:** Will the member take an intervention?

**Daniel Johnson:** I am very happy to give way.

**Michelle Thomson:** Does the member agree that it is slightly ironic that, even if Petroineos ultimately decides to move to an import facility, it would still be dealing in the same market? That makes me question what is going on, because the market itself is not going anywhere. I even question the talk about spring 2025.

**Daniel Johnson:** I agree with that. We need greater clarity. I do not want to cast aspersions—the workforce is very clear about that—but, if we could understand the basis for the decision, we could provide help.

We need a plan. Other countries have price commitments around products such as SAF, which are enabling investment. Likewise, we need stability around the regime in this area. Changes in policy from Governments—and, potentially,

future Governments—do not help. We need consistency and stability so that businesses can make confident investments.

I am grateful for this parliamentary time, because previously we have had only one urgent question on the matter. I note that there will be a statement, but there needs to be parliamentary time for this topic to be discussed.

13:14

**Gillian Mackay (Central Scotland) (Green):** I thank Stephen Kerr for bringing the debate to the chamber. I also thank workers, the unions and the local community for their thoughts, opinions and concerns about the announcement and the future of the site.

Having grown up in Grangemouth and having managed only a mile further up the hill, I know how important the issue is to the entire area. I am angry, on behalf of the workers and the community, that the announcement was given weeks before Christmas. The bottom line of the company—which, as we have already heard, has been questioned—has been put before the workers and the impact on the community. The timetable, which has been questioned by members across the chamber, seems arbitrary, to say the least.

There is a lot of uncertainty and worry across the community. I know that local small businesses are worried about what the announcement means for them. At the drop-in that was organised by Richard Leonard, we heard that workers who are parents are concerned about their job security and what the announcement might mean in relation to uprooting their families. The ripples of the announcement reach far and wide across Grangemouth, as well as more widely across Falkirk.

As we have heard, there has been industry on the site for nearly 100 years, and I am sure that there will be industry on the site long after any of us in the chamber are here. As well as having a conversation about how jobs can continue on the site in the short term, we need to discuss what the industry will look like in the future, how we will get there and what that means for workers and those who live close to the refinery. To do all of that, we need to save the jobs, and we need Government support in that regard. It is clear that, if we leave a just transition to the companies involved, it just will not happen. We need certainty—and quickly—to stop potentially highly skilled people leaving their jobs. We need time for those dedicated and skilled workers to transfer or change their skills to whatever comes next, and we need meaningful engagement with the community about what they

would like to see on their doorstep. That has not happened on the site so far.

Unions want to engage with Petroineos and the Government to explore the reasoning behind the company's decision and what can be done to support workers. If any member has not done so already, I encourage them to read the briefing from Unite the union that came in earlier this afternoon. I also believe that, if they have not done so already, the owners of Petroineos and PetroChina should come to the site to speak to workers and explain their decision. We need a just transition, which, according to their briefing this morning, is what the workers want—a move to the site hosting industries that are better for people and the planet, that provide well-paid jobs and that have good terms and conditions.

I am aware that there are a range of opinions across the chamber as to what form the next step should take, but I hope that the community and the workers who are watching today know that their representatives, including me, are not taking this lying down and that we are committed to saving their jobs and providing a bright future for Grangemouth.

13:17

**Stephanie Callaghan (Uddingston and Bellshill) (SNP):** I am grateful to Stephen Kerr for securing this debate on the future of Grangemouth oil refinery. I agree with him that Grangemouth is a jewel in Scotland's crown. Since its establishment in 1924, the refinery has been a steadfast pillar in Scotland's energy landscape. It has been the main supplier of fuel to Scottish airports and Scottish petrol stations and, importantly, has provided a foundation to the generations of families from the Falkirk area and beyond who have worked there since its establishment.

However, today we are here to debate a new reality. The potential closure of the oil refinery is a decision that is driven by economic realities, such as growing international competition and environmental considerations, which carry weighty implications.

I want to say a little about learning from the past. The impact of Margaret Thatcher's deindustrialisation in my Uddingston and Bellshill constituency remains profound. Once thriving with coal mines and steelworks, Lanarkshire underwent a tragic transformation, with mass unemployment plunging communities into persistent poverty, which still impacts them today. Communities were stripped of their identities and of hope, with scars that generations will never forget or forgive.

As we have heard, in Grangemouth—a town that is already burdened with high levels of social deprivation—the potential closure threatens to

exacerbate existing struggles. Simply put, we cannot afford to repeat the mistakes of the past. Grangemouth needs and deserves a just transition. Although Petroineos's decision was driven by commercial factors, we must not overlook the profound concerns regarding the workforce and the regional economy. The Fraser of Allander Institute has projected a GDP reduction of approximately 0.25 to 0.3 per cent for the Scottish economy—an announcement that is significant and worrying.

Furthermore, any jobs that are lost are not mere numbers. They represent families' livelihoods and, as we have heard, there will undoubtedly be ripple effects across the wider community.

**Stephen Kerr:** Does Stephanie Callaghan agree that it is very important that we get a proper quantifiable understanding of the impact of the refinery's closure? That will help scale what Government can do and what it thinks it can afford with regard to any intervention that can extend the life of the refinery or which can give us the opportunity to have a bridge to the just transition that she is talking about.

**Stephanie Callaghan:** I would certainly agree with that.

With any decision that impacts the livelihood of communities, it is imperative that the Scottish Government steps up and facilitates a just transition at pace. That means the provision of high-quality jobs, enhancing the community's prosperity and safeguarding the community's wellbeing being rightfully placed at the forefront.

A just transition also brings the opportunity to chart a new course towards a fairer and greener future for all. Given its history as an industrial hub, Grangemouth is uniquely positioned to emerge as a centre for green innovation.

**Michelle Thomson:** Given the situation that we find ourselves in, if we carry on working in this collaborative way, which I am personally heartened by—and I agree with what has been said about both Governments working on this and impact assessments—I think that we can frame an opportunity here. After all, we have known for some time about the considerable complexities of putting meat on the bones of a just transition. Does the member agree?

**Stephanie Callaghan:** Absolutely. I agree with my colleague Michelle Thomson—we all would, to be fair.

I was actually going to address that point. It is really good to see the Scottish Government's commitment to collaborating with operators throughout the Grangemouth cluster to spearhead new low-carbon initiatives including carbon capture utilisation and storage, hydrogen

production and biorefining. Everything possible must be done to create the right circumstances for Grangemouth to evolve into a flagship for sustainable energy production and one that bolsters Scotland's ambition to achieve net zero emissions by 2045.

However, if we are to ensure that such future low-carbon opportunities are realised with equity and fairness at their heart for the people who live and work there, continued collaboration will be paramount. The Scottish Government must continue to work with industry, workers and communities on shared economic, social and environmental objectives.

Like others, I urge the UK Government to continue to collaborate on a truly optimal future and meaningful prospects for Grangemouth. Although the establishment of the Grangemouth future industry board marks a promising start, the UK Government must, as we have heard, focus on lifting the UK-wide barriers to sustainable aviation fuel.

We must secure Grangemouth's future from a financial, environmental and social perspective. Through a just transition that embraces innovation, sustainability and compassion, we can shape a positive trajectory in which Grangemouth is recognised as a valuable asset that can propel the Scottish economy forward towards a cleaner and more resilient tomorrow. In that respect, listening, collaborating and meaningfully engaging with affected communities, workers and industry will be key.

13:23

**Richard Leonard (Central Scotland) (Lab):** I thank Stephen Kerr for bringing this debate to Parliament, and I remind members of my entry in the register of members' interests.

Two weeks ago today, the First Minister—I thought, unfortunately—laid the foundations for a blame game.

"Grangemouth's hard workers and the wider community cannot be left at the mercy of UK Government inaction",

he opined. He went on:

"The key powers ... lie, regrettably, at Westminster."—*[Official Report, 25 January 2024; c 21.]*

Well, of course, I will stand second to no one in demanding that the conditions are created for a sustainable aviation fuel policy for the UK and one that will generate jobs in Grangemouth, but the message which I bring from that wider community—from those hard workers—is that they do not want to be a political football between two opposing Governments or, indeed, between Government and Opposition at this time in their hour of need, when we are—

**Gillian Martin:** Will the member give way?

**Richard Leonard:** Yes, I will take an intervention.

**Gillian Martin:** I hope that Richard Leonard heard what I said in that regard in response to Stephen Kerr very early doors in the debate.

**Richard Leonard:** Yes, I did, and I very much welcome that commitment that has been given, but I thought it was worth while reflecting on the position of the minister's boss.

We are at a time when the workers are in their hour of need and when we are deciding on our future energy requirements, so they want both Governments and all parties to be on their side, working together for the common good. They want an extension to the operation of the refinery. They want the hydrocracker restarted. They want investment and jobs. They want transition and protection. They want ambition and hope.

Petroineos themselves say nothing changes until spring 2025, so there is still time for the Government to commit to supporting a programme to extend the refinery's operation and to invest in new technologies, such as biofuels and sustainable aviation fuel, at the site.

In my discussions with the refinery workers, it has not gone unnoticed that the cabinet secretary has variously called Grangemouth—let me quote him exactly—"an ageing site". To emphasise the point,

"the refinery is more than 100 years old",—*[Official Report, 23 November 2023; c 61.]*

he has told us, as if we are dealing with a dilapidated, decrepit, obsolete, antique technology that has not had a penny spent on it for over a century.

The closure of the refinery and the opening of an import terminal was, he said, in any case, "a commercial decision" which will "future proof the site", as though we were dealing with a world based on rational decisions, but we are not. The Grangemouth refinery is not uneconomic. It is not making a loss; it is making a profit.

So I say in plain terms to the minister that it is a strategic national asset. These are strategically important manufacturing jobs. This is a strategic national energy supply, and its future should not be determined by offshore billionaires or overseas Governments. This is Scotland's only refinery; it is linked to the Forties pipeline. We should be refining and manufacturing our energy, not simply importing it, because never in economic history has there been an import-led economic recovery.

So let us finally see from this Government an industrial strategy which is jobs-first, people-centred, manufacturing-led and environmentally

sustainable, and if that means a stake taken out in this enterprise by the Government, then that is what should happen. These workers need not just words but action. They need political leadership. They need an economic strategy, and they are looking to this Parliament and to this Government to provide it.

**The Deputy Presiding Officer:** Before I call the next speaker, I advise that, due to the number of members who wish to speak in the debate, I am minded to accept a motion without notice, under rule 8.14.3, to extend the debate by up to 30 minutes. I invite Stephen Kerr to move the motion.

*Motion moved,*

That, under Rule 8.14.3, the debate be extended by up to 30 minutes.—[*Stephen Kerr*]

*Motion agreed to.*

13:27

**Ash Regan (Edinburgh Eastern) (Alba):** I commend Mr Kerr for securing the debate and for his very thoughtful contribution.

Grangemouth is a strategic national asset for Scotland, and decisions regarding it need to be taken in that light. Crude oil is refined not only for fuel but for feedstock for chemicals that are used right across our economy. Scotland produces 90 per cent of UK oil and gas and has just one refinery. To contextualise just how profitable oil and gas produced in Scotland are to the UK, last year saw a record £10.6 billion in revenue flowing from Scotland to the UK Treasury.

When I had the opportunity to question the UK Minister for Energy Security and Net Zero, Graham Stuart, just a couple of weeks ago, he admitted that the revenue from Scotland's oil industry is funding reductions in energy bills for the whole of the UK. I wonder whether other members were surprised, as I was several weeks ago, to hear from him that, up until that point, the UK Government had had no approaches from anyone seeking funding for a rescue package.

An industry that is worth £10.6 billion a year is hugely valuable to the economy of the UK—a country or, rather, a state of 67 million people. Let us imagine for a moment how much further that would go and what we could do with it in a country of just 5 million people.

Grangemouth needs investment to save it and make it profitable into the future. It is estimated that the investment that is needed is around the £80 million mark. That is but a drop in the North Sea compared to the billions upon billions that Scotland's oil and gas industry has poured into the UK Treasury. In fact, £80 million is only 0.7 per cent of last year's revenue—not even 1 per cent of a year's revenue.

Scotland has only one refinery. The rest of the UK has six, but the Scottish refinery is marked for closure. If Grangemouth is to be no more, Scotland will find itself in the uncomfortable position of being the only one of the top 25 oil producers globally with no refinery. That is a disgrace.

**Gillian Martin:** Does Ash Regan agree that using language such as “Grangemouth no more” completely ignores the fact that Grangemouth's refinery has a great deal of potential if we get it right and invest some of that oil and gas revenue in its just transition to, perhaps, a biorefinery?

**Ash Regan:** No, I do not completely agree with that. The way that I imagine a just transition is that the “just” part is about the people. In the future that the Government imagines, the people with the skills will largely be lost to the site if it is turned into some kind of import terminal.

Scotland needs to have a refinery once it is independent. We must continue to have a refinery and refine our own oil in it—not produce it, send it away and then buy it back at a premium. That is also an energy security issue. Reliance on global markets creates insecurity for Scotland, which is simply absurd for an energy-rich nation.

It is not an issue about which the Government—any Government—can shrug its shoulders and say, “Oh well, there's nothing we can do.” The Scottish people expect more and expect better. The UK Government and the Scottish Government must find some vision and ambition and work together to secure a rescue plan. The UK Government must provide the funding and the Scottish Government must wake up and find a backbone. Anything less than that will be a betrayal of the workforce and the country.

We cannot stand by and see more of Scotland's key assets lost. History tells us that, once they are gone, they are gone for ever. We cannot stand by and see a strategic asset lost to us for ever.

13:32

**Monica Lennon (Central Scotland) (Lab):** As mentioned in my entry in the register of members' interests, I am a member of Unite the union and the GMB, and I undertake other trade union activities.

I join colleagues in thanking Stephen Kerr for securing this important debate. I echo my Scottish Labour colleague Daniel Johnson, who was right to say that the Scottish Government needs to devote some of its chamber debating time to the matter because that would allow for a fuller debate and more parliamentary scrutiny.

**Gillian Martin:** There will, indeed, be such an opportunity next week, when the cabinet secretary

will deliver a statement. It is up to the Parliamentary Bureau to decide whether that is extended. Of course, members all have colleagues who go along to the bureau.

**The Deputy Presiding Officer:** I point out that we are in recess next week.

**Monica Lennon:** I will be guided by you as always, Deputy Presiding Officer.

I welcome the commitment that the minister gave to Stephen Kerr at the start of the debate on what workers and the people of Grangemouth—and, indeed, the people of Scotland—need, which is collaboration between not only the Scottish Government and the UK Government but all the key stakeholders. Stephanie Callaghan was right to bring us back to what matters. It is about people, their families and livelihoods. We can get caught up in the big economic picture, but the debate is about people and we need to hear their voices, too.

I am not a member of the Economy and Fair Work Committee, so I will defer to colleagues who were part of the inquiry into the just transition for Grangemouth. It is significant that the committee did that work. The report is good, and some things have been addressed.

However, I was concerned and disappointed to read at the very top of the report that Ineos turned down the committee's opportunity to give evidence. I am not sure of the reason for that. That would have been a good opportunity to set out and get on the record what work the company is doing to contribute to Scotland's net zero targets.

**Michelle Thomson:** To be completely accurate, the committee approached Ineos rather than Petroineos. I just want to make that distinction.

**Monica Lennon:** That is a useful clarification.

The report mentions the Grangemouth future industry board, which I understand has been recently repurposed. Graham Simpson touched on that, and there are definitely questions about getting the right people around the table and the potential roles for the Scottish National Investment Bank and people from the community, including workers and trade unions. I know that the UK Government recently hailed the repurposing of the future industry board as an opportunity for both Governments to come together. I hope that it is received in that spirit.

As we have heard in the debate, the approach to the issue has largely been consensual and cross-party. Richard Leonard recently hosted a drop-in session and we met Unite shop stewards who do not want politicking—they want to hold politicians to account and they want us to work together in the national interest.

I know that time is short and I have taken a couple of interventions, so I will conclude by saying that Derek Thomson, the Scottish secretary of Unite, told us that every option must be on the table. As we try very hard to build a just transition for workers and communities, we have to get our act together collectively. Every option must be on the table, but we need a planned approach. We have heard about the importance of an industrial strategy, which has been lacking, and we heard in the debate a commitment to joint working. Let us see what happens after recess.

13:36

**The Minister for Energy and the Environment (Gillian Martin):** I nearly did us all out of a week's recess, for which I apologise.

I agree with the spirit of Monica Lennon's speech, particularly in her final words, that every option must be on the table. That should be the phrase that we keep in mind as we go forward. I thank Stephen Kerr not only for bringing the issue to the chamber but for his extremely constructive and collegiate speech and for his general attitude, and I thank the other members, who, with the odd exception, spoke in that spirit.

My colleagues are right to say that the people of Grangemouth, the wider Grangemouth area, the wider Falkirk area and the community are listening to what we say on the issue. We all have to put our shoulders to the wheel and look at every option. I fully believe that, although the announcement has been greatly worrying to the people who currently work in the refinery, we have everything to gain if we get this just transition. This is a test for us; the first test of the just transition is whether we can keep the refinery open in some shape or form.

Before I go into what the Government has been doing, I want to reflect on some of what has been asked of me. We need to look at the barriers to deployment for a biorefinery. On Mr Kerr's point on that, he will probably be aware—and if he is not, I can certainly send him the details, and I recommend that he gets in touch with colleagues at Petroineos—that Petroineos has identified regulatory barriers to becoming a biorefinery, such as the hydroprocessed esters and fatty acids cap. The HEFA cap is the cap that has been put on the use of the crops that would provide feedstock for a biorefinery. The UK Government has put a cap on that, which is complex, because it is about food security and the percentage of crops that can be used for biorefinery.

I want to reflect on what executives at Petroineos told me in that regard, which was that if the HEFA cap was lifted, they could transition to being a biorefinery very quickly. They are already

in the appraisal phase of the biorefining, and they have also said to me in meetings that staff could be trained very quickly—within, I think, six months. I could be wrong on that, but it was a very short period of time.

**Stephen Kerr:** I note that Petroineos is being careful in the use of the word “could”. Is such a transition part of its intention? Is it beyond words? Does Petroineos suggest that it “would,” transition, rather than that it “could” transition?

**Gillian Martin:** That is obviously a question that is best put to Petroineos, because it is making commercial decisions. However, I got the sense that that would be its intention if that option were on the table and if the cap on HEFA was looked at again by the UK Government.

Graham Stuart was in that meeting as well. He said that it was not in his portfolio arrangement because it goes into the wider agriculture portfolio. However, two cabinet secretaries—Mairi Gougeon and Neil Gray—and I have written to follow up on that on behalf of Petroineos, because that is what the workforce wants as well. It is ready to go, and that could secure its future.

I also want to mention the economic impact assessment. It is absolutely vital, but just as vital is the just transition plan, which is action focused and makes an assessment of the economic gains for the site and the wider community if we were to change to any of the options that are on the table. I see that as part of the Grangemouth future industry board’s remit.

**Daniel Johnson:** I wonder whether those two points come together in an important way. It is well and good to talk about just transition and the need for a plan, but unless the board considers things such as the HEFA decision, which the minister mentioned, and other decisions that might lie in other departments, we do not really have a plan. It needs to be joined up. There is an investment gap. Peak oil was 20 years ago, but we have only installed 10 per cent of our offshore wind generation capacity.

**Gillian Martin:** Daniel Johnson makes an important point. I was going to come on to that. Graham Simpson talked about the market for what the site would be producing—particularly sustainable aviation fuels. I will say a little word about what the Scottish Government is doing on that. We have a working group, which Màiri McAllan set up, with the airports of Scotland, and the cabinet secretary, Neil Gray, is meeting airlines and airports in Scotland about that market.

Grangemouth has the potential to be a leader in the UK in providing sustainable aviation fuel, which would make a difference in respect of the climate change targets of both Governments. It would make a difference to the sustainability of

aviation in the future if the airlines and airports were willing to set out their stall and say, “We will take on that product.”

I want to mention a couple of other people. Gillian Mackay talked about the impact on the wider Grangemouth town economy, which was backed up by Stephanie Callaghan. Those lessons in history are important. Members will know that I am a child of Clydebank, which suffered the same kind of situation that Stephanie Callaghan’s constituency did.

**Gillian Mackay:** I thank the minister for taking the intervention. The Grangemouth site is quite unique in how close it is to the town and where people live. In some cases, the site is only across a road and down a grass verge from people’s houses. Will the minister commit to involving the community in what the site looks like, what comes next and the impact on their living environment?

**Gillian Martin:** That is an important consideration. At the moment, the Grangemouth future industry board has the unions and Petroineos involved, but it also has the council and community councils involved. That is possibly the conduit, but if it can be widened out in some shape or form, I am up for that.

