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Thursday 23 February 2017

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Scottish Parliament

Thursday 23 February 2017

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

General Question Time

Edinburgh Cancer Centre

1. **Colin Smyth (South Scotland) (Lab):** To ask the Scottish Government what discussions it has had with NHS Lothian regarding plans to rebuild the Edinburgh Cancer Centre. (S5O-00689)

The Cabinet Secretary for Health and Sport (Shona Robison): The Scottish Government and NHS Lothian have been in regular contact to discuss NHS Lothian's plans to rebuild the Edinburgh cancer centre. A site visit was arranged for Scottish Government officials in September 2016 and NHS Lothian recently submitted its strategic assessment of the proposed development to the NHS capital investment group.

NHS Lothian is in the process of developing the initial agreement, the main purpose of which is to confirm the need for the investment.

Colin Smyth: The cabinet secretary will be aware that patients from my region, in particular from Dumfries and Galloway, often have to travel to the Western general hospital in Edinburgh for cancer treatment and that they are provided with out-patient accommodation at Pentland lodge next to the cancer unit. The accommodation is currently under review by the health board, yet it means that patients do not have the gruelling journey back and forth from Dumfries and Galloway. Patients also get invaluable peer support that they would not receive if they stayed in a nearby hotel.

Will the cabinet secretary give assurances that, in any service changes at the hospital, an out-patient residential facility will be retained and that current and past patients, including those from Dumfries and Galloway, will be fully involved in any discussions on service changes?

Shona Robison: Given the circumstances of the treatment that patients undergo, I very much appreciate the need for appropriate accommodation. As the member will be aware, the decisions on that level of detail have not been finalised at this point, but I can assure him that the needs of patients travelling from around Scotland, including from Dumfries and Galloway, will be considered as the business case develops. I have asked to be kept informed about Pentland lodge. It is important that appropriate accommodation is

provided and I am happy to liaise with the member as the issue is taken forward. We should bear in mind the potential for a fit for purpose oncology assessment unit and a state of the art facility, but it is important that patients who are travelling from outwith the Edinburgh area get the appropriate accommodation. I am happy to keep in contact with the member about that.

Miles Briggs (Lothian) (Con): I understand that NHS Lothian has submitted an initial agreement proposal that makes the case for interim bridging capital to upgrade the existing accommodation before a new centre is built. Has the cabinet secretary decided to support the appeal for bridging capital? Will she meet me, NHS Lothian and other MSPs whose constituents use the centre to discuss how we take forward the proposals for a new centre?

Shona Robison: The member will be aware of the various stages that are involved in decisions on funding. I am happy to meet him and NHS Lothian to talk about the specifics that he raised. The business case that I referred to is at an early stage and it would not be appropriate for me to make any decision before the review of the business case has been completed. Any other investments related to the decision would need to be seen in the context of the bigger project, but I am happy to meet Miles Briggs and NHS Lothian to discuss that further.

Tackling Islamophobia

2. **Angus MacDonald (Falkirk East) (SNP):** To ask the Scottish Government what action it is taking to tackle Islamophobia. (S5O-00690)

The Cabinet Secretary for Communities, Social Security and Equalities (Angela Constance): We invested more than £500,000 in 2016-17 to promote interfaith relations and engagement between civic Scotland and different faith communities. We are developing an ambitious programme of work following the report of the independent advisory group on hate crime, prejudice and community cohesion, which includes running a hate crime awareness-raising campaign this year. In January, the Minister for Community Safety and Legal Affairs announced an independent review of hate crime legislation.

Angus MacDonald: I am pleased to hear of the progress that is being made, but the fact remains that Islamophobia continues in my Falkirk East constituency and beyond. It has been suggested to me by groups that have been on the receiving end of Islamophobia in the Falkirk district that a relaunch of the one Scotland, many cultures campaign would help to show Scotland as the diverse, multifaith and multicultural society that it is, committed to promoting one Scotland where

many cultures can thrive side by side. Will the cabinet secretary give that some consideration?

Angela Constance: Yes—absolutely. As I alluded to in my original answer, we are developing an awareness-raising campaign around the impact of hate crime as part of our one Scotland campaign. That campaign continues to have an online presence, but we will look at how we can develop it further. Some of the important recommendations from the independent advisory group on hate crime, prejudice and community cohesion were around public education and how we promote a clearer understanding of hate crime and its impact, and how we really get across the strong message that it must not be tolerated and must be reported at every opportunity. I hope that that gives some reassurance to the member and to the Parliament.

Anas Sarwar (Glasgow) (Lab): Despite the Government's efforts, Islamophobic hate crime has actually doubled in the past year in Scotland. What specific measures will be taken to support Muslim communities to better report Islamophobic hate crime? How can we set examples through people being convicted for Islamophobic hate crime? Does the Government share any data about Islamophobic hate crime with any organisations that monitor the trends in Islamophobia?

Angela Constance: Mr Sarwar is absolutely right to point to an increase in Islamophobia in terms of crimes reported. The most recent hate crime statistics, which were published by the Crown Office and Procurator Fiscal Service, show an increase in the number of charges where conduct was derogatory to Islam from 71 to 134. We know that that is not attributable to a single event pattern; it is due to a general rise in reporting. Any crime is regrettable, and it is particularly important that such crime is reported so that a firm stance can be taken.

A review has been undertaken of the effectiveness of third-party reporting, which was one of the important recommendations in the independent advisory group report. There were also recommendations on data, which we are currently working through. It is important to have good and robust data that gives more granular detail on the causes and conditions in which such crime flourishes.

It might be of some reassurance to Mr Sarwar that we will produce a plan of action in the very near future. As part of our determination to tackle prejudice in all its forms, we have introduced three-year funding for the equality budget, which will support the important work that is undertaken by diverse groups, including groups that work in our communities to tackle hate crime and prejudice in all its forms.

Whitesands Regeneration

3. Oliver Mundell (Dumfriesshire) (Con): To ask the Scottish Government what discussions it has had with Dumfries and Galloway Council regarding engagement with local communities on proposed regeneration plans for the Whitesands in Dumfries. (S5O-00691)

The Minister for Local Government and Housing (Kevin Stewart): We have had no discussion with the council on that issue. Councils are independent organisations that are accountable to their electorate, and it is for them to determine how to conduct appropriate consultation and engagement for particular projects.

Oliver Mundell: With the projected costs for the combined flood defence and regeneration schemes spiralling upwards, local businesses in the town are growing increasingly angry at the arrogance of Dumfries and Galloway Council, which they believe has failed to properly engage with the wider community on the regeneration aspects of the scheme. They believe that the council has ignored legitimate concerns in order to railroad through its deeply unpopular proposals under the guise of flood defences. Given the widespread concern, will the minister commit to meeting with worried businesses in the town? Can he clarify that all Scottish Government funding for the project will go towards flood prevention and not ill-thought-out landscape gardening and streetscaping?

Kevin Stewart: I appreciate that there is opposition to the flood protection scheme that Dumfries and Galloway Council is proposing. Mr Mundell has talked about the matter previously and Joan McAlpine has written to me on the issue.

The key thing is the responsibility of Dumfries and Galloway Council in this regard. A statutory process must be undertaken before a proposed flood protection scheme can be confirmed. The process provides an opportunity for objections to the proposed scheme to be lodged, and the local authority is obliged to seek to address objections. I understand that the council started the statutory process on 1 February and that the consultation period closes on 1 March. I urge folks who are unhappy with the scheme to respond to the consultation.

If objections remain that cannot be resolved, the scheme must be referred to the Scottish ministers, who will decide whether to call in the proposals for their consideration. That is the only stage of the process at which the Scottish Government plays a direct role. I urge Mr Mundell to continue to engage with Dumfries and Galloway Council on the issue.

Scottish Growth Scheme

4. Dean Lockhart (Mid Scotland and Fife) (Con): To ask the Scottish Government what progress it is making with the Scottish growth scheme. (S5O-00692)

The Cabinet Secretary for Economy, Jobs and Fair Work (Keith Brown): The Scottish Government is continuing to progress its work with partners on the development and delivery of the new Scottish growth scheme, which will provide up to £500 million over three years of investment guarantees and some loans. This work is progressing to deliver the most effective scheme possible.

Dean Lockhart: The £500 million Scottish growth scheme is described in the Scottish National Party's programme for government as a scheme to

"provide up to £500 million ... of investment guarantees, and some loans",

as the cabinet secretary said. I understand that funding for the scheme will be demand led, but if there is any likelihood of loans being made in the next financial year, funding should be allocated in the budget. Given that, will the cabinet secretary say where in the budget we can find the additional funding for loans to be made under the growth scheme? Is the funding in the enterprise budget, or is no funding available for the scheme?

Keith Brown: I am sorry; I was not able to hear everything that the member said, because of the noise in the chamber. I think that he asked whether some of the funding that might be available through the growth scheme should instead be available in the budget. The budget, as my colleague Derek Mackay has set out, has in it—including the allocations to enterprise agencies—the ability to make grants and loans available to businesses if necessary. This is an additional £500 million. As the member said, the scheme is demand led, and we are currently trying to ensure that we have an exact fix on where demand is most likely to come from and how we can meet demand.

The scheme is a response to the situation that we find ourselves in, with Brexit coming through and a United Kingdom Government that is refusing to attach a high priority to some of the most important sectors in Scotland. The scheme is a positive response in that regard, and for that reason I would have thought that there would be some support or welcome from the Conservative benches for an important measure to help businesses in Scotland.

Jackie Baillie (Dumbarton) (Lab): With Scotland lagging behind the rest of the UK on a number of economic indicators, can the cabinet

secretary tell the Parliament how many jobs he expects the scheme to create and what level of growth it will add to our currently fragile economy?

Keith Brown: That will entirely depend on the nature of the applications that come forward and the loans and investment guarantees that we are able to make.

Jackie Baillie said that we lag behind the UK on some measures. We are also in advance of the UK on many measures, such as female employment and youth employment. She does not mention that at all in the chamber, but it is as well to acknowledge it.

The Scottish growth scheme is designed to ensure that we increase job opportunities and allow companies that are currently struggling for finance to grow, to provide more employment and add growth in the Scottish economy. That is the purpose of the scheme. It would be useful if the Labour Party said that it supported at least the principle of the scheme.

Specialist Care Services (Highlands and Islands)

5. Donald Cameron (Highlands and Islands) (Con): To ask the Scottish Government what action it is taking to ensure that there is access to local specialist care services across the Highlands and Islands. (S5O-00693)

The Cabinet Secretary for Health and Sport (Shona Robison): National health service boards are responsible for planning and delivering healthcare services to meet the assessed needs of their resident populations, taking into account strategic frameworks and guidance, within the allocations provided.

Donald Cameron: The cabinet secretary might be aware of the plight of Auchinlee care home in Campbeltown, which is under threat of closure. She might also know that, last week, the local integration joint board and the operator agreed to ensure that Auchinlee stays open for one more year. However, local people remain concerned that their loved ones might have to seek alternative support outwith Argyll and Bute if a long-term solution cannot be identified. What assurances can the cabinet secretary give people in the remoter parts of the Highlands and Islands that such care provision will continue to exist, given that suitable local alternatives are often not available?

Shona Robison: I am aware that many people, including members such as Mike Russell, have been involved in trying to ensure that the capacity of local care facilities is maintained, and a lot of work has been done with the local health and care partnership to ensure that that is the case. I am aware of the challenges that are faced in remote

and rural Scotland in ensuring that the right care is provided. Some of that care might well be provided in care home establishments—which must obviously be fit for purpose—but some of it will be provided in community-based facilities. In Highland, some highly innovative solutions have been brought in that have involved building capacity in local communities for those who require care support.

I will be happy to keep in contact with Donald Cameron on the issue. We would expect the local health and care partnerships to address such local matters, but my officials have been heavily involved in this particular matter, as I am sure Donald Cameron is aware, and I am very content for them to continue to be involved to make sure that we get the best solution for local people.

Child Sexual Abuse Survivors (Meetings)

6. **Johann Lamont (Glasgow) (Lab):** To ask the Scottish Government when it last met groups representing survivors of child sexual abuse and what issues were discussed. (S5O-00694)

The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney): I met a number of survivors and their representatives on 9 November 2016. Discussions included the remit of the Scottish child abuse inquiry, the membership of the inquiry panel, redress and the Limitation (Childhood Abuse) (Scotland) Bill. Scottish Government officials also attended the quarterly meeting of the interaction plan review group on 19 December 2016. That group reviews progress against the action plan, and the topics included the in-care survivor support fund, the forthcoming consultation and engagement on financial redress, survivor representation on the group and future governance arrangements for the group.

A meeting with me has been requested by Wellbeing Scotland—which was formerly known as Open Secret—and other survivors. Scottish Government officials have been in contact with Wellbeing Scotland with suggested dates, and I hope to meet the organisation at some point next month.

Johann Lamont: I thank the Deputy First Minister for that answer, and I welcome his commitment to meet Wellbeing Scotland.

The Deputy First Minister will be aware of the continuing concerns of survivors of child sexual abuse about the progress of the inquiry into the abuse of children and young people in care. There are concerns about the fact that none of the members of the original panel remains in position and about the fact that those with proven expertise in and understanding of the experience of survivors are being excluded from the provision of

support for survivors in the process. How will the Deputy First Minister address those concerns, sustain confidence in the inquiry and ensure that, although the inquiry is independent of Government, it acts in the context of an approach that is shaped by the survivors, who understand best the impact of abuse and what support they need?

John Swinney: I acknowledge Johann Lamont's long-standing interest in such issues and the seriousness with which she raises important questions.

I understand that survivors find it unsettling that there has been a further change this week in the membership of the child abuse inquiry panel. I have explained that that has arisen because one of the members of the panel—the last remaining member of the original panel—has had a change of employment circumstances. In discussion with Lady Smith, he has decided that some of the implications of his new employment might give rise to potential conflicts of interest and he has acted to resolve those at this stage.

I assure Johann Lamont, Parliament and survivors that I took the decision to appoint Lady Smith to lead the inquiry after consultation with survivors in an effort to build the confidence that I acknowledge to be so essential for the duration of the inquiry. I assure Parliament that the inquiry is gathering a significant amount of evidence. On 8 February, Lady Smith made it clear that 69 institutions were the subject of her inquiries as a consequence of evidence that had come to her from survivors.

I encourage survivors to come forward with evidence to the inquiry. There are other mechanisms of support for survivors, as I have already announced. I am pursuing discussions with survivors groups to ensure that redress—the other principal issue that is outstanding—is addressed satisfactorily. I assure Johann Lamont and Parliament that the Government is absolutely committed to ensuring that the inquiry has the resources and capacity to address the remit that has been designed for it and to bring justice and accountability in an area where they should be have been delivered a long time ago.

First Minister's Question Time

12:00

Engagements

1. Ruth Davidson (Edinburgh Central) (Con):

To ask the First Minister what engagements she has planned for the rest of the day. (S5F-00903)

The First Minister (Nicola Sturgeon):

Engagements to take forward the Government's programme for Scotland.

Ruth Davidson: Last week, the killer of Glasgow schoolgirl Paige Doherty had four years taken off his sentence. In a case that has prompted grave concern, his lawyers successfully argued that he should have his time in jail reduced, simply on the ground that he was not as bad a killer as others are. In response, the justice for Paige group said:

"There are no words to describe how we feel. It's heartbreaking and serves no justice to Paige and her family."

Does the First Minister agree that it is entirely unacceptable that, less than a year after watching their daughter's killer get locked up, the family should then go through the ordeal of seeing that murderer's sentence reduced, simply because he was not as bad a killer as others?

The First Minister: My heart breaks for the family of Paige Doherty. I met Paige's mother last year. There are literally no words to express the pain and grief that she and the rest of her family have gone through. Today, on behalf of everyone in the chamber, I want to put on record my deepest condolences to her for everything that she has suffered. I have no difficulty whatsoever in understanding the sentiments expressed by the justice for Paige campaign. If I had been a relative of Paige Doherty, I would have felt exactly the same, given the events that Ruth Davidson has outlined.

The only other thing I would say—being frank, this is the more difficult thing to say—is that the decision was made by an independent judge in a court of law. We have an independent judiciary in Scotland. As well as being the First Minister, I am a human being and there are many occasions when I look at decisions of courts and wish that different decisions had been reached. It may well be that this is such a case. However, I respect the independence of the judiciary. I do not think that any member—including Ruth Davidson—would expect me to interfere with such decisions. What I can say is that I understand and sympathise with the pain and grief that Paige's family is experiencing.

Ruth Davidson: I thank the First Minister for her response. She is absolutely right to point out that we should all uphold the independence of the judiciary. It is also right to say that Parliament makes the law and the Government sets the framework in which our judges operate. The Conservatives say that there must be change, because a system that cuts a child murderer's sentence because he is deemed to be not as bad as others is rightly seen by most members of the public as a disgrace.

The Scottish Sentencing Council is currently examining guidelines on sentencing. We believe that appeals against sentences should be a key element of its work. Does the First Minister agree?

The First Minister: The Sentencing Council should consider any matter that it thinks appropriate. I would be happy for it to consider the issue that Ruth Davidson has raised.

I readily accept that although we have an independent judiciary and courts must be allowed to take decisions, the framework and the context of those decisions is often set by Parliament. No matter what context or framework Parliament sets in relation to any such issues, there will still be instances in which particular decisions by courts are felt by many people to be wrong. That is in the very nature of an independent judiciary.

I am very clear that where there is evidence that the law has to be changed or action has to be taken, the Government and the Parliament should reflect on that very seriously. That includes the experience of the specific tragic case that we are talking about today. That is why we have the Sentencing Council. It is right and proper that it looks at such matters in depth. If it suggests proposals for change to the Government, I assure members that the Government will seriously consider them and will bring proposals for change and reform to the Parliament if it is right and appropriate to do so.

Ruth Davidson: Again, I thank the First Minister for her response, but the problem here is not just the Paige Doherty case; it is that too many families who have seen their loved ones killed simply do not feel that they are getting the justice that they deserve. They feel that the dice are loaded against them and in favour of the criminals.

We on the Tory benches have long campaigned for whole-life sentences to be introduced in Scotland so that judges could—if they wished—sentence the very worst criminals to spend the rest of their lives in jail. The Scottish Government has said in the past that it might consider such a move. What is its view now?

The First Minister: We will always consider proposals for change that we think are evidence based and—again, this is not always a popular

thing to say—which are consistent with the European convention on human rights, which is an important protection for our justice system generally. We will continue to consider openly and frankly any changes that are considered to be appropriate.

Although I generally agree with the thrust of Ruth Davidson's question, I do not think that it is fair, necessarily, to go from one case, our characterisation of which we are all agreed on, to saying that families are routinely let down by the justice system. We have a strong and well-performing justice system. Of course, one serious, violent crime is one too many—I want to stress that point before I make the next point; nevertheless, we have crime rates that have fallen over the past number of years, thanks in part to the good work of our police across the country.

None of that, however, takes away from the pain and anguish felt by a family that has experienced what Paige Doherty's family has experienced. It is important for the Government and the Parliament to consider periodically—calmly and rationally—whether the rules that we have in place are the right rules or whether they require to be changed. I give an assurance on the part of the Government that we will always seek to do that.

I will simply inject the caveat, which I do not think that anybody is disagreeing with, that no matter what sentencing rules or frameworks we have in place, because we have—rightly and properly—an independent judicial system in this country, there will always be decisions taken by judges that some of us think are the wrong decisions. That is in the nature of the independence of the judiciary.

All that being said, we will continue to be open minded about proposals for reform and change in this area, as in any other area of our justice system.

Ruth Davidson: I thank the First Minister for that reply, but it is one that we have heard several times before from this Government. As it stands, our judges do not have the tool of a whole-life tariff at their disposal. We say that they should. We can sit in this Parliament and wring our hands and express outrage every time that something like this happens, or we can do something about it. I want to do something about it.

If the Scottish Government will not act, I can say today that the Scottish Conservatives will do so by pushing ahead with a member's bill making the case for the introduction of whole-life sentencing in Scotland, because we need to stand up for families who see sentences for murder cut less than a year after they have been handed down. We should change the law so that families such as Paige Doherty's feel that the law is tipping back in

their favour and that the worst criminals are kept off our streets forever. We have waited too long. Is it not time that we all acted?

The First Minister: It is important that we continue to look at these issues rationally, and Ruth Davidson is right to raise them. Over the course of our time in government, we have introduced a whole range of reforms to our justice system. I said earlier that the fall in crime is in large part due to the good work of our police officers. We are also seeing increases in the rates of conviction for some offences and, indeed, increases in the length of prison sentences for many offences. Much of that is down to the reforms that have been introduced to our justice system over the past decade.

We will continue to look with an open mind at proposals for further reform. I do not want to comment too much more on the individual case of Paige Doherty. I think that we are all agreed on the tragic nature of that case. I will simply say this: if the system that Ruth Davidson is advocating for today had been in place, there is no guarantee that that is the sentence that a particular judge would have opted for. That is an important point in this or in any other case.

I am not saying that what Ruth Davidson is proposing is absolutely the wrong thing to be considering. The point that I seek to make is this: we will always have cases, no matter what sentencing options judges have, in which a judge makes a decision that some people do not think is correct. Therefore, whoever happens to be occupying the Opposition benches at the time of the decision will perhaps raise the issue with whoever happens to be the First Minister or the Government at the time.

I think that these are serious issues—I would not underestimate or underplay their importance at all—but let us consider them in the proper, rational way, as all Parliaments should and as this Parliament has done on many occasions in relation to past reforms to our justice system.

I give a commitment to Ruth Davidson and to the Parliament today that the Government will continue to reflect—and to reflect further in light of this exchange at First Minister's questions—on what further changes we might think appropriate. Parliament should then act in the way that it thinks best in light of all the circumstances.

Engagements

2. **Kezia Dugdale (Lothian) (Lab):** To ask the First Minister what engagements she has planned for the rest of the week. (S5F-00913)

The First Minister (Nicola Sturgeon): Engagements to take forward the Government's programme for Scotland.

Kezia Dugdale: Earlier this week, Greater Glasgow and Clyde health board voted to close the children's ward at the Royal Alexandra hospital in Paisley. The decision was opposed by Labour MSPs, Labour councillors and thousands of families and patients. It was the wrong decision.

Last year, during the live election TV debates, the First Minister was asked if the ward would close. She promised a voter:

"There's no proposals to close that particular ward".

However, there were proposals to close that ward, so why did she offer that false hope to thousands of families, on live TV?

The First Minister: This is an important and serious issue, but Kezia Dugdale should have been able to spot the contradiction in her own question. The proposal was voted on by Greater Glasgow and Clyde health board this week. By definition, therefore, the proposal did not exist in a form that the Scottish Government could consider last year before the Scottish election. That proposal does now—[*Interruption.*]

The Presiding Officer (Ken Macintosh): Order.

The First Minister: Labour has raised this as an important issue, so Labour members may want to listen to the answer that I am about to give.

This is an important issue. The health board has voted to put the proposal. I am not prejudging the Scottish Government's view on the matter, because we now have to go through a formal process of our own, but let us remember that the proposal comes in the context of there being a new children's hospital in the south of Glasgow, just a few miles away from the Royal Alexandra hospital.

The health board has now voted on the proposal. The proposal—this is something that Labour called for, so I would think that its members might welcome it—has been designated as a major service change. That means that it now comes to the Scottish Government—to the Cabinet Secretary for Health and Sport—for proper consideration and for decision. That is why it would be wrong for me to go any further in prejudging the process today.

I will say this: the proposal will be given full and proper consideration. I ask Kezia Dugdale to reflect on this point. When I was health secretary, I never—unlike my Labour predecessors in the role—shied away from overturning health board decisions when I considered that they were not in the interests of patients. The Monklands accident and emergency unit is one example, and the Ayr accident and emergency unit is another, along with some of the proposed closures at the Vale of Leven hospital. We will continue to put the

interests of patients first because that is what the people of Scotland—and, indeed, Renfrewshire—would expect us to do.

Kezia Dugdale: Where the First Minister was right in that answer is that the ultimate decision to close the ward at the RAH now rests with her Government. Here is her chance to do the right thing—but I am not holding my breath, given that the two local Scottish National Party politicians could not even be bothered to respond to the public consultation. The supposed poster girl of the anti-austerity movement, Mhairi Black, could not be bothered, and neither could George Adam. The SNP MSP for Paisley found the time to oppose the closure of a local McDonald's, but not of a children's ward in his own constituency.

Perhaps the First Minister will listen to Gordon Clark. He is the man who asked her the question about the RAH on live TV, and he is in the public gallery today. The First Minister promised Gordon that there were no plans to close that children's ward, so what does she have to say to him now? Will she step in, keep her word and save the ward in that hospital?

The First Minister: First, I repeat what I said previously. There were no proposals; there are proposals now. Because of the decision taken by the Cabinet Secretary for Health and Sport, those proposals have been designated as a major service change, so they will come to her for decision. I would have thought that the Labour Party would welcome that, given that it is something that it called for.

The local MP and MSP have recognised that this is a decision for the health secretary, so they have got on with the job of contacting her. They have invited her to go to Renfrewshire to meet patients before she takes the decision, and the health secretary will agree to do that. That is the right and proper way to proceed. The health secretary will not just listen to the views of the health board; she will listen to those of patients, and we will—[*Interruption.*]

The Presiding Officer: Order.

The First Minister: We will come to a decision that is in the interests of patients. That is in stark contrast to the way in which previous Labour Governments used to operate when it came to health service changes, because they used to ignore the voices of patients and simply rubber-stamp the health board proposals to close A and E units and other services across the country. This Government will act—as it has always done—in the best interests of patients, whether they are in Renfrewshire or anywhere else in Scotland.

Kezia Dugdale: Let me be blunt: parents of sick children do not want to hear a 10-year-old story

about keeping A and E units open; they want to know about the future of that children's ward.

The cuts in Paisley are not the only planned cuts to NHS services in Scotland. The maternity units at the Vale of Leven and Inverclyde Royal are now also under threat. This week, we learned that the SNP plans to remove all intensive care cots from nine neonatal units across Scotland. Because of the SNP's failure properly to staff our NHS, children's health services are in crisis. Parents want to know when the SNP Government will fix the mess that it has made of the NHS. When will the First Minister get on the job with that?

The First Minister: There are certainly some people who do not want to hear about a decision, taken almost 10 years ago, to save A and E services at Ayr and Monklands. Those people sit on the Labour benches, and they are the ones who wanted to close those services. The people who want to hear about that decision are the hundreds of thousands of patients who have been treated in those A and E units in the 10 years since.

I turn to some of the other issues that Kezia Dugdale raised. On the midwife-led maternity units at Inverclyde and the Vale of Leven, I assume that she knows that the health board is reconsidering its proposals around that issue, in light of the recommendations of the maternity and neonatal review. That is right and proper.

What Kezia Dugdale has just said about neonatal services is absolutely and utterly disgraceful. We have an expert-led report that sets out what we need to do to enhance a small number of neonatal units to make them specialist enough to care for the sickest babies in our country. Kezia Dugdale somehow suggests that the First Minister and the Cabinet Secretary for Health and Sport should ignore the experts' opinions when it comes to the care of those babies. That is utterly disgraceful, and Kezia Dugdale and the Labour Party should be deeply ashamed of themselves. *[Interruption.]*

On the children's ward at the RAH, to get back to that important—

The Presiding Officer: First Minister, just one second, please. Will members please refrain from interrupting? I hear that members feel strongly, but if they wish to speak, they should stand up and make a point and should not speak from a sedentary position.

The First Minister: Presiding Officer, it is very clear in this chamber that the Labour Party is not particularly interested in patients; it is all about political point scoring.

Let me get back to issue of the RAH. I will say this to the parent who is in the gallery, and to every other parent in Renfrewshire who is understandably concerned about the issue. The Government will listen carefully, not just to the views of a health board, but to those of parents and other patients. We will come to a decision, rightly and properly, based on what we think is in the best interests of patients. That is the right way for a responsible Government to proceed, and that is perhaps one of the reasons for our being in government and why the Labour Party is not even the Opposition any longer but in dismal third place.

The Presiding Officer: There are two constituency supplementaries.

Jamie Greene (West Scotland) (Con): Mr Brian Jay from Saltcoats in North Ayrshire set up and runs his own wedding car company, which he invested £60,000 in—something that we should all applaud. The company was going well until the Scottish Government introduced the Air Weapons and Licensing (Scotland) Act 2015, which is now forcing additional licensing charges on private operators across Scotland. Mr Jay has now ceased to take bookings and he is worried that he might have to close shop indefinitely. I have written to the Cabinet Secretary for Justice and the Cabinet Secretary for Economy, Jobs and Fair Work asking for clarification on the matter.

I ask the First Minister—*[Interruption.]* SNP members can heckle, but Mr Jay is sitting at home watching this and he is interested to hear what the First Minister has to say.

What guidance can the First Minister offer Mr Jay and many others like him across Scotland, what action is the Government taking to mitigate the negative effect that the 2015 act is having on their industry, and when will the Government undertake the assessments that they were promised?

The First Minister: Of course, the Air Weapons and Licensing (Scotland) Act 2015 was introduced with the interests of public safety firmly at its heart. I may be corrected if I am wrong, but I think that the Conservatives voted for the bill in the Parliament, and they were right to do so because of the motivation behind that piece of legislation. With any piece of legislation, though, it is vital that we strike the right balance between the legislation doing what it is intended to do and putting unnecessary burdens on businesses or anybody else.

The member says—and he was right to do this—that he has written to the relevant cabinet secretaries, and I will make sure that they reply to his correspondence. Indeed, the justice secretary will be happy—I am telling him now that he will be happy—to meet the business concerned to

discuss the particular circumstances and whether anything further can be done to mitigate the impact on the business.

However, I hope that every member in the chamber will support the motivations behind and the provisions of the 2015 act, because it is about protecting public safety.

The Presiding Officer: I say to members that I do not expect reverential silence but, just as there should be no chuntering while the First Minister is trying to answer questions, there should similarly be no interventions when someone is trying to ask a question.

Kenneth Gibson (Cunninghame North) (SNP): The Clydesdale Bank and the TSB have each announced the closure of two branches in my constituency. Beith will lose two of its three banks as a result, Dalry will lose the last bank in the town—its TSB—and Saltcoats will lose its Clydesdale branch. Although banking is reserved to Westminster, what representations is the Scottish Government making to those banks to encourage them to maintain a high street presence in our towns and mitigate any closures?

The First Minister: Although the decision to close those branches is obviously a commercial decision, it is very disappointing for the customers, local communities and all the staff who are affected by such decisions. Although we recognise that branch activity and footfall may be declining due to the increasing number of bank transactions that are conducted online, the Scottish Government, in the contact that we have with banks, would urge them to consider branch closures always as a last resort and to consult staff and communities before making any final decision.

Often, bank branches—the same can be said of post offices—are very important not just in terms of the business that they do, but for the footfall that they bring to other businesses. Many customers continue to have a strong preference or a need for face-to-face provision of banking services, and I would expect banks to explore all practical options to boost branch footfall and to retain banking services in local communities wherever it is viable for them to do so.

Cabinet (Meetings)

3. **Willie Rennie (North East Fife) (LD):** To ask the First Minister what issues will be discussed at the next meeting of the Cabinet. (S5F-00900)

The First Minister (Nicola Sturgeon): Matters of importance to the people of Scotland.

Willie Rennie: For years, the Scottish National Party Government has instructed the chief

constables of Scotland to employ 1,000 extra officers. Is that policy still in force?

The First Minister: We have 1,000 extra officers at the moment and, under our budget for the coming year, I would expect that to continue. Willie Rennie will be aware from discussions in the chamber before and from the SNP's manifesto at the most recent election that it is important that we not only maintain an appropriate level of front-line police officers but recognise the changing pattern of crime—the increase in cybercrime, for example—and ensure that the police have the right mix of specialist staff and the right crime-fighting force on the front line in our communities. Police officers will always be the most important part of that.

We have 1,000 more police officers than we inherited. I always expected us to have way more police officers than we inherited. We will continue to work with Police Scotland to ensure that the balance and mix are right.

As the member will be aware, Police Scotland and the Scottish Police Authority will shortly publish their consultation on their strategy for the next period. I hope that every member of Parliament will positively engage with that consultation.

Willie Rennie: For years, the First Minister has spoken about little other than the 1,000 extra officers; indeed, she has done it again just now. *[Interruption.]*

The Presiding Officer: Order. Let Mr Rennie ask his question, please.

Willie Rennie: I would have thought that a change of policy, such as the change that seems to be happening now, would merit some kind of formal announcement from the Government.

Civilians are important, not least for dealing with cybercrime and staffing call centres such as Bilston Glen, but 2,000 valuable civilian posts have been lost in recent years. That is a sensitive and important issue, as we will soon find out the contributory factors in the events that followed the M9 crash. The policy really matters, and communities deserve to have a clear explanation of Government policy.

Next week, the chief constable will publish the policing plan for the next 10 years. What limits on officers has he been given by the First Minister?

The First Minister: First, I thank Willie Rennie for confirming that I talk about little other than justice, health and education, because it gives the lie to the accusation that I am always talking about other matters.

If and when there are major policy changes on this or any other matter, of course the Government

will make that clear to Parliament. Earlier, I set out for Willie Rennie what our manifesto for last year's election said. It was open about what we consider to be the challenges of policing, given the changing patterns of crime, and about how we have to work with the police service to make sure that it is equipped to deal with that. Maintaining an appropriate number of police officers, as we have done in each and every one of the 10 years that we have been in office, continues to be extremely important.

Next week, the chief constable and the Scottish Police Authority will set out their draft strategy for consultation. It is important that they consult widely on that and on the challenges and opportunities that they will have in the period ahead. I will not pre-empt what they are to say next week. They will continue to work with and be guided by the Government on the decisions that they take as a result of that consultation.

Perhaps unlike police forces in other parts of the United Kingdom, our front-line police services will have increased funding for the coming year. We have pledged to protect the increase in revenue funding for Police Scotland in real terms during the parliamentary session. There was also additional reform funding and, at stage 1 of the Budget (Scotland) Bill, Derek Mackay announced even more funding. We are putting the resources into our police service and we require to work with the chief constable, his colleagues and the Scottish Police Authority to make sure that those resources support a police force that is equipped to deal with crime now and in the years to come.

The Presiding Officer: I have one other supplementary question, which is from Rhoda Grant.

Rhoda Grant (Highlands and Islands) (Lab): On 7 December, Parliament voted that seafarers who are employed by Marine Scotland should receive a fair pay settlement rather than the pay cut that they face. Despite that vote, Marine Scotland has refused to increase its pay offer and put employees on an equal footing with other seafarers who are employed by the Scottish Government. Will the First Minister make sure that Marine Scotland respects Parliament's decision?

The First Minister: The member knows about and shares the Government's commitment to fair pay. After today's First Minister's questions, I will look into the matter and respond to her in writing. It is important that the public sector leads by example on issues of fair pay. When negotiations are under way, there will always be times when it would not be appropriate for the Government to get involved, but I undertake to look into the matter and return to the member as soon as possible.

Cancer Survival Rates

4. John Mason (Glasgow Shettleston) (SNP): To ask the First Minister what the Scottish Government's response is to the report by Macmillan Cancer Support, which highlights the disparity in cancer survival rates between people from more and less deprived areas. (S5F-00920)

The First Minister (Nicola Sturgeon): In the past 10 years, the cancer mortality rate has reduced overall by 11 per cent. Our £100 million cancer strategy sets out a range of ambitions and actions that are aimed at improving survival for people who are affected by cancer, including targeted efforts to increase screening uptake in deprived areas to help to reduce cancer-related health inequalities.

In particular, our detect cancer early programme focuses on reducing inequalities in breast, bowel and lung cancer, and we expect to see continued improvements in survival. The most recent staging data shows that the largest increase, of 16.3 per cent, in early diagnosis—stage 1 diagnosis—in the three tumour groups that I mentioned has been in the most deprived areas of the country. We still have more work to do, but that data suggests that we are starting to see signs of a narrowing of that inequality gap.

John Mason: I welcome the First Minister's mention of detection, diagnosis and screening, because that is clearly a huge part of tackling the problem. Men in particular—I have to confess that I am one of them—have traditionally been reluctant to engage in screening and early diagnosis activity with health services. Does the First Minister feel that this is just a question of money, or do we somehow need to change underlying attitudes?

The First Minister: First, we have to resource screening programmes and prevention strategies. The detect cancer early programme, which was introduced when I was health secretary, is backed by £41 million of resource.

However, John Mason is right to say that this is not just about resources. It is also about changing attitudes—and, in some respects, changing cultures—and encouraging people not to be frightened to come forward for early examination if they are worried about any symptoms. All the evidence shows that, the earlier cancer is diagnosed, the better the chance of survival is. That is why we have put such an emphasis on early detection, on our screening programmes and on encouraging people to come forward. That is the whole ethos behind and motivation for the detect cancer early initiative.

This is particularly important for men who suspect that they have early symptoms of cancer. We know that men—I am generalising—are often

less likely to come forward and see a doctor, so it is really important that we stress the message that people who have any concerns should take advice, as it will help to ensure that we detect cancer early. If we do that, we will save more lives. We all have a part to play in getting those messages across.

Anas Sarwar (Glasgow) (Lab): The research found that, compared with those from the least deprived areas, people from the most deprived areas are up to 98 per cent more likely to die from cancer. Other reports have found that, over the past 10 years of this Government, inequalities in health, attainment and wealth have widened. Does the First Minister agree that the greatest fight against cancer in deprived areas has been led by Glasgow City Council and Macmillan through the improving the cancer journey programme? Does she agree to work closely with that council and Macmillan on replicating the programme and rolling it out across Scotland?

The First Minister: We already work closely with organisations such as Macmillan and partner with it on a range of different areas. Similarly, we work with Glasgow City Council and other councils to mutually support our work in those areas, and it is absolutely right that we continue to do so.

I do not think that any of us should underestimate the challenges that are associated with this, and neither should any of us—of whatever party—somehow pretend that the issues have just arisen under one particular party. Issues of inequality, including health inequalities, are long standing and deep rooted in Scotland; for example, we saw this week some statistics on heart disease and stroke. However, it is important to note that, even in our most deprived areas, mortality rates for heart disease have decreased by 31 per cent and for stroke by 24 per cent over the past period.