I was at the first meeting of the Grangemouth future industry board, and we thought that we needed to have more frequent meetings, which we have already outlined. We also decided to look at the scope of what the group does and, potentially, have some sub-groups. We need it to be action focused rather than a talking shop. We need to look at the plans for the future and lift the barriers.

Emerging technologies such as hydrogen production and biofuels manufacturing could sustain the refinery and provide jobs, not only for the existing workforce but also for the future workforce of Grangemouth and the wider area. Business cannot do that alone, and commercial decisions must be made, but I am heartened by the tone of the debate and the comments about both Governments working together.

Graham Stuart, John Lamont and Neil Gray were also at that meeting. Off the back of that meeting, Neil Gray and I wrote to the UK Government ministers involved to follow up on some of the assurances that they had given us that they wanted to be fully involved in protecting the future of the refinery.

**Stephen Kerr:** I am very grateful for the minister’s patience in allowing me to make a second intervention. Before she concludes, will she comment on the issues that have been raised about the hydrocracker? That seems to me to be a vital component in extending the life of the refinery as it is.

Secondly, has work begin on the economic impact assessment that a number of us have talked about? Does she have an estimate of when it might be produced? I simply think that it would give us all a huge impetus to make sure that what we are talking about in relation to transition actually happens.

**The Deputy Presiding Officer:** In responding, minister, please could you start to close?

**Gillian Martin:** I will wind up.

I thank Stephen Kerr for the reminder—I was going to come on to the hydrocracker. On that issue, there is not much that I can say, as it is commercially sensitive, but we know that the site's operators are working at pace to get it back online as quickly as possible. That is really all that I can say at the moment—that information has come from the operators themselves—but it is absolutely fundamental.

As for the economic impact assessment, that has actually been done by the group itself. Obviously, our officials are involved in assessing the economic impact; there is a Scottish Government assessment, and Scottish Enterprise are involved, too, as members would hope.

From my point of view, I would say that everything possible is being done to look at what Governments, agencies and the private sphere can do to realise the site's potential. Geographically, it is ideally located; it has a long history of providing Scotland with fuel and energy security; and it has the most expert workforce whom we cannot afford to let down, for the reasons that all members have highlighted in the debate. Members have my assurance—and the cabinet secretary's assurance—that we in the Scottish Government will work with whoever has solutions for prolonging the refinery's life.

13:47

*Meeting suspended.*

14:00

*On resuming—*

## Portfolio Question Time

### Transport, Net Zero and Just Transition

**The Deputy Presiding Officer (Liam McArthur):** Good afternoon. The first item of business is portfolio question time. The first portfolio is transport, net zero and just transition. I invite members who wish to ask a supplementary question to press their request-to-speak button during the relevant question, and I make the usual appeal for brevity in questions and responses.

#### Green Economy (United Kingdom Government Action)

1. **Michelle Thomson (Falkirk East) (SNP):** To ask the Scottish Government, with regard to cross-Government co-ordination of net zero policy, what discussions it has had with the United Kingdom Government regarding what is required to unlock the full potential of Scotland's green economy. (S6O-03070)

**The Minister for Green Skills, Circular Economy and Biodiversity (Lorna Slater):** Tackling climate change and nature loss is an environmental imperative and a significant socioeconomic opportunity. The transition to net zero and climate adaptation will transform the global economy, and Scotland is so well placed to be part of that, not least because of our renewables abundance and our expertise in energy.

The Cabinet Secretary for Transport, Net Zero and Just Transition regularly engages with her counterparts in the other three nations of the United Kingdom through the net zero, energy and climate change interministerial group. There are a number of reserved matters in which UK Government action is critical to unlocking the full potential of Scotland's green economy. Those matters should not sit with the UK Government, but for as long as they do, we will continue pushing it to act in the interests of Scotland's economy and people, and the world's climate.

**Michelle Thomson:** According to Offshore Energies UK, backing home-grown energy will strengthen supply chains, boost capability and unlock economic growth. However, UK-wide, many businesses are holding off from confirming final investment decisions because of policy uncertainty from the current UK Government. That and the latest U-turn from the Labour Party in abandoning its policy on £28 billion investment in green energy, including £1 billion for Grangemouth

in my constituency, places Scotland's ambitions at risk. Will the minister, on behalf of the Scottish Government, emphasise to the UK Government, whichever party it is comprised of, the importance of certainty in policy to unlocking that vital funding?

**Lorna Slater:** I am very grateful to Michelle Thomson for that question. Policy certainty is critical to investment, and so is moving quickly and gaining first-mover advantage, where possible. The current UK Government has allowed us to be left behind as the US, Europe and others move quickly to stimulate domestic economic activity in net zero matters.

I am afraid that Keir Starmer's Labour Party's abandonment of its flagship £28 billion green investment pledge—this is really important and significant—on the very day when scientists confirm that the world has, terrifyingly, breached the 1.5°C warming threshold for a year, is a terrible indictment of a future Labour Government and of the economic stability of broken Brexit Britain. Scotland is accustomed to perpetual disappointment in Labour, so perhaps that decision is not a surprise; however, it is environmental and economic ineptitude.

**Brian Whittle (South Scotland) (Con):** Wow. In addition to completely eliminating the green economy as a line item from this year's budget, the Scottish Government has slashed the budget for the Scottish National Investment Bank, Scottish Forestry, land managers, skills development and the Scottish Funding Council. How on earth does the Scottish Government plan to deliver its targets without properly funding the green economy or being able to train the future workforce of the green economy?

**Lorna Slater:** The Scottish budget does, indeed, prioritise nature and the green industrial transition. We have committed to investing up to £500 million of public sector funding over the next five years in our offshore wind potential. We need the UK Government to provide clarity on its longer-term approach so that we can continue to support the sector. However, in Scotland, we are doing what we need to do to invest in the supply chain and to ensure that we get the economic benefit from the transition to net zero.

### Potholes

2. **Sarah Boyack (Lothian) (Lab):** To ask the Scottish Government what it can do to address potholes on the road network, including what support is available for local authorities to do so, in light of reports that Edinburgh is the second-worst city in the UK for potholes. (S6O-03071)

**The Minister for Transport (Fiona Hyslop):** I appreciate the road maintenance challenges that

exist in Edinburgh and across Scotland and the importance of a safe well-performing road network. However, local road maintenance is the responsibility of local authorities, which allocate resources on the basis of local priorities. In 2024-25, the City of Edinburgh Council will receive £988.6 million to fund local services, which equates to an extra £48.5 million to support vital day-to-day services. Ultimately, it is for local elected representatives to make local decisions on how best to deliver services to their local communities.

**Sarah Boyack:** How bad does it have to get before ministers recognise the impact of sustained cuts to council budgets?

I have a constructive question. What work is the Scottish Government doing to monitor the health and safety impacts of our deteriorating roads and the impact of potholes in damaging bikes, buses and cars? A bike crash that occurs as a result of a pothole can have a massive impact on someone's health, never mind their wellbeing. In addition, cyclists face the cost of buying new tyres on a regular basis. We now have an issue in relation to the economic impact, too. What will the Scottish Government do to monitor that impact?

**Fiona Hyslop:** I understand the seriousness of the issue, but I make it clear that although the Scottish Government has responsibilities for trunk roads, road safety more widely is a collective responsibility.

As regards measurement of the impact at local level, we would expect local transport departments to monitor that. If Sarah Boyack is suggesting that that should be done in a more co-ordinated way, it might well be the case that transport officials across local authorities work with Transport Scotland on road safety. I will look into that.

I encourage everyone to think about the wider impact on road safety. That is one of the reasons why, nationally, we have increased our maintenance budget for trunk roads by 31 per cent.

**Sue Webber (Lothian) (Con):** The priorities of the Labour administration in Edinburgh are not aligned with the priorities of residents across the capital. Rather than focusing on essential road repairs and fixing the multitude of potholes on our streets, it is hell-bent on pursuing pipe-dream projects. Wasting £44 million on a business case for a Granton to BioQuarter tram extension should not be a priority. The project would also destroy a popular and well-used active travel corridor in Roseburn. In addition, the capital now has the prestigious honour of being number 1 in the world for having the worst cycle lanes. I make a plea to the minister: will you use every piece of influence that you have to ensure that the priorities of

residents in Edinburgh are put first by the Labour-led council?

**The Deputy Presiding Officer:** Please speak through the chair.

I invite the minister to respond, on matters for which she is responsible.

**Fiona Hyslop:** Sue Webber has made her point, but I reflect on the fact that, increasingly, people ask Scottish Government ministers to interfere with local decision making by local councils. They want centralisation, when we recognise that local authorities are elected by the people whom they represent to make the decisions that they want to be made.

The member should reflect on the fact that the budget challenges that everybody faces mean that we have to make challenging choices. The capital reduction particularly affects the transport budget.

However, it is up to the people of Edinburgh to decide what they want to do. If they want to elect parties that want to take forward ambitious projects to bring about a green transition in Edinburgh, they should do so. It is for the people of Edinburgh to ensure that their views are well known, and it is for local councillors, who are elected to do so, to make those representations.

**The Deputy Presiding Officer:** I need more brevity in the questions and, indeed, the responses.

### Public Transport (Modal Shift)

3. **Richard Leonard (Central Scotland) (Lab):** I remind members of my entry in the "Voluntary" section of the register of interests.

To ask the Scottish Government what steps it has taken to encourage a modal shift to public transport. (S6O-03072)

**The Minister for Transport (Fiona Hyslop):** This Government is committed to modal shift: as we continue to invest and support an affordable and accessible transport system, we are finding ways to promote public transport as an attractive option.

For example, almost half the population of Scotland is eligible for free bus travel through our concessionary fares schemes, and the extended ScotRail peak fares removal pilot encourages the use of public transport. In addition, we continue to invest in infrastructure, drawing on examples such as the Falkirk stadium electric vehicle charging hub, in Richard Leonard's region, where active travel links to the town enable people to choose more sustainable modes of transport.

**Richard Leonard:** Getting people out of their cars and on to public transport is vital if the

Scottish Government is to meet its climate change targets, yet ScotRail—a company that is wholly owned by the Scottish Government—is trying to force through driver-only operations, which would remove safety-critical guards. After two years, the Scottish Government is still considering the axing of ticket office hours, and total safety-critical railway renewal spending for the next five years is £315 million lower than it was in the previous funding period, with 70 front-line workers having been made redundant over the past few months. Will the Scottish Government rule out extending driver-only operations and cutting ticket office hours and will it reverse its planned cuts to safety-critical railway investment?

**Fiona Hyslop:** I think that Richard Leonard is mistaken. He will know that I wrote to him on 19 January to point out the mistakes in the analysis that seemed to imply a reduction in the rail budget. The rail budget for the issues that he refers to has gone up. There has been an 8 per cent increase in spending on maintenance and a 4 per cent increase in operations spending for control period 7. The budget for the railway system has gone up from a pre-pandemic level of £1 billion to £1.6 billion.

I agree that staff presence on railways is really important because it gives people a sense of safety. The Government is committed to ensuring that our railways operate safely. We do that through maintenance and staffing. Richard Leonard will be aware that ScotRail is expanding its staffing and is recruiting staff. It is important to members that, having written to the member on 19 January—

**The Deputy Presiding Officer:** We must move on. I call Bob Doris for a brief supplementary question.

**Bob Doris (Glasgow Maryhill and Springburn) (SNP):** Removal of barriers and encouraging greater use of buses will be crucial to securing a modal shift away from car journeys. To what extent does the free bus travel scheme for under 22s help to remove barriers? How many journeys have been taken as part of that scheme since January last year?

**Fiona Hyslop:** The under-22s scheme has been a great success and has demonstrated the appetite for sustainable travel. Many young people travel by bus a number of times a week, and are making habitual use of public transport. Since 1 January this year, more than 7 million journeys have been made by under 22s in Scotland.

### Just Transition (Gender Equality)

4. **Karen Adam (Banffshire and Buchan Coast) (SNP):** To ask the Scottish Government

how it is embedding gender equality into its efforts to deliver a just transition. (S6O-03073)

**The Minister for Small Business, Innovation, Tourism and Trade (Richard Lochhead):** We are committed to doing what we can to increase diversity and representation in the workforce by supporting women and people with protected characteristics to take advantage of the opportunities presented by the green transition. Our just transition plans will show how that will be integrated into our policy making. For example, we have already funded flexible working and workplace equality programmes to support women's participation in the workforce and we will look to mainstream gender equality across our policy interventions in that area.

**Karen Adam:** A survey that was conducted by the centre for international labour market studies found that women make up only 4 per cent of the total oil and gas workforce in the United Kingdom. Here in Scotland, we have an opportunity to deliver equality for women and girls through our plans for a just transition. What is the Scottish Government doing to ensure that women and girls reap their fair share of the opportunities and benefits that a just transition will bring to Scotland?

**Richard Lochhead:** The member's sentiments on the issue are correct. Our forthcoming just transition plans will take into account the equality impact assessment for the energy strategy and just transition plan that is being carried out by the consultancy SWECO and which includes reference to the status of women in the green workforce. That will underpin our just transition policy to ensure that we can achieve equity of access to opportunities. We will also stay in touch with the energy sector. There is a big role for the sector itself to play in attracting more women, which is an important dimension of the debate.

### **Renewable Energy Sector (Ministerial Meetings)**

**5. Jackie Dunbar (Aberdeen Donside) (SNP):** To ask the Scottish Government what discussions the net zero secretary has had with ministerial colleagues regarding the role of the renewable energy sector in meeting its net zero ambitions. (S6O-03074)

**The Minister for Green Skills, Circular Economy and Biodiversity (Lorna Slater):** The Cabinet Secretary for Transport, Net Zero and Just Transition regularly meets with ministerial colleagues to discuss how to maximise the role of the renewable energy sector in meeting our net zero ambitions and delivering wider benefits for the Scottish economy. The energy transition offers significant economic opportunities for Scotland and is essential to reducing our emissions. We must also ensure that it delivers for the people,

workers, communities and economy of Scotland. It is critical that we work together to deliver a just transition to a net zero energy system.

**Jackie Dunbar:** Recent reports that renewables technologies generated the equivalent of 113 per cent of Scotland's overall electricity consumption in 2022 were welcome. How will the Government's planned green industrial strategy bring about the investment that our renewables industry needs to build on that success and fully deliver our net zero ambitions?

**Lorna Slater:** Those statistics show that the actions that we are taking to scale up renewable energy capacity to transform and expand Scotland's clean energy generation sector are working. Developing a green industrial strategy is a signal that we are serious about capturing for Scotland the economic benefits of the global transition to net zero. The strategy will sit alongside and support our just transition plans, and we will set out our plans to secure a fair transition to net zero for specific high-emitting sectors of the economy. It will offer a clear view of the economic sectors and industries where we have the greatest strength and the most potential and of what the Government will do to support them, so that we can give the private sector confidence to make decisions and invest in Scotland.

**Willie Rennie (North East Fife) (LD):** It can take more than a decade for offshore wind farms to complete the planning and consent process. The Government wants to cut that time, but industry is sceptical that enough specialists and planners will be recruited. What can the minister tell industry to reassure it that the Government has made progress on that? In other words, how many more planners have been recruited in the last while?

**Lorna Slater:** The member is quite right that the planning system has a crucial role to play. We have engaged extensively with the United Kingdom Government to seek the devolution of the necessary powers to Scotland to provide a modernised grid consenting regime that is fit for purpose. The member is correct that planning and consenting are key to unlocking our energy potential, and the Scottish Government is working hard to do so.

**Stephanie Callaghan (Uddingston and Bellshill) (SNP):** We know that solar energy is a crucial contributor to achieving an affordable energy mix and a just transition. While the Scottish Government's commitment to enhance solar energy generation by 2030 is incredibly welcome, there is a notable constraint while the current cap on energy generation is set at 50kW. Can the minister provide reassurance that the Government

is working towards removing such output restrictions, so that people can reap the benefits?

**Lorna Slater:** While policy and regulation in respect of electricity networks is reserved to the UK Government, we have established a local electricity networks co-ordination group, which brings together representatives from different sectors to find ways forward on exactly such issues. In some places, where there is a wish for a generation project greater than 50kW to be connected to the distribution network, the distribution network operator is required to seek approval from the electricity system operator. That is because there may be a wider system impact on transmission as well as on the distribution network. We recognise that that can result in cost and time delays in connecting such projects.

#### **Budget 2024-25 (Strathclyde Partnership for Transport)**

6. **Annie Wells (Glasgow) (Con):** To ask the Scottish Government what impact the 2024-25 budget will have on Strathclyde Partnership for Transport. (S6O-03075)

**The Minister for Transport (Fiona Hyslop):** Scottish Government officials are engaging with Strathclyde Partnership for Transport on the impact of the budget to ensure the sustainability of its services. It is regrettable that no capital funding has been allocated to SPT in 2024-25. However, the United Kingdom autumn statement was a worst-case scenario, confirming that the Scottish Government's capital block grant is forecast to contract by almost 10 per cent in real terms over five years. Revenue funding for regional transport partnerships, including SPT, has been provided for 2024-25, and Transport Scotland is currently preparing the specific allocation.

**Annie Wells:** Cutting the funding to Strathclyde Partnership for Transport will be a hammer blow and will greatly damage efforts to encourage individuals to use public transport. Equally damaging is the fact that SPT was not contacted about the dissemination of its budget prior to budget day. What justification does the Government have for cutting the budget and not informing SPT of that decision before budget day?

**Fiona Hyslop:** The sourcing of capital funding for SPT can come from different departments within Government. I can speak for Transport Scotland and its capital investment in the subway. The Scottish Government has provided £154.3 million to date, and it remains committed to providing £246 million of funding towards the programme.

On the other allocations, members cannot come to the chamber and complain about capital cuts without acknowledging that the party and the

Government responsible for the capital cuts to our budget is the Conservative UK Government.

**The Deputy Presiding Officer:** Paul Sweeney has a brief supplementary question.

**Paul Sweeney (Glasgow) (Lab):** Cutting the general capital grant for Scotland's largest city's public transport authority from £15 million to zero is an example of catastrophic misadministration, and the Scottish Government should accept responsibility for that. It will have huge knock-on effects for Glasgow's transition and for the ability to build public transport in the city.

**The Deputy Presiding Officer:** Question.

**Paul Sweeney:** I urge the minister to urgently meet the chief executive of SPT and reverse that atrocious cut.

**Fiona Hyslop:** As I said, in budget terms, the sources of capital funding to SPT come from different departments. Transport Scotland officials are engaging with SPT. The situation is not misadministration but the consequences of a United Kingdom Westminster Government. Even if a Labour Government is elected following the next general election, that will be part-time, until the regular Conservative rule—which the Labour Party has endorsed from year to year and decade to decade over recent times—comes back with a vengeance. We need independence so that we do not have to rely on a UK Government that cuts our capital budget, which Labour is quite happy to let continue.

#### **ScotRail (Peak Fares Removal Pilot)**

7. **Alex Rowley (Mid Scotland and Fife) (Lab):** I apologise for being late for this session, Presiding Officer. I got my times mixed up.

To ask the Scottish Government what criteria it plans to use to assess how successful the ScotRail peak fares removal pilot has been. (S6O-03076)

**The Minister for Transport (Fiona Hyslop):** The ScotRail peak fares removal pilot has been extended to 28 June 2024. An interim evaluation is under way to examine the impacts on rail travel patterns and other modes, as well as a formal value for money assessment.

A final evaluation will be undertaken at the end of the pilot, and the Scottish Government will carefully consider the impact and long-term sustainability of that pilot with reference to three main strands: a multimodal evaluation of current travel patterns and the impact during and potentially after the pilot; evaluation of the impact on rail travel patterns before and during the pilot; and a value for money assessment of the pilot.

**Alex Rowley:** The decision to remove what was, in effect, a tax on workers was absolutely correct. It has been received really well—certainly, the workers I speak to who are struggling with real difficulty at this time have welcomed it.

I welcome what the minister said. Will she ensure that she comes back to the Parliament on that? I believe that all parties should work together for what is a good policy and that we should get a decision to continue that policy indefinitely—certainly before we reach 28 June.

**Fiona Hyslop:** I agree with Alex Rowley that we have to look at the context of the peak fare removal within the wider issue of how we support more people to travel by public transport. However, as I have said, we need to have a robust assessment, and I am quite happy to share that with members across parties.

Alex Rowley is also correct in identifying what the pilot means for people during a cost of living crisis. Those who travel the line from Cowdenbeath to Edinburgh three times a week, from October at the start of the pilot to June at its end, will have saved £680; those who travel five times a week will have saved £1,134. There have been savings for many workers in Cowdenbeath, in Fife and across Scotland.

Yes, the evaluation has to measure value for money, but it must also measure whether we can get a modal shift so that people consistently use our railway system.