We are making progress on some areas, but we need to do more. To go back to cancer, we know that prevention first and foremost is important, which is why the Government has put such an emphasis on it. In some respects, we have picked up on the work of the previous Labour Government on reducing smoking rates and dealing with the problems of alcohol misuse, because we know that those things drive some kinds of cancer. However, we are also focusing on early detection, which is why our screening programmes and the detect cancer early programme are so important. The detect cancer early programme encourages people to come forward, and the tumour types that it focuses on are responsible for about half all cancers in Scotland.

I hope that people across the chamber agree that a great deal of work is being done. Much of it

is about ensuring proper resourcing, but much of it is also about changing long-held attitudes and patterns of behaviour. We should all come together on and play our part in achieving that aim.

Supreme Court Case (Legal Fees)

5. Maurice Golden (West Scotland) (Con): To ask the First Minister, in light of the verdict, whether the Scottish Government considers that it was worth while for it to spend £136,000 on legal fees in the recent Brexit case at the Supreme Court. (S5F-00924)

The First Minister (Nicola Sturgeon): I think that it was not only worth while for the Scottish Government to be represented in that case, but absolutely essential.

Just as an aside, Mr Golden might want to say to his Tory colleagues in Westminster that it is about time they told us how much they spent defending a case that they always knew they were going to lose.

The Supreme Court case was necessary in order to force the United Kingdom Government to enact the legislation that is currently going through the Westminster Parliament before the triggering of article 50. The case also raised fundamental issues about the rights of people in Scotland and the role of this Parliament—so, yes, I think that it was absolutely right that this Government, like the Government in Wales, defended our interests in what was the most important constitutional law case for many, many years.

Maurice Golden: This is like a game of “Jeopardy!” The answer is, “Brexit, Westminster and the Tories”. What is the question? It is any question that you ask this First Minister.

My question was about use of taxpayers’ cash, because this Scottish National Party Government will say and do literally anything that it thinks will further its goal of tearing our union apart, and it does not care how much Scottish taxpayers’ money it squanders in the process. The £136,000 that I mentioned is one example of the tens of millions of pounds that the SNP Government spends on policy decisions that it believes will promote separation—for example, the unpopular plans to dismantle the British Transport Police. No one should be under any illusions about the fact that the SNP Government puts its own interests first, not those of Scotland.

With this SNP Government taking ever more money out of the pockets of hard-working Scots—

The Presiding Officer: Please get to the question.

Maurice Golden: Will the First Minister cut out the needless spend on furthering the SNP’s

unwanted campaign for independence, and instead focus on growing our economy?

The First Minister: We always know when Ruth Davidson is completely embarrassed by one of her back benchers—it happens quite regularly—because she starts having a completely separate conversation on the front bench, as if she were somewhere else and what is happening behind her is nothing to do with her. I sympathise with her, because I would have been embarrassed by that question as well, if it had been asked by one of my back benchers.

Ruth Davidson (Edinburgh Central) (Con): Are you going to answer him?

The First Minister: Don't you worry—I am going to answer his question.

First, in the spirit of finding some consensus—because, as members know, that is always what I like to do—I agree with Maurice Golden that Brexit is like a game of “Jeopardy!” Unfortunately, the Tories are playing it at the expense of the rest of us, which is completely unacceptable.

Secondly—this point seems to have completely escaped Maurice Golden—there would have been no case at the Supreme Court for the Scottish Government to have to intervene in if the Tories had not insisted on appealing the case every step of the way to the Supreme Court, even though everyone knew that they were going to lose.

As I said earlier, it might be more appropriate for Maurice Golden to ask his Tory colleagues at Westminster how much they spent on the case, because so far they are refusing to say what the legal costs of the case have been for the Westminster Government.

My final point is this: another reason—not the main one, but another one—why I think that it was worth our while to take part in the case was that it exposed the fact that the Tories were misleading people when they told us that they were going to embed the Sewel convention in statute, and that it was going to make so much difference. That promise was exposed, in this case, as being utterly meaningless. Perhaps just another little benefit of the case is that we exposed the fact that the promises that the Tories make to Scotland can never, ever be trusted. [*Applause.*]

The Presiding Officer: Order. That is quite enough applause.

Wealth Gap

6. Mark Griffin (Central Scotland) (Lab): We got to my question eventually.

To ask the First Minister for what reason the wealth gap between rich and poor in Scotland is widening. (S5F-00910)

The First Minister (Nicola Sturgeon): The Scottish Government is committed to creating a fairer and more equal Scotland, and we are already taking a range of actions to tackle inequalities. Those actions include, of course, the introduction of the Child Poverty (Scotland) Bill and encouraging employers to pay the real living wage.

Although all categories of household wealth have increased, the main reason why the wealth gap between rich and poor in Scotland has widened slightly is the increase in private pension wealth, which is not distributed equally. As that increased by 39 per cent between 2012 and 2014, the wealth gap has also increased. However, we remain committed to doing everything that we can within our powers and with our resources to tackle poverty and close the inequality gap.

Mark Griffin: Wealth has become more concentrated under the Government, and the wealthiest 1 per cent alone own more than the wealth of the bottom 50 per cent. However, this week, the Government has chosen not to use the power to tax the wealthiest 1 per cent with a 50p top rate of tax. The Government's newest adviser backs a 20 per cent top-up in universal credit. When will the Government choose to use the new powers over tax and social security to reverse those appalling trends?

The First Minister: On social security, just yesterday the Minister for Social Security made a statement in the chamber to update Parliament on the work that we are doing to create a new social security agency, and on our response to the consultation on social security. We have already set out a range of ways in which we will use the new powers to try to tackle poverty and disadvantage among those who depend on the social security system.

One thing that we will do, of course, is abolish the bedroom tax. We already mitigate it, but we want to abolish it at source. However, right now, the United Kingdom Government might effectively enforce its benefit cap so that what we give with one hand, it would take away with the other. I hope that everybody in the chamber, including the Tories, will get behind us when we say to the UK Government that that is completely unacceptable.

On tax, this afternoon we will debate the budget at its final stage. The budget strikes the right balance between raising extra revenue through tax, not giving higher-rate taxpayers a tax cut, and investing £900 million more in our front-line public services. Those who might vote against that budget would, if they were to do so, be voting against that £900 million of additional spending on our public services.

Finally, Mark Griffin talks about raising taxes on the wealthiest people. I encourage everybody who is interested in that to read Labour's amendment to the budget motion, because that is not what it talks about; it talks about raising tax by 1 per cent for everybody who earns over £11,500 a year. That is Labour's tax policy—it is not about tackling austerity, but about transferring austerity to the shoulders of the lowest-paid people. The difference between Mark Griffin and me is that I do not think that somebody who earns £11,500 qualifies as "wealthy".

Broadcasting

7. Emma Harper (South Scotland) (SNP): To ask the First Minister what discussions the Scottish Government has held regarding the future of broadcasting in Scotland. (S5F-00940)

The First Minister (Nicola Sturgeon): The Scottish Government has had several discussions on the future of broadcasting in Scotland through active involvement in the recent renewal of the BBC charter. The Cabinet Secretary for Culture, Tourism and External Affairs met the BBC's director general just this morning to discuss yesterday's announcements on the BBC's plans for Scotland, including the welcome announcement of a new channel for Scotland from the autumn of next year. Prior to that, the Cabinet Secretary for Culture, Tourism and External Affairs met the BBC's director general on 29 February, 18 August and 17 October 2016 to reiterate the Scottish Government's position on how the BBC can deliver better outcomes for audiences and Scotland's creative sector.

Emma Harper: I welcome yesterday's announcement as a step in the right direction. I heard a bit more detail on the plans from the BBC at this morning's Culture, Tourism, Europe and External Relations Committee. Does the First Minister agree that, while it is a good start, the new channel must be properly resourced and that the BBC should work towards a far fairer share of the licence fee raised in Scotland being invested here, given that the plans would leave us lagging behind Wales and Northern Ireland in that respect?

The First Minister: Emma Harper is absolutely right, and I hope that we can all unite behind that. I unequivocally welcome yesterday's announcement of a BBC Scotland channel. The Scottish National Party first called for a separate channel in April 2006, when we made a contribution to the previous charter renewal process.

I think that everyone agrees that it is vital that the channel is properly resourced, so I welcome yesterday's commitments to resourcing. I particularly welcome the commitments that were

made to the creation of an additional 80 journalist jobs in Scotland at this difficult time for journalists and the media generally. We should all welcome that announcement, but we must be firm in saying to the BBC that the channel must be properly resourced on an on-going basis.

Interestingly, when the Scottish Broadcasting Commission reported in 2009, it estimated that a similar channel would cost about £75 million a year. That is more than double the £30 million budget that was announced yesterday.

Yesterday's announcement will see an increase in the percentage of the licence fee raised in Scotland that will be spent in Scotland. Again, I absolutely welcome that but, as Emma Harper says, that leaves the percentage lower than the corresponding percentages in Wales and Northern Ireland.

I absolutely think that yesterday's announcements by the BBC were welcome progress, and I thank Lord Hall for making them. All of us have an interest in making sure that the announcements turn into a successful reality. For the channel to be successful, with high-quality content—we have the talent here to produce that—necessitates good solid funding for the long term, so let us all unite in making sure that the BBC delivers on that commitment.

Jackson Carlaw (Eastwood) (Con): I join the First Minister in welcoming the announcement. We heard from Lord Hall this morning that 60 per cent of the new channel's programming will be new commissioning. Together with the BBC Studios initiative, the question for the Scottish Government is whether we are structured in Scotland to ensure that we can take advantage of that opportunity. There is widespread belief that Northern Ireland Screen, and how the devolved Administration works in partnership with the development agency there, allows the independent sector to take advantage of the opportunity created, whereas the relationship between the Scottish Government, Scottish Enterprise and Creative Scotland does not facilitate that. At the same time, there are concerns about studio capacity in Scotland, with major studios being built and commissioned elsewhere in the United Kingdom. Will the First Minister ensure that ministers, too, take advantage of the opportunity that has been created to ensure that our creative sector in Scotland can take advantage of the opportunity that has been presented?

The First Minister: I agree with much of the thrust of that question. I am—genuinely—glad to hear the Tories welcome what was announced yesterday because, when I called for a separate Scottish channel back in 2015 at the Edinburgh television festival, Liz Smith said that I was showing how out of touch I was and that she did

not want to see millions of pounds of licence fee funds diverted to pay for it. I am really glad to hear the Scottish Tories' conversion.

On the wider issue that Jackson Carlaw has rightly raised, he will be aware of the changes that we are making and the funding that is being made available in Scotland to support the screen and film sector. It is vital that we make sure that the sector is equipped and that the relationships with Creative Scotland, the wider public sector and Scottish Enterprise are the right ones to encourage continued growth.

We are seeing lots of success in the film sector, for example, right now. I understand—I have many constituency interests that talk to me regularly about this—the view within the film sector that we need additional studio space. I do not want to say too much more about that, because some of the proposals are subject to planning decisions. However, I certainly agree that I would want to see the provision of studio space in the future. We have state aid issues that impact on our ability to directly fund that.

We have here a success story of the Scottish economy. We have the opportunity to turn it into an even bigger success story, so we should be enthusiastic and welcome the announcement with both hands.

Oil and Gas Sector Co-investment

The Deputy Presiding Officer (Linda Fabiani): The next item of business is a members' business debate on motion S5M-02310, in the name of Lewis Macdonald, on co-investment in the United Kingdom oil and gas sector. The debate will be concluded without any question being put.

Motion debated,

That the Parliament understands that the number of jobs lost as a result of the downturn in the UK oil and gas sector could be over 120,000 by the end of 2016; considers that the sector is of vital economic interest and cannot be left exclusively to market forces; further considers that the sector needs to have confidence that it can invest for the future; supports the use of Scottish and UK Government borrowing powers to leverage money into the sector, including active consideration of strategic public stakes in infrastructure investment, and notes calls on the Scottish Government to facilitate and take part in discussions with the UK Government, industry and trade unions to create a plan for co-investment that will support jobs, including in the north east, increase confidence and create returns to the public sector.

12:51

Lewis Macdonald (North East Scotland) (Lab): The last two years have been tough for North Sea workers. Thousands of people have lost their jobs—perhaps as many as 120,000 across the UK. Many more have lived with the fear of unemployment, or the prospect of a longer working week or less take-home pay. Jobs have been lost in the supply chain and in manufacturing right across Scotland, and in the service economy in and around Aberdeen.

Some people say that the worst is behind us and that confidence is recovering, but as major contracts come to an end this year, more jobs will be put at risk. The figures that have been produced by Oil & Gas UK are stark: capital investment is down nearly 40 per cent in two years, exploration and appraisal drilling is at an all-time low, and new oil and gas that was found in 2015 is equivalent to only a quarter of annual production. Less investment this year means less production next year. Oil & Gas UK therefore concluded that new investment is vital in order to sustain long-term activity. It is right about that. The question is this: what can be done to achieve that new investment, and what else needs to happen?

Trade unions are a vital source of support for working people in tough times. I am delighted that offshore members of Unite are here today, with Scottish secretary Pat Rafferty, and regional organiser Tommy Campbell. I know from experience that many more will be tuned in to the debate on BBC Scotland's "Holyrood Live".

Oil and gas industry unions have had their work cut out in the past two years. Their activism and vigilance will be just as important in the period ahead. The industry itself has accepted the need for change. High costs in the North Sea before 2015 were not down simply to the maturity of an oil province, far less to the cost of labour; they were down to a culture of competition for its own sake. Too many companies spent too much time and money doing the same things as each other in lots of different ways, while strategic thinking about the big picture was put off until another day.

That day arrived with the price crash two years ago, and there has been some new thinking going on since then. The industry has bought in to maximising economic recovery, and to cutting the costs of inefficiency and duplication to make that happen. That must not put the whole burden on the shoulders of the workforce, nor should cost-cutting ever be at the expense of training, maintenance or safety. A petrochemical production plant in a hostile offshore environment is no place for compromise in any of those areas.

I want to take the opportunity to pay tribute to the late David Doig, who was chief executive of the Offshore Petroleum Industry Training Organisation, whose achievements will be commemorated tomorrow in Aberdeen. *The Press and Journal* reported his untimely death last month, saying:

“His vision helped make the North Sea workforce one of the most skilled and professional in the world. David Doig worked tirelessly for the oil and gas industry to build a modern apprenticeship scheme that will stand the test of time.”

OPITO raised concerns this week that the way that the Scottish Government plans to use the funds raised in Scotland from the new apprenticeship levy will take money out of training in oil and gas. The best tribute ministers could pay to David Doig’s legacy would be to ensure that that does not happen.

Government, of course, has a number of responsibilities in the field, alongside industry and trade unions, and that is at the heart of today’s debate. Over the past two years, I have called many times for action from the Scottish and United Kingdom Governments. The Scottish Government and its agencies have offered help to some of those who have lost their jobs, which is welcome, and the UK Government has acknowledged that tougher times require a different tax regime, which is welcome, too. They have also acted on the recommendations of the Wood review to establish a new and powerful regulator in the Oil and Gas Authority, but there is more that the two Governments can do.

The OGA has got off to a strong start. It is actively encouraging a more collaborative culture

and is promoting transfer of assets to companies that are willing to invest. It has spent £40 million of public money in shooting new seismic surveys and it has made the data available to any company that is willing to use it. The two Governments should now work together to build on that model and use their access to capital to invest in critical infrastructure, just as the OGA has invested in vital new data.

Critical infrastructure offshore means networks of platforms and subsea facilities that are connected by pipelines and flowlines. The biggest risk to future economic activity is a key piece of infrastructure being shut down because it no longer makes money, and its closure having a knock-on effect. Premature decommissioning of infrastructure can block oil and gas production upstream, so that one early closure leads to another. Rational planning to avoid that is part of the remit of the OGA, which has promised to produce an overall decommissioning strategy, a decommissioning plan and ten-year road maps, including more detailed area plans. Those can all help to sustain critical infrastructure by planning ahead, so I hope that we will see it all soon.

Tavish Scott (Shetland Islands) (LD): I am very grateful to Lewis Macdonald for that point and for the tenor of his remarks this afternoon. In the context of forward planning, does he welcome the EnQuest takeover—for want of a better expression—of the Sullom Voe facilities, because it is a company that will, we hope, extract more with BP now seeking to develop west of Shetland, rather than in the east Shetland basin?

Lewis Macdonald: Tavish Scott is quite right. It is about the onshore infrastructure in Shetland and the offshore infrastructure in the North Sea itself. When that gets into the hands of companies that are prepared to invest, the problem is addressed. However, that is not yet happening across the board, which is what I am keen to pursue today.

Co-investment by public and private sector partners can make a difference in those circumstances. PWC recently published “A Sea Change—the future of North Sea Oil and Gas”, which is a report on the future sustainability of the North Sea that drew on interviews with 30 senior industry executives. Those industry leaders called for Government to address the ownership of critical infrastructure, which could be run and maintained on a nationalised basis. They said that the end goal should be a national grid of North Sea pipelines and hubs and they proposed that a national shared pool of critical equipment could be managed by a further Government-backed entity, “UK Offshore Equipment plc”.

The state must act where markets fail to deliver, but that does not mean giving public money away. Public sector operators of infrastructure or

equipment can charge competitive prices and make a return, but they can also act in the public interest to maintain production and to spread risk. The north-east economy and the oil and gas workforce have shown tremendous resilience in getting through the past two years. Now is the time to offer fresh hope for the future, which is what I call for today.

12:58

Alexander Burnett (Aberdeenshire West)

(Con): I thank Lewis Macdonald for bringing the debate to the chamber today. The oil and gas sector has been the beating heart of the Scottish economy for many decades. Since 1970, the sector has provided more than £300 billion in production taxes and it provides employment for 330,000 people. However, since late 2014, the price of a barrel of oil has dropped substantially and there have been drastic spikes in unemployment in the north-east.

In 2015, the UK Government commissioned and implemented the Wood review, which called for fiscal and regulatory support. The then Chancellor of the Exchequer, George Osborne, stepped in to save the industry with a halving of the supplementary charge and a zeroing of the petroleum revenue tax. It should come as no shock to members that there has been a rise in production since those drastic measures were taken. Production was up by more than 10 per cent in 2015, which was the first increase in more than 15 years.

On the regulatory side, we have had the creation of the Oil and Gas Authority. We should congratulate the OGA—as Lewis Macdonald did—and the sector as a whole for lowering the average lifting costs of a barrel of oil from \$29 to \$16. They are on their journey and they continue to improve. Costs are now down by more than 45 per cent as the sector becomes more and more efficient, but it is a journey on which the sector needs further support. Just last Friday, I attended the opening of the Oil & Gas Technology Centre, at which Sir Ian Wood spoke of aiming for the recovery of a further 20 billion barrels, as against our current projections of 10 billion. The target can be achieved, and the extra turnover of \$550 billion would be of considerable benefit, but it will not be easy. That is why, despite the attention on decommissioning, we must talk about extending and not ending the industry in the North Sea. To put the issue in perspective, the total costs that are predicted to be spent on decommissioning amount to only three good years of investment in North Sea production. That is why, although the £5 million that the Scottish Government has offered will no doubt be appreciated by those who are looking at the end of the north-east economy,

according to the experts, that money is being spent in the wrong area.

By contrast, it was good to hear further commitment in the most recent UK budget from Her Majesty's Treasury, with its "Driving investment: a plan to reform the oil and gas fiscal regime", which is reducing administration costs across the board—a move that has been welcomed by the industry body Oil & Gas UK. We need to extend the life of existing fields, maximise recovery from identified small pools and encourage future investment. We can do that by backing our industry to continue to innovate and collaborate, to identify subject matter experts and to discourage operators from asset blocking. Those steps are being taken.

Mike Rumbles (North East Scotland) (LD):

Does the Conservative Party believe that direct public investment by the Scottish Government would be helpful, or should it just be private enterprise that does it? Should there be a combined approach?

Alexander Burnett: At this stage, we believe that the private sector is capable of making the changes. I highlighted the OGTC opening, and we have had the recent transfer of Sullom Voe, to which Mike Rumbles's colleague alluded, and Shell's £2.4 billion deal with Chrysaor. As long as asset transfers are happening in the sector, the system is working. When transfers are not happening and we get asset blocking, that is when the OGA has to exert pressure. We will see how that progresses, but I believe that the system is working at the moment and should be allowed to continue to work.

We must continue to make the north-east a hub for excellence in efficiency and knowledge in the sector and we must continue to export our skills across the globe, especially in times of Brexit.

13:02

Stewart Stevenson (Banffshire and Buchan Coast) (SNP):

I join others in thanking Lewis Macdonald for the opportunity to discuss this important topic. My constituency has the world's largest offshore oil support base and includes St Fergus gas terminal, so the issues are significant to it. Unemployment there, which has historically been low, has risen significantly because of the downturn in the industry. We are still in a much better place than much of Scotland is, but we should not discount the fact that the people who have lost their jobs are often higher earners, so there is a disproportionate effect on the economy as a whole. I have no difficulty in subscribing to all the words that Lewis Macdonald incorporated in his motion.

The prices of oil and gas are not determined simply by economic factors; they are also determined by macro political factors on the world stage. We know that the price of oil was driven down because of choices that were made in other countries to up production. Some sanity has returned to the market, which has made a small contribution.

The industry grew from very small beginnings, and a national concern originally played an important part: some of us remember Britoil, and we remember who sold it off to BP many decades ago. There is of course a role for the state in supporting the broader energy sector, of which oil and gas is the major part in the north-east.

In my constituency, we are feeling a bit put out—I put it no more strongly than that. That is because we have lost many of the opportunities of diversification, having built up a huge body of people with skills that can be applied in other sectors of the energy industry—in particular, in offshore energy, which over time will become more and more important, and carbon capture and storage, at Peterhead and at the north of England plant that was also in the CCS commercialisation competition. It is important that the state plays a role in ensuring that we can continue to exploit the skills and knowledge of the people who have been working in our oil and gas industry.

In the short term, it is very welcome that the University of Aberdeen has identified formations that have not previously been exploited, around Rockall, for example. People in the oil and gas industry have a saying: “How do you strike oil? Drill lots of dry wells.” Around Rockall, there has not been enough activity, because our previous understanding of the geology did not sustain it. The change in that regard might assist the industry more broadly.

In the sectors that are mature, as the price of oil creeps upwards again, increasing efficiency and exploitation of existing infrastructure create significant opportunities for us to have a profitable and long-term sustainable industry. There is a 40 or 50-year future for our North Sea oil industry, and youngsters should be encouraged to acquire the engineering skills that they will need if they are to go into the industry.

We must also consider the broader issue of energy security. There is an intrinsic value in having energy that we in the UK and Scotland can control, because that detaches us, to some extent, from the vagaries of international decisions and international energy markets.

There is room for a variety of ways forward. There will be heavy reliance on the private sector, but there is also a role for the Scottish and UK

Governments, which I hope they will discharge with diligence and appropriate decision making.

13:07

Jackie Baillie (Dumbarton) (Lab): I thank Lewis Macdonald for bringing this debate to the Parliament and for giving members an opportunity to discuss the oil and gas industry. I associate myself entirely with his remarks.

The downturn in the oil and gas sector has had a significant impact on the economy in the north-east, in particular, and across Scotland. It has also had an impact on the thousands of people who rely on the sector for work, both directly and in the supply chain. Lewis Macdonald is therefore right to say that the fate of our oil and gas industry cannot be left to market forces alone.

What more can we do? Given the sector's importance to our economy and Scotland's finances, it is right to expect the Scottish Government to work with the UK Government to intervene where appropriate and to protect vital North Sea assets that are threatened by the downturn in the oil price.

Scottish Labour regards co-investment as essential. We would set up a new body to do that; co-investment in the infrastructure would protect jobs and the industry's future. We want the infrastructure, such as platforms and pipelines, to help to sustain the oil and gas industry through this tough time. The approach would prevent important assets from being lost much earlier than is planned.

Mike Rumbles: Is it Labour's view that the state should take over or that there should be a co-operative approach with the private industry, in joint ventures?

Jackie Baillie: I think that it is about co-operating, with the state intervening alongside industry and in discussion with the workforce and trade unions. That is the co-operative approach that I was disappointed to hear the Conservatives dismiss earlier in the debate.

Oil & Gas UK estimates that the industry has lost something like 120,000 jobs since 2014. Although the industry is global, 38 per cent of the remaining jobs are in Scotland. The industry supports the livelihoods of thousands of families across the country. It is important to remember that every job that is lost in the oil and gas industry represents the loss of a highly skilled member of our workforce. We need to do as much as we can to retain those skills in our economy.

Skills Development Scotland's website tells us that funding for retraining or upskilling around 1,500 people has been approved under the Government's transition training fund. That is a

welcome increase from the 91 people who had been helped up until June last year, but it still represents only 1.5 per cent of the 120,000 people who have been affected by the downturn. We should constantly challenge ourselves to ensure that we are reaching enough people in the right places.

The Cabinet Secretary for Education and Skills—who is not here—announced with a great deal of fanfare funds to reskill oil and gas workers as teachers, of whom we know that there is a shortage in the north-east. It is disappointing to note that a mere 12 have been trained; our challenge is to do much better than that.

I echo the important point that Lewis Macdonald made about safety and training.

It is time that the Scottish Government published an up-to-date oil and gas bulletin. The most recent bulletin was published in June 2015, at the beginning of the oil price downturn, after much nagging of the Government to do so. A lot has happened since then. We need to assess the continuing impact on the Scottish economy and ensure that the focus is firmly on helping the industry.

The priority for everyone remains working with the industry to maximise the economic recovery. We will do that by investing in infrastructure and incentivising exploration, and there is a role for the state to play in that regard. However, we must also begin planning for decommissioning in the north-east. Only last month, an application was made to the UK Government to decommission the Brent field. Although the majority of decommissioning work is already done in the north-east, the final stage is going to companies in other countries. I welcome the First Minister's announcement of £5 million, but it is a drop in the ocean. When it comes to the opportunity that exists, we are lagging behind and we must do more to ensure that Scottish firms keep the work here.

13:11

Liam Kerr (North East Scotland) (Con): I sincerely thank Lewis Macdonald for securing this members' business debate, because although the situation in the North Sea might have dropped off the daily national news agenda, it is still a huge worry to those who are employed in the sector, the supply chain and all the supporting sectors in the north-east and across the UK. It is important that Lewis Macdonald has managed to get the issue back on the agenda, and I thank him for that.

The Economist stated only last week that the weak performance of the overall Scottish economy is linked directly to the problems in the energy industry. I accept that thanks to the strength and resilience of our United Kingdom economy, tax

revenue losses have been shared across Britain, but the issue that we are discussing is about so much more than revenue.

By the end of 2106, more than 120,000 jobs had been lost in the UK oil and gas sector—more than a third of them in Scotland and the vast majority in the north-east. We are talking about real people with real families who are paying mortgages in a context of council tax increases and house prices that are falling faster than anywhere else in Britain—not that it is particularly easy for people to sell their houses anyway, for reasons that it is probably best not to go into in a consensual debate.

There are also the associated industries. I recall that, in 2013, even budget hotels were charging upwards of £150 a night; premium rooms could set someone back around £300 a night. That is no longer the case. The latest figures show that the average price of a room has dropped by a third. Store vacancies have risen on Union Street and only last month Jamie Oliver announced that his flagship restaurant is to close.

However, it is not all doom and gloom. As Alex Burnett said, production increased by more than 10 per cent in 2015. Industry efficiencies have driven a 45 per cent drop in lifting costs to \$16 a barrel, 330,000 jobs are still supported, 38 per cent of which are north of the border, and there are up to 20 billion barrels of oil still to recover.

The motion correctly highlights that both Governments have roles to play. The UK Government has, in effect, abolished petroleum revenue tax, and it has slashed the supplementary charge to 10 per cent. It has provided a £2.3 billion package of measures and committed £40 million to new seismic studies. Oil & Gas UK said that it welcomed those measures

“as they will build on the industry's achievements in improving efficiency in the face of low oil prices, boosting the sector's competitiveness and helping to restore investor confidence.”

The industry has called for the Government to work with it: to ensure a competitive business environment through appropriate business rates and supply chain promotion; to deliver world-class infrastructure, such as transport and broadband; to continue to support the oil and gas technology centre and skills retention through, for example, the energy jobs taskforce; to complete the Treasury's work on decommissioning tax relief; and to champion the industry and the supply chain capability nationally and internationally. The industry does not call for politicians to step in and tell it how to do its job.

Oil & Gas UK states:

“market forces have resulted in several positive deals recently which have seen a change in ownership of a number of assets”.

The BP sale to EnQuest, which Tavish Scott mentioned, and Shell’s sale to Chrysaor are

“good examples of the free market working positively to ensure the right assets are in the right hands”.

We read reports of calls for the state to buy ageing infrastructure to protect it until the sector picks up but, as Lewis Macdonald accepted, the Oil and Gas Authority—the industry regulator—was set up to ensure that premature decommissioning of critical pieces of offshore infrastructure does not occur. As we have heard, the OGA is also ideally placed to intervene, if necessary, to ensure that maximisation of economic recovery from the UK continental shelf is achieved.

The UK oil and gas industry has an incredibly bright future that is worth fighting for, but it needs to be championed by all of us who are in a position to do so. That is the job of Government and Parliament. We must listen to the experts and industry and then judge and act accordingly. It is not the role of Government, or political parties, to declare a solution in a vacuum.

13:16

Richard Leonard (Central Scotland) (Lab): I, too, welcome Lewis Macdonald’s initiative in securing this important debate.

Tony Benn wrote in his influential volume, “Arguments for Socialism”, published in 1979, that when he became Minister for Energy in 1975, the job of the Labour Government

“was to make sure that the resources of the North Sea were exploited for the benefit of the nation as a whole and not solely for the benefit of a handful of multinationals controlled mainly from America.”

Oil and gas were and are natural and national assets. For most of the era of North Sea oil and gas exploration we, the people, have been far too modest in the demands that we have placed on some of those corporations. That 1974 Labour Government knew that oil and gas were strategic resources that are important for our whole industrial base, demanding a strategic public ownership approach, through both the British National Oil Corporation—the BNOc—and the Offshore Supplies Office, which was designed to grow our own oil equipment industry.

History records, as Stewart Stevenson has already mentioned, that the BNOc was auctioned off in 1982 and swallowed up by BP six years later. Further, the Offshore Supplies Office was, in effect, choked off by the European Community’s 1992 single market rules and eventually laid to rest seven years later. I mention the history

because the idea of strategic intervention in our oil and gas fields to benefit the UK’s industrial base and jobs is not entirely new.

In the last few days we have heard that Kvaerner has landed the £19.3 million decommissioning contract for BP’s Miller platform. We also know of other decommissioning contracts that are already heading to the fjords of Norway and the breakers yards of Turkey. That is why it is obvious—at least to the Labour Party and the trades union movement—that a planned approach to decommissioning is more urgent than ever. The Scottish Government needs to step up to the challenge now—not simply with a £5 million decommissioning fund, but with an economic plan and an industrial strategy to go with it.

The Minister for Business, Innovation and Energy (Paul Wheelhouse): I highlight that the very visible proportion of the work—the topside structures—makes up about 1 to 2 per cent of the contract value. To put that in perspective, we are doing very well in the bulk of decommissioning, particularly the subsea.

Richard Leonard: I accept that, but there is no getting away from the fact that much of the decommissioning deconstruction work that is taking place is not being landed in yards in the UK. Securing that work should be a shared goal across the parties.

It is beyond doubt that there has been a crash in the industry. It is clear for all to see that the workers in the industry are being asked to pay the price for the international oil price collapse.

If anyone looks, as I sometimes do, at the *Scottish Business Insider*, they will see that back in 2013, Total, Suncor Energy, Chevron, the Wood Group, Apache, TAQA, Maersk Oil and Canadian Natural Resources—CNR—were all in the top 20 of its top 500 companies list. If we look at this year’s list, most of those companies are not just outside the top 20—they are outside the top 250.

However, it is worth considering that the Wood Group is still twelfth in the list and it was able to pay out a 10 per cent dividend to shareholders in 2016, which is precisely the same amount by which it cut the real living standards of its own workforce in 2016—an injustice that would have been much worse but for the campaign waged by the trade union movement.

The idea of a public stake in offshore assets is better value for money than across-the-board tax cuts. To those in the industry and on the Tory benches who argue that it should be left to the free market, to private enterprise and to market forces, I say: try telling the 120,000 people who have lost their jobs in the industry that it should be left to market forces. That is why I am happy to support Lewis Macdonald’s motion.

13:21

Ross Thomson (North East Scotland) (Con):

I, too, thank Lewis Macdonald for bringing this debate to the chamber. In the past two years, the oil and gas industry has experienced a brutal downturn, which has been spearheaded by a sharp fall in the oil price. This week, there have been fears among analysts that the price could plummet to below \$30 a barrel. That consistently low price has led to falling revenues and investment and subsequent job losses. The global competitiveness of the UK continental shelf has been severely impacted by that and we have seen the adverse consequences across the north-east economy.

That said, we have seen some encouraging signs of recovery. The industry has stepped up and faced these challenges head on, and I wholeheartedly welcome industry efforts to galvanise itself and to innovate. As the North Sea basin becomes increasingly more complex, it is encouraging that production has increased by more than 10 per cent in the past two years and substantial industry efficiency gains have driven a 45 per cent drop in operating costs.

Just last week, I and my colleagues met Deirdre Michie of Oil & Gas UK in Aberdeen. From that meeting, it is clear that the UK continental shelf, and our oil and gas sector more broadly, have a future worth fighting for. An estimated 20 billion barrels of oil and gas remain to be recovered from the North Sea, which would provide the UK with a secure supply of primary energy as well as the economic benefits associated with a world-class domestic supply chain that supports hundreds of thousands of highly skilled jobs, technological innovation, manufacturing and exports.

Industry efforts are a welcome step in securing the renaissance of the sector but we recognise the important role that is played by the Government in supporting the north-east economy and creating a more attractive and sustainable investment climate. The UK Government has rallied to this cause. A raft of measures were announced in April 2016 to boost the UK oil and gas industry, including reducing petroleum revenue tax to zero, slashing the supplementary charge to 10 per cent, and providing a further £20 million of funding for a second round of seismic surveys. We have created the most competitive, sector-specific tax regime in the world.

The Scottish Government must also fully step up to the plate in order to secure the industry's future. The Scottish Government must ensure timely delivery of its share of the Aberdeen city region deal; it must improve transport links between Aberdeen and the central belt; it must increase support for apprenticeships and skills in

the industry; and it must create a supportive business environment for industry to flourish.

From my experience of being in Aberdeen as a councillor and as a member of this Parliament and having listened to input from industry across a variety of sectors, I gently say that too often the Scottish Government rejoices when asked to take photographs but recoils when asked to take action. We need to see more action in the north-east of Scotland.

Stewart Stevenson mentioned ensuring our energy security. Again, I say to him very gently that one way to do that would be if the Scottish Government got on and allowed fracking to happen here in Scotland.

The Scottish Conservatives are committed to championing the UK oil and gas industry nationally and internationally. We are motivated to collaborate with all stakeholders, regulators and investors to guarantee that the UK continental shelf is—and shall remain for a long time to come—open for business.

13:24

The Minister for Business, Innovation and Energy (Paul Wheelhouse): I am delighted to close the debate and to respond to the many points that have been made. I thank Lewis Macdonald for raising the issue and for the constructive tone in which he opened the debate.

The Scottish Government's focus is on stimulating growth, protecting and creating jobs and promoting Scotland as a great place in which to do business. I am sure that members are tired of hearing me say that, but it is worth stating. The oil and gas industry is a very important part of that vision. We recognise the challenges that are faced by the oil and gas industry as a result of the global fall in oil prices, and we are doing everything within our devolved powers to support the industry and its workforce through these challenging times. We are fully supportive of the tripartite working together of the industry, the regulator and the Government to maximise economic recovery.

We acknowledge that over the past two years the scale of job losses—which members have touched on—has been significant, with estimates of 120,000 jobs having been lost across the UK and 46,000 lost in Scotland alone. The industry continues to support 330,000 jobs across the UK, 124,500 of which are based in Scotland, and it is crucial that the highly skilled oil and gas workforce is protected.

In the face of challenging global conditions, the industry and, crucially, its workforce and the trade unions, to which members have referred, must be commended for their significant efforts in adapting

to the new environment. In 2016, 10 new fields came on stream, despite the troubles that the industry has faced, and it is expected that unit operating costs in 2016 were—as Ross Thomson mentioned—around 45 per cent lower than they were at their peak in 2014. Scottish production increased by 21.4 per cent in 2015-16, focusing on the territorial waters adjacent to Scotland, and North Sea production is expected to continue to rise over this year and next—which I have had confirmed in my conversations with some of the key upstream companies.

Although it is by no means “job done”—I do not want to appear complacent in any way at all—there are encouraging signs that the industry is beginning to emerge from the downturn. For example, the latest Aberdeen & Grampian Chamber of Commerce “Oil and Gas Survey” report found that around two thirds of firms felt that the sector was nearing the bottom of the cycle, with around half of those feeling that the bottom had already been reached.

Recent merger and acquisition activity in the North Sea demonstrates the attractiveness of the basin and the continued appetite for investing in North Sea assets. To pick up the point that Mike Rumbles and Tavish Scott made in relation to asset transfer, we see it as positive that assets are moving into the right hands, because that enables specialist companies to make best use of late-life assets and ensures that we maximise economic recovery. It also allows companies that have disposed of the assets to move on and focus on areas in which they have their own specialisms. It is estimated that ownership of around 10 per cent of assets has transferred over the past year; it is crucial that assets are in the best hands in order to maximise economic recovery. That is very much in line with the OGA’s approach, and I commend the OGA—as a number of members have—for being a very positive force in what have been tough times for the industry.

Over the longer term, up to 20 billion barrels of oil and gas remain in the North Sea. Our draft energy strategy reaffirms our strong commitment to the oil and gas industry in Scotland, and the positive role that the sector will continue to play for decades to come. The Scottish Government remains committed to maintaining domestic oil and gas exploration and production and to maximising economic recovery. For the first time, our energy strategy clearly articulates that approach, in the context of our climate change objectives, to define a role for the industry in our low-carbon transition and—to pick up on a point that I have made to Richard Leonard on a number of occasions—to ensure that there is for those who work in high carbon a transition to low carbon in the future.