**The Deputy Presiding Officer:** Kevin Stewart has a brief supplementary question.

**Kevin Stewart (Aberdeen Central) (SNP):** Will the minister detail the benefits that that Scottish Government initiative offers to commuters and the travelling public in Aberdeen and the north-east more broadly? What does the Government hope to achieve through the extension of the removal of peak fares?

**The Deputy Presiding Officer:** Be as brief as possible, minister.

**Fiona Hyslop:** The extension allows us to continue to monitor the pilot. Members will realise that we have had an extensive period of storms. The extension will help us to give a better assessment on a regular basis. It certainly helps to have more robust data to inform the final evaluation.

There are savings across the north-east. The levels of savings that I talked about in relation to Mr Rowley's question also apply. The daily fare between Stonehaven and Aberdeen was £10.50 before the trial; it is now £7.50. That benefit is immediate. However, we have to assess the initiative for the longer term.

## Transport Projects (South of Scotland)

**8. Finlay Carson (Galloway and West Dumfries) (Con):** To ask the Scottish Government whether it will provide an update on transport infrastructure projects in the south of Scotland. (S6O-03077)

**The Minister for Transport (Fiona Hyslop):** The Government is taking significant action to progress transport projects in the south of Scotland. We have invested in the operation and maintenance of the rail and road networks. One example is our on-going work with communities in Ballantrae and Kirkoswald on the A77 to address concerns with speeding traffic, noise and a lack of pedestrian crossings. In addition, we are improving active travel and electric vehicle infrastructure in the current financial year.

Additionally, my officials are working with their counterparts in the United Kingdom Department for Transport to finalise the details of the £8 million in funding for the A75 that was finally confirmed by UK Ministers on 7 December 2023. All efforts are being made to secure that funding and allow work to commence next financial year.

**Finlay Carson:** Last week, I met Michaela Yates and Samantha-jane Sheil. Their 51-year-old husband and dad died on the A75 after a collision with a heavy goods vehicle in November. They joined me in calling for average-speed cameras for the length of the A75. In addition, on Tuesday evening, there was yet another serious accident at the notorious Haugh of Urr road end. Why is the minister not considering average-speed cameras for the A75 when it is good enough for the A9 and other main routes in Scotland, and would bring about immediate improvements in road safety? I also urge the minister to accelerate the process to improve the junctions along the A75, given the high accident rates. We have had enough consultations. We simply need to get on with improvements.

**Fiona Hyslop:** Any tragedy on our roads is one tragedy too many, and I express my condolences to the family concerned. There has been £85 million spent on maintenance improvements on the A75, but more can always be done. Finlay Carson is correct to represent his constituents and come here with specific examples. I will take away the average-speed camera issue for my officials to examine in relation to on-going maintenance and improved safety on that road.

**The Deputy Presiding Officer:** With apologies to those whom I was not able to call, that concludes portfolio questions.

There will be a brief pause before we move to the next item of business to allow a changeover of front-bench members.

## Minimum Unit Pricing of Alcohol

**The Deputy Presiding Officer (Liam McArthur):** The next item of business is a statement by Shona Robison on minimum unit pricing of alcohol. The Deputy First Minister will take questions at the end of her statement, so there should be no interventions or interruptions.

14:27

**The Deputy First Minister and Cabinet Secretary for Finance (Shona Robison):** Members will be aware that my colleague Elena Whitham resigned earlier this week for health reasons. She has been instrumental in progressing our work on alcohol, and I am sure that members will join me in wishing her well.

I recall making a statement to this chamber on 21 November 2017 on minimum unit pricing and our intention to reduce some of the harms that are caused in Scotland by alcohol. In May 2018, following the agreement of this Parliament, Scotland made history by becoming the first country in the world to introduce the policy. As I led the introduction of the policy, it is with great pleasure that I make this statement on the future of minimum unit pricing of alcohol in Scotland.

I am clear that alcohol continues to cause significant health harm to too many people in our country. The latest figures from the National Records of Scotland show that there were 1,276 alcohol-specific deaths in 2022. I take the opportunity to extend my deepest sympathy to all those who are affected by the loss of a loved one through alcohol.

We, as a Government, are determined to do all that we can to reduce alcohol harm. I announced back in 2017 our intention to introduce the policy as soon as we could, following the delay caused by several years of litigation in the Scottish courts, the European Court of Justice and the United Kingdom Supreme Court.

The minimum unit pricing legislation came into force on 1 May 2018 and contains—as members will already know—a sunset clause that means that it will cease to have effect unless the Scottish Parliament votes to continue it. In September last year, the Scottish Government published its report on the effect of minimum unit pricing in its first five years of operation. In order to inform that report, Public Health Scotland was tasked with leading an independent evaluation of minimum unit pricing, which was commended by internationally renowned public health experts including Sir Michael Marmot and Sally Casswell.

Public Health Scotland's final findings were that, overall, the evidence shows that MUP has had a

positive impact on health outcomes—namely, a reduction in alcohol-attributable deaths and hospital admissions, particularly among men and those living in the most deprived areas—and therefore contributes to addressing alcohol-related health inequalities.

There was no clear evidence of substantial negative impacts on the alcoholic drinks industry or of social harms at a population level. It was estimated that, during the study period of the evaluation, MUP reduced alcohol-attributable deaths by 13.4 per cent, or 156 such deaths, per year. It was also likely to have reduced by 4.1 per cent the number of hospital admissions that were wholly attributable to alcohol, compared with what would have happened had MUP not been in place.

Running in tandem with the evaluation was a review of the level of minimum unit price. In order to inform the review, the Scottish Government commissioned the University of Sheffield alcohol research group, which is an expert in the field, to undertake new modelling. Its research suggests that, if MUP is to maintain the current level of benefits that the evaluation was able to find at a price per unit of 50p, the price should increase to at least 60p per unit due to inflation. Scotland is facing a growing burden of disease over the next 20 years, and I know that all members will agree that action is needed to reduce the causes and effects of ill health in Scotland.

I am pleased to be able to update members about the conclusion of our review of minimum unit pricing and to set out the next steps for the policy. The Cabinet has now met and discussed all the available evidence, including the recently held public consultation, and has come to a final decision. I can confirm that it is our intention to lay before Parliament draft orders to continue minimum unit pricing beyond 30 April 2024 and to set the price per unit at 65p.

I know that some people do not agree with minimum unit pricing. We have considered their concerns and views in reaching our position. I also note business and industry concerns regarding some aspects of the policy. Although it is my view that our decisions are unlikely to have a significant effect on the alcohol industry and retailers, and although the evidence to date suggests that there has not been such an impact on those business groups, I understand the concerns that have been raised. We have considered the important role that alcohol production and sales play in Scotland, which is particularly important to the economies of our rural communities and to tourism. The evidence suggests that there will not be a significant impact on those businesses and our world-leading alcoholic drinks industry.

Many business stakeholders told us that implementing any price change quickly might be

difficult. To address those concerns, I am pleased to say that, if Parliament agrees to the order increasing the minimum price to 65p per unit, it will not take effect until 30 September. We have listened to the views of businesses, including those of the refreshed regulatory review group, and we agree that an implementation window is necessary to allow them to take steps to prepare for the change.

Although this statement is an update on minimum unit pricing, I recognise that MUP is not a silver bullet. We must try to prevent people from experiencing alcohol-related harm in the first place. However, for those who are already drinking at higher levels, including people with alcohol dependency, specialist treatment and support are vital.

The Scottish Government continues to take action to ensure that people who require treatment and support in relation to alcohol can receive them. This year, we are providing £112 million to alcohol and drug partnerships, and, as part of that funding, we have set out the need to invest in specific initiatives such as stabilisation and crisis management for alcohol. We continue to see expansion in local assertive outreach services, which should also increase the number of people who are offered treatment. We have asked Public Health Scotland to investigate the reduction in the number of referrals to treatment services, as we need to ensure that referrals are made wherever appropriate and that services have the capacity to meet people's needs. It is vital that we know what lies behind the data. Last autumn, we published our workforce action plan for alcohol and drug services, to help to shape recruitment, retention and service design. The plan sets out the key actions that we will deliver over the next three years to address the challenges that the drug and alcohol sector's workforce experiences.

I am pleased to confirm the Scottish Government's decisions on MUP. The Sheffield modelling that I mentioned has estimated that those decisions should avert an additional 60 alcohol-specific deaths and 774 fewer hospital admissions in the first year—not to mention the significant public health benefits that we expect in situations where alcohol is a contributor to causes of death and ill health.

I thank, in particular, the many stakeholders in the alcohol industry, retail, tourism and public health who have provided their views on MUP. Those views have supported our considerations around the decision. We will lay the orders before Parliament on 19 February, and I look forward to engaging with the committee further on the matter.

Alcohol harm remains a significant issue in Scotland. It continues to contribute to worsening health outcomes, and the decision to continue with

MUP and increase the price shows that Scotland continues to be world leading in improving the health of our people.

**The Deputy Presiding Officer:** The Deputy First Minister will now take questions on the issues that were raised in her statement. I intend to allow around 20 minutes, after which we will need to move to the next item of business. Members who wish to ask a question should, if they have not already done so, press their request-to-speak buttons now.

**Sandesh Gulhane (Glasgow) (Con):** I declare an interest as a practising national health service general practitioner.

Cabinet secretary, you falsely accused me of not believing the evidence. Perhaps it is just a lack of understanding on your part, given that the Government had to change its release—

**The Deputy Presiding Officer:** Through the chair, Dr Gulhane.

**Sandesh Gulhane:** —as a result of my complaint.

Let us start with alcohol-related deaths: they are at a 14-year high in Scotland. Even a novice statistician would tell you that hospitalisation data is not statistically significant. There are 40 studies on the evaluation of MUP, and only one has claimed that there was a reduction in deaths. Saying that MUP has reduced deaths is not accurate, as that was an estimate based on statistical modelling and, if it had been compared with Northern Ireland and not England, it would have shown that MUP caused deaths.

The number of people seeking help for alcohol issues reduced by 40 per cent, along with referrals for treatment. The purpose of a policy such as MUP should surely have been to reduce consumption of alcohol by those who are dependent drinkers, but Public Health Scotland's own data shows that those with alcohol dependence are forgoing food. MUP is not the magic bullet that the Scottish Government is continuing to laud it as.

If MUP was not designed to help those with alcohol dependence, what has the Scottish Government done to mitigate the harms that were obviously going to happen to those people over the past five years? What is its policy for dependent drinkers, whom it has clearly abandoned?

**Shona Robison:** I will start by quoting Justina Murray, who is the chief executive of Scottish Families Affected by Alcohol & Drugs. As committee, in response to Sandesh Gulhane, she said:

"I think you are possibly the only person in the room who does not believe the evidence ... You know, we have lost over 11,000 people specifically to alcohol over the past decade. Families really do not understand why this is still being debated."

Justina Murray encapsulates my feelings very well indeed.

In relation to alcohol-specific deaths, for the evaluation, the question is not whether deaths went up or down; it is whether deaths changed in comparison with what would have happened if MUP had not been in place. It is likely that, without MUP, we would—tragically—have experienced an even greater number of alcohol-specific deaths.

That view has been echoed by public health experts such as Michael Marmot in a letter to *The Lancet*. I am sure that, being a doctor, Sandesh Gulhane will know about *The Lancet* and its importance. The letter said:

"Policy makers can be confident that there are several hundred people with low income in Scotland who would have died as a result of alcohol, who are alive today as a result of minimum unit pricing."

I know whom I listen to: the public health experts. I think that we will leave Sandesh Gulhane to talk for himself.

**Carol Mochan (South Scotland) (Lab):** On behalf of Scottish Labour, I associate myself with the Deputy First Minister's remarks—I wish Elena Whitham well and thank her for her work in this area.

I thank the Deputy First Minister for advance sight of her statement. Scottish Labour accepts, as per the evidence, that minimum unit pricing has a role to play in tackling alcohol harms, but we believe that it must be part of a wider package of measures over and above that. That position is shared by 30 public health-related organisations and charities. Does the Deputy First Minister agree that steps must be taken to explore how the additional revenue that is raised by minimum unit pricing can be recouped and invested in tackling alcohol harms in Scotland?

**Shona Robison:** I welcome Carol Mochan's support in principle for the policy and I agree with her. As I said in my statement, minimum unit pricing is not a silver bullet; many other things have to be done. I talked about the services that are being delivered, particularly for those who are alcohol dependent. All those things are important.

I think that Carol Mochan was alluding to the public health levy. As she will be aware—I recognise Labour's support for this—we have set out that we will give due consideration to a public health supplement. That was in place previously—between 2012 and 2015, I think. However, we need to consult on that and take into account the many other aspects of the regulatory frameworks

at the moment, not least minimum unit pricing but also other regulatory issues that are being looked at. We need to look at things in the round. I have been meeting business organisations, and colleagues have been meeting public health organisations. We will look at all of that in order to come to conclusions on how to proceed well in advance of the budget later this year. We look forward to working in a constructive way with Carol Mochan and others on those matters.

**Clare Haughey (Rutherglen) (SNP):** I refer members to my entry in the register of members' interests. I hold a bank nurse contract with Greater Glasgow and Clyde NHS Board.

The Deputy First Minister has already quoted some of the evidence that the Parliament's Health, Social Care and Sport Committee took on Tuesday on Scotland's minimum unit pricing policy. We heard from numerous stakeholders, who spoke about the impact that minimum unit pricing has had on reducing consumption, hospital admissions and deaths. Indeed, a Public Health Scotland and University of Glasgow study indicated a reduction of 13.4 per cent in deaths wholly attributed to alcohol consumption in the first two and a half years after minimum unit pricing was introduced. Can the Deputy First Minister outline any further evidence that highlights the benefits of the policy?

**Shona Robison:** As Clare Haughey will know, Public Health Scotland was commissioned to carry out a comprehensive and independent evaluation of MUP, which looked at its health impacts as well as its wider social and economic impacts. That wide-ranging evaluation covered the first five years of the policy's implementation.

In a previous answer, I referred to the public health experts who have commented on that evaluation. I mentioned Sir Michael Marmot and Sally Casswell—I could also mention Ian Gilmore and Martin McKee—and their commending of the methodology and the approach that was taken.

It is also worth noting—I am sure that Clare Haughey will be more than aware of this—that other countries have since followed suit and implemented a minimum unit pricing policy in their jurisdictions. The wealth of evidence, not just from Scotland but from across the world, will help us with the policy going forward.

**The Deputy Presiding Officer:** There should be bit more brevity in questions and responses.

**Tess White (North East Scotland) (Con):** I am aware that the cabinet secretary has had to step in at the last minute to replace Michael Matheson, so she may not be aware of all the facts. The facts are that Scotland has experienced a 25 per cent increase in alcohol-related deaths in the past three years alone and that, in the past 10 years, the

number of people accessing alcohol treatment services has gone down by 40 per cent. Is the cabinet secretary really trying to tell us—and with great pleasure—that a huge hike in drink pricing in a cost of living crisis is the best solution?

**Shona Robison:** I do not know whether Jackson Carlaw is in the chamber. All that I can do is reflect with an element of sadness on how far we have travelled from the very constructive and evidence-led approach that has been taken by the likes of Jackson Carlaw, who set politics aside to support minimum unit pricing when it was introduced.

On being in full command of the facts, Tess White should perhaps remember that it was me who took minimum unit pricing through the Parliament way before she was a member. Therefore, I am very much aware of the facts, and at no point have I stated that minimum unit pricing is somehow a magic bullet. In fact, I just said to Carol Mochan, in recognition of that, that it is one part of the jigsaw of how we tackle alcohol-related harm.

I also answered Tess White's colleague on the complex issue of alcohol-related deaths and why the evaluation takes account of the impact of other issues—not least in relation to the Covid years. I also answered, on the issue of referral to treatment services, that we need to understand why there is a reduction in the number of people being referred to treatment services. That is why Public Health Scotland has been asked to investigate all of that.

I said that in my statement. If Tess White had been listening, she would have heard that.

**The Deputy Presiding Officer:** Thank you, Deputy First Minister. I will have to speed things along a bit. There is a lot of interest in asking questions and I want to get through as many as I can.

**Emma Harper (South Scotland) (SNP):** I remind members that I am currently a registered nurse with the Nursing and Midwifery Council.

The cabinet secretary mentioned other countries. The Northern Territory Government in Australia introduced a minimum unit price for alcohol in the same year as Scotland. How does Scotland's experience from then to now reflect that of other countries that have taken such an approach? Has the Government considered any international learnings that might be applied here?

**Shona Robison:** I thank Emma Harper for pointing out that many countries have followed Scotland's lead on minimum unit pricing. Other countries have introduced other pricing policies, including Ireland and Wales. However, Scotland has led the way, including with the substantive

evaluation of the operation of MUP, which I am sure that others will look to.

Many other countries are considering their approaches and will look at our uprating of the price as part of that. For instance, an article published by the Public Health Association of Australia noted that it considers Scotland's approach to evaluation to be credible and that it should give confidence to parliamentarians in Scotland. In a separate publication in South Africa, academics have considered the experience of MUP in Scotland. Whether it is Australia or South Africa, we are keen to work in the international arena to share some of that best practice.

**Paul Sweeney (Glasgow) (Lab):** I also extend my best wishes to the member for Carrick, Cumnock and Doon Valley. I appreciated her collegiate approach and her personal passion to tackle Scotland's drug deaths crisis.

Labour agrees with the cabinet secretary that minimum unit pricing is not a silver bullet to tackle alcohol-related harm. However, if the Government really believes that it can undertake specialist treatment and support as important parts of our efforts to reduce harm that is caused by alcohol, why has it cut the funding for alcohol and drug treatment by £46 million in real terms over the past five years?

**Shona Robison:** I welcome Paul Sweeney's comments about Elena Whitham. On the idea of a silver bullet, I accept what he is saying. Minimum unit pricing is not a silver bullet, but it is part of the armoury to tackle alcohol-related harm. On specialist treatment, we are providing £112 million this year to alcohol and drug partnerships. As part of that funding, we have set out the need to invest in specific initiatives such as stabilisation and crisis management for alcohol.

I am sure that Paul Sweeney will be aware that some innovative projects are looking at people who are alcohol dependent, and some of the evaluation of that is very interesting. As I said to Carol Mochan, I am keen to try to build a broad coalition around some of the measures that we need to take, as Elena Whitham did. It is in all our interests to tackle what has been a scourge in our society for too long.

**John Mason (Glasgow Shettleston) (SNP):** One of the concerns about minimum unit pricing was that it would just boost the profits of the supermarkets. Can the Deputy First Minister say anything about how that could be tackled, for example by a levy or a supplement on non-domestic rates?

**Shona Robison:** In Public Health Scotland's evaluation of MUP, it found that, although the sales data showed an overall increase in revenue

from alcohol, it was not possible to determine the impact on profit.

As I said, in the budget, we signalled our intention to explore the reintroduction of a non-domestic rates public health supplement for large retailers in advance of the next Scottish budget, which would be similar to the alcohol levy that Alcohol Focus Scotland has called for. However, I also said that we will continue to engage with all stakeholders—retailers in particular—as part of our exploratory work. We need to look at the wider picture of other pressures and demands that will be put on the retail sector.

**Willie Rennie (North East Fife) (LD):** One of the first decisions that I took when I became the leader of the Scottish Liberal Democrats was to reverse our party's previous opposition to the policy. I am pleased that the Government has increased the minimum unit price to 65p and I think that the supporting evidence is pretty compelling. Can the cabinet secretary try to understand the opponents of the policy whose arguments seem to imply that making alcohol cheaper will somehow deal with alcohol harm in this country?

**Shona Robison:** First, I welcome Willie Rennie's comments. The fact that he is honest enough to say that his party changed its position shows that, sometimes, on issues that are as important as this one, we have to try to take the instinctive politics out of it. I pay tribute to Willie Rennie for doing that. I have to agree with him: I cannot understand how there is any proposition, not least from those who have a medical background, that making alcohol cheaper would reduce alcohol-related harm. To me, that does not stand up to scrutiny or to the evidence. The public health experts have made the links between price and alcohol consumption very clear.

**The Deputy Presiding Officer:** I am not going to be able to get in everyone who wants to ask a question; that is already obvious. I have to ask for briefer questions and briefer responses.

**Evelyn Tweed (Stirling) (SNP):** Some professionals have reflected that reduced affordability has driven individuals to seek treatment. What steps is the Government taking in order to ensure that treatment is widely available to those who need it?

**Shona Robison:** I agree that we need to ensure that there is access to treatment for those who need it, which is why, as I have mentioned, more than £112 million will be made available to alcohol and drug partnerships in order to support initiatives and ensure that local services can respond. As I have said, we have asked Public Health Scotland to investigate current trends on the number of referrals to alcohol treatment

services. We need to ensure that referrals are made wherever they are appropriate and that there is capacity within services to meet people's needs. That is why the review is so important, and I will ensure that members are kept informed about it going forward.