The energy jobs task force continues to be an influential forum, and I thank all its members for their work, which has been a great example of collaboration in action. Our £12 million transition training fund has already directly supported more than 1,600 individuals—I want to update Jackie Baillie with that figure, as I am afraid that the website is not up to date—who have been made redundant as a consequence of the downturn in the oil and gas industry, in addition to the more than 7,000 individuals who are being helped through two formal training and procurement rounds, the latest of which I announced on 10 February in Aberdeen.

Significant business innovation and resilience support, as well as support for diversification and internationalisation, are being delivered through our enterprise agencies. Scottish Enterprise published a decommissioning plan on 21 December 2016 on our behalf. The plan shows that the Scottish supply chain has been very successful in securing much of the high-value decommissioning work to date, particularly in—but not confined to—well plugging and abandonment, and we are very pleased that that is the case. However, we have also announced a decommissioning challenge fund that will make available £5 million in 2017-18.

I appreciate the point that has been made about the overall scale of that resource. It is targeted resource, at this stage in the process, to help to identify advances that could be made in areas such as salvage and disposal, and also to help to promote work by ports and harbours to identify what infrastructure and investment they might need to bring their facilities up to standard. I reiterate that that is still a lot of money, but it is 1 per cent to 2 per cent of the total contract value for decommissioning. We should not lose sight of the fact that the industry is doing very well in capturing much of the existing market. However, we want to secure as much of the total market as we can, and so we want investment, where possible, in facilities to secure port-side activity and to see the disposal of the top sides being done in Scotland, if possible.

As I have said, the fund will help to incentivise the supply chain and encourage a strategic approach in order to make the most of the natural advantages in existing activities at our ports. It has been warmly welcomed by the industry and by the OGA. I make the commitment to members that we are working very closely with both.

While the UK Government’s recently published industrial strategy was limited in its recognition of the oil and gas sector—perhaps because it is in an early stage of the process—the Scottish Government stands ready to support efforts by the industry and the regulator in working up plans for a

sector deal for that vital sector, alongside other sectors including renewables.

The key fiscal levers to support the oil and gas industry are reserved to the UK Government. However, the Cabinet Secretary for Finance and the Constitution wrote to the Chancellor of the Exchequer ahead of the autumn statement, outlining Scottish Government priority measures that we believe should be introduced to support the industry.

First, while there have been some welcome reforms to decommissioning tax relief over the years, those have not yet gone far enough, in our view. The chancellor needs to resolve that by enabling the transfer of tax reliefs with asset sales. Removing barriers to late-life asset transfers would help to build on recent deal activity and ensure that the right assets are in the right hands, as I described earlier.

Lewis Macdonald: Will the minister take an intervention?

Paul Wheelhouse: I will.

Lewis Macdonald: Thank you very much. I know that the minister will be familiar with the PWC document that I mentioned. Does he agree with the industry leaders who suggested in that survey that the Government might become an equity player in the field of decommissioning as, indeed, it has become in infrastructure management and critical equipment hire?

Paul Wheelhouse: I am certainly aware of calls of that nature, and we have had discussions with others—financial partners and investors—who are interested in that area. I know that the UK Government has also looked at the potential for public sector intervention in that respect as well. We are open to ideas, and we look to the energy strategy to get through the consultation and to get views from industry, trade unions and others about options that we could progress. I will certainly welcome any input that the Labour Party and other parties might wish to make to the energy strategy, and constructive ideas, which we will look at with an open mind.

Secondly, key to this debate is the need to protect critical infrastructure. As I have said, the Scottish Government recognises and welcomes the role of the OGA, and its powers to intervene when necessary. However, the Scottish Government has, for some time, pushed for the UK Government to complement that by allowing the oil and gas industry to access Government loan guarantees. A welcome commitment was made in the March 2016 budget, but one year on there are, as yet, no further details, despite assurances from the Treasury. We hope that a successful guarantee scheme would negate the need for potentially costly direct intervention in the

sector that is not supported by the industry itself. We will be listening; we need to listen to the industry, too. Measures such as that might well help to overcome the barriers that I think the Labour Party is genuinely trying to overcome on behalf of the industry.

Finally, we have also called for further fiscal reforms to increase investment and stimulate activity and exploration. In 2016, only 15 exploration wells and eight appraisal wells were completed, and this year the number of exploration wells that will be drilled is expected to remain static—although, to be fair, I have heard more encouraging noises from companies that are looking to expand exploration in the near future. There is an exploration tax credit in Norway, which now has around twice as many exploration wells as it had in 2015, so we have seen the benefit of that measure being put in place in that country.

To conclude, we believe that the UK Government should introduce measures to support exploration activity, which will, together with initiatives such as the OGA's seismic programmes and the £180 million Oil and Gas Technology Centre in Aberdeen that was supported by both the Scottish and the UK Governments—and which I was very proud to help to launch recently, alongside Andrew Dunlop—help to ensure that the 20-billion-barrel potential of the North Sea is realised.

An important point that has been touched on by members is that the global supply chain opportunities that have been identified by the MER—maximising economic recovery—UK forum and by Oil & Gas UK can be realised. The Scottish Government is disappointed that the chancellor has ignored our calls to date, and the autumn statement failed to introduce any substantive new measures. However, we continue to liaise with UK ministers and we continue, through the forums that are available to us, to make those points. We hope that the March budget will provide another opportunity for the Government to provide vital support to an industry that has contributed—let us not forget—more than £330 billion in revenues to the Exchequer over the past 40 years, and which continues to play a vital role in our economy.

Finally, and with thanks for your patience, Presiding Officer, I would like to pick up a point that Lewis Macdonald made, and give my condolences to David Doig's family, his friends and colleagues, give thanks for all the work that he did, and recognise his role.

13:35

Meeting suspended until 14:30.

14:30

On resuming—

Point of Order

Rhoda Grant (Highlands and Islands) (Lab):

On a point of order, Presiding Officer. I apologise for not giving you notice of this point of order, but it has just come to light that Kate Forbes has issued a press release commenting on the recommendations of Lorne Crerar's report into Highlands and Islands Enterprise. I have checked with the Scottish Parliament information centre and searched for inspired parliamentary questions on the matter, but I cannot find the report anywhere. Can you tell me how all MSPs can have access to the same information, especially on something that has been the subject of debate in this Parliament?

The Presiding Officer (Ken Macintosh): I am not convinced that that is a point of order, but I will take it into consideration this afternoon, just to have a look at the matter that Ms Grant has alluded to.

Budget (Scotland) Bill: Stage 3

The Presiding Officer (Ken Macintosh): The first item of business this afternoon is a debate on motion S5M-04168, in the name of Derek Mackay, on the Budget (Scotland) Bill.

14:31

The Cabinet Secretary for Finance and the Constitution (Derek Mackay): I am delighted to lead this debate on the budget bill for 2017-18.

First, I confirm that I responded formally to the Finance and Constitution Committee report on the budget on Tuesday. I commend the Finance and Constitution Committee and all the subject committees for their constructive approach. Our process, in future, will continue to adapt to our new powers, and I look forward to seeing the output of the budget review group, and to working together with all members of Parliament to ensure that our future processes are fit for our new powers and responsibilities.

The Budget (Scotland) Bill is of huge importance to Scotland. The decisions that we make today underpin the work of our vital public services, our commitment to sustainable economic growth and the support that we provide to communities and individuals across the country. The bill before us seeks Parliament's approval for an additional £900 million of expenditure that is focused on the positive vision for Scotland that was established in our programme for government. That vision is focused on stabilising and growing our economy, empowering our communities, protecting the environment and promoting equality and improving our public services.

The budget that we will vote on today includes areas of compromise where, as a minority Government, we have worked hard to secure support for the bill in order to deliver on our commitments and protect Scotland's hard-won social contract. I thank once again those who engaged constructively in those discussions. As a result of that, I believe that the bill offers a balanced approach that is right for our economy, for jobs and for our public services, as well as providing stability and continuity for the public and taxpayers at a time of economic uncertainty.

As we debated on Tuesday, the Scotland Act 2016 powers mean that there is a much more direct link between Scotland's economic performance and the revenues that are available to fund public spending. The decisions that we make must have economic growth at their heart. In the draft budget, I confirmed our £500 million Scottish growth scheme, funding for city deals and interventions such as funding for the new innovation and investment hubs in Dublin, London,

Brussels and Berlin. Our support was also confirmed for the Aberdeen, Glasgow and Highland deals, which will total more than £760 million in the years to come, and we are continuing discussions on the Lothian growth deal, the Tay cities deal and the Ayrshire growth deal.

We are using all the economic levers that are at our disposal and I am pleased to confirm further progress today. I have this week confirmed the Scottish Government's formal approval of Fife Council's tax incremental financing scheme, which will enhance the Fife energy park and is projected to unlock more than £11 million for the Scottish economy and create more than 220 construction jobs. As well as taking forward the Fife scheme, I look forward to receiving applications next week for the two fresh TIF opportunities that are announced in the budget.

Overall, in 2017-18, we will see investment of around £4 billion in key infrastructure projects up and down the country, including projects across our roads and transport programmes, such as the improvements to the M8, M73 and M74; the Queensferry crossing, which will complete this year; the A9; the Aberdeen western peripheral route; and, of course, the Edinburgh to Glasgow rail improvement programme.

We will invest to deliver ambitious targets on affordable housing and in the key area of digital infrastructure, including our commitment to reach 100 per cent broadband coverage.

There are actions to address the climate change challenge, including actions to improve energy efficiency, reduce bills, create jobs and reduce emissions.

To assist the work of our enterprise agencies, our draft budget provided an increase in resources for Highlands and Islands Enterprise, and at stage 1 of the budget process, I confirmed that there would be an additional £35 million for Scottish Enterprise to support loans and equity investments.

A fair and competitive business rates regime is, of course, crucial to our economy. The draft budget took a range of early measures ahead of the revaluation, including cutting the tax rate and extending the small business bonus to deliver our commitment to ensure that more than 100,000 businesses pay no rates at all.

Mike Rumbles (North East Scotland) (LD): Will the minister consider reopening the closing date for submissions to the Barclay review of business rates so that, as a result of what has happened recently and the Government's recent initiatives, businesses can have more input to that review before there is a report to the Government?

Derek Mackay: I am staggered. I have never heard Mike Rumbles make such a contribution—a constructive suggestion—in the chamber before. In that spirit, it is absolutely right that I engage with Ken Barclay and others to consider further how we will look at the issues that require to be addressed as a consequence of what has happened. I am certainly open-minded about doing that. I do not think that I have ever seen Mike Rumbles smile at me in the chamber before, either.

The additional measures that I have taken, which the business community has warmly welcomed, will help a further 9,500 business premises, and our £660 million of investment in rates relief will ensure that seven out of 10 premises in Scotland will pay no, the same, or less rates from 1 April.

The Tories and Labour have failed to support any local rates relief schemes so far. They should deliver on their rhetoric and back the Government schemes so that we can provide relief across the country.

Ross Thomson (North East Scotland) (Con): I refer to my register of interests. I am an Aberdeen City Council councillor.

If the Scottish National Party had been paying attention, it would know that Aberdeen City Council has set aside £3 million for business rates relief. Given that that council had less than 24 hours' notice to digest Derek Mackay's statement, it is looking for more detail on the implications of that for the city, and it wants a local scheme that will help businesses and other sectors that his proposal does not help. Will Derek Mackay be true to his word in saying that the situation in the north-east is exceptional and that he wants a local solution, and will he match the funds that the council has already put aside for local relief?

Derek Mackay: What hypocrisy from Ross Thomson and the Conservatives. In Aberdeenshire Council, which is led by the SNP, the Conservatives opposed the local rates relief package. In Aberdeen, I cut across party politics to try to engage constructively and proactively with Aberdeen City Council and the local chamber of commerce and to listen, engage and deliver. That is exactly what the Government has done.

Is it not interesting that, when I acted with all the early measures and then in response to businesses responding to the independent revaluation, the Tories described those as 11th hour actions? The best that they can produce with the same information is consideration of a report at some point in the future. I will continue to engage with the local authority, but they need to ditch the rhetoric and start to come up with solutions to support businesses in the way that the Government has done.

There are immediate interventions to support our economy and lay the foundations for future growth. That is why we should invest in our people as well as in infrastructure.

As members are well aware, education is the Government's number 1 priority. That is why there is such a comprehensive package of investment. The bill will deliver £1.6 billion of investment in higher and further education, and will maintain at least 116,000 college places. It will maintain the £50 million attainment Scotland fund, which is targeted, and it will, of course, deliver an extra £120 million directly to our schools to address attainment, particularly in our most disadvantaged areas. That is welcomed by schools across the land.

We are embarking on the expansion of childcare to the tune of £60 million of investment in the first phase of work to expand the provision of early learning and childcare to 1,140 hours by the end of this session of Parliament.

This package of measures places equality of opportunity right at the heart of this Government's approach to Scotland's economy.

I have proposed a strong settlement for local government in the draft budget. It includes an additional £120 million for educational attainment, £107 million additional investment in health and social care integration, increased capital resources, increased access to city deals funding and increased revenues from the council tax changes that were approved by Parliament.

By working constructively with the Greens to reach agreement, we have allocated an additional £160 million to be spent by local government at its discretion. The council tax freeze provided much-needed relief for household budgets through difficult times. Council tax is, on average, still lower in Scotland than it is south of the border. Local authorities are able to generate extra revenues through increasing the council tax, but it is interesting that some clearly consider that they have sufficient funding to deliver their services without a further council tax increase. Those are matters for individual local authorities but, I say again, that support for local services has increased thanks to this Government's actions.

Using existing resources wisely is necessary, as is further public service reform. As just one example of that, and recognising the role that councils play in the delivery of housing and social care, I am directing additional funding over the next two years to Scotland Excel to develop, with Scotland's care providers and registered social landlords, enhanced procurement capability that will support plans in those vital areas.

We are backing our police and fire services, investing in reform with an additional £25 million for Police Scotland to support its future plans.

To ensure that our national health service is fit for the future, the Government is committed to the twin approach of investment and reform. The "Health and Social Care Delivery Plan", published shortly after the draft budget, highlights a range of steps to reform and further improve our health services.

Balancing that action with investment will see NHS revenue spending increase to £12.7 billion in 2017-18—an increase of £120 million above inflation and the first step towards delivering our commitment to increase the NHS revenue budget by almost £2 billion by the end of this session of Parliament. There will be more spending in mental health, primary care and general practitioner services. Today, we have confirmed investment of £7.5 million to support the development of GP clusters, which will help GP practices to collaborate on quality improvement, to share resources and to develop community health services that are more tailored to their local population.

I opened by highlighting that voting for this budget will deliver more than £900 million of additional investment in our public services, our people and our communities. The budget delivers on the Administration's programme for government, but it also responds to requests from across this chamber. We are supporting businesses and our economy; investing in front-line health and police budgets; expanding expenditure on local authority services; delivering a living wage; investing in a new social security system; ensuring that no one should pay the bedroom tax; providing free tuition; expanding early years provision; tackling the attainment gap; improving energy efficiency; increasing house building; and supporting public services that are free at the point of use, including prescriptions, eye tests and personal care.

This budget delivers the best deal for taxpayers and public services in the whole of the United Kingdom—a fairer country and a stronger country. It is a budget that delivers for our people. I commend this budget to Parliament.

I move,

That the Parliament agrees that the Budget (Scotland) Bill be passed.

14:44

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

In the stage 1 debate three weeks ago, I said that the finance secretary was a lucky man. He was lucky because he had more resources than any of his predecessors had—his budget will go up by

£500 million in real terms as against the current year, and we know that the Scottish Government's total budget is up even on the previous high of 2010-11. He was also lucky because he has—or had—an unprecedented range of choices over taxation compared with his predecessors.

We did not realise then just how lucky Mr Mackay was. It turns out that he is a far more fortunate man than we knew at that point for, in addition to the budget that he presented to Parliament, he had wads of spare cash just lying around.

When the finance secretary introduced his budget in Parliament on 15 December 2016, he told us that it was a fair and well-balanced settlement, that every penny that he had was properly accounted for and that, if the Opposition parties wanted to propose extra spending in any area, they would have to tell him what cuts they would impose as a consequence.

It turns out that the finance secretary had much more money than he was letting on. Just three weeks ago, he produced, as if from nowhere, an additional £185 million to secure his budget deal with the Greens—but that was not all. Just 19 days after that, on Tuesday this week, he produced another £44 million to introduce a very welcome rates relief for a number of businesses that are affected by the current rates revaluation. That is nearly £230 million extra in just a few weeks.

How I wish I had Mr Mackay's sofa, which must be the best-stuffed sofa in Scotland. Every time he has a problem, he puts his hand down the back of the sofa and pulls out wads of cash. Who knows what other riches would lie between the seams of the sofa if he took the time to look?

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): Will the Tories be voting against the budget tonight and denying businesses across Scotland access to the £44.5 million to which Murdo Fraser just referred? Does he intend to stuff businesses tonight?

Murdo Fraser: If Mr Stevenson asked the business community in Scotland for its view on the budget, it would give a clear response that would not be the one that he is looking for.

The great wealth that Mr Mackay has identified raises all sorts of important issues. First, Patrick Harvie must be ruing the day that he and his party sold themselves so short in their budget deal with the Scottish National Party, for there was another £44 million to be had, of which he was blissfully unaware.

Secondly, the finance secretary has undoubtedly created problems for himself in the future. Whenever, in coming years, he comes to

Parliament to present his budget and tells us earnestly that it is the total sum that he has available to spend, no one will believe a word that he says. We will all be asking where the extra money is that he has squirreled away to wait to do a deal with the lowest bidder.

There are serious questions to be raised in connection with the Parliament's budget scrutiny process. As the Fraser of Allander institute pointed out a few weeks ago, it turns out that all the budget scrutiny by the Parliament and its committees was based on a draft budget figure that was £190 million lower than the one that the Parliament will in due course be asked to vote on. As the institute said, in the future, members may press the Government at the outset of the scrutiny process for greater information on the scope to use underspends or changes to non-domestic rates profiling.

The institute pointed out that, in the past, underspends have been used to boost Government spending in subsequent years. That is what happened earlier in this financial year, when underspending in the previous year was utilised with the aim of stimulating the economy in the aftermath of the Brexit vote. This time, the underspend money has been made a central part of next year's budget, and even Mr Mackay cannot spend the same money twice.

As the institute said, the case for multiyear budgeting is all the more important, which means that the work that is going on in the budget review group that has been established is vital. That group needs to look closely at budget transparency, which is highlighted in the Finance and Constitution Committee's report on the budget—that echoes the concerns of the Local Government and Communities Committee about the lack of transparency in the local government settlement.

The Scottish Government's response to the Finance and Constitution Committee's report, which was published earlier in the week, says:

"the increased complexity of the budget process introduces a steep learning curve for all involved".

I hope that that indicates that the finance secretary accepts that he must do better in the future at informing Parliament.

The budget process is not just about balances; it is also about choices. It remains our view that the finance secretary has made the wrong choices in connection with the budget. We should have had a budget for economic growth.

As we well know, the Scottish economy underperforms that of the rest of the United Kingdom. Our growth rate is barely one third of the UK average, our employment rate is lower, our

unemployment rate is higher and our business confidence level is much lower. We should have had a budget to boost economic growth and, as a result, to boost our tax revenues.

That was precisely the point that the Fraser of Allander institute made last week. It said:

“With the Scottish Government’s budget now increasingly tied to how well Scotland’s economy performs relative to the UK, closing this gap must be a key priority for the government.”

Nothing in the budget tells us how the Government will do that; instead, the finance secretary has presented us with a budget that will do nothing to promote Scotland as an attractive place to do business. He will introduce an income tax differential that will for the first time make Scotland the most highly taxed part of the UK. He continues with the large business supplement at double the rate that applies elsewhere in the UK, and his land and buildings transaction tax rates have led to him downgrading his forecasts for the tax take by some £750 million over the coming three years, which represents a potential catastrophic loss to the Scottish public finances.

Action has been taken on the rates revaluation, which we welcome as far as it goes. However, that action affects only a small minority of the businesses that are seeing large increases in their rates. When the finance secretary talked about local relief schemes, perhaps he was not aware—perhaps Mr Swinney did not tell him—that, when the Conservative opposition group on Perth and Kinross Council proposed a local rates relief scheme yesterday, it was voted down by SNP councillors in that administration.

Derek Mackay: I hate to inform members that Murdo Fraser is wrong. I have spoken to the SNP leader of Perth and Kinross Council, who said that the council is building an augmented and improved scheme to do even more for businesses in Perth and Kinross. That was what the Conservatives opposed.

Murdo Fraser: What a change there has been since yesterday afternoon. I have no doubt that Mr Swinney has been on the phone to the council to tell it to sort out its act in short order, because the SNP knew that it was about to be caught out in this chamber.

It is a shame that, given all the choices, the finance secretary chose to go in the other direction. He chose to sit down with the anti-business Greens and to produce a budget that will entrench our economic underperformance.

Gillian Martin (Aberdeenshire East) (SNP): Will the member take an intervention?

Murdo Fraser: No, I am sorry—I have no time.

In the long run, it will be the Scottish public finances that suffer. If our economy does not grow, our tax revenue will not grow either, and there will be less money to spend on all the things that we regard as important.

What we would have done with the budget is kept tax rates competitive with the rest of the United Kingdom, and we would have done that in the knowledge that we would raise more revenue in the long run as a consequence, which is exactly what the business community in Scotland has been calling for. The finance secretary’s budget not only raises taxes but delivers a cut to local government across the country, and that is at a time when a great many Scottish households are seeing substantial council tax rises. They will be asked to pay more in taxes, but they will get poorer public services as a result. What a deal that is from the SNP Government.

That is the budget that Mr Mackay is presenting to Parliament. We cannot support that budget, because Scotland deserves better. I have pleasure in moving the amendment in my name.

I move amendment S5M-04168.2, to insert at end:

“, but, in so doing, regrets the damage that will be caused to the Scottish economy and public finances by making Scotland the highest taxed part of the UK.”

14:53

Kezia Dugdale (Lothian) (Lab): Stronger for Scotland: that is what we were told that the SNP would be. “Vote for us,” SNP members said, “and we will be stronger for Scotland.” Those of us on the Labour benches always questioned who in Scotland the SNP would be stronger for. Now we know, as this budget makes it abundantly clear—the SNP is stronger for the richest 1 per cent.

If someone in Scotland is already rich, the SNP will protect them from paying their fair share. However, the SNP is not stronger for someone in an ordinary family, whose children go to the local school, who relies on the local GP, who sometimes needs to attend the local hospital or whose elderly relatives need support from carers. As a consequence of this budget, the public services that they rely on will be downgraded, closed or under pressure like never before. In the same week that the SNP refuses to ask the richest few who earn more than £150,000 a year to pay a little bit more tax, the Government will team up with the Greens to impose £170 million-worth of further cuts to vital public services. That makes it £1.5 billion-worth of cuts since 2011—so much for being stronger for Scotland.

Let us take a look at that record. Are the plans to close the maternity unit at the Royal Alexandra hospital in Paisley stronger for Scotland? Is the

fact that we have 4,000 fewer teachers under the SNP an example of being stronger for Scotland? Is the utter shambles of ScotRail an example of being stronger for Scotland? With this budget, public services in Scotland face a budget double whammy from the SNP. Under the SNP-Green deal, local services such as schools and care of the elderly face £170 million-worth of cuts. Those cuts will harm everybody, but they will hurt the poorest the most.

Another feature of this year's budget process has been the concerns that employers across Scotland have raised about the impact of business rates increases. I know from my local area that it is small firms—those at the very heart of their communities—that are most worried.

The Minister for Parliamentary Business (Joe FitzPatrick): What about the small business bonus?

Kezia Dugdale: The SNP's shambolic U-turn on business rates, which I point out to Mr FitzPatrick is for a specific group of firms, is welcome. However, our public services are facing massive bills, too. We know that national health service chiefs warned the SNP last year that the health service could face a £30 million bill as a result of the revaluation. We also know that our universities could be hit with multimillion-pound increases. At a time when maternity units are facing closure and other NHS services are being scaled back, it would be criminal for the SNP to do nothing to help.

The cuts that are being imposed on valued public services do not have to happen. Throughout the budget process, Labour has been setting out an alternative plan, which says that we do not have to accept the austerity that is imposed by the Tories and that we have the powers in this Parliament to chart a different course. Labour's plan would stop the cuts to the public services that we all value and would allow us to invest in them instead. It is only with investment that we can chart a better future for Scotland's young people.

Derek Mackay: Kezia Dugdale has mentioned cuts a number of times and has tried to make the case local. Just to take one example, in the City of Edinburgh Council—which she might be interested in—the total increase for local services is more than £30 million, which is a 3.9 per cent increase.

Daniel Johnson (Edinburgh Southern) (Lab): It is a £27 million cut.

Kezia Dugdale: I do not accept the cabinet secretary's figure. He can hear from my colleague, who represents Edinburgh Southern, that the figure is in fact a £27 million cut, and there are £170 million-worth of cuts across the country. At stage 1, I gave the cabinet secretary specific examples of fantastic projects in Edinburgh that

are facing serious cuts or closure because of decisions that he is making. He knows the troubles that local authorities are faced with across the country and he still insists on cutting services by £170 million. It does not have to be that way—there is a different choice.

Only with investment in education can we give our people the skills that they need to compete for the jobs of the future. It is not just about tackling poverty and inequality, important as that is—there is an economic imperative. In this rapidly changing world, where the kind of jobs that people do and how they do them continues to evolve beyond all recognition, we risk our people getting left behind. We know that the people who are almost always left behind are not those from wealthy backgrounds; it is the ordinary working-class families of Scotland who will lose out most from cuts to education.

However, all of Scotland will be worse off as a consequence, because locking so many people out of the jobs of the future will mean that our economy cannot grow at the rate that it needs to. If we are to compete with the likes of China, India and Brazil, everybody in our country must have the skills that are necessary for the jobs of the future. To make the investment that is needed, those with the broadest shoulders have to pay their fair share.

Just as I believe that together we are stronger as a nation by remaining in the UK, I believe that together we are stronger as a nation when the wealthiest few pay just a little bit more so that we can all benefit from improved public services. When members vote at decision time tonight, we will see who really is stronger for Scotland. A vote for a budget that imposes cuts to local services such as schools and care for the elderly is not evidence that members are stronger for Scotland.

We can either vote through this budget, imposing cuts of £170 million on local services, or we can make good on the promises that many members made to the people of Scotland. Labour said that we would seek to stop the cuts and invest in the future of our economy and our country. That is what we will do when we vote against the budget this evening.

15:00

Patrick Harvie (Glasgow) (Green): Much like the debate in this chamber earlier this week on the rate resolution and non-domestic rates, it is pretty much inevitable that this afternoon's debate will be entirely polarised, with some members offering glowing praise for a budget that has no flaws at all and others offering utter condemnation, as though there is nothing at all of which to speak positively.

In reality, the record of the SNP in government is mixed and the arguments in relation to this budget are mixed. The Green approach, ever since we entered the Parliament in 1999, has been to challenge Governments, but to do so constructively, with a view to making a difference. That is what we did when the Labour-Lib Dem Administration was in office, and that is what we have done with the SNP Administration since then. It is what we have done whether or not the Government has had a majority, and it is what we will continue to do.

Someone who this year has been listening to budget debates for the first time might be forgiven for not knowing that all political parties in this Parliament, when they have been in opposition, have voted for Government budgets. All parties have done that and will continue to do so. In January 2009, the one time a Scottish budget fell, it was not because of Green unwillingness to be constructive but because of brinkmanship by the Administration. During the debate on that budget, the Labour finance spokesperson called the SNP's approach "shameful" and said that the budget failed key economic tests and offered

"consensus ... on only the Scottish National Party's terms."—[*Official Report*, 28 January 2009; c 14408.]

However, one week later, Labour members voted for precisely the same budget, without a single amendment.

There is therefore a degree of—well, I do not want to be rude, Presiding Officer, but I do not think that we can take fully seriously some of the outrage that has been expressed in the debate so far. All political parties have been at their best during budget debates when they have tried to make a difference rather than merely express outrage.

Neil Findlay (Lothian) (Lab): Mr Harvie's party had the SNP over a barrel in the budget negotiations. Which high environmental or tax justice principles did the Green Party advance when it was selling out local government to another £160 million of cuts? [*Interruption.*]

Patrick Harvie: I am grateful to Mr Findlay for giving me an opportunity to talk about local government, because that is precisely where the Green approach to the budget has made a difference. [*Interruption.*] This year, we were most concerned and most angered by the cuts—[*Interruption.*] I appeal to the Presiding Officer.

The Deputy Presiding Officer (Christine Grahame): I would like to hear what Mr Harvie has to say, please.

Patrick Harvie: We were most focused on the cuts to the non-ring-fenced core local government allocation. What we secured is not just an

additional allocation and the first formal budget amendment that we have seen in years in this Parliament, but £160 million of additional allocation to local government.

Daniel Johnson rose—

Patrick Harvie: I have never said that this budget is perfect and I will not do so today, but this is the biggest budget concession that any Administration has given any Opposition party since devolution.

The Deputy Presiding Officer: Please sit down, Mr Johnson.

Patrick Harvie: The concession will make a difference in every local government area, including the one that Mr Johnson represents.

Daniel Johnson: Does the member recognise that that difference is still a £170 million cut to local government, whatever way he dresses it up?

Patrick Harvie: I note that Mr Johnson ended his intervention by saying "whatever way it's dressed up." It will always be possible to produce a different interpretation of the figures—[*Interruption.*] There are some creative thinkers on the Tory benches, too.

The Labour approach throughout has been to compare the draft budget with the outturn budget—the amount that has been spent during the current financial year—which is not a fair comparison. We have taken the Scottish Parliament information centre's assessment of the figures—

Anas Sarwar (Glasgow) (Lab): Will the member take an intervention?

Patrick Harvie: I have taken a couple of interventions already. [*Interruption.*] The SPICE analysis does not include—

The Deputy Presiding Officer: I ask Conservative members, in particular, to stop chattering away. I would like to hear the debate.

Patrick Harvie: The SPICE interpretation of the figures is the closest thing that we have to a politically neutral and impartial judgment on the matter, and its assessment was that the core cut to the un-ring-fenced local government allocation was £166 million. It did not include the double counting of health and social care money or other allocations that should not be counted within the overall pot. We argued that that cut should be reversed, and we have achieved a £160 million reduction in it.

The assessment that SPICE has produced since the stage 2 amendment was agreed to states that the budget line for local government

"is now ... essentially flat in real terms".

We are talking about a 0.1 per cent reduction compared with the previous year's draft budget. Once we include the reforms to local council tax—the reforms to the multiplier as opposed to the 3 per cent, which it is up to local councils to decide on—it becomes a 0.7 per cent increase. That is the difference that the Greens have made in this budget. We have secured additional funds that councils are free to allocate and that will make a difference in every local council area in Scotland.

I again remind members, with great respect, of the consequences of voting down the budget. On Tuesday, Daniel Johnson asked us to think about the consequences of how we vote. Voting down the budget at this stage would send every council in Scotland into panic and would mean that they would have to set emergency budgets, which would bring back on to the agenda the cuts that in recent weeks they have been able to cancel as a result of what we have achieved.

As far as the Conservative amendment is concerned, I could never accept the principle that after finally persuading all parties to agree that tax powers should be devolved, we should refuse to ever do anything progressive with them. That is the position that the Tories advance—we should only ever cut tax for the rich and only ever become an ever meaner, more selfish and more self-interested economy in which wealth is concentrated in the hands of ever fewer people. That is what the UK Government is doing, and that is what the Conservatives would have us do as well. We will never agree to that.

The Deputy Presiding Officer: Can you please begin to wind up, Mr Harvie?

Patrick Harvie: The Greens will vote in favour of the budget, and I make this appeal to all parties in all future budget debates: don't just throw a tantrum, make a difference.

15:07

Willie Rennie (North East Fife) (LD): Budgets are an opportunity to judge people not by their words, but by their actions. Hard numbers—hard cash—reveal hard priorities. It is not an easy process, but it strips back all the talk and reveals the naked truth.

We all remember the First Minister saying in the debates in the 2015 general election that we should reject austerity and that Scotland would do it differently, but we can now see from the budget what she really meant.

In the Scottish election debates, Patrick Harvie looked down his nose at everyone and pledged to fight for a greener and bolder Scotland. The Greens voted for the budget at stage 1, but they abstained in this week's debate on the Scottish

rate resolution. I am looking for the full set: there is still a possibility that Patrick Harvie's party could vote against the budget, so it could still fall. Patrick Harvie reminded us of what happened in 2009, when he changed his mind in the middle of the debate and the budget fell. I urge the finance secretary to make absolutely sure that he has the Greens in his pocket, because the situation might well change after all.

The challenge is enormous. Brexit is coming down the track, which will have a significant impact on our economy. As we all know, our once-proud education system is slipping down the international rankings. Furthermore, 643,000 working days are lost because of poor mental health, which is worth £54 million to our economy. The Sutton Trust has highlighted the real and dramatic impact of the inequality gap in our education system. That is why there is still an opportunity to reject the budget—the Greens could vote against the budget today, perhaps alongside others who are concerned about those issues. It is not too late for the Greens to reject the budget. We can do so much better.

Patrick Harvie: Will the member take an intervention?

Willie Rennie: I will not, just now.

If we look at the education system we see that in the past few years we have lost 150,000 college places. That has hit women and mature students in particular. We need to invest in part-time courses.

There is also the issue of the pupil premium. I am glad to see that the Scottish Government, after years of opposing the pupil premium, which was pioneered by the Liberal Democrats down south, has changed its mind and has implemented a pupil equity fund. That approach is having a big impact in England and has closed the attainment gap by five percentage points. However, the amount of money that has been put into the fund is simply not enough. If we cannot even match what they are doing in England, how on earth will we get our education system back up the international rankings?

We could have invested more in mental health. I want to increase the mental health budget to £1.2 billion. In last May's elections, all the leaders stood on a platform and agreed that mental health was a top priority. Every single leader said that no one could possibly disagree with that approach. Where is it in the budget? We do not even have enough of a budget for what is required to invest in tier 1 and 2 counselling, emergency mental health services, mental health professionals to work alongside the police and mental health professionals in primary care. Where is the investment that would make that happen? It is not

there. That is another missed opportunity. All those wise words on the election platform last year have come to absolutely nothing. That is what is disappointing about the budget.

All this is at a time when we have an opportunity to do something different. We have new tax powers—the powers that we have been wanting for years so that we could do something different from the rest of the United Kingdom, chart our own path, mark a different way and boost the economy, improve our education system and improve mental health services. What do we do with that power? We tinker at the edges with it. We have not got a transformational investment in education. We do not have a step change in mental health services.

This is a timid, tinkering budget. We could do so much more for Scotland. I am ambitious for our country—I want us to do so much more. I do not want to ramp up tax all over the place; rather, I want to dedicate it to a specific purpose, which is investing in people—their talents and mental health—so that they can get to work, contribute to our economy, create more wealth and bring in more taxes. It is not all about the Conservative race to the bottom on tax. That is not the way to get a better, more vibrant and more energetic Scotland. The best way to do that is to invest in the talents of our people, because our people are the best way forward.

I urge all those who want a better and more ambitious Scotland and who want to improve the economy and make a real big difference to our future, to reject the budget so that we can go back to the start and negotiate again for a proper budget that really meets the aspirations of our country.

15:14

Bruce Crawford (Stirling) (SNP): Deputy Presiding Officer, there have been many occasions since we first joined the Parliament together in 1999 when we have been able to say, “Today is an historic day”. I can safely say that today is yet another historic day. Today, we set a budget for Scotland’s health service, education services, emergency services and local councils that contains about £11 billion of commitments supported by money raised from income tax.

As the weeks and months turn into years, I am confident that we will witness many more historic days as the Parliament goes from strength to strength. Let us reflect on the moment. What will future commentators make of the political players who took part in the setting of Scotland’s budget for 2017-18? What will they make of the role of the finance secretary who has had the historic privilege—although I am not sure that he has always seen it that way—of setting the first budget

to be supported by unprecedented levels of tax raised in Scotland? What will they make of a finance secretary who has had to deal with the very real challenge of a revenue and capital departmental expenditure limit budget that will be reduced in real terms between 2010-11 and 2019-20 by 9.2 per cent?

The finance secretary has had the added difficulty of dealing with the volatility of Brexit and all the implications for public expenditure that it brings. He has also had to deal with the immediate Brexit threat of rising inflation and, as a direct consequence, a reduction in his real-terms spending power. If that were not enough, in the longer term, up to 80,000 jobs in Scotland will be destroyed if we are forced to leave the single market.

Today, we are living in a world with a much greater level of shared powers between Holyrood and Westminster than has existed at any time in our history, particularly as a result of the fiscal framework. That is why it is imperative that UK Treasury ministers appear before the Finance and Constitution Committee to give evidence. By refusing to attend to give evidence, either they simply do not understand the nature of the devolved settlement that they were responsible for creating or they are treating this place with contempt. I really do not care which of those is the reality; what I want them to do is to show some respect for this Parliament, which belongs to the Scottish people.

It makes me wonder who would take on the job of finance secretary and then be landed with the additional complications of securing a budget agreement in a Parliament of minorities, yet secure an agreement the cabinet secretary has—an agreement that sees an additional £160 million allocated to local government.

Although Parliament may find agreement at decision time today, no credit will be given to those who have chosen to be entirely oppositionist in their approach, no matter the potential consequences for public services and public finances. The agreement that the Scottish Government has secured with the Green Party should make Labour Party members in particular squirm with regret, but I guess that they will not because they have become so wrapped up in their all-consuming opposition to the SNP and in their own destruction that they have consigned themselves to a place of utter irrelevance in Scottish political life. [*Applause.*] Others might take some joy from that but I think that it is very, very sad indeed, and I wonder how history will judge the Labour Party’s role on this significant day for Scotland.