**Sue Webber (Lothian) (Con):** I will go back to an evidence-led approach, Deputy First Minister. The evidence from the Scottish Government's feedback report is stark, and indicates that MUP has had a "negative impact" on those people who are dependent on alcohol.

The Scottish Government has until 30 September to consider mitigations for that group. The clock is already ticking. The Government's report says only that it continues to

"consider how it can provide support".

What mitigations are being planned and/or considered to help that group, which will be further harmed?

**Shona Robison:** MUP is a whole-population policy with a particular focus on hazardous and harmful drinkers. Those who are classed as dependent drinkers fall within the extreme end of the harmful drinking category. Given the clinical needs of that group of dependent drinkers, MUP alone was not intended as a key intervention to address their needs. As I said earlier, treatment and care services are critical for that group, which is why a range of services needs to be available. We will continue to provide those.

**Gillian Mackay (Central Scotland) (Green):** I join others in wishing Elena Whitham well. I welcome the cabinet secretary's announcement that the minimum unit price will be raised. Although MUP is having an effect, retailers are pocketing any profits that are generated. I welcome the inclusion of a public health levy in the budget, which, as we heard at the Health, Social Care and Sport Committee, would be a potential win-win for public health. Can the Deputy First Minister outline the timeline for work on a levy? Does she agree that there is huge potential benefit for services in recouping that money?

**Shona Robison:** As I said earlier to other members, it is important that we consult all stakeholders—not just those who are in favour of the measure, such as public health organisations, which clearly are. We also need to take account of the views of retailers, and we will do that to ensure that we have good engagement across the board.

The commitment was to consider a levy well in advance of the budget process for 2025-26. We are at the foothills of that, and there will be lots of opportunity for parliamentary engagement on the matter.

**Fulton MacGregor (Coatbridge and Chryston) (SNP):** We all know that alcohol is a major problem for this country, and I find some of the lines of questioning from the Tories today to be quite dangerous.

As we have heard, evidence from Public Health Scotland's evaluation of the policy is that it has had a positive impact on health outcomes, by reducing deaths that are directly caused by alcohol consumption, as well as hospital admissions. Can the cabinet secretary give us an update on what assessment the Scottish Government has made of the findings and on any research into the financial impacts of the policy?

**The Deputy Presiding Officer:** Please answer as briefly as possible, Deputy First Minister.

**Shona Robison:** Of course, in reaching our decision on MUP, Scottish ministers have carefully considered the evaluation findings, which are the result of a robust evaluation of the period that PHS considered in its report. Given the evidence, our assessment is that MUP, at the increased unit price of 65 pence, will continue to deliver a reduction in the health harms that alcohol causes.

We know the devastating impact that alcohol can have on families and communities. It can be difficult to attribute a monetary value to that, but PHS evaluation estimated that, for the period considered, the social value of deaths that are wholly attributable to alcohol that MUP averted is between approximately £134 million and £469 million.

**The Deputy Presiding Officer:** Again, I apologise to those members whom I was not able to call. That concludes questions on the statement. Before we move to the next item of business, there will be a brief pause to allow front-bench members to change places.

## Budget (Scotland) (No 3) Bill: Stage 1

**The Presiding Officer (Alison Johnstone):**

The next item of business is a debate on motion S6M-12096, in the name of Shona Robison, on the Budget (Scotland) (No 3) Bill at stage 1. I would be grateful if members who wish to speak in the debate pressed their request-to-speak button.

14:57

**The Deputy First Minister and Cabinet Secretary for Finance (Shona Robison):** I am pleased to open the stage 1 debate on the 2024-25 Scottish budget. Last week's committees debate demonstrated the pivotal role of the Scottish budget, and I welcomed members' constructive contributions. I will respond to the Finance and Public Administration Committee's budget report ahead of stage 2.

I expect that, today, we will hear more about areas where we should spend more. All members who call for additional spending are welcome to provide me with those propositions, but they also need to be clear on where funding would be reduced in order to make those funding changes.

Before we begin, I will reference the Institute for Fiscal Studies question about how we present the Scottish budget and its prior year comparisons. The Scottish Government has been consistent in how we compare the new budget with past years. In-year budgets change and are still in flux. The IFS recognises that, when we introduce the new budget each year, we are always transparent about that through our budget revision process. I recognise the interest in that, which is why we published additional information at the end of January, to offer comparisons between the most up-to-date current year total and the planned budget for next year. I am pleased that the IFS report also recognises that, taken together, our planned changes to income tax and the council tax freeze will be progressive.

The 2024-25 budget is introduced against a backdrop of a stagnating United Kingdom economy that has been seriously damaged by Brexit and a Tory Government that is failing to deliver the investment that is needed in public services and infrastructure. The price that Scotland has paid for years of Tory economic mismanagement is plain for everyone to see. There has been a real-terms fall in our block grant since 2022-23, with a 10 per cent real-terms cut in our capital budget over five years; that is about £1.6 billion in total, which is equivalent to the cost of building a large hospital.

The autumn statement prioritised tax cuts over public spending and will result in real-terms spending cuts for UK Government departments. Astonishingly, there were real-terms cuts by the Tories for NHS England, and there is not a single penny for the cost of the 2023-24 pay deals in the coming financial year.

**Douglas Ross (Highlands and Islands) (Con):** Will the Deputy First Minister give her opinion on the views of her former Cabinet colleague the Scottish National Party MSP Kate Forbes, who said that

“Continually increasing taxes is ... counter-productive”

and that it

“ultimately reduces public revenue”?

What does she think about those comments?

**Shona Robison:** As I was about to say, we have raised additional revenues for the Scottish budget that amount to about £1.5 billion because of the tax decisions that we have made over a number of years. We would not have had that revenue had we followed UK Government Tory tax decisions. That is £1.5 billion that would not have been available for this Parliament to scrutinise and to demand be spent in other areas. We would be £1.5 billion worse off. The tax decisions that we have made have added to the revenues that are available for the budget, and that is important for public services.

**Douglas Ross:** Will the cabinet secretary take another intervention?

**Shona Robison:** I want to make progress. If I have time, I will let the member in later.

The autumn statement prioritised tax cuts over public spending, and that will result in real-terms spending cuts for UK Government departments. The lack of investment in services in England impacts our funding through Barnett funding arrangements. That is why the Labour Minister for Finance and Local Government for Wales, Rebecca Evans, said last month:

“Over the last 13 years, successive UK Governments have given us more than a decade of austerity, a botched Brexit, and a disastrous mini budget that almost crashed the economy. Despite our best efforts to shield public services, businesses and the Welsh population from the worst impacts of these policies, each has, individually and collectively, had a significant and lasting impact on Wales.”—[*Record of Proceedings, Senedd Cymru/Welsh Parliament*, 9 January 2024.]

I agree. As the Tory UK Government slides towards the exit at the Westminster election, it seems that it is again looking to cut taxes at the expense of services. I urge the Chancellor of the Exchequer, on 6 March, to reverse his real-terms cuts to the national health service, to fund pay deals and to properly invest in our services and

infrastructure. Unfortunately, I suspect that we may be disappointed.

**John Swinney (Perthshire North) (SNP):** While the Deputy First Minister is making her representations to the United Kingdom Government on those important questions, will she be mindful that the last advice that we got from the Conservatives in this Parliament was for us to follow the example of Liz Truss? Look at the shambles that that has created.

**Shona Robison:** I totally agree with John Swinney. People are suffering the consequences of that in their pockets because of mortgage interest rates and the cost of living hikes that can be largely attributed to the disastrous mini-budget.

Just last week, the International Monetary Fund—[*Interruption.*] The Conservatives might not like to hear what the IMF has to say, but I am going to say it anyway. The IMF warned the UK Government against further tax cuts. The IMF is calling for it instead to—[*Interruption.*]

**The Presiding Officer:** It is becoming increasingly difficult to hear the Deputy First Minister. I would be grateful if members could make sure that each and every one of us can hear clearly.

**Shona Robison:** Last week, the IMF warned the UK Government against further tax cuts, and called for it to invest in public services and reduce debt. The Office for Budget Responsibility has highlighted the lack of detail in the plans and suggested that it would be “generous” to call them “a work of fiction”. Those are pretty powerful words.

**Liz Smith (Mid Scotland and Fife) (Con):** Will the cabinet secretary take an intervention?

**Shona Robison:** I need to see what time I have. I will give way if I have time.

We are doing all that we can to mitigate the effect of the UK Government’s damaging policies but, so long as our funding is tied to UK Government spending plans, our freedom to take a different path is constrained. Despite that extremely challenging situation, which is driven by a succession of poor decisions by the UK Government, the Scottish budget targets spending where it will have the most impact to tackle poverty, to support the growth of a green, fair economy and to protect our vital public services.

The Scottish Government is determined to deliver a better approach for Scotland. We will use our tax powers proportionately to deliver additional funding for the Scottish budget to support our front-line public services in the face of a real-terms reduction in the block grant. The changes that we propose to Scottish income tax in the budget are targeted so that we are asking those with the

broadest shoulders to pay a little more. That means that, in 2024-25, we will have an estimated £1.5 billion of additional revenues to support Scotland, which would not be available to support our health and local government services and our social security benefits if we had simply followed UK Government tax policies.

That is funding our largest single investment of £6.3 billion in social security benefits, which is £1.1 billion more than we receive from the UK Government for social security. That is an investment in Scotland's future and it takes forward our equality mission of tackling poverty and protecting people from harm. We estimate that 90,000 fewer children will live in poverty this year as a result of our actions, which include lifting an estimated 50,000 children out of relative poverty through our Scottish child payment.

We all rely on local authorities for vital public services, and the budget provides a record £14 billion for local government, including £144 million to fund the council tax freeze, which is a 6 per cent increase on the current year. As the Accounts Commission has confirmed, our local government revenue funding is now 2.6 per cent higher in real terms than in 2013-14.

We are also using the budget to deliver on our mission of opportunity, which supports our ambition of achieving a fair, green and growing economy.

**Alex Cole-Hamilton (Edinburgh Western) (LD):** Will the Deputy First Minister give way?

**Shona Robison:** I will—briefly.

**The Presiding Officer:** The Deputy First Minister must begin to conclude—in fact, she must conclude.

**Shona Robison:** I will take an intervention in my closing speech.

Offshore wind presents massive opportunities for Scotland, and we are investing nearly £67 million in it in 2024-25. We are also providing more than £307 million to our enterprise agencies to support job creation and business growth.

I recognise the pressures that the hospitality sector faces. In addition to freezing the poundage, we will provide 100 per cent relief for hospitality businesses in our islands, and we are committed to continuing to work with the sector on longer-term solutions.

Today, we heard that, for the first time, global warming has exceeded 1.5°C for a whole year. More than ever, we are reminded of why it is important to tackle the climate emergency for future generations, which is why the Government is committing £4.7 billion in the budget to activities

that will have a positive impact on our climate change goals—

**The Presiding Officer:** I must ask you to conclude now, Deputy First Minister.

**Shona Robison:** That investment is supported by the revenue from ScotWind.

In my closing speech, I will come to the other areas. I urge all members, because we are putting our investment into front-line services, to support the bill today.

I move,

That the Parliament agrees to the general principles of the Budget (Scotland) (No. 3) Bill.

**The Presiding Officer:** I call Kenneth Gibson to speak on behalf of the Finance and Public Administration Committee.

15:08

**Kenneth Gibson (Cunninghame North) (SNP):** I am pleased to speak in today's stage 1 debate on the Scottish budget 2024-25 on behalf of the Finance and Public Administration Committee. I will highlight some key issues that were raised in the committee's report on the Scottish budget, which was published on 31 January.

As members are aware, the backdrop to the budget is particularly challenging. The Deputy First Minister warned in May of last year that

"tough and decisive action must be taken to ensure the sustainability of public finances and that future budgets can be balanced."

The committee understands that significant pressures on Scotland's public finances have presented difficult decisions in relation to taxation and spending. Indeed, in its December 2023 forecasts, the Scottish Fiscal Commission anticipates

"slow and fragile growth in gross domestic product and real disposable income per person",

as numerous interest rate rises in recent months weigh heavily on householders and businesses, while inflation has stayed higher for longer than expected.

Although resource funding for the Scottish Government will increase by 0.9 per cent in real terms, largely as a result of an improved income tax net position, capital funding will fall by £484 million in 2024-25, mainly due to the reduced UK Government capital allocation.

According to the SFC, capital funding is expected to fall by 20 per cent in real terms between 2023-24 and 2028-29, at a time when Governments should be investing to grow the economy.

In her foreword to the Scottish budget 2024-25, the Deputy First Minister said:

“In setting this budget the Scottish Government has adopted a values based approach, focused on our three missions.

Equality—Tackling poverty and protecting people from harm

Opportunity—Building a fair, sustainable and growing economy

Community—Delivering efficient and effective public services”.

During our budget scrutiny, therefore, the committee sought to establish how the Scottish Government has ensured that its tax and spending plans align with its three missions. Based on evidence heard, the committee remains to be convinced that Scottish Government spending prioritisation has been carried out in a strategic, coherent and co-ordinated way. Our report highlights some individual decisions that appear to conflict with the three missions, such as a lack of progress with public service reform, cuts to the affordable housing budget—although the reduction in capital availability could only have had an adverse impact—further and higher education and employability. We have therefore recommended that more explanation is needed in future years on how the Scottish Government has prioritised and deprioritised its spending and developed its tax plans.

On taxation, the committee heard evidence that there remains much uncertainty around behavioural change arising from increased income tax for those earning £75,000 a year or more. It is not so much about people leaving Scotland or choosing not to come here but about whether the marginal rate of tax that they would pay might deter them from undertaking that extra shift or accepting a promotion. We therefore welcome the analysis that is being undertaken by His Majesty’s Revenue and Customs to identify any behavioural trends in labour market participation arising from income tax changes, and we look forward to seeing how that analysis informs Scottish Fiscal Commission forecasts and taxation policy in future.

We have also raised with both Governments concerns regarding the serious anomalies that exist in how income tax and national insurance policies interact across the UK, which I have raised often over the years. For example, taxpayers in Scotland earning between £43,663 and £50,270 pay the higher rate of national insurance, rather than 2 per cent, while those earning between £110,000 and £125,170 will pay a marginal rate of 69.5 per cent tax, due to the UK Government’s removal of the personal allowance. Professor Bell told the committee that that rate is

“possibly the highest ... in any OECD country”.

We have seen little evidence of either Government seeking to avoid or resolve those anomalies, and therefore I repeat our calls that they work together to mitigate those issues.

The committee has a long-standing interest in improving labour market participation and productivity, reducing economic inactivity and growing the tax base. In our report, we welcomed the Scottish Government’s plans for a labour market participation plan and asked that it include proposals to reduce economic inactivity and involve business and further and higher education to ensure that skills shortages are addressed now and in the future.

In that context, we are unclear, in light of spending cuts to further and higher education, enterprise agencies and employability, how the Scottish Government has prioritised its spending towards supporting the delivery of a fair, green and growing economy, as part of its three priority missions. It would be helpful to receive further detail on that from the Deputy First Minister in her closing speech.

The committee again expressed its disappointment at continued reductions in the capital funding quantum that is available to the Scottish Government, and we urge a change in policy in the UK spring budget to enable more investment in infrastructure to enable and stimulate economic growth. We have also asked the Scottish Government for more information on the steps that it is taking to lever in private investment through what it has described as the “strategic” use of its limited capital spend.

The Deputy First Minister has committed to ensuring that the delayed updated infrastructure pipeline will now be published alongside the Scottish Government’s medium-term financial budget. We seek assurances that that will not be subject to any further delay, given its importance to Scotland’s economy.

The evidence that has been heard suggests that the Scottish Government remains focused on plugging short-term funding gaps at the expense of medium and longer-term financial planning. We have highlighted a number of delays in publishing expected documents that would help to support the medium and longer-term sustainability of Scotland’s finances, with the impression given that the Scottish Government is procrastinating on important decision making. It is especially disappointing that the Scottish Government did not respond to the strong recommendation that was set out in our pre-budget report that the Scottish Government produces a full response to the SFC’s fiscal sustainability report. We note that that was a missed opportunity to demonstrate a long-term planning approach and begin addressing the significant challenges ahead. That is a priority, and

should address issues such as the demographic challenges ahead and how the Scottish Government is ensuring that its social security policies are sustainable and affordable in the long term.

Also outstanding was a comparison of the Scottish Government's spending plans with the latest estimates or outturns from the previous year's spend. The Government agreed to publish that information in January to support transparency and maximise the opportunity for scrutiny. We welcomed that approach. However, the figures arrived only today, and it is disappointing that the data was not available in time for committee scrutiny.

In our pre-budget report, we set out a series of recommendations that are aimed at bringing impetus, focus and direction to the Scottish Government's public service reform programme. The Government's recent update to the committee provides some welcome principles and objectives for its reform programme, including recognising the importance of prioritising preventative spend, which is an area that the committee has long supported. However, we have noted few other signs of progress, which is disappointing, given the current need for reform. We have asked the Government to look again at our earlier recommendations and to publish a financial strategy accompanying its reform programme, which the former Deputy First Minister committed to in March 2023.

It is crucial that a coherent reform programme is in place; otherwise, there is a significant risk that financial pressures will

"drive a series of uncoordinated cuts across the board, rather than genuine reform aimed at enhancing the delivery of public services."

Finally, I will touch on the Scottish Parliamentary Corporate Body budget proposal for 2024-25, which the committee considers and reports on in the context of our budget scrutiny. The Scottish Parliament must have the appropriate funding to be able to scrutinise effectively and hold the Scottish Government to account. The committee recognises that a high proportion of the SPCB budget goes on staffing, salaries and office-holder costs. Nevertheless, given the significant financial pressures that the public sector faces, we have asked to see more information in future budget bids on how the SPCB makes the most effective use of its funds, including setting out where savings have been identified and how projects have been prioritised, not least in terms of the Scottish commissioners.

Speaking on behalf of the FPA Committee, I look forward to receiving a response to our wider report on the Scottish budget for 2024-25 and to discussing that further with the Deputy First

Minister ahead of stage 2 consideration on 20 February. I also look forward to hearing the rest of the speeches in today's debate.

15:16

**Liz Smith (Mid Scotland and Fife) (Con):** Stage 1 of any budget process is obviously about political parties setting out their alternative choices for tax and spend, and I will come to that in just a minute.

I begin by acknowledging that the backdrop to this budget is exceptionally challenging. Global inflationary effects remain, with resulting impacts on supply chains and energy costs; labour markets are still unsettled following Covid and Brexit; and, as I said in last week's budget debate, the cuts to the Scottish Government's capital budget have been an issue, which has just been referenced by Kenny Gibson and was referenced by several key witnesses, including Professor David Bell, at the Finance and Public Administration Committee. There is no doubt about that, and I hope that that issue can be addressed by the chancellor in due course.

The Scottish Fiscal Commission has set out its usual, very objective analysis. It is more optimistic about earnings growth and short-run tax revenue income, which has been backed up by several other independent analysts, but it is still deeply concerned about the extent of the fiscal deficit and the potential for it to grow in the years ahead, given the commitments that the Scottish Government has made to increase health and social care and social security spending.

The SFC is also concerned about the fact that the Scottish economy has, for many years, been underperforming when it comes to economic growth. We know that, if the Scottish economy had grown at the same rate as the UK economy since 2017, we would have had around £6 billion more to spend. That might be just one reason why Audit Scotland has today criticised the Scottish Government for its lack of leadership, which rather undermines the Government's assertion that everything wrong with the Scottish economy is the fault of Westminster.

**John Mason (Glasgow Shettleston) (SNP):** Will Liz Smith give way?

**Liz Smith:** I will not just now.

If the statistics are not stark enough, the reaction to the Scottish Government's budget has also been bad. Indeed, I do not think that I have ever seen a worse reaction to a budget, such is the near-universal—and almost daily—condemnation from a vast array of stakeholders, including some of the SNP's own back benchers. I am not sure whether they are all here today.

Presumably, they are now wondering whether they should support the budget.

As Kenny Gibson rightly pointed out, the Finance and Public Administration Committee has had considerable concerns about the fiscal situation.

**Alex Cole-Hamilton:** Will Liz Smith give way?

**John Swinney:** Will Liz Smith take an intervention?

**Liz Smith:** I will not, if you do not mind.

Let me start with economic growth, which is a key point. I have heard several senior ministers say that growth is a priority. If it is, why on earth would you make substantial cuts to the economy portfolio of 8.3 per cent in real terms, when the overall Scottish budget, according to the analysts, has increased by 2.2 per cent in real terms? Indeed, the economy portfolio, alongside rural affairs and transport, are the three out of 11 portfolios to have real-term cuts. Why would you strip funding to the Scottish Funding Council by £140 million in real terms, when universities and colleges are the very institutions that can promote growth through skills development, retraining and, of course, research?

Why would you cut the affordable homes budget, including that in rural areas, where workforces face the greatest challenges? Why would you cut the employment and enterprise budgets, in real terms, by 24.2 per cent and 16.7 per cent, respectively; the tourism budget by 12.3 per cent; and the Scottish National Investment Bank's budget by 29.2 per cent?

**Shona Robison:** Will Liz Smith give way?

**Liz Smith:** Yes, I will—in a minute.

We and a large number of stakeholders who have made very strong statements about the budget simply do not understand why the Government has done that. Does the cabinet secretary agree with David Bell's observation that

"It is not clear that this budget has been designed with growth as a primary objective."?

**Shona Robison:** I have made it very clear that we have had to prioritise the funding of front-line services because of the real-terms cut to our budget. We have provided more money for health, policing, the Scottish Fire and Rescue Service and local government. If Liz Smith is saying that those were the wrong priorities and that we should not have made the very difficult decisions that we have had to make, is that where she would take the funding from in order to fund her other priorities? At some point, Liz Smith needs to set out what her alternative priorities are and how they would be funded.

**Liz Smith:** I will come to that point. Yes, we do think that the SNP has made a very serious error of judgment over the priorities. I repeat that we are appalled by the lack of concern that the Scottish Government has shown towards business, especially when it will not pass on the UK Government's 75 per cent rates relief for business.

The Scottish Government has made great play of its public sector pay awards as supporting public services, but what it has not done is live up to its promise that it would return the size of the public sector to pre-pandemic levels. Indeed, since 2016 the Scottish Government's own civil service has grown by just under 11,000 people. That partly explains why, in paragraph 186 of its report, the Finance and Public Administration Committee is so concerned about the lack of public sector reform. As our convener said, it is high time that the Scottish Government recognised the seriousness of our concern.

I turn to tax. SNP ministers have said on more than one occasion that there is a "moral argument" for middle to higher earners to pay more tax, because it allows the Scottish Government to support public services. The trouble is that the public do not see that higher tax burden or the so-called "social contract" with the Scottish Government delivering better services in health, education, transport, policing or housing. At present, all that they see is cuts, especially for local government, and an unseemly stand-off between central and local government, which is probably why some local authorities are not going to accept the council tax freeze. They have simply run out of money—

**John Swinney:** Will Liz Smith give way?

**Liz Smith:** I am in my final minute.

There is a wider issue here, which relates to behavioural change. That issue was flagged up by Professor Graeme Roy in his *Herald* article on 8 January and has been evidenced in recent surveys. We have the effects of the widening tax differentials between Scotland and the rest of the UK, and the resulting Laffer curve effects, which—  
[*Interruption.*]

**The Presiding Officer:** Mr Swinney, I can hear you shouting. I would be grateful if that were no longer the case.

**Liz Smith:** Kate Forbes was quite right in her comments in the press. It is clear that she understands the Laffer curve effects. We simply cannot have a tax system that creates disincentives and undermines confidence in the economy, or taxes such as the proposed business rate surtax on larger stores, which the Scottish Retail Consortium has criticised.

Budgets are all about choices. I do not doubt that the choices that the Government faces are very tough, but the Scottish Conservatives will put forward our alternative proposals, which include abandoning the National Care Service (Scotland) Bill, which is not properly costed and not properly set out.

On that basis, we will not support the budget at stage 1.

15:24

**Michael Marra (North East Scotland) (Lab):** The Government's budget is a chaotic and incompetent one that will leave Scots paying much more and getting much less in return. It is the result of 17 years of incompetence and waste, and of a long-term failure to grow our economy.

On 19 December, I told members that this was a budget of unfolding chaos. Two months on, that chaos continues and the crisis is reaching a crescendo. Key lifeline services across Scotland are still in the dark about how much money they will have to spend or how savings will be achieved, and our councils, colleges and universities are all looking on aghast at Government ineptitude of the highest order.

We have the preposterous situation of colleges and universities already having received applications for courses in the coming academic year but having no certainty at all about whether they will actually be able to run those, come August. Senior college leaders have told me that the process has never been so confused and chaotic. They have described it as a "shambles" and as "soul-destroying". They say that they are staring into the abyss and that it is a struggle to see what the future is. There is no direction and no leadership, no clarity, empathy or solutions, and no clue.

**Alex Cole-Hamilton:** Will Michael Marra give way?

**Michael Marra:** Not at the moment, sir.

Universities do not know how many places they will actually be able to offer to Scottish students this year, although applications are already in.

Why is the budget so especially chaotic this year? We do not have to look far—approximately 5m. We have a weak First Minister and an incompetent finance secretary, leaving a void of leadership at the Cabinet table, with cabinet secretaries scrapping over portfolios, briefing the press and spreading disarray. The First Minister was routed in a by-election and then announced unfunded spending commitments of £1 billion of taxpayers' money that he did not have. The result is this disastrous budget, with massive and non-strategic cuts across the board.

Let us be crystal clear. Despite the rhetoric, the budget does absolutely nothing for economic growth. Economists and academics, the Fraser of Allander Institute—

**Shona Robison:** Will the member accept an intervention on that point?

**Michael Marra:** Certainly.

**Shona Robison:** On the subject of doing things for economic growth, does the member think that abandoning the £28 billion a year green investment pledge, as the Labour party has done today, will help economic growth in Scotland or anywhere else in these islands?

**Michael Marra:** I say to the Deputy First Minister that Labour is absolutely committed to ensuring that we can deliver projects in Scotland that will create thousands of jobs and make the transformative change that we need. Unlike this Government, we must focus on delivering outcomes for the people of Scotland. Let us be clear—[*Interruption.*]

**The Presiding Officer:** Let us hear Mr Marra.

**Michael Marra:** Let us listen to the Fraser of Allander Institute, or to Professor David Bell of the University of Stirling. They have been clear that this is not a budget for growth. We will all pay the price for that. After 17 years of mismanagement of the public finances, people are paying more and getting less.

Labour does not believe that people earning £28,850 have the "broadest shoulders", as the finance secretary claims that they do.

**The Minister for Community Wealth and Public Finance (Tom Arthur):** Will the member accept an intervention?

**Michael Marra:** No thank you, sir.

The lesson for the SNP is that a Government cannot use tax as a substitute for economic growth or plug the black hole in our finances with tax rises.

**Tom Arthur:** Will the member give way on that point?

**Michael Marra:** No thank you.

If Scotland's growth had kept pace with that of the other UK regions over the past decade, our economy would be £8.5 billion larger. Just think what that could mean for investment in our public services. Scotland needs a Government that is focused on economic growth and on getting our public services back on their feet. With Labour, it can have one.

Scrutiny of the budget by the whole of Parliament has shown that it is entirely unworthy of support. Our Finance and Public Administration

Committee has been damning in its criticism, as was set out by the convener just minutes ago, accusing the Scottish Government of procrastinating on important decisions. Committees from across the Parliament, made up of members from all parties and in many cases led by SNP members, have lined up to criticise the budget.

The Constitution, Europe, External Affairs and Culture Committee reported that the Government's late withdrawal of funds in-year had considerably damaged the already fragile confidence in the culture sector. The Equalities, Human Rights and Civil Justice Committee was damning of the Scottish Government's silo working and of a budget process that is difficult to navigate. In a debate last week, the convener of the Social Justice and Social Security Committee cited evidence of the housing emergency, saying:

"It is an affordability crisis, an accessibility crisis, a crisis for children and a crisis of cost, and all those crises have come together as an emergency."—[*Official Report*, 1 February 2024; c 79.]

The finance secretary has decimated the housing budget.

Committees of this Parliament are speaking as one. Whether we listen to charities, businesses, trade unions or members from the Government's own benches, nobody—nobody—has confidence in the budget. We agree. Scottish Labour will not be supporting the budget.

A month of the UK Covid inquiry, the Institute for Fiscal Studies this week and Audit Scotland this very morning have all laid bare the scale of waste, cover-up and sheer incompetence at the very heart of this SNP Government. Whether it be the industrial-scale deletion of evidence or budgets with multimillion-pound typos, it is the Scottish people who suffer at the hands of this tired and incompetent Government, with nearly one in six people on NHS waiting lists, crumbling schools and a housing crisis. The Cabinet Secretary for Finance may well be wishing that this was a budget that she could delete before bedtime.

After 17 years, it is abundantly clear that the SNP is out of ideas, and it is time for change. Day by day, it is further beset by crises of its own making and is defending a record of failure. [*Interruption.*]

**The Presiding Officer:** Let us hear Mr Marra.

**Michael Marra:** Only a wholesale change in leadership, Government and approach will bring the change that Scotland so desperately needs.

15:30

**Alex Cole-Hamilton (Edinburgh Western) (LD):** Let us not beat about the bush: the budget

slashes energy efficiency funding in the middle of a cost of living crisis; it carves a third out of the housing budget in the middle of a housing emergency; it cuts the drugs budget in the middle of a drugs death emergency; it removes £63 million from enterprise, trade and investment when the economy is in desperate need of a kick-start; it starves schools, universities and colleges of funding when our hard-won global advantage is slipping away from us; and it puts a red pen through initiatives that would create green jobs and reduce our emissions. Those are the choices that the Scottish Government has made, and I and my party cannot abide any of them.

**John Mason:** Will the member give way?

**Alex Cole-Hamilton:** I am going to make some progress.

We can add the contempt shown for councils to that list, too. As it stands, the Verity house agreement is now hardly worth the paper it is written on. The European Charter of Local Self-Government is gathering dust on the shelf. Just like many other aspects of tax, there is no vision or long-term strategy from the SNP-Green coalition Government.

That is embodied by Humza Yousaf swinging wildly from a consultation on record council tax hikes to announcing a freeze entirely. The Convention of Scottish Local Authorities was not told beforehand. The decision was not signed off by Cabinet, and even the Green coalition ministers were not told until moments before the First Minister stepped on to the conference stage. Humza Yousaf was deciding tax policy on a whim for the sake of a conference headline. Why should any other party vote for something that even Lorna Slater admits is bad policy? Why, come to that, are the Greens voting for the budget today, when it is clear that councils are not being properly compensated?

What happens if a council decides that it will not cave in to the Scottish Government this year? Will it be penalised by ministers in perpetuity? That is what would happen if the cash was baked in, as the Government has told COSLA that it will do. That council's proportion of the block grant would remain 5 per cent lower than it would otherwise have been, year after year. That is how it follows.

All of that shows utter contempt for councils, putting them in a bind. The volatility has made it impossible for local authorities to plan their finances. They need certainty to have any chance of safeguarding our libraries, leisure centres and roads. Given that education is half of what our councils do, I really fear for what all of that could mean for our teachers, our schools and our pupils.

Under the SNP Government, Scotland has slipped down the international rankings, and the

Scottish Government is miles away from closing the poverty-related attainment gap by 2026, given that it has only just returned to pre-pandemic levels. Pupil premium cash has been devalued, and we could and should dedicate entire debates in the chamber to each of the promises made by the SNP at the most recent election on teacher numbers, stable teacher contracts, class contact time, free school meals, free laptops and refurbished play parks. I am not holding my breath for debates on those subjects in Government time.

When Humza Yousaf launched his NHS recovery plan, one in five children were waiting too long for mental health treatment. Since then, things have gotten even worse. Right now, that target is being broken for one in four of our children. Humza Yousaf made a personal promise to clear those waiting lists. When that was missed, in the very same month that he came to power, there was finally a chance to take Scotland's mental health crisis seriously and to put the engines of his Government behind it. Instead, he has maintained the pattern of cuts. Last winter there was a £50 million cut. This winter there is a £30 million cut. That is a recipe for more missed targets, more vacancies, more overworked staff and more scandalous long waits that will be visited on our children.

Scotland needs world-class mental health services. Only the Scottish Liberal Democrats have set out plans to treat people quicker, to put more professionals close to people in schools and general practices and to increase the tax that is paid by the social media giants to help pay for that and to undo the damage that they are doing.

The budget will also mean greater use of petrol cars, greater use of oil and gas and more sewage in our rivers. Green MSPs delude themselves if they think otherwise, because the axe has been taken to woodland planting, rail services, the future transport fund, energy transition, energy efficiency, the carbon neutral islands initiative and Scottish Water.

**The Cabinet Secretary for Social Justice (Shirley-Anne Somerville):** I am aware that Alex Cole-Hamilton does not have much time left, so I presume that he is getting from the long list of things that we should spend more money on to telling us where he is going to cut budgets to allow that to happen.

**Alex Cole-Hamilton:** I will come on to that—I have already talked about exactly that, in terms: we can fund mental health services, in particular, through taxation. It is a realistic proposition for undoing the harm that the social media giants do and paying for much-needed intervention, which Shirley-Anne Somerville's Government has neglected time and again.

We are not talking about small cuts. The just transition fund is designed to help communities during the necessary shift away from fossil fuels. Three quarters of that is gone. Such cuts are completely disproportionate in the context of the budget as a whole, and they blow a hole in what is left of the Government's standing on the climate. I am surprised that the Greens have gone along with that—well, maybe I am not. If SNP-Green ministers want to take credit for the extra funding that is being invested in pay deals and social security, so, too, must they take responsibility for the painful cuts.

Scottish Liberal Democrats will stand up for a growing and thriving economy, which creates prosperity, lifts people out of poverty and generates the tax revenue that we need to invest in lifting up Scottish education, rescuing the NHS and building more warm homes. It is painfully clear that the Government is out of touch and out of ideas.

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

15:36

**John Mason (Glasgow Shettleston) (SNP):** Clearly, money is tight as we go into the 2024-25 budget, and a number of sectors tell us that they need more money—be that for local government, affordable housing, the farming sector, public transport, forestry or preventative spending. At the same time, on the income side of the budget, the Scottish Trades Union Congress and others ask us to raise more from tax, while hospitality and other sectors want non-domestic rates or other taxes to be cut. We all need to accept that we cannot get all that we would like, so I suggest that we should all accept the realities of a balanced budget—our income has to match our expenditure. If we want to spend more, we need to raise more tax or cut somewhere else. If we want to cut taxes, we need to cut expenditure.

**Pam Duncan-Glancy (Glasgow) (Lab):** Does John Mason support the tax rises by the Green-SNP council in Glasgow that are set to see disabled people in Glasgow paying 75 per cent more for their care, as a result of decisions that have been taken by the council?

**John Mason:** I do not think that that is a tax, as such. I am talking about general taxation, rather than a specific charge.

It is all very well claiming that growing the economy would raise more tax in the longer term: it might, or it might not. Traditionally, growing the economy has meant that the richest people benefit most and the poorer people get left behind. We want to grow the economy, but how we distribute

the income and wealth that we have is a distinct question, and we need to focus on that as well.

If we start on the income or taxation side, we need to take into account what happens across our only land border. Our landfill tax probably has to match England's, or we could see waste tourism on a big scale. However, on other taxes, we can push the boundaries a bit. A few pence here or there on income tax will not lead to massive behavioural change, especially given that house prices in Scotland are generally considerably lower than they are in London, and that there are many other advantages of living in Scotland, including a better environment, no student fees and a better NHS.

When it comes to property taxes such as NDR or council tax, we have more room for manoeuvre. Land and buildings cannot be moved. A supermarket in Glasgow competes not with a supermarket in Birmingham but with another supermarket nearby, in Glasgow. We therefore do not need to be overly concerned about what England is doing on property taxes.

**Liz Smith:** Will John Mason give way?

**John Mason:** I am sorry; I have given way already.

We must not forget that, compared with other European countries, the UK is a relatively low-tax economy; only some 38 per cent of its GDP goes to tax and public services, which is much lower than countries including France, at 47 per cent, and Belgium, at 53 per cent.

Specifically on NDR, the hospitality sector has been asking for more relief. There have been calls for us to copy England on hospitality and to give greater relief to businesses across the board. However, we need, in the first place, to do what is best for Scotland, and not just blindly copy France, England, America or anywhere else. We also know that some parts of the hospitality sector are doing extremely well and do not need Government support.

On council tax, there is clearly a debate to be had about whether a freeze is a good idea. On one hand, £144 million would not solve everyone's problems, but on the other hand, we could boost the Scottish child payment or the housing budget. Against that is the fact that some council tax payers are under real financial pressure and will appreciate that kind of relief. There is no clear right or wrong answer.

At this point, I will mention comparisons to the previous year's figures. Again, there is no single right answer. Should we compare to last year's approved budget or to last year's estimated outturn? My answer is that we should compare to

both, if we are being transparent. There is no right answer; both are correct.

On the expenditure side, we have to celebrate the tremendous increase for social security from £5 billion to £6 billion. That is exceptional in this year's budget and shows where the Scottish Government's and the SNP's priorities lie, by targeting money at two groups who need it most; namely, families in poverty and people with disabilities. Surely that has to be the right thing to do.

Other areas of expenditure are less favoured. One particular topic of discussion has been the reduction in the budget for affordable housing. Many people in the third sector and beyond are concerned about that; I have to accept that I, too, am concerned. I welcome the Deputy First Minister's commitment to send extra funding that way.

Housing is part of the capital budget, on which I will make the following points. Westminster decides the vast majority of the capital budget, and the UK as a whole would be doing better if it invested more in housing and other capital projects. However, even if Westminster does not want to spend on capital projects, it could have relaxed Scotland's borrowing ability for that. Instead, it has imposed an incredibly tight fiscal framework that takes no account of higher inflation in recent years in the cost of steel, concrete and many other components of construction projects.

Finally, I will touch on public service reform, which has been a continuing theme for the Finance and Public Administration Committee. I am interested in how much we spend on administration as a proportion of delivery of actual front-line services. For example, at the Social Justice and Social Security Committee last week, Social Security Scotland told us that its admin costs are about 5.2 per cent of the amount of benefits paid out. For the equivalent benefits in England, the DWP is paying something like 6.3 per cent, so that is good.

At the Finance and Public Administration Committee this week, we looked at the financial memorandum for the Agriculture and Rural Communities (Scotland) Bill. It is about the replacement for the common agricultural policy, and it is looking at admin costs of about 11 per cent. I am not saying that social security and agricultural payments are directly comparable, but it seems that we need to look at administration costs. That, of course, is also linked to the question of commissioners, which has been mentioned.

Overall, we face a difficult task in setting the 2024-25 budget. I believe that we need to target

actual front-line services, and we are right to do so where the needs are greatest.

15:43

**Graham Simpson (Central Scotland) (Con):** I do not need to bother with any scene setting, because Liz Smith has already done an excellent job of that. I agree with her that the Scottish budget has gone up, although a lower capital allocation is regrettable.

I also agree that, in the words of the IFS, Scottish budget documentation gives a “misleading impression” of the funding that is available for the health service, councils and many other services. The IFS found that, by omitting top-ups such as wage rises, spending on the health service would be cut by 0.7 per cent in real terms—while the budget states that there would be a 1.3 per cent year-on-year increase. Neil Gray must be delighted about that.

**Shona Robison:** Does Graham Simpson recognise the irony, when the UK Tory Government cut the NHS budget in England in real terms, and all we got was £10.8 million for the health service? We have put in the additional money to create that real-terms increase. Is he not embarrassed trying to make that point when his own Government has cut the NHS budget in England in real terms?

**Graham Simpson:** I would be embarrassed if I were the finance secretary, because she has not said that she disagrees with anything that I just said.

There is a real-terms cut to the health budget. I will get straight to it by talking about my portfolio, then I will touch on others. Last week, Màiri McAllan was quizzed about the cuts to her budget, which she admitted are challenging. If I had been her, I would have been furious. If we are to grow as a nation, we need to invest in transport, net zero and a just transition. Similarly, Neil Gray should have been angry at the cuts to his wellbeing economy, fair work and energy portfolio.

However, Ms McAllan did not give me the impression of being furious when she appeared before the Net Zero, Energy and Transport Committee. I asked her about cuts to Strathclyde Partnership for Transport’s capital budget. I say “cuts”, but that budget has been obliterated to nothing, which will have consequences. Projects such as the Glasgow subway modernisation will be affected. The East Kilbride rail enhancement will be hit through cuts to the funding of its park and ride element, and the Lanark transport interchange will experience a financial black hole. Màiri McAllan said that the SPT should use its reserves, but that shows a lack of understanding of its budget—its reserves are accounted for.

The Scottish Government’s budget will impact on our ability to improve public transport and to get people out of their cars and on to it. There are other examples. The bus partnership fund is being cut—again, to zero. That is the fund that pays for infrastructure, thereby allowing buses to move around more easily and quickly.

The Scottish Government says that it wants to cut the extent to which we travel in cars. Well, it could have fooled me. In cash terms, it has cut the total rail services budget by £79.9 million, the future transport fund by more than 60 per cent and the total ferry services budget by £5.5 million. It has cut the total active travel and low-carbon budget by £40.8 million in cash terms. It was meant to spend £320 million on active travel; it will now spend £100 million short of that. People might think that Patrick Harvie should resign over that, but he has not.