What is clear is that history will judge the Conservative Party members as financial

fantasists. Throughout the budget process, Tory member after Tory member has made spending proposals amounting to billions of pounds. However, when challenged on how they would pay for them, they gave us nothing more than financial drivel.

First, we are told by Dean Lockhart that a fantasy sum of £500 million from maladministration would be used to fund Tory commitments amounting to billions. I have news for Mr Lockhart—if £500 million was the cost of past maladministration, which in itself is a load of nonsense, it has already been spent and cannot be spent again.

Then we have the fantasy economics of Douglas Ross, who is sitting on the Tory front bench along with Dean Lockhart. Douglas Ross tells us that the alternative Tory approach is to expand the tax base by cutting taxes for the wealthiest. Even if the Tory argument of cutting taxes to increase spending had any shred of credibility, just how would such a plan produce any additional money from an expanding tax base in the short time before the start of the financial year? It is absolute nonsense. As for Murdo Fraser's financial fantasies—well, probably the least said about those, the better.

Thank goodness we have a finance secretary who has kept his head while the Opposition have been losing theirs. That is why we should all vote for the Government's budget at decision time. I ask this Parliament not to deny public services in Scotland an additional £900 million; not to deny the hospitality sector a cap on rates; and not to deny local government an extra £160 million. For goodness' sake, do not vote against the Government at decision time just because it happens to be an SNP Government—vote for the budget.

15:20

Maurice Golden (West Scotland) (Con): The finance secretary—[*Interruption.*]

The Deputy Presiding Officer: I ask members to behave—I want to hear this as well.

Maurice Golden: The finance secretary has available to him a plethora of options to vary tax, improve productivity and grow the Scottish economy. He also has more cash—£0.5 billion more in real terms—as against the current year. Patrick Harvie and the rest of the sell-out six must have wondered why they did not ask for more from the finance secretary, given that he has managed to conjure up an extra £230 million since he first presented the budget only a few weeks ago.

If the SNP Government's original tax proposals were not dangerous enough, they have been

made a whole lot worse now that the Greens are dictating the SNP's policy on taxation. The left-wing SNP-Green coalition has introduced a tax system that will see individuals on pay scales similar to that of the First Minister pay a marginal tax rate of 42 per cent on their last pound earned and the CEO of the Royal Bank of Scotland pay a marginal tax rate of 47 per cent on his last pound earned, while hard-working Scots who earn between £43,000 and £45,000 a year pay an astonishing 52 per cent marginal tax rate on the last pound that they earn. Perhaps even more astonishingly, the SNP Government has the audacity to claim that its taxation proposals are progressive.

Patrick Harvie: I am a little bit puzzled as to why the member, from the two examples that he gave, seems to be interested only in the top 10 per cent of earners. Why is it that the Greens are the only party that has even tried to make the case for cutting tax for people on ordinary incomes? People on the average full-time salary, which is £26,000 a year, would, under the Green proposals, be paying less tax. Why are the Conservatives interested only in those at the very top?

Maurice Golden: The Conservatives are interested in everyone in Scotland, and we do not show that by hurting the middle classes and middle-income earners. If the Government listens to our policies, the Scottish economy will grow, and we will improve productivity and have more money to spend on public services.

My economics professor always told me that gross domestic product was god. Although I disagree with that analogy, I would welcome the cabinet secretary for finance making more of an attempt to grow our economy. The finance secretary is fully aware that he has the power to vary tax rates by band and to introduce new bands, and thus it is entirely possible for him to avoid forcing hard-pressed Scottish families to pay more than the 42 per cent marginal rate of tax.

If we accept that the finance secretary is intent on making Scotland the highest-taxed part of the UK, we might consider that he could at least be more creative in his proposals in order to ensure that no hard-working Scot will be forced to pay that marginal tax rate. If he had done so, however, the First Minister would not be able to stand up and proclaim that there has been no increase in Scotland's income tax rates. This SNP Government is more interested in spin than in standing up for the interests of Scottish families.

Derek Mackay: Does Maurice Golden think that PricewaterhouseCoopers was wrong when it said:

“although we don't expect any short term impact on decision making for people who may already be planning to

relocate to Scotland or for Scottish businesses looking to attract staff”?

Was PwC wrong when it contradicted the Conservatives’ position that there will be a mass exodus as a consequence of our tax proposition?

Maurice Golden: It is a disincentive to work for people who are earning between £43,000 and £45,000. The cabinet secretary for finance would have been better off using a more innovative approach if he wanted a more progressive tax system.

So here we have it: a marginal tax rate of 52 per cent and the SNP Government doing its best to impersonate the Labour Party of the 1970s. What will happen next year, and the year after that? The Greens will, most likely, continue to pursue their hard-left agenda and insist that the higher-rate threshold stay at £43,000. What will the SNP do? If it does not increase the higher-rate threshold over the next four years, there will be an £8,000 gap between the higher-rate income tax threshold in Scotland compared with that in the rest of the UK. That would result in Scottish taxpayers being burdened with a 52 per cent marginal rate of tax on £8,000 of their income on earnings of between £43,000 and £51,000 a year.

Either the SNP Government has not considered the significant threat that that poses to Scotland’s economy and to the prosperity of all its citizens, or it does not consider it to be a problem. I am not sure which is worse.

When the SNP Government erects an earnings tax wall at £43,000, does it expect that that will have a positive or negative impact on earnings? Let me tell the SNP what the impact will be. There will be fewer Scots earning over £43,000 a year, an ever-growing gap in earnings between those in Scotland and those in the rest of the UK, and less money being spent in our local economy—and all that is supposed to be designed to raise additional tax revenue. I urge the SNP Government—and the chamber—to put Scotland first, and I urge the chamber to support the amendment in the name of Murdo Fraser.

15:26

Kate Forbes (Skye, Lochaber and Badenoch) (SNP): I remind members that I am a parliamentary liaison officer to the Cabinet Secretary for Finance and the Constitution. That is a privilege, because this is the first budget to raise revenue, through limited tax-raising powers, for over 300 years.

That is what the people of Scotland wanted: they wanted the power to raise revenue in Scotland, in our way and for our services. That is so that we do not have to walk the Westminster way—as the Tories would have us do—by

slashing taxes for the rich and slashing services harder. The Tories complain about divergence, but there is already divergence in that we deliver, for all residents of Scotland, whatever their background, and wherever they live, while the Tories deliver for only the top 10 per cent of earners. That is a far more dangerous divergence, and it is downright unfair.

Given that we have waited that long for tax-raising powers, I am pleased that this budget will deliver for the Highlands. It is a budget for the crofter in Staffin, the engineer in Drumnadrochit and the dinner lady in Dingwall. It is a budget for my constituents, because people in the Highlands want reliable connectivity. In this budget, there is more than £100 million investment in digital and mobile infrastructure to support our commitment to deliver broadband across 100 per cent of Highland businesses and homes.

Douglas Ross (Highlands and Islands) (Con): Will the member give way?

Kate Forbes: With pleasure.

Douglas Ross: I am grateful to the member for giving way. However, does she not agree with Councillor Margaret Davidson, the independent leader of Highland Council, who said that this was not a good budget for it and told the Scottish Government to stop its efforts with smoke and mirrors because it is deluding people into thinking that the council has a better deal? It sounds as though Kate Forbes has fallen for it.

Kate Forbes: I agree with the part of Douglas Ross’s comments about smoke and mirrors. We are sure seeing a lot of smoke and mirrors coming from the Tory benches. I like to go on the basis of the hard, cold, boring facts and figures, which show that investment in public services in the Highlands is up by £20 million versus that of last year. I would rather depend on the cold, hard figures than on the smoke and mirrors that we have been seeing.

As I said, people in the Highlands want reliable connectivity. They also want more, and affordable, homes. In this budget, we are investing heavily in the provision of affordable housing, with over £470 million of direct capital investment to ensure that we are on track to deliver 50,000 affordable homes across Scotland, which will also support employment in construction and housing management. The budget specifically maintains funding for rural and islands housing funds, which should be welcomed by every self-respecting rural constituency member of the Scottish Parliament.

We also want improved roads and rail links. This budget promises to progress design and development work on improvements to the A82; to continue dualling the A9; to improve the stretch at the Berriedale Braes, in my colleague Gail Ross’s

constituency; and to invest in improving Highland rail links.

We also want a well-resourced NHS Highland with more healthcare professionals, and this is a budget with £592 million for NHS Highland. If the Tories had their way, they would charge the sick for prescriptions. Instead, we are protecting NHS funding.

Edward Mountain (Highlands and Islands) (Con): I am very happy to talk about the concerns of people in the Highlands regarding health provision, especially those on Raasay, who have lost their local nurse and have no provision at night, and those mums in Caithness who no longer have paediatricians. How is that improving the services and how will that help people in the local community to get better healthcare?

Kate Forbes: I thank—

The Deputy Presiding Officer: Ms Forbes, will you wait until you are called again, please? I know that you are anxious to respond. I call Kate Forbes.

Kate Forbes: Thank you, Presiding Officer.

Douglas Ross: On a point of order, Presiding Officer. I think that perhaps your clerk heard the word repeated twice by Gail Ross when she called Edward Mountain a liar. [*Interruption.*] Well, she said it twice.

The Deputy Presiding Officer: I ask you to sit down. We heard nothing here, so we can make no comment whatsoever.

Douglas Ross: Did you—

The Deputy Presiding Officer: I am sorry. Let us proceed. Please continue, Ms Forbes.

Kate Forbes: I agree with Edward Mountain on the point about Raasay, and it is something that I am actively engaged in with NHS Highland and the community. I like to think that if he asks the community—he might well have done so—it will say that I have been working closely with it to try to find a solution. As we both know, however, part of the issue in NHS Highland is the problem with recruiting professionals. A British Medical Association survey today shows that four in 10 European doctors in the UK are considering leaving in the wake of the UK's vote to leave the EU. That is hardly helping with the real challenges that we face with recruitment.

In the Highlands, we also want well-resourced education for our children and accessible further and higher education both for our young people and to attract other young people to study in the Highlands. Not only is the budget still committed to free education across Scotland, but it provides additional money to directly reduce the impact of poverty on children's educational attainment. Of

the £120 million total, almost £4 million is going straight to Highland schools.

More than anything else, however, we want local power, and the budget promises to empower island communities further so that they can build a more prosperous and fairer future for our communities.

That is our budget. If we want confirmation that the Tories and the Labour Party care only about political posturing, we should watch how they vote tonight, because to vote against this budget is to vote against connectivity, housing, roads and rail, a well-resourced NHS and reducing the impact of poverty. Those things matter to my constituents and they matter to me.

15:32

Iain Gray (East Lothian) (Lab): We have had 19 budgets since devolution, by my count, or 20 if we include two in 2009, yet this one could and should have been different because it had the potential to be both transformed and transformational. It had potential to be transformed because, for the first time ever, a Scottish Government has significant powers over tax—the powers for us to decide for ourselves the balance between what we ask our citizens to contribute and how much we will have to invest in our country's future.

The budget had the potential to be transformational, first, because we could have used the substantial new welfare powers to reshape the benefits system, create targeted new benefits to support the vulnerable and thus transform their lives in the here and now, and also because we could have chosen to end our 10 long years on the low road of squeezing education budgets and returned at last to the high road of investing in our young people's future, thereby transforming their prospects and our country's future.

Alas, the only thing that the budget has transformed is itself, through a series of U-turns, humiliating climbdowns and shameless flip-flops. It started with the debacle of the council tax, when the finance secretary revealed that, after 10 years and three elections of promising to abolish the council tax, he had, well, changed his mind, and the only thing that he planned to do was to impose a swingeing increase across the board for higher bands.

Derek Mackay: Will Iain Gray explain, on behalf of the Labour Party, why, despite campaigning against the council tax freeze for nine years, Labour councils are now freezing the council tax?

Iain Gray: Councils are taking the best decisions that they can locally. My own local

authority has increased the council tax to protect services from the £4.5 million cuts that the finance secretary has imposed.

The finance secretary's council tax plan was radical in one way because he planned initially to remove the proceeds of the council tax increase from local communities to swell his own coffers. That is a redistribution of sorts, I suppose, in the same way as a smash and grab redistributes wealth. In the first of his U-turns, the finance secretary had to abandon that plan by the time that he brought forward his budget, which he did with great claims of extra money for schools, councils and the NHS, only for those claims to collapse under independent scrutiny that discovered sums of money allocated in multiple budget lines in an effort to hide cuts of £327 million to councils.

We then had the Green deal, which was, we were told, to stop those cuts that the finance secretary had told us did not exist. Of course, that deal also turned out just to be a smaller cut that was funded not by progressive taxation but by creative accounting in the non-domestic rate pool.

The finance secretary was not done. This week, his think-of-a-number budgeting led to the last great handbrake turn of this sorry budget process, when rates relief for a handful of the businesses that were facing increases of 200 and 300 per cent suddenly appeared.

After all the sound and fury, double counting and fantasy forecasting, we end up pretty much where we started. No serious attempt has been made to use the new tax powers; the UK Tory tax structure has simply been accepted pretty much intact. There has been no attempt at all to use the new welfare powers, with our most vulnerable citizens being unnecessarily left at the mercy of Tory welfare reform for at least another three years. As for education, the budget squeeze goes on. The £120 million to close the attainment gap could and should be a serious, welcome and needed effort to transform the lives of children from poorer backgrounds, if it did not have to be set against a £170 million cut to the councils that fund the schools. There was a commitment to expand childcare, but again it has to be set against the cuts to councils who will be asked to deliver it. Meanwhile, the nursery sector is being hammered by rates increases for which it has received no help whatsoever.

That is also true of universities, which have seen swingeing increases in their rates at the same time as a 7.5 per cent cut in their revenue funding. As for colleges, great fanfare was made of a tiny increase in their teaching budgets this year, but it covered up the fact that, in real terms, our college budgets have not yet caught up with what they were in 2006-07, when the SNP came

to power—10 long years ago. There is also no support in the budget for college students who are struggling with a system that the National Union of Students Scotland describes as not fit for purpose.

Is that not the truth of this budget? There are new powers and new opportunities, but all that the Government can come up with is more of the same. I say this to Kate Forbes. Yes, I believe that the people wanted the Parliament to have powers, but I also believe that they wanted us to use those powers to stop the cuts. That is what she and her colleagues promised a year ago but they have delivered the same cuts to education budgets, the same Tory austerity cuts, the same squeezing of local services in particular, and the same tired excuses for a timid Government that does not have the vision or the guts to use the power of the Scottish Parliament to do the things to which it pays lip service—redistribute wealth, stop the cuts, and invest in our future.

15:39

Ash Denham (Edinburgh Eastern) (SNP): We have spent some time debating the budget, and the process has made clear many things—mainly that, although the Scottish Government has worked constructively to build a revenue and spending plan that is both fair and bold, the Tories have moved further to the right and have turned their backs on the people of Scotland in favour of damaging rhetoric that is neither forthright nor productive in constructing a budget.

In fact, last week, in a speech that was given in the backyard of her Westminster bosses, Ruth Davidson was daring enough to suggest that the First Minister faced a choice between a top priority of education or an independence referendum. She said that the First Minister

“cannot have it both ways.”

I would never want to know the realities of a Tory Government at Holyrood, but it seems that Ruth Davidson cannot grasp that governing so narrowly is not conducive to getting the best deal for the people of Scotland.

That is why this budget prioritises education by providing £1.6 billion to support higher and further education, while also making record investment of £12.7 billion in health resource spending, expanding free childcare and early learning to 30 hours a week and handing the headteachers of schools an additional £120 million to use however they see fit, which will benefit eight schools in my Edinburgh Eastern constituency to the tune of just over £1 million. The budget also lowers the business poundage rate, expands the small business bonus scheme to exempt 100,000 properties from rates and ensures that 99 per cent of Scots will not pay more in income tax.

On top of that, an additional tailored rates relief package for 9,500 businesses across Scotland was announced this week. One need look only as far as Portobello in my constituency to see how that action will benefit many restaurants, pubs, hotels and cafes that are the heart of our communities. I know that those businesses will be watching the Tories today as they vote against those crucial rate reliefs and against a package of support for small businesses. It is something that the Tories themselves called for, but today they are once again caught out with their empty rhetoric. Ruth Davidson would be better off lecturing her party about trying to have it both ways, given that the Scottish Tories have on the one hand called for cutting taxes while on the other demanding millions of pounds of investment in public service.

In reality, we know that a Tory-led Holyrood would result in tax cuts for the wealthiest at the expense of our vital services, which real Scots depend on. That is why voters sent the SNP to Holyrood as the largest party, with a mandate to pass a budget that is far reaching and which provides the kind of country that Scots demand—a country where students do not pay tuition fees for university, where the elderly do not pay for personal care and where parents do not pay astronomical childcare costs.

As a result of constructive work with the Greens, the budget now delivers £160 million to local government to be spent at the discretion of individual authorities. For Edinburgh, that equates to an extra £12 million to bolster important local services. The budget provides all that, along with a reduction in the business poundage rate, a large business supplement threshold that matches England's and the best support for small to medium-sized enterprises in the UK.

That is what getting on with the day job looks like. It is all about prioritising the needs of the Scottish people, because that is what being in the Scottish Parliament demands of us. However, it seems as if the Scottish Tories would rather turn their eyes and ears away from Scotland and towards London, from where they get their marching orders. That might explain why they had no constructive engagement in the budget process at all. In fact, they had nothing to say about schools, nothing to say about hospitals and nothing to say about infrastructure: all they could talk about was tax cuts, tax cuts and more tax cuts.

However, this Government hears the Scottish people, and it refuses to lead in the incoherent way that the Tories would have led. The adage at Westminster might be austerity, but in Scotland it is prosperity—it is fairness and it is a better deal than anywhere else in the UK. That is what the

budget represents, so I urge members to join me in voting for it.

15:45

Dean Lockhart (Mid Scotland and Fife) (Con):

In the stage 1 budget debate, the finance secretary told Parliament that the budget will support jobs and lay the foundations for future growth. This budget is many things, but it is most definitely not a budget for economic growth and jobs. As Murdo Fraser said, the budget process is about choices, and in two critical areas the finance secretary has made decisions that will damage the economy and risk future Government revenues. First, despite having an extra £500 million to spend, the finance secretary has slashed the enterprise budget by more than £50 million—

Ash Denham: Will the member take an intervention?

Dean Lockhart: Perhaps I will take one later.

The finance secretary has done that at a time of, in his words, “significant challenge” in our economy. At least we can agree on that last point: this is, indeed, a time of significant challenge to our economy. That is precisely why slashing the enterprise budget, which supports new and expanding businesses across all sectors, is the wrong thing to do.

Derek Mackay: Will the member take an intervention?

Dean Lockhart: I will, later.

I say to be clear that Derek Mackay said earlier that he has given Scottish Enterprise an extra £35 million. However, he has not. Originally, the budget would have cut the enterprise budget by £85 million, and now the cut is £50 million. Only in the fantasy world of SNP economic policy would that be seen as extra funding.

Derek Mackay: We have just had another specific example of a spending request from the Conservatives. From where in the budget does Mr Lockhart propose that we take money to fund that other item of expenditure?