I turn to local government. As they do every year under the SNP, councils are making cuts. Those in my patch are shielded to some extent by the booming Strathclyde Pension Fund, which is asking for lower contributions. However, anyone who claims that the Government is putting in enough money to cover what is needed to freeze council tax is wrong. Services will be hit, and some will close. The Convention of Scottish Local Authorities argues that a fully funded freeze would require the Scottish Government to provide funding of £300 million, which is £156 million more than is being offered. What is there to prevent a council from increasing council tax? It is the threat of funding being removed; I have heard that if one breaks ranks, they will all be punished. So much for a new era of respect for our councils from the central Government.

If councils do not get the funding that they need, the potholes will get worse. It is becoming a lottery as to whether people in places such as Edinburgh or Glasgow will make it to their destination if they are driving there.

Housing is also taking a hit. This is the second year in a row in which the affordable homes supply programme budget has been reduced. We can therefore kiss goodbye any hope of hitting the Government’s overambitious affordable homes target.

**Shona Robison:** Will the member give way?

**Graham Simpson:** I am just about to close. *[Interruption.]*

**The Presiding Officer:** Members! Let us hear one another.

**Graham Simpson:** Exactly. We should treat one another with respect.

My good friend Joe Fagan, the Labour leader of South Lanarkshire Council, has called the budget

“incoherent and inadequate” and has said that it was

“the worst Scottish Budget in the 25-year history of the Scottish parliament”.

That is saying something, but he is right.

15:49

**Michelle Thomson (Falkirk East) (SNP):** Budgets are about choices. This year, for completely understandable reasons, certain budget pots, such as health, have been afforded more protection than others. The price that we pay is less support, over the next year, for business. I would be concerned if that was to become a trend.

I note that if we are serious about more positive health outcomes, we need more well-paid jobs. Public Health Scotland itself states that on its website, and multiple long-term studies have proven that causal relationship. That means that we need to take a balanced approach to funding decisions. There is currently a perfectly justifiable focus on making positive social security choices. However, the Scottish Fiscal Commission estimates that spending in that policy area in 2024-25 will exceed the block grant adjustment by more than £1 billion. I note, again, that a really positive impact on absolute and relative poverty in the longer run will be achieved only if we grow significantly the number of well-paid jobs in the economy.

I make those points to emphasise that, in order to serve both the health and the economic security of the Scottish people, we need a longer-term, balanced and strategic consideration of the budgetary process. For that reason, I agree with the call from multiple agencies and the Scottish Fiscal Commission for a multiyear approach.

My second substantive point regards uncertainty. As Nobel prize-winning Professor Deirdre McCloskey put it,

“The economy, like science or art, is more like an organism growing uncertainly toward the light than a steel machine repeating exactly today and tomorrow what it did yesterday.”

We need to avoid thinking that we know precisely what the future will bring. Our assumptions, such as they are, must use the best evidence available, and we must remain curious in the face of uncertainty and plan as best we can.

In that context, I note this morning’s letter from the Finance and Public Administration Committee to the Scottish Government on the approach that is being taken to the National Care Service (Scotland) Bill and its accompanying financial memorandum. I recognise that considerable work has been done to address some of the concerns that the committee has expressed. However, I

note that the longer timescales for delivery lead to considerably more uncertainty over funding, evolving assumptions and ultimate delivery.

There is a broader context, which all too often is not considered by some members. As I have put on the record previously, I regret that the narrowness of devolution leads to a narrowness of thought. I have spoken often about the fundamental characteristics of the UK economy that affect budgets at both UK and Scotland level. I was, therefore, particularly interested in part of this month’s report of the Bank of England’s monetary policy committee, which includes an analysis of UK economic performance.

Economic growth reflects a combination of labour supply and productivity. Prior to 2007—members will recall that there was a Labour Government in power at that time—the major component of UK economic growth was productivity growth. However, the bank’s analysis shows that that growth came to a shuddering halt in 2007 and has never recovered, basically because of a failure of overall investment and a collapse in total factor productivity, which speaks to a failure to create effective conditions for an innovation-driven economy.

What growth there has been at UK level since 2010, when the Tories came back into power, has largely been from an increased labour supply as a result of population growth. We know that Scotland is vulnerable in that respect as a result of our demographic challenges. It is little wonder, then, that Professor Sir Anton Muscatelli has commented that

“We need to re-boot productivity growth.”

He went on to say that that will involve the need to

“address skilled labour shortages through skilled immigration”—

a critical issue that has not been addressed by the straitjacket of the Tory Brexiteers, with the same mood music from the born-again Brexiteers in the Labour Party.

If we are to reboot our economy and have a secure basis for funding the many desirable priorities that we have, that will be extraordinarily difficult to achieve in Scotland under the current constraints of devolution. We lack the necessary borrowing powers to tackle underinvestment—

**Michael Marra:** Does the member recognise that building a skilled labour base requires investment in our colleges and universities? The university sector’s performance is declining in comparison with the sector in the rest of the UK, and the level of cuts that this Government is imposing on colleges and universities gets to the core of her argument, as it means that we are not providing the skilled labour force that we need.

**Michelle Thomson:** Michael Marra makes a fair point. I would always want to see more investment in that arena because we are in a highly competitive marketplace. However, the point that I am making is about the wider UK economy. I remind members that we live in that straitjacket, specifically in respect of productivity and our inability to control immigration. I look forward to Michael Marra commenting on that in further remarks.

We lack the necessary borrowing powers to tackle underinvestment and to partner and encourage private sector investment at scale. Critically, we lack the necessary policy powers to encourage skilled immigration. That is not sustainable.

There is one thing that we can do to set a more positive culture. As the economic historian Joel Mokyr put it:

“Economic change in all periods depends, more than most economists think, on what people believe”.

We need to be more supportive of innovators and entrepreneurs, and more focused on the development of excellence in our skills system. Frankly, we need a revolution in attitudes to match a revolution in investment and labour supply issues.

15:55

**Pam Duncan-Glancy (Glasgow) (Lab):** The SNP-Green budget is not just bad news for the people of Glasgow; it is bad news for the very fabric of our society, our education system and our collective futures. COSLA has said that it is not sufficient to keep current services running. For years now, council budgets have been cut to the bone as the SNP and Greens have compounded Tory austerity and siphoned money away from essential services. Their financial mismanagement has left councils having to make brutal decisions just to make ends meet. Their latest policy by press release—the freeze on the council tax, which is a tax that they promised to abolish long ago—has made things worse.

Almost everything that can be stopped, stripped back or cut already has been. The only decisions left to take are the impossible ones. Savings that councils have taken off the table in years past because of the impact that they would have had on local people are back on the table. It is no longer about just stripping back; it is a choice between which essential services can be scrapped.

In Glasgow, it is disabled people and the poorest people in our communities who are paying the price. The approach of the SNP-run council is just as chaotic as the SNP Government is and as non-strategic as its colleagues in Government are

towards the budget. Disabled people are not only paying the price; they are doing that via a charge that that party committed to scrapping. Far from getting rid of non-residential care charges, disabled people in Glasgow face eye-watering increases of up to 75 per cent for their care. In many cases, that means that over three quarters of their income from benefits is eaten up. They are left wondering why, once again, the target is on their back. They do not have the broadest shoulders. That is the choice by the SNP and the Greens at both levels of Government that people in Glasgow face.

When the going gets tough, it is always disabled people’s support that has to get going. The proposed eradication of SPT’s capital budget is alarming for many reasons, as we have heard. In particular, it could put critical modernisation projects, such as making the Glasgow subway accessible, in jeopardy. That is why I agree with the SNP leader of SPT, who wrote in a letter to the First Minister that an “unacceptable position” has been put forward without consultation and that it “simply cannot be permitted to happen.”

The consequences of the budget for our constituents are devastating, and education is not safe either. As council budgets are cut to the bone, our schools are being stretched thin and are being forced to do more with less.

The Cabinet Secretary for Education and Skills does not seem to grasp the gravity of the situation, which makes things worse. During her committee appearance, she spent the same money over and over again, handing local authorities more demands with one hand and taking their money away with the other. It is little wonder that the SNP is failing to make progress on closing the attainment gap when it is leaving local authorities with little choice but to use attainment funding to plug holes in the education budget. Schools are struggling to keep the lights on and the doors open, never mind tackling the challenges of violence and behaviour in them. They are trying to support the increasing numbers of pupils with additional support needs while resources and staff have failed to keep pace or to deal with reinforced autoclaved aerated concrete—RAAC.

The cabinet secretary’s answer is that she reserves the right to claw back £140 million allocated to maintain teacher numbers. Some councils may have had to decide that they need additional resources in other areas of education, such as support staff. That shows the lack of strategy and planning in the Government’s budget. Does the cabinet secretary really think that it is fair to deny councils flexibility when she will vote for a budget that leaves them with barely two pence to rub together?

It is not just schools that are suffering. Our colleges and universities have been hammered with cuts of at least £100 million. Beyond the clear-cut reductions in this year's budget, the cumulative impact of years of stagnation in the sector is clear for all to see. This year, universities will get 19 per cent less per student than they did in 2013, forcing them to cross-subsidise from a variety of places, including plugging gaps with high fees for international students.

Meanwhile, colleges are facing a reduction equivalent to 8.4 per cent of their day-to-day spend. With a maintenance backlog of £321 million and huge pressures already on course and staff budgets, it is no wonder that the head of Colleges Scotland has warned that this year's budget will force colleges to make inescapably hard choices.

I attended Glasgow Kelvin College's graduation service yesterday. It is an outstanding college, nourishing talent and delivering the skilled workforce of the future despite the challenges. Students, staff and families alike were joyous in the celebration of their achievements. They deserve better than a Government that fails to prioritise their future.

Year on year, budget movements in-year, such as clawing back the promised £46 million for further and higher education, have left the sector on edge. How can we expect the sector's unions and employers to resolve disputes, or expect our institutions to plan for the future, when they cannot trust the Government when it is negotiating with them? I agree with the president of the National Union of Students Scotland, who pointed out that if the Government's priority was ever education, it

"has a funny way of showing it."

However, change is coming. Like pupils, students and staff across the sector, Scottish Labour knows that education is an investment in our collective prosperity. It holds the key to unlocking opportunity, unleashing potential and building a brighter tomorrow for generations to come. It is time to reject the anti-council, anti-community and anti-opportunity budget and say that enough is enough. The change that Scotland needs is not more chaos and no plan; it is a Government that values communities, values education and values opportunity. That Government is a Labour Government, and the people of Scotland know it.

16:01

**Kevin Stewart (Aberdeen Central) (SNP):** Let us look at the hand that Scotland has been dealt. Every family in Scotland has been feeling the impact of inflation since the Westminster Government drove the final nail into the coffin of

an already precarious UK economy with a disastrous Liz Truss budget. Scottish public services are feeling the exact same squeeze as family budgets, and what did Westminster do?

**Murdo Fraser (Mid Scotland and Fife) (Con):** Will the member give way?

**Kevin Stewart:** It delivered an inflation-adjusted cut to Scotland's block grant—not a rise to protect public services, but a cut.

**Murdo Fraser:** Will the member take an intervention on that point?

**Kevin Stewart:** It did not need to be that way. Richard Hughes, the chairman of the Office for Budget Responsibility, the UK Government's very own bookkeeper, spoke here, in this building, and said that the chancellor

"opted to cut two taxes in his autumn statement, rather than to try to protect the real spending power of public services."—[*Official Report, Finance and Public Administration Committee*, 12 December 2023; c 9.]

**Murdo Fraser:** I am grateful to Mr Stewart for giving way—eventually. I wonder why he and his SNP colleagues never recognise the point that the Barnett formula delivers an additional £2,000 above the UK average for every man, woman and child in Scotland, to be spent on public services. That is the same Barnett formula that Mr Stewart and his colleagues would scrap tomorrow. Why does he not recognise that point?

**Kevin Stewart:** That was a speech rather than an intervention. I say to Mr Fraser that we have an inflation-adjusted cut to our revenue budget—to our block grant—and a 10 per cent cut to our capital budget. That has a major impact on the people of Scotland. Those are Tory cuts that we have to bear.

Austerity is a choice. It is Westminster's choice, and that is what the Scottish Government has been dealing with year after year—Tory Westminster austerity. We have had Tory austerity piled on top of Tory austerity, and all that we have to look forward to is Labour austerity from Sir Keir Starmer. Hardly a day goes by without Labour promising to outdo the Tories, whether that is in tax cuts for the wealthy, in giving bankers free rein with bonuses or in cutting its £28 billion green transition pledge. Who knows what Labour will renege on tomorrow?

Through it all, the Scottish Government has delivered for the people of Scotland. Yes, taxes are more progressive in Scotland—

**Craig Hoy (South Scotland) (Con):** They are higher.

**Kevin Stewart:** —but let us look at what we get for that. I will take Mr Hoy's intervention, if he wants to intervene instead of shouting.

**Craig Hoy:** The member was talking about taxes for the wealthy. Are those who are earning £28,000—for example, nurses and teachers—the kind of wealthy people that he wants to tax more?

**Kevin Stewart:** Scotland has more progressive taxation. The very people that Mr Hoy has mentioned are paid much more in Scotland, thanks to the SNP Government.

We have delivered for the people of Scotland. Yes, taxes are more progressive, but let us look at what we get for that. Prescriptions are free in Scotland, yet they cost £9.65 under the Tories in England. People in Scotland have the freedom to drive their car down any public road free of charge, yet there is a £7.60 fee for toll roads under the Tories in England. We have free university tuition in Scotland, but there is a £27,000 millstone around the necks of young people in Labour Wales, and it is £27,950 in Tory England. People in Scotland get a free bus pass when they reach the age of 60, but they have to wait until they get their pension in Tory England—and the Tories keep putting the pension age up.

The list of benefits that folk get in Scotland goes on. There is the baby box; 1,140 hours of free childcare for three and four-year-olds, as well as for eligible two-year-olds; free bus travel for under-22s; and free dental care until the age of 26. In England, people cannot even get a dentist. There are also seven additional welfare payments from Social Security Scotland, including the Scottish child payment. And we have publicly owned rail services.

It does not stop there. We spend more on education, transport, police, housing, agriculture and fishing, economic development and the environment. That extra spending is why we have more police officers, prison staff, firefighters, nurses, general practitioners, consultants and dentists, and it is why accident and emergency departments in our hospitals are so much better than those in the rest of the UK.

The north-east is benefiting from the Scottish Government's £500 million just transition fund. Westminster has refused to match that, even though the UK Treasury has benefited from hundreds of billions of pounds in oil money that has flowed from the north-east of Scotland to London—another Westminster rip-off.

This is a tough budget, but it reflects our shared values as a nation that is committed to tackling poverty and trying to protect people from the harm that is caused by Westminster austerity. However, we cannot mitigate every horror that is handed down by Westminster. Although the Scottish Government does its best with the powers that it has, what is required is for the Scottish Parliament to hold all the levers of power. It is time for

Scotland to get out of broken Brexit Britain. It is time for independence.

16:08

**Ross Greer (West Scotland) (Green):** As a number of members have mentioned, there has never been a more difficult context for setting a Scottish budget. We went into the process with a gap of £1.5 billion to fill. As the convener of the Finance and Public Administration Committee pointed out at the start of the debate, the cuts to our capital budget are at 20 per cent, according to figures used by the Scottish Fiscal Commission. On top of that, we are having to set the budget in a process that is deeply dysfunctional. There is a mad dash between an increasingly late UK Government autumn statement and the publication of the Scottish Government's budget, which is expected before Christmas, yet we still do not know what decisions the UK Government will make in March this year when it publishes its budget, when it could all change again.

Budgets should reflect priorities and make a Government's values clear, as the Deputy First Minister states in the first line of her foreword to the budget document. The Scottish Government's priorities are equality, opportunity and community. I have mentioned previously that those are potentially too broad and that some focus is needed, but there is a clear reflection of green values in the budget. The budget puts people and planet first. The contrast this week with the UK Government could not be sharper. Reports have confirmed that the planet has hit the catastrophic threshold of 1.5°C of global warming, but we have a UK Government that is ditching climate action and approving more oil and gas licences.

The Labour Opposition is ditching its climate spending commitment of £28 billion, which was not enough in the first place. Members should compare that to the £4.7 billion for climate and nature in the Scottish Government budget for next year alone. That is securing Scotland's future and our planet's future. We are taking action now to tackle the climate crisis and restore our natural world, and we are creating jobs for the future.

**Liz Smith:** Mr Greer is a member of the Finance and Public Administration Committee, which, in paragraph 201 of its report, said that the priorities that the Scottish Government has set for itself are not sufficiently addressed in this budget. Does he agree with that?

**Ross Greer:** That is absolutely what I was referencing in the context of the three Scottish Government missions. They are so broad that they create a challenge when it comes to focus. I will single out a couple of specific examples later on.

As Liz Smith would expect, I have issues with the council tax freeze.

With regard to focusing on the planet, members do not need to take my or my party's word for it. At the finance committee a few weeks ago, Francesca Osowska, the chief executive of NatureScot, said:

"I see in the budget a shift towards recognising the long-term challenges of climate change."—[*Official Report, Finance and Public Administration Committee*, 9 January 2024; c 42.]

Last week, I mentioned that, contrary to what is said about our party, the Scottish Greens want lots of things to grow. We want more high-quality, lasting jobs in green industries—preferably in Scottish-owned businesses, or, even more preferably, in businesses that are owned by their workers as co-operatives. We are proud to be part of a Government that is delivering that kind of growth.

At the end of last year, the Fraser of Allander Institute report showed that, in 2021 alone, we went from 27,000 to 42,000 jobs in green energy. The budget includes £67 million for the offshore wind supply chain, so we are doubling down on one of the key industries. We cannot prioritise everything, and I think that the Scottish Government needs to be more focused in its economic priorities and strategy. That is one of the sectors that we can prioritise with the confidence that it will result in a very positive return.

I am proud that Green tax policy will mean that, in the coming year, £1.5 billion of additional spending will be available that would not otherwise have been available. I am proud that we are redistributing wealth in Scotland from those who have the most to those who need it the most. I am stunned by the Labour Party's hostility to that redistribution of wealth. This year alone, the Scottish Government is lifting 90,000 children out of poverty, and this budget will lift more children out of poverty next year.

**Daniel Johnson (Edinburgh Southern) (Lab):** Will the member take an intervention?

**Ross Greer:** I will come back to the Labour Party in a moment, and I am sure that Mr Johnson will want to respond.

The budget puts £1 billion more into social security. Yes, those on the highest incomes—the top 5 per cent—will be paying more, but good luck to those in Opposition parties who go from door to door to tell the other 95 per cent that they wanted to cut their public services to protect the incomes of those at the very top. We need to be honest: if we want a fairer society, we need to pay for it. This afternoon, the Opposition has again demonstrated not just fantasy economics but fantasy mathematics—the numbers do not add up.

I will take Mr Johnson's intervention at this point, if he would still like to make it.

**The Deputy Presiding Officer (Annabelle Ewing):** It will have to be brief, because Mr Greer's time is coming to a close.

**Daniel Johnson:** Does Ross Greer not recognise that a marginal tax rate of 60 per cent for those in the middle, which is higher than that for people who are on £70,000, £80,000 or £90,000, is the absolute inverse of progressive taxation?

**Ross Greer:** I am glad that Mr Johnson brought that up, because, for a start, it is not the middle. We know that the middle, or average, household income in Scotland is around the £28,000 mark. Michael Marra was commenting as though people who are on about £28,000 are paying a huge amount more. People in Scotland who are on £28,000 are paying pennies more in tax, and, in return, they get a range of public services that are not available elsewhere in the UK. I accept that we cannot put all our eggs in the basket of income tax and that we cannot create new national taxes because of the Scotland Act 1998. That is why this Government is delivering a visitor levy, a cruise ship levy, a carbon emissions levy, land tax, a doubling of council tax on holiday homes, an infrastructure levy and, potentially, a public health levy to empower local government.

My party and I clearly do not agree with the merits of the council tax freeze, although I am pleased that it is adequately funded. It is not what the Greens would have chosen, and we do not believe that it can happen again, but I will certainly not vote down a budget with £4.7 billion for climate and nature and £6 billion for social security just because I am unhappy with one policy.

The Government has clearly demonstrated its values, and the contrast could not be clearer with a dysfunctional Tory Government and a Labour Opposition that, according to Sky News last week, is putting protecting bankers' bonuses ahead of lifting children out of poverty. This Government and this budget are putting people and the planet first, and that is why the Greens are proud to vote for the budget this afternoon.

16:14

**Brian Whittle (South Scotland) (Con):** Aspiration is a powerful thing. It drives us to do better and seek out success. It pushes us to do great things and gives us a reason to get back up when we fall. It has helped so many Scots to achieve great things in sport, music, science, technology, business and—yes—even politics. There is no doubt in my mind that we should be fostering and encouraging aspiration in Scotland

and, with that, creating an environment where it can flourish.

Under the SNP, however, and never more so than in this budget, aspiration, ambition and entrepreneurship have all but disappeared from the SNP-Green vocabulary. A strong, dynamic and growing economy is the difference between a thriving nation and a stagnating one. No economy can hope to thrive without a population that aspires to succeed and a Government that wants to help it to do so.

Throughout the budget, we see examples of cuts to the very things that contribute to the economy's long-term health. In education, from early years to colleges and universities, engendering aspiration is vital. That is where aspiration is discovered and nurtured and where young people are encouraged to find their talents and learn the skills that they need to succeed. The Scottish Government has cut that resource.

Once those young people have completed their education and set out into the working world to advance their careers or even to build their own businesses, they need the Government to provide support and investment to grow a strong and healthy economy. Scotland has the tools to do that, from our enterprise agencies to employability and skills schemes and the Scottish National Investment Bank. The Scottish Government has cut them all.

The journey to a successful business often requires owners to leave a secure, well-paid job and take a leap into the unknown world of self-employment. Often, they must invest their savings or put up their house as collateral. They then have to work all the hours that God gives, employ others and be the last ones to get paid at the end of the month—if, indeed, they get paid. They strive, work, bite and scratch to make their business succeed.

After years of graft and worry, people might get to the point where they can start to get the benefit of their risk and bravery. Then they come up against a Scottish Government that vilifies them and wants to scoop more and more of their hard-earned income to pay for the services that have been consistently let down by the Scottish Government—a Scottish Government that has no understanding of what it takes to create and run a successful business.

Although we talk about aspiration and ambition in terms of confident, driven entrepreneurs setting out to make their mark in the universe, the ambitions of many people can be smaller, yet they are no less deserving of encouragement and support. For people who are suffering from physical and mental health problems, gaining the confidence and ability to go out and achieve

something can feel like an impossible hurdle to clear. Community facilities, sports centres and the third sector groups that are supported by council funding are every bit as critical to supporting those ambitions and aspirations as enterprise is to supporting entrepreneurs. Thanks to the Scottish Government budget, that funding has been cut and those services are disappearing.

It is not just those cuts to the budget that will harm aspiration. The Scottish Government's decisions on tax are just as unhelpful. I agree with those who say that the broadest shoulders should carry the greater share of the burden. The difference between us is that I accept the reality that continually adding to that burden to cover for the Scottish Government's excessive spending and anaemic growth is not sustainable.

Last year, higher-rate and top-rate earners comprised less than 12 per cent of the population but accounted for 65 per cent of the tax revenue. The addition of the advanced rate of tax will see that second number rise even higher. In terms of behavioural change, we assume that that means that very high earners will leave the country. However, an even greater risk comes from the continual squeezing of far more moderate earners to the point that they no longer have sufficient incentive to earn more. That will stifle business growth, lower productivity and guarantee further years of dismal economic performance.

We have already seen the signs of that happening, and not just in the private sector. I spoke to band 7 nurses, who are paid just enough to end up in the higher-rate tax band. They wonder whether working extra shifts is really worth the extra money after tax. How many NHS staff are thinking something similar? How much more pressure will that put on NHS boards that are already struggling to recruit?

What does it say to business owners and entrepreneurs who work incredibly hard and often take big financial risks when the Government keeps piling on the pressure with higher taxes, while making it harder to get help to grow? That is before I even mention people who are operating in the retail, hospitality and leisure sectors, which the Scottish Government seems intent on leaving at a disadvantage to their competitors elsewhere in the UK.

There is no question in my mind but that Scotland needs to increase its tax take. However, while the SNP and the Greens are going for the quick fix of squeezing more and more out of a relatively small pool of workers, despite the risks of diminishing returns, I believe that the only way to sustainably increase revenues is to have more people earning more. To do that, we need a Government budget that has its eyes on the horizon, not on the opinion polls. We need a

Government that thinks about and plans for the long term in order to give everyone a path upward, not one that cuts off the lowest rungs of the ladder for short-term savings.

That brings me back to aspiration. Whether it is starting a new business, changing careers or taking a small step on the path towards better mental health, it is aspiration that drives us to make that leap and take that risk. However, the SNP is making that leap wider and the risk greater, and it is leaving more and more people asking, “Why bother?”

Aspiration is still alive in Scotland, but with this Government and this budget, it is left on life support.

16:20

**Mark Griffin (Central Scotland) (Lab):** I draw members’ attention to my entry in the register of members’ interests, which shows that I was an owner of a private rented property in the North Lanarkshire Council area until July last year.

This has been a chaotic budget from a Government that is now devoid of any economic strategy and is actively planning to send the housing emergency spiralling. Not only will working people pay more and get less but the 10,000 children who are trapped in temporary accommodation will continue to suffer that misery. It is a budget that started with a raid on people in council tax bands E to H and ended up with an unfunded council tax freeze.

The £200 million cut to affordable house building has united all corners of the housing sector—private, public and voluntary—in anger and complete disbelief. Shelter Scotland says that it has lost confidence that the Government can deliver its plans, and Homes for Scotland says that the cut “threatens Scotland’s social wellbeing”. The Scottish Federation of Housing Associations and the Joseph Rowntree Foundation simply describe it as “brutal”. The budget will make poverty worse and intensify Scotland’s spiralling housing emergency.

**Ross Greer:** I do not think that anybody in the Greens or the SNP would pretend that the affordable housing budget is in a good situation, but it has already been mentioned that we are facing a £485 million overall cut to the capital budget. This is a sincere question: what would the Labour Party reallocate? If we can reallocate from elsewhere in the capital budget into affordable housing, we should do so. However, I have heard no proposals from the Labour Party yet.

**Mark Griffin:** I acknowledge that the capital budget has been cut, but I fail to understand why that capital cut has been multiplied six times and

then handed to the housing budget. It is reasonable to ask from where money should be reallocated to fund priorities, but I do not understand why the Government is asking Opposition members how to fund its promises. It was the Government’s promise—*[Interruption.]* It was the Government’s promise to deliver 110,000 houses, and it is a bit rich to ask Opposition members how to find the money to fund them. *[Interruption.]*

**The Deputy Presiding Officer:** Members, we listen to the member who has the floor.

**Mark Griffin:** The finance secretary says that this is a values-led budget, but those values now include increasing homelessness. Those are not my words but the absolutely damning verdict of Shelter Scotland.

**Bob Doris (Glasgow Maryhill and Springburn) (SNP):** Mr Griffin said that it is the Scottish Government’s responsibility, and not the Opposition’s, to fund the commitment for 110,000 new affordable homes. Does that mean that Labour does not support those new affordable homes?

**Mark Griffin:** We absolutely support them, and we will publish our spending plans when it comes to the next manifesto, but surely Mr Doris—*[Interruption.]* Surely Mr Doris understands that his party is in government and that it is the Opposition’s job to hold the Government to account for its promise to the people of Scotland to build 110,000 houses.

**The Deputy Presiding Officer:** Please resume your seat for a second, Mr Griffin. I am not really getting to hear Mr Griffin, because I hear a whole series of noises involving members on most benches, as far as I can tell.

**Mark Griffin:** I say again that it is the Opposition’s job to scrutinise the Government’s promises to the people of Scotland. The Government promised to deliver 110,000 houses and is now absolutely reneging on that commitment. Shelter Scotland, Homes for Scotland and a range of other organisations are clear on what the impact of that will be. In the first months of this year—in the weeks leading up to the budget—two of the builders that were creating the social homes that we desperately need have gone bust.

We have a housing minister who is apparently in listening mode but who is failing to listen to public opinion. Today, YouGov research has shown that 80 per cent of people think that we are in a housing crisis. We have the Scottish Housing Regulator projecting that about 4,500 fewer affordable homes will be built in the next five years. There is confirmation that the number of homes that have started to be built has fallen by a

quarter and that council starts have fallen by a half. Homes for Scotland has revealed that a quarter of all people in Scotland—sons, daughters, brothers, sisters, family and friends of everyone in the chamber—have some form of unmet housing need.

This is a Government and a budget that are planning for decline and retrenchment. This is a Government turning its back when the need is great. It is a Government pulling the rug from under the housing sector—from council, private and social landlords. The Government is forcing a downturn that will have dire economic and social consequences. For all Mr Greer's interventions, and even though it is a key plank of the Bute house agreement to hit the 110,000-home target, the Greens seem to ignore the reality and even fail to acknowledge that there is a housing emergency out there.

We have to acknowledge that private housing and affordable housing are interlinked. Every private home that is built generates £30,000 in economic contributions towards building more social homes, alongside the Government grant. The decisions that have been made in the budget will further deter investment in homes across all tenures and suck life out of the housing market.

First-time buyers, children who are in temporary accommodation, workers who should be building the homes that we need, and our friends and family who are in overcrowded accommodation, who are unable to get out of private lets and who are stuck on waiting lists—every single one of them has been failed and given up on by the Scottish National Party budget. In a general election year in which housing will be front and centre, that is a grave miscalculation by a Government that is devoid of an economic strategy, is actively planning to send the housing emergency spiralling and has clearly lost its way.

16:27

**Stuart McMillan (Greenock and Inverclyde) (SNP):** In her opening comments, the Deputy First Minister quoted Rebecca Evans, the Minister for Finance and Local Government for Wales. It is worth quoting Ms Evans again, because colleagues in the Labour Party seem to have one vision this afternoon, which is that everything in Scotland is bad but everything in Wales is wonderful. When Ms Evans was delivering the draft budget on 19 December, she said:

“After 13 years of austerity, a botched Brexit deal, and the ongoing cost-of-living crisis, this is the toughest financial situation Wales has faced since the start of devolution. Our funding settlement, which comes largely from the UK government, is not enough to reflect the extreme pressures Wales faces.”

That is exactly the same situation that Scotland faces.

This budget debate is like most others that I can remember from my near 17 years in Parliament. The Opposition brings forward a list of areas in which it wants more money to be invested, but it has no answers about where that money should come from. A few moments ago, Bob Doris asked Mark Griffin a question, and Mark Griffin, representing the Scottish Labour Party—or the Labour Party in Scotland—did not answer the question.

One point that I agree with is that more money should be invested in our public services. The Scottish Fiscal Commission estimated that the change of tax policy in Scotland will bring an extra £1.5 billion into the Scottish economy for next year. If this budget is not passed and that change is not implemented, the Opposition parties in this Parliament will be voting against that £1.5 billion, in addition to the whole budget. In effect, the Opposition parties want less money for Scotland's economy and public services in Scotland. I want more money to be invested in local authorities, health, transport, culture, sport and every other devolved area of competence.

I also want more money to be invested in the reserved policy areas, but they are obviously outside the realms of this Parliament at the moment. Our public services are under huge pressure after more than a decade of Westminster austerity. The challenge faced by the Scottish Government and the Scottish Parliament is that the powers of this Parliament are limited and, by law, our budget must balance. If additional resource is to be spent on local government, health or any other policy area, it needs to come from another budget and, to date, no Opposition party has suggested which budgets should be reduced to give to another. However, when I have highlighted why Inverclyde should receive further investment, I have engaged in good faith and have frequently suggested where some of the money could come from.

I am not against public sector reform. Local authorities have already undertaken a great deal of reform, which I welcome, but more reform is clearly required across the whole public sector landscape.

The debate is about next year's budget, which is the most challenging to date under devolution, with the Scottish Government budget from Westminster being cut yet again and inflation reducing its value in real terms.

As a local MSP, I regularly mention my Greenock and Inverclyde constituency in the chamber. If I did not do that, I would be accused of not standing up for my constituents. I often raise

issues that affect the whole of Inverclyde, as I did yesterday, when I asked the Minister for Local Government Empowerment and Planning about extra finance for Inverclyde Council. I thank the minister for his helpful reply that confirmed that Inverclyde Council receives

“funding that is equivalent to £159 per head, which is 6.2 per cent more than the Scottish average and is equivalent to £12.3 million more overall than it would receive if funded at the Scottish average.”—[*Official Report*, 7 February 2024; c 16.]

On 14 December, I met the Deputy First Minister. I had three key asks for the budget, which were an increase in resources for Police Scotland; an increase in resources for the Scottish Fire and Rescue Service; and the Inverclyde task force’s specific requests for funding to help to deliver the extended Kelburn business park in Port Glasgow, due to the demand to go there, and for training assistance specifically to tackle the long-term unemployed challenge. The Deputy First Minister will be well aware that I have also written separately on the Kelburn business park request, and I wrote to Neil Gray, the Cabinet Secretary for Wellbeing Economy, Fair Work and Energy, about the employment assistance.

The budget that is before us delivers on my first two requests, which I warmly welcome. Dialogue on the task force items will clearly continue, but, after today’s bombshell announcement by the BT Group of its intention to close the EE call centre in Greenock later this year and shift 450 jobs to Glasgow, Inverclyde’s situation becomes even more acute. I thank the Presiding Officer for taking my question on the issue at First Minister’s question time.

How the BT Group has handled the situation has been nothing short of appalling. It must ensure that it properly looks after the staff who have been loyal to it over the years. I am of the opinion that it has misled the workforce and the Inverclyde community. Consistently, EE waxed lyrical about the future and the job flexibilities that it offered, including the wide range of part-time positions, which have helped many women to get back into the labour market after having a family. That will be an additional challenge in Inverclyde, no matter what happens with the budget that we pass in this Parliament. However, more will be said about EE in the chamber, so I will go back to the budget.

The budget has been set in turbulent circumstances at global level. The impacts of inflation, the war in Ukraine and the after-effects of the pandemic continue to create instability. In addition, the autumn statement, which delivered the worst-case scenario for Scotland’s finances, failed to live up to the challenges that are posed by the cost of living and climate crises. The cost of

living situation that we face is the most important issue that I face as a constituency MSP.

This budget is important. No budget is perfect, but, ultimately, it is important that the budget passes. We know that, without the full powers of independence, we will always have one hand tied behind our back, and we will be limited because of Westminster austerity.

16:33

**Ash Regan (Edinburgh Eastern) (Alba):** The brutal choices that the Scottish Government has had to make are a result of a fiscal framework that is set up to fail Scotland, as I warned a few weeks ago in the chamber. Are we really surprised any more by the callous actions of a UK Tory Government that is hostile to people who are struggling to survive with dignity but that can find the money for election promises in order to remain in power? It uses tax cuts cynically and irresponsibly for a sugar rush in an election year—petulantly ignoring warnings of any detrimental consequences—and it refuses to tax obscene wealth or invest in long-term economic security and environmental responsibility through the reserved fiscal levers that only it has. All that has a direct and indirect impact on the people of Scotland. While people across the UK continue to suffer from the increasing strain in their cost of living as a result of the UK Government’s irresponsible choices, our Government is left holding the ball of delivering a pay more, get less budget to constituents across Scotland’s communities.

People do not want more excuses. What they are looking for now is solutions. I sympathise with the challenge that the Scottish Government faces in spreading an ever-thinning real-terms budget across increasing demands, but if election promises are not delivered, that only further erodes public trust.

I welcome the Government implementing my proposal for the necessary short-term step of cancelling school meal debt by allocating £1.5 million of funding to local authorities. However, despite the significant cost of living pressure on families, there remains no clarity on the delivery of the Government’s again-delayed commitment of providing universal access to free school meals for all of Scotland’s primary school children. As access to enough food—enough quality food—for primary children is a key driver of their development and of their education outcomes, that promise must be delivered without further delay.

Although the statutory inflationary uplift to £26.70 a week for the game-changing child payment is welcome, it does not go nearly far enough. That is despite the First Minister

committing to an increase of £5 in his first budget when he was running for party leader. An open letter that was sent to the First Minister last year, which was signed by more than 150 charities, faith groups, trade unions and civic organisations, urged him to deliver on his commitment as a first step, and then to follow that up by adopting our Alba Party policy of increasing the child payment to £40 a week. That is a must if there is to be any hope at all of the Government meeting its targets to tackle the scourge of child poverty in this land of abundant resources.

However, even such targeted mitigation is not enough, as the Scottish Government is still running to stand still to keep heads above water against the surging consequences of UK Government choices that Scotland's 59 MPs lack the electoral arithmetic to influence at Westminster.

I welcome the short-term certainty for households that the council tax freeze will provide, but we need to ensure that local taxation is fair, affordable and secure, and we need to deliver quality local services that we can all rely on. The Government must commit to its long-promised reform of local taxation and, in doing so, it must undertake real engagement to ensure that we reach a solution that works for all.

Short-term thinking has got us into a position of cuts and compromise. Only longer-term thinking—thinking that goes beyond the walls of devolution—can deliver security, confidence and ambition for Scotland. Until then, limited resources need to be stewarded very carefully. Now, during a cost of living crisis, is not the time to introduce tax hikes to backfill a budget shortfall. One of the purposes of tax is to create behaviour change, and I believe that the behaviour change that the proposed tax rises will usher in will be detrimental to Scotland in the long term.

I urge the Government to end its short-term mindset of cuts and compromise, and to start to deliver not only on its own election promises, but on the longer-term, foundational changes that are needed to secure us a secure future.

**The Deputy Presiding Officer:** We move to the closing speeches.

16:38

**Daniel Johnson (Edinburgh Southern) (Lab):** Let me attempt to salvage a note of consensus. One thing that we can all agree on, in line with what Stuart McMillan said, is that this debate has a déjà vu feel to it. We will probably all feel that we have left it with exactly the same position that we went into it with, which is perhaps a shame.

However, if the Government wants such debates to be more rational, it needs to be a little more transparent with its numbers. That is not just my point but one that has been made by the Finance and Public Administration Committee. Since the IFS report, the Government has been at pains to stress the need to take a budget-to-budget approach to comparisons but, if we were to do that, we would find, in looking at the entire resource envelope that is available in this year's budget, that we had 2 per cent more in real terms. I do not think that that would be a fair thing to do, because that is not how budgets work. There are changes that happen in year, but even on those terms, there is 0.9 per cent more to spend in the coming budget year than in the current one.

Therefore, we need a sense of reality. That increase will not make the choices easy, because it is a very small one, but we must be clear about the choices that have been made. They are understandable, because there have been significant pay claims. To strike another note of consensus, the cost of living crisis must be front and centre but, if the Government is not clear and honest about the numbers to begin with, it is very hard to have conversations. If it is not clear about the choices that have been made about pay settlements, we cannot have that discussion and we are left with a confused debate in which we talk at cross purposes.

The Finance and Public Administration Committee is right when it says that budget analysis should include comparison with outturn—a comparison between what the budget proposes to spend and what was actually spent. Then, maybe, we could have a grown-up conversation and a grown-up budget, and one that does not lead to cuts across numerous service areas such as councils.

Despite what the Government says, there are real-terms cuts. The council tax freeze is not fully funded and will lead to £130 million less spending, which is why councils across the land are setting out proposals in their budgets to cut the numbers of teaching assistants, playgrounds and other vital local services. NHS Lothian is saying that there will be cuts into the muscle of the services that it delivers and is cancelling projects such as the new eye pavilion, the national treatment centre at St John's and the cancer centre at the Western general hospital. It is why A and E at the infirmary is running at 30 per cent above its design capacity.

Mark Griffin was absolutely right to point out the absurdity of what is happening in the housing budget, which is being cut well beyond the decrease to the Government's overall capital budget. There will be a 26 per cent decrease in the housing budget, which will mean that we will have 1,400 fewer housing starts in the coming

year than we did before, a decrease of almost 10 per cent.

**John Swinney:** I understand the aspiration for more spending on the health service. However, if Mr Johnson wants to engage in a substantive debate with Parliament, he must explain now where the Labour Party proposes to get the money to address the issues that he has just raised.

**Daniel Johnson:** That is not how the process works. The Government puts forward a budget. We cannot even amend the budget bill and it is for the Government to defend its spending. We are scrutinising the consequences of the budget; it is for the Government to defend them.

That is why the Government must defend why it is cutting £28 million from university budgets and must explain, if that will not lead to a cut of 3,900 places, how many places will be cut. Unless we can have that grown-up conversation, and if we cannot even know the number of places that will be affected by that university cut, how can we have a serious debate?

As Michael Marra pointed out, this is a chaotic budget. It is not about just the year-on-year situation; it is about 17 years of incremental decisions without long-term thinking or planning, which is exactly why the Finance and Public Administration Committee has been excoriating in its description of the budget's approach. There is a lack of long-term planning about the affordability of spending decisions and of a balance between overall strategic purposes.