Dean Lockhart: I could be flippant and mention Mr Mackay's sofa. However, I will make it clear to him that if growth in Scotland's economy under the SNP matched the growth in the UK's economy since 2007, GDP in Scotland would have been £3.1 billion higher over the past 10 years. That would have been an extra £1,200 per household in Scotland. That is where the extra money would come from. Grow the economy; do not increase tax.

In justifying the decision to cut the enterprise budget, the finance secretary has pointed to other measures that are being taken to boost the

economy, including the growth scheme, which he says will provide up to £500 million of investment guarantees and loans. The only problem is that the budget fails to provide additional funding for that growth scheme. Where is the additional funding coming from to finance the £500 million growth scheme?

Derek Mackay rose—

Dean Lockhart: Show me the money, Mr Mackay.

Derek Mackay: Does Mr Lockhart understand what contingent liabilities are? It has been explained to him before. Would he like a further briefing on it to explain how the £500 million Scottish growth scheme is funded?

Dean Lockhart: Under international accounting standard 37, I know what contingent liabilities are. They are off balance sheet. However, the finance secretary and Keith Brown have repeatedly said that there will be fresh loans under the scheme—that means fresh funding, but that money is not available in the budget.

Earlier today, when I asked Keith Brown where the money is coming from, he was unable to answer the question. He indicated that it might come from the existing enterprise budget. However, as we have heard, that budget is being cut by more than £50 million. It is now becoming clear that the £500 million growth scheme is another example of the SNP repackaging existing money and presenting it as new. It is all headlines but no substance and no extra cash, as is the case with the mythical Scottish business development bank, which was first announced by the SNP in 2013, with the aim of expanding high-growth business in Scotland, but which, four years later, is still nowhere to be seen.

Ash Denham: Will the member take an intervention?

Dean Lockhart: I will not, right now.

With such abysmal economic policy making, it is no wonder that the economy in Scotland, under the SNP, is performing so badly.

The second area in which the finance secretary had a choice was whether to increase tax on jobs and take-home pay. We now know that he did not need to increase the tax burden on hard-working families, but the finance secretary decided to abandon the centre ground and to lurch to the left, joining the Greens, to increase tax on the hard-working people of Scotland. I urge the finance secretary to listen in the future to the advice of business leaders in the economy, not to the Greens. Scottish Chambers of Commerce has said that

“growing our economy rather than increasing tax will”

boost

“tax revenues and ... public ... spending.”

We agree with that.

Neil Findlay: Will Mr Lockhart take an intervention?

Dean Lockhart: I will not, right now.

Bruce Crawford and Ash Denham asked how we would finance the extra spending. I answered that when I responded to Mr Mackay. If, under the SNP Government, the Scottish economy had grown at the same rate as that of the UK, we would have an extra £3.1 billion. Economic growth, not increasing tax, is the answer. That is why we will not support the budget.

Ash Denham: Will the member take an intervention on that point?

Dean Lockhart: Yes. Go ahead.

The Deputy Presiding Officer: Saying “Go ahead” is not very polite, Mr Lockhart.

Ash Denham: The Conservatives are very fond of claiming that Scotland has received more money from the all-benevolent Westminster Government, but it is a fact that we have had a drastic 9 per cent real-terms reduction in the previous session and this session. Perhaps if Westminster had continued to support Scotland financially, the economy would have grown further.

Dean Lockhart: I refer to Scottish Parliament information centre research that shows that the real-terms numbers have increased between 2010 and the current budget. I have the numbers with me and would be happy to compare notes with Ash Denham later. [*Interruption.*]

The Deputy Presiding Officer: Excuse me a minute. There is no point in members debating across the chamber with each other. If Mr Ross or the cabinet secretary want to make a point, they should intervene.

Dean Lockhart: The budget debates have quite rightly focused on how we can increase funding for vital public services. However, no discussion about funding of public services can be complete without recognising the fundamental importance of the funding that is received through Barnett consequentials. For example, over £350 million of the £380 million increase in NHS spending in Scotland last year was funding from Barnett consequentials.

Earlier this week, Douglas McWilliams from the Centre for Economics and Business Research, who is one of the country’s top economic forecasters, provided a timely reminder of the importance of the Barnett formula and the impact that independence would have on public services

in Scotland. He said that, in the event of independence,

“there would need to be cuts”

in public spending

“of about 15 per cent of GDP. That’s roughly on the scale of what has happened in Greece”.

Let me conclude. In dragging a high-tax budget through Parliament, the pro-independence coalition of the SNP and the Greens has argued that increasing tax is progressive. I make it clear that there is absolutely nothing progressive about the massive cuts to public spending and vital public services that would be a direct consequence of the obsession of the SNP and the Greens with independence.

I support Murdo Fraser’s amendment.

The Deputy Presiding Officer: I remind members that practice in the chamber is that, after a member has made their speech, they should wait through the next two speeches before they leave the chamber. Two members have not done that. Members should bear it in mind that that is a courtesy to other members. Those people will find out who they are later today.

15:52

Gil Paterson (Clydebank and Milngavie) (SNP): The budget delivers on the promises that the Government was elected on. It was created in Scotland for Scotland, not dictated to us by Westminster. Scotland’s finances are still being strangled by the UK Tory Government, but we will not bend to its plan of total austerity. We will not sell off Scotland’s public services and we will not bow to privatisation. We will ensure economic growth, social justice and the protection of our services.

Yesterday, we all found out from independent research that Scotland is not the highest-taxed part of the United Kingdom. That destroys complaints from the Tories that that is the case. SPICe found out that any tax rises are mitigated by lower council tax levels in Scotland. It is important to mention that all council tax will be spent locally.

Nationally, Labour’s mantra is, “Increase tax,” which we have heard throughout the process. However, last night, when there was the prospect of Labour increasing tax in West Dunbartonshire Council, it voted to freeze the council tax, after years of complaining bitterly locally about the freeze.

Jackie Baillie (Dumbarton) (Lab): Is it not the case that the SNP councillors voted to increase the council tax by 3 per cent and ignored the

impact that that would have on some of the poorest in our community?

Gil Paterson: That might well be the case, but the point is that, locally, Labour councillors and Jackie Baillie in particular have berated the freezing of the council tax, yet Labour has continued that freeze. That is what we are talking about.

We have the business bonus, but we also have the social bonus of free further education, free prescriptions and free bus passes, among other benefits that are exclusive to Scotland. I am sad that the Tories are demanding a tax reduction for the highest paid. Should we not maintain the principle that the more a person earns, the more they contribute? There are many higher earners who will gladly contribute their fair share, and I thank them for that.

The Scottish budget protects Scottish services. We have invested in education, and I welcome the new funds that are set to be given to schools. Most of the schools in my constituency will benefit from that funding. More important, more funding will go through the mechanism to underprivileged pupils. That will help to improve the life chances of many young people, and it will also help to reduce the attainment gap, as the Government has vowed to do.

The funding increase for universities and colleges is excellent news and, as I have said, free education will continue. If the Tories had their way, everyone would have to pay the huge fees that apply down south. Every person, no matter what their background is, should get the chance to have a great education if they so choose. The SNP is delivering on its promises.

Poverty scars Scotland. The problem is historical, but we are tackling it. Many of my constituents will benefit from the Scottish Government continuing to mitigate the impact of the hated bedroom tax. Many in my constituency will also benefit from the Scottish welfare fund, which will clear up the mess that the UK Government’s punitive welfare programme has left. The wheels are in motion for a new Scottish social security system. With the powers that we have, we will run welfare with dignity and respect.

Economic growth is the key to Scotland’s prosperity. With the few tools that we have, we are still driving economic growth. We have invested £4 billion in our infrastructure. Most of us will have seen the amazing developments that are taking place, such as the motorway projects on the M8 and the M74 and the stunning Queensferry crossing. Many more projects are progressing across the country. They are all drivers of economic growth and will improve the lives of millions.

The SNP Government is building our economy. My Clydebank constituency boasts one of the finest heart surgery hospitals in the world. The Golden Jubilee national hospital is to receive a multimillion-pound expansion and 700 new jobs, which are not being transferred—they are brand-new jobs in the local economy. I also note that health and social care partnerships help some of my most vulnerable constituents.

The budget is about economic growth, investment in our public services and social justice. It is about protecting our most vulnerable from the class war that is waged by the Tories, making Scotland's economy prosper and investing in and protecting public services. I call on all MSPs to back the budget tonight.

15:58

Tom Arthur (Renfrewshire South) (SNP): I am delighted, particularly as a newly elected member, to have the opportunity to participate in this afternoon's historic stage 3 budget debate. The budget is fair and proportionate and balances the imperatives of public spending with the exigencies of supporting economic growth at a time of Brexit-driven uncertainty.

The proposals that the budget outlines will increase the total resources for local services and increase health spending above inflation. In my Renfrewshire South constituency, that translates into almost £5 million in additional support for integration authorities and more than £1.5 million direct to schools through the pupil equity fund.

Although St David's primary school in Johnstone benefits from attainment challenge funding, the pupil equity fund that the budget provides means that, to give just a few of many examples, St Mark's primary school and Carlibar primary school in Barrhead will each receive more than £120,000, Johnstone high school will receive more than £110,000 and Woodlands primary school in Linwood will benefit from almost £150,000. That is real money that will make a real difference to the lives of children and young people in my constituency. Those who vote against the budget are voting against that money going to those schools.

Neil Findlay: Does that mean that, every time the SNP has voted against a budget here or in any council chamber, it was voting against every single thing in that budget? Let us get beyond such childish stuff.

Tom Arthur: The context to that remark is that I hear calls from the Labour Party for increased investment in education, but when we provide increased investment in education, what do Labour members do? They vote against it.

Neil Findlay: That does not answer the question.

Tom Arthur: It does answer the question.

A frustration that is shared by many of my constituents, particularly in Howwood and Lochwinnoch, has been the lack of access to superfast broadband. On doorstep after doorstep during the election campaign, the SNP Government's commitment to provide superfast broadband access to 95 per cent of homes by the end of this year and to 100 per cent of premises in Scotland by 2021 was warmly received. I know that many of my constituents will join me in welcoming the support that the budget provides to deliver the final phase of the digital Scotland superfast broadband programme and to commence the first phase of the reaching 100 per cent programme. Whether it be in health, education or digital infrastructure, the budget will deliver for my constituents in Renfrewshire South and for the people of Scotland.

The same cannot be said of the Tory and Labour proposals. Labour's tax proposition is unfair, ill advised and incoherent. It is unfair to ask people who earn less than £12,000 a year to foot the bill for Tory austerity. It is ill advised to advocate an increase in the additional rate without having regard to the potential behavioural impact and consequent reduction in tax revenue.

Anas Sarwar: That is the Tory argument.

Tom Arthur: I would rather deal in pragmatic reality than in Labour's clown-car economics.

It is incoherent to press for tax increases on the lowest earners in society while simultaneously implementing council tax freezes across the country on the grounds that

"so many people are having to tighten their own budgets and, in the worst cases, are struggling to provide the basics for their families."

Those are not my words but those of the outgoing Labour Renfrewshire Council leader, Mark Macmillan. Incoherence has characterised Labour's whole approach to the budget process at every level, which has resulted in Labour's politics being viewed by the overwhelming majority of people in Scotland as outdated, misplaced and irrelevant to their needs. That was confirmed yet again by the grotesque chaos of Labour's walkout at Clackmannanshire Council this morning.

While Labour would hammer the least affluent in society with tax rises, the Tories want to cut tax for the most affluent, at the expense of our public services. The budget process has been revealing about the values and character of the Conservatives, as it has confirmed what we have always known—that, despite the talk over the past 10 years of rebranding, disbanding and a

refreshed membership, they are still the same old Tories.

I will give one example. East Renfrewshire Council stands to benefit from an additional £3 million that was announced earlier in the budget process. When the council's budget was set last week, what did the Conservatives decide to do? Did they suggest that that revenue should be spent on education or on additional investment in health? No. Their proposition was a 6 per cent council tax cut in one of the most affluent parts of Scotland. That tells us all that we need to know about the values of the Conservative Party. For all the talk of Scotland being the highest-taxed part of the UK, the people who would stand to benefit from the Conservatives' proposition are the highest earners, not the people who are most vulnerable and most in need of support.

This budget delivers for all of Scotland, and I am proud to support it.

16:04

Anas Sarwar (Glasgow) (Lab): Almost daily, we hear SNP members say that it is “a historic day”, “a historic moment”, or that there is “historic progress” towards whatever it is that they dream of every single night, but in actual fact the budget is a historic waste of time and a historic wasted opportunity.

SNP Government ministers spend every waking moment saying, “We want more power, more power, more power.” However, when they get the power, they do not want to do anything with it. On welfare powers, they say, “We need to wait and see.” On tax powers, they say, “We don't want to use the tax powers.” I listened very carefully to Tom Arthur's argument about the 50p tax band. I have heard that argument before: it is a Tory argument to say that people will flee if we introduce a 50p tax band. In fact, Nicola Sturgeon supported a 50p tax band when she was playing the game of the 2015 general election, but now that the Government has the opportunity to use the power, it does not want to. The truth is that Derek Mackay, Nicola Sturgeon and SNP members are, rather than wanting to use the tax powers, Tory unionists when it comes to tax policy.

The budget was meant to be about protecting communities, but all it does is protect the yes alliance.

Joan McAlpine (South Scotland) (SNP): Can the member explain why the previous Labour Government did not put up the tax rate for the highest earners until 2010?

Anas Sarwar: I am sorry that Joan McAlpine was not paying attention to what happened under

the previous Labour Government, which introduced the 50p tax band.

This budget is all about protecting the yes alliance—not the poorest and most vulnerable communities. I listened to Patrick Harvie's speech. He is a man whom I respect and who I think always speaks on principle. However, he is a Glasgow MSP who fails to recognise a £53 million cut to Glasgow's budget, which his own councillors voted on last week.

Patrick Harvie: I am a Glasgow MSP who has won an additional £17 million for the budget. I agree with Anas Sarwar about wanting more—I wish that we had more and I wish that we were investing more. However, exactly what meaningful difference has Anas Sarwar's party's approach made in terms of pushing the SNP to do something that it does not want to do? None.

Anas Sarwar: I am so glad that Mr Harvie made that intervention, because the equivalent of the Green and SNP deal is someone coming to Patrick Harvie, Derek Mackay or Nicola Sturgeon and saying, “You're going to get a £15,000 pay cut”, then coming back and saying, “Actually, you're getting a £10,000 pay cut, but you should be happy because you're getting £5,000 extra.” That is the equivalent of the argument that they are making in this debate. There is no extra money and there are still cuts to communities around the country.

Look at members on the SNP benches—there has not been a single utterance of opposition to budget cuts in their communities. They have no backbone, no ability to stand up to their own Government—their masters—no opinions of their own, no ideology and no thought except for independence.

The Minister for Community Safety and Legal Affairs (Annabelle Ewing): Will the member take an intervention?

Anas Sarwar: I will not, just now.

Clare Adamson (Motherwell and Wishaw) (SNP): Will the member give way?

Anas Sarwar: I will not, just now. I took pleasure in standing shoulder to shoulder with every single SNP MSP against the proposals to close jobcentres in Glasgow. Why are they not standing shoulder to shoulder with us now when the city's budget is being cut? Why are they not standing shoulder to shoulder with us when there are cuts to the NHS across the country? The reality is that it is easy to be tough when they are talking about what is being done to us by the Conservatives in Westminster, but it is not easy to show backbone when their own Government makes bad decisions right here in Scotland.

I was at NHS Greater Glasgow and Clyde this week to protest against closures—[*Interruption.*] I am glad that Mr Mackay is laughing, because I am talking about the Royal Alexandra hospital, which is in the area that he represents. I was standing shoulder to shoulder with Neil Bibby at the health board in opposition to the closure of the kids ward at the RAH. Where was George Adam? Where was Derek Mackay? Where were those SNP MSPs? They were outside McDonald's, campaigning against a closure there—or perhaps they were buying Nicola Sturgeon a Happy Meal. When it comes to standing up for their communities, they are nowhere to be seen.

I have seen the social care promise that was made in this budget. Apparently, we are getting £107 million more for social care, but the reality is that, at the same time, the Government is writing to councils to say that they can withdraw up to £80 million for integration joint boards. What is the consequence? Delayed discharge means that more than half a million bed days are being lost, although the Cabinet Secretary for Health and Sport promised to eradicate that by the start of 2016. Half a million bed days is the equivalent of every single bed at the Queen Elizabeth university hospital, and more, being occupied every single day by patients who are fit to leave but who are trapped in hospital—that is a shame on every single SNP member.

After 10 years of the SNP in Government, we have seen inequality rise. Health inequality has risen—the gap has not narrowed, but widened. The attainment gap and the wealth gap have widened, not narrowed. What is the SNP's version of redistribution of wealth? It is to cut air passenger duty for frequent flyers while reviewing the bus pass for pensioners across the country. That is the real truth of the SNP Government.

I will vote against the budget because I believe in prosperity and fairness and because I stand up against poverty and reject austerity. What will SNP members do? I know what they will do—they will do what they are told.

16:11

Joan McAlpine (South Scotland) (SNP): If we have learned anything today, it is that the Tories are economically innumerate and their sums do not add up. Throughout the budget process, the Tories have made uncoded spending demands while simultaneously demanding tax cuts. They make two completely contradictory assertions at exactly the same time and apparently without any embarrassment or shame. George Orwell called it doublethink—I call it a double-cross. The Tories are not fooling anyone except themselves. We cannot cut tax and spend more at the same time, and no amount of silly extended metaphors about

overstuffed sofas can divert us from that dodgy arithmetic.

Murdo Fraser: Where was Joan McAlpine in election after election when the SNP stood on a manifesto commitment to cut corporation tax by 3 per cent in order to grow the tax take and the economy? Was that completely wrong?

Joan McAlpine: We cannot expect immediate returns from a tax cut, which is exactly why the Tories' sums do not add up—they are not coming up with the money immediately to meet all their spending demands.

I will go through some of the spending demands that we have heard. Dean Lockhart wants more for Scottish Enterprise and Edward Mountain demanded more to fill health service vacancies, despite the fact that there is £12.7 billion being allocated to the NHS this year.

It is not just that the Tories' sums do not add up. The basic Tory assertion that Scots will pay more tax is simply not true. The fact is that 99 per cent of people in Scotland will pay no more tax on their current level of income than they did in 2016-17. Income tax is not going up in Scotland; however, the Tories are giving the richest 10 per cent in the rest of the UK a big tax cut. The Tories propose to raise the level at which people start paying the higher rate of income tax from £43,000 to £50,000 by 2020. That is a massive tax cut that the Conservatives forecast will cost the UK £1.6 billion. I am very glad that that cost will not fall on Scotland because of the fair and sensible policies that are being pursued here. Scotland will freeze income tax rates for this entire session of Parliament. Freezing income tax is not the same as raising it, but the Tories continue to assert that it is. Ordinary basic-rate taxpayers will pay the price of that through increased charges and fewer services.

The real high-tax party is, in fact, the Tory party. In England, Tory taxes are higher for poor people, who have to pay the Tories' bedroom tax, which the Scottish Government has effectively wiped out in Scotland at a cost of £47 million.

Anas Sarwar: Can Joan McAlpine please clarify something? She said that the SNP will freeze income tax rates for the duration