**Alex Cole-Hamilton** rose—

**Daniel Johnson:** Kenny Gibson went further in his remarks, saying that the budget lacked strategic coherence.

Everyone is looking at the back of the chamber; my speech must be having more of an impact than I realised.

**Alex Cole-Hamilton:** Will Daniel Johnson give way?

**Daniel Johnson:** I am happy to.

**Alex Cole-Hamilton:** Daniel Johnson is right to say that the committee was excoriating, as were the chorus of businesses and colleges that spoke out against the removal of the flexible workforce development fund. That decision could crush the upskilling plans of 2,000 employers and 45,000 people. Why should they pay the apprenticeship levy if the opportunities will not be forthcoming?

**Daniel Johnson:** That is a very fair point. For that to be the component of the college budget that is cut at a time when we should be upskilling and reskilling flies in the face of economic reality

and shows why Labour is absolutely committed to reform of the apprenticeship levy.

Ultimately, we need growth: it is only through growth that we will be able to make changes. Alas, over the past five years, Scotland's growth has been almost half that of the rest of the UK and it has been a third less over the past 10 years. We will therefore continue to get marginal decisions that increasingly add to the burden on those who can barely afford it, and we will end up with marginal tax rates of more than 60 per cent for people on salaries of £40,000—the people we ask to work so hard in our public services, such as nurses, teachers and police officers. That is why Scottish Labour cannot support the budget at decision time this evening.

16:45

**Murdo Fraser (Mid Scotland and Fife) (Con):** Earlier in the debate, Graham Simpson quoted a Labour council leader. Labour council leaders are not always wrong—and nor, I should say, is Mr Simpson. In this case, that council leader said that this was the worst budget in the history of devolution. He is right. I cannot recall any budget over the years that I have been in the Parliament generating such a negative reaction as the one that we are debating today.

The budget has been criticised on all sides. It has been criticised by COSLA, which described it as

“a major blow to communities”

that

“has put councils at financial risk”.

It has been criticised by the trade unions, by universities, by colleges and by Shelter, which has described itself as

“angered by the extreme cuts announced”.

It has been criticised by Crisis, the national charity for people experiencing homelessness, by the Federation of Small Businesses, by the Institute of Chartered Accountants of Scotland, by the Confederation of British Industry—

**Shona Robison:** Will Murdo Fraser give way?

**Murdo Fraser:** In a second.

The budget has been criticised by Scottish Chambers of Commerce, by the Scottish Tourism Alliance, by UKHospitality, by the Scottish Hospitality Group, by the Scottish Licensed Trade Association, by Scottish Financial Enterprise, by the Scottish Retail Consortium—and the list goes on.

I will happily give way to anybody on the SNP front bench who can give me a similar list of

people who have welcomed the budget. Let us hear that from the finance secretary.

**Shona Robison:** I think that Murdo Fraser had the cheek to mention some housing organisations and their concerns about the affordable housing supply programme. Is he really saying that, in the light of his Government's butchery of our capital budget? Does he really have the nerve to stand up and criticise our spending plans while his Government has butchered our capital budget?

**Murdo Fraser:** Not one single name of any external body that supports the budget could come from the finance secretary, because there is not one. *[Interruption.]* Every single stakeholder has condemned the budget. *[Interruption.]*

**The Deputy Presiding Officer:** Mr Fraser—

**Murdo Fraser:** The other point that I make to the finance secretary—

**The Deputy Presiding Officer:** Mr Fraser, please resume your seat for a second.

I would say to those on the Government front bench: please do not act like that. Please listen to the person who has the floor.

Please resume, Mr Fraser.

**Murdo Fraser:** The other point that I would make gently—

**John Mason:** Will Mr Fraser give way?

**Murdo Fraser:** Come on—I am still responding to the previous intervention. Mr Mason will get his chance in a moment.

The other point that I would make to the finance secretary is exactly the same point that I made to Mr Stewart: the finance secretary and her colleagues never recognise the fact that, under the Barnett formula, Scotland gets £2,000 more to spend per head of population for every man, woman and child in Scotland compared with the UK average, and she never accepts that point. She should be grateful for the amount of money that is coming from the UK Government, which is far above the UK average. What do they want to do, however? They want to rip up the Barnett formula.

Of all the criticisms of the budget, the most damning of all is that from the well-respected Institute for Fiscal Studies, which has slammed the budget as giving “a misleading impression” of the Government's spending plans, with the institute's analysis showing that

“funding for the Scottish Government's NHS Recovery, Health and Social Care portfolio is currently set to fall by 0.7% in real terms”,

not to increase, as has been presented by the Scottish Government. The institute says the same

in relation to council funding: a purported 6.2 per cent real-terms increase falls to 1.8 per cent once actual spending is considered.

Overall, the budget is up in real terms and cash terms, but right across the portfolios we see cuts, cuts and more cuts. The housing budget is cut. Core funding to local government is cut. Support for woodland creation is cut. Support for climate change and renewables is cut. The flexible workforce development fund, much prized by businesses, colleges and trade unions, is scrapped.

Perhaps most serious of all is the impact of the budget on business and the economy. Humza Yousaf and his Administration set out to reset the relationship between the SNP and business, launching a new deal for business group with that purpose. The budget rips that to shreds, however.

If reports are to be believed, Neil Gray has just been reshuffled away from the economy brief. I will miss my engagement with Mr Gray: I thought he was very good at listening, including listening to the Opposition and to business. Fundamentally, however, he failed, because he could not deliver on all the asks that the business community had for the budget. He lost the argument in Cabinet, and he has left his role embarrassed.

Calls for the 75 per cent rates relief for retail, hospitality and leisure businesses that is applicable south of the border to be replicated in Scotland have been dismissed. Instead, plans are being introduced for a new supertax on grocery stores, making them even less competitive than their counterparts down south.

Every budget line that could support Scottish business has been cut. The economy, fair work and energy portfolio has been cut by £118 million, which is 8.7 per cent in real terms. The tourism budget has been cut by 12.3 per cent. Funding for the Scottish National Investment Bank has been cut by 29.2 per cent. Enterprise, trade and investment have been cut by 16.7 per cent. Employability has been cut by 24.2 per cent. Against that backdrop, it is no surprise that, in a survey that was conducted within just the past two weeks by the Scottish Licensed Trade Association, of more than 500 of its members, a staggering 96 per cent said that the Scottish Government did not understand business. I am sure that Neil Gray will be delighted to move away from that portfolio.

**John Swinney:** Does Murdo Fraser consider that his comments might meet with more credibility in the Parliament if he had not been an enthusiastic advocate for the economics of Liz Truss?

**Murdo Fraser:** Mr Swinney has not been keeping up with the data. Perhaps he has deleted

that information. The UK economy has been the fastest growing of any major European economy since 2010—faster than Germany's, France's or Italy's. Mr Swinney needs to look at the facts and see how the economy is performing. We need to remember that he was finance secretary. Under his watch, since 2014, the Scottish economy has grown at precisely one half of the rate of the overall UK economy.

As Liz Smith reminded us, if the Scottish economy had grown even at the UK average rate, we would have an extra £6 billion to spend on public services.

**John Swinney:** Will Murdo Fraser give way?

**The Deputy Presiding Officer:** Mr Fraser is bringing his remarks to a close.

**Murdo Fraser:** There is much more that I can say, but time is running out.

People have asked us what we would do differently. For a start, we would make different choices. We would not spend £2 billion on a national care service that stakeholders do not want. We would not spend money on pointless papers on independence that nobody will read. We would not have wasted £27.6 million on a census that has failed; wasted millions of pounds on failed court cases; wasted millions on civil servants to work on an independence referendum that is not going to happen; paid out millions in compensation for wrongful prosecutions in the Rangers scandal; or spent millions on propping up Prestwick airport and Burntisland Fabrications—or hundreds of millions on two ferries that may yet never set sail.

This should have been a budget to grow the economy and our tax revenues. It is the worst budget that the Parliament has ever seen and, for that reason, we should reject it.

16:52

**Shona Robison:** As many members have said, the backdrop to the budget is a UK autumn statement that has delivered the worst possible scenario for Scotland—a 1.2 per cent real-terms cut and a 10 per cent cut in capital. I therefore say to Murdo Fraser no: we on the Government benches will not be grateful for cuts to our public services. Murdo Fraser was keen to quote Labour council leaders—little surprise, given that the Tories are in coalition with Labour in half our local authorities.

To come back to the point about public services, I note that we have prioritised what funding we have for our front-line public services, and are providing more than £0.5 billion extra for NHS Scotland, which takes the total funding for front-line health boards to £13.2 billion next year. That

is a real-terms increase, despite the Tories' real-terms cut of £1.3 billion to NHS England. I will not have Graham Simpson or any other Tory member criticising this Government for our real-terms investment in our NHS in Scotland, given that their Tory Government is cutting its own health budget by £1.3 billion. Of course, given that only £10.8 million of consequentials derived from health spending in the autumn statement, we have had to go further in making sure that we put as much money as we can into our front-line health services.

I come to education, in which we are providing £2.4 billion to support our colleges and universities, including by protecting free tuition and driving forward our commitment to widening access. For schools, the budget will deliver £200 million to tackle the poverty-related attainment gap and almost £390 million to protect teacher numbers and fund the teacher pay deal.

On affordable housing, which has been mentioned by a number of members, it is important to recognise that the financial transactions element of the reduction is because financial transactions from the UK Government have gone off a cliff. As I have said, the traditional capital funding has been cut. Capital availability is the number 1 priority for me—getting more capital at the spring budget on 6 March was the number 1 ask that I made of the Chief Secretary to the Treasury when I met her two weeks ago.

I come back to the Tories and what Liz Smith and some of her colleagues have said. The incoherence among Tory members is quite astonishing. On one hand, Liz Smith said that she would have given £260 million out of the £310 million of consequentials to a 75 per cent tax cut for the hospitality sector. That money would therefore be gone from all the other public services that it could have been spent on. Let us just log that for a minute. Liz Smith then said, on the other hand, that she would not spend money on a national care service. Well, that would save £15.4 million in 2024-25. Out of generosity, let us throw in the census funding, which is £50 million. If we take the £260 million and are generous and say that there is another £50 million, that means that there is still about £200 million to find. If we write tax out of that, because the Tories do not want to increase tax, that is another £100 million.

**Liz Smith rose—**

**Shona Robison:** In a minute.

So, before we start with all the spending demands from Graham Simpson, Murdo Fraser and the others, the Tories have a £300 million gap in public services spending because they have already spent the money on tax cuts for business.

Where is the £300 million going to come from? I would like an answer from Liz Smith.

**Liz Smith:** I have already set out aspects of that, some of which would be in public sector reform. The Scottish Government promised in 2016 that it would restore pre-pandemic levels of things, but that has not happened.

Does the cabinet secretary agree with her colleague Kate Forbes, who is very anxious about the taxation policies in the budget, because she believes that they will lead to diminishing returns and therefore undermine growth and productivity?

**The Minister for Local Government Empowerment and Planning (Joe FitzPatrick):** That is not what she said.

**Liz Smith:** That is exactly what she said. Does the cabinet secretary agree with her?

**Shona Robison:** I acknowledge, based on the analysis of the Scottish Fiscal Commission, that more than half of taxpayers will continue to pay less income tax in Scotland than they would if they lived elsewhere in the UK.

The £1.5 billion of additional tax revenues resulting from decisions that have been made by successive finance secretaries to make sure that we have money for public finances, would also, I presume, be taken out of the Tory spending plans if—heaven forbid—they ever brought a budget proposal to the chamber.

So, if we take out tax and the spending on public services that would now go to NDR business taxes, we now have a gap of about £2 billion in the Tory spending plans. Liz Smith needs to tell us where that £2 billion of cuts—to our front-line services, I presume—would fall. I hope that we get an answer from Liz Smith on that, in due course.

I will turn to Labour, briefly. We heard a litany of spending demands from Labour members, but their Welsh Labour colleagues in Government have had to make the same difficult decisions as we have had to make, to the extent that the only area of Government spending for which they have increased funding is the NHS. Most other departments have had cuts to their funds. All the departments that were mentioned by Michael Marra and others have had cuts to their budgets.

Therein lies the difference between being in the Government and being in the Opposition—Opposition is where members take responsibility for nothing at all. If we look at the decisions that Labour is making in opposition, we see the chaos in its ditching policies including providing £28 billion of green investment and its now being in favour of bankers' bonuses. There are chaotic U-turns, day after day. I have no idea at all what

Labour stands for any more. Not a clue—not one. Of course, it was Daniel Johnson—

**Michael Marra** rose—

**Shona Robison:** In a minute.

It was Daniel Johnson who, just last year, called our tax measures “progressive”. Tax is part of the social compact, whereby people who benefit from public services are asked to contribute and those who have the ability to pay more are asked to do so. What happened to Daniel Johnson? We now have Michael Marra, who has given us absolutely no idea of the principles that Labour adheres to. If he wants to do so now, I will take his intervention.

**The Presiding Officer (Alison Johnstone):** Very briefly.

**Michael Marra:** Would the cabinet secretary recognise that it is her budget that is causing chaos in, for instance, the college and university sectors? Student applications are coming in, but institutions still do not know what their budgets are. Will she stand up now and tell them what their budgets for next year will be?

**Shona Robison:** I have already said that we are providing more than £2.4 billion to support our colleges and universities, that we are protecting free tuition and that we are driving forward our commitment to widening access. *[Interruption.]*

**Michael Marra:** What is their budget?

**The Presiding Officer:** Let us hear the Deputy First Minister.

**Shona Robison:** I have been clear about our priorities. We have no idea whatsoever what Labour members' priorities are.

I turn to the contribution of Alex Cole-Hamilton on behalf of the Liberal Democrats. This is where I get to the nub of the matter—what they say when they come up with ideas. Alex Cole-Hamilton's single proposition was that we should tax social media giants. That would really help with the budget for 2024-25, given that we do not even have the powers to tax such bodies. What a great idea.

**Alex Cole-Hamilton** rose—

**Shona Robison:** I will give way.

**The Presiding Officer:** No—I am afraid, Mr Cole-Hamilton, that the Deputy First Minister must conclude.

**Shona Robison:** That is a shame, because I would really like to have heard an answer to that. Perhaps Alex Cole-Hamilton could write to me, because I am really curious to know the answer.

It is a bit like groundhog day. Year after year, I have listened to the Opposition—*[Interruption.]*

**The Presiding Officer:** Let us hear the Deputy First Minister.

**Shona Robison:** —in this place, coming forward with criticisms about the spending priorities of others, with not one jot of an idea, a principle or a suggestion as to what they would do different. That is why we are the Government and they are the Opposition.

**The Presiding Officer:** That concludes the debate on the Budget (Scotland) (No 3) Bill at stage 1.

## Parliamentary Bureau Motions

17:02

**The Presiding Officer (Alison Johnstone):** The next item of business is consideration of three Parliamentary Bureau motions. I ask George Adam, on behalf of the Parliamentary Bureau, to move motions S6M-12102, on committee meeting times, S6M-12103, on committee membership, and S6M-12104, on substitution on committees.

*Motions moved,*

That the Parliament agrees that, under Rule 12.3.3B of Standing Orders, the Net Zero, Energy and Transport Committee can meet, if necessary, at the same time as a meeting of the Parliament between 2.00 pm and 4.00 pm on Wednesday 21 February 2024.

That the Parliament agrees that Jamie Greene be appointed to replace Sharon Dowey as a member of the Public Audit Committee.

That the Parliament agrees that—

Brian Whittle be appointed to replace Graham Simpson as the Scottish Conservative and Unionist Party substitute on the Local Government, Housing and Planning Committee; and

Graham Simpson be appointed to replace Brian Whittle as the Scottish Conservative and Unionist Party substitute on the Net Zero, Energy and Transport Committee.—  
[George Adam]

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

## Decision Time

17:02

**The Presiding Officer (Alison Johnstone):**

There are two questions to be put as a result of today's business. The first question is, that motion S6M-12096, in the name of Shona Robison, on the Budget (Scotland) (No 3) Bill at stage 1, 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

17:03

*Meeting suspended.*

17:05

*On resuming—*

**The Presiding Officer:** We come to the vote on motion S6M-12096, in the name of Shona Robison, on the Budget (Scotland) (No 3) Bill. Members should cast their votes now.

The vote is closed.

### 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)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Brown, Siobhian (Ayr) (SNP)  
 Burgess, Ariane (Highlands and Islands) (Green)  
 Callaghan, Stephanie (Uddingston and Bellshill) (SNP)  
 Chapman, Maggie (North East Scotland) (Green)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Dey, Graeme (Angus South) (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)  
 Ewing, Annabelle (Cowdenbeath) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Gray, Neil (Airdrie and Shotts) (SNP)  
 Greer, Ross (West Scotland) (Green)  
 Harper, Emma (South Scotland) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Haughey, Clare (Rutherglen) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 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)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 McAllan, Màiri (Clydesdale) (SNP)  
 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)  
 Minto, Jenni (Argyll and Bute) (SNP)  
 Nicoll, Audrey (Aberdeen South and North Kincardine) (SNP)  
 Robertson, Angus (Edinburgh Central) (SNP)  
 Robison, Shona (Dundee City East) (SNP)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Slater, Lorna (Lothian) (Green)  
 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)  
 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)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

### Against

Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Balfour, Jeremy (Lothian) (Con)  
 Bibby, Neil (West Scotland) (Lab)  
 Boyack, Sarah (Lothian) (Lab)  
 Briggs, Miles (Lothian) (Con)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Carlaw, Jackson (Eastwood) (Con)  
 Carson, Finlay (Galloway and West Dumfries) (Con)  
 Choudhury, Foyso (Lothian) (Lab)  
 Clark, Katy (West Scotland) (Lab)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Duncan-Glancy, Pam (Glasgow) (Lab)  
 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)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Greene, Jamie (West Scotland) (Con)  
 Griffin, Mark (Central Scotland) (Lab)  
 Gulhane, Sandesh (Glasgow) (Con)  
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)  
 Hoy, Craig (South Scotland) (Con)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Halcro Johnston, Jamie (Highlands and Islands) (Con)  
 Kerr, Liam (North East Scotland) (Con)  
 Kerr, Stephen (Central Scotland) (Con)  
 Lennon, Monica (Central Scotland) (Lab)  
 Leonard, Richard (Central Scotland) (Lab)  
 Lumsden, Douglas (North East Scotland) (Con)  
 Marra, Michael (North East Scotland) (Lab)  
 McArthur, Liam (Orkney Islands) (LD)  
 McCall, Roz (Mid Scotland and Fife) (Con)  
 McNeill, Pauline (Glasgow) (Lab)  
 Mochan, Carol (South Scotland) (Lab)  
 Mundell, Oliver (Dumfriesshire) (Con)  
 O'Kane, Paul (West Scotland) (Lab)

Rennie, Willie (North East Fife) (LD)  
 Ross, Douglas (Highlands and Islands) (Con)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Smyth, Colin (South Scotland) (Lab)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Sweeney, Paul (Glasgow) (Lab)  
 Webber, Sue (Lothian) (Con)  
 Wells, Annie (Glasgow) (Con)  
 White, Tess (North East Scotland) (Con)  
 Whitfield, Martin (South Scotland) (Lab)  
 Whittle, Brian (South Scotland) (Con)  
 Wishart, Beatrice (Shetland Islands) (LD)

#### **Abstentions**

Regan, Ash (Edinburgh Eastern) (Alba)

**The Presiding Officer:** The result of the division on motion S6M-12096, in the name of Shona Robison, on the Budget (Scotland) (No 3) Bill, is: For 63, Against 53, Abstentions 1.

#### *Motion agreed to,*

That the Parliament agrees to the general principles of the Budget (Scotland) (No. 3) Bill.

**The Presiding Officer:** I propose to ask a single question on three Parliamentary Bureau motions. As no member has objected, the question is, that motions S6M-12102, on committee meeting times, S6M-12103, on committee membership, and S6M-12104, on substitution on committees, in the name of George Adam, on behalf of the Parliamentary Bureau, be agreed to.

#### *Motions agreed to,*

That the Parliament agrees that, under Rule 12.3.3B of Standing Orders, the Net Zero, Energy and Transport Committee can meet, if necessary, at the same time as a meeting of the Parliament between 2.00 pm and 4.00 pm on Wednesday 21 February 2024.

That the Parliament agrees that Jamie Greene be appointed to replace Sharon Dowey as a member of the Public Audit Committee.

That the Parliament agrees that—

Brian Whittle be appointed to replace Graham Simpson as the Scottish Conservative and Unionist Party substitute on the Local Government, Housing and Planning Committee; and

Graham Simpson be appointed to replace Brian Whittle as the Scottish Conservative and Unionist Party substitute on the Net Zero, Energy and Transport Committee.

**The Presiding Officer:** That concludes decision time.

*Meeting closed at 17:08.*

This is the final edition of the *Official Report* for this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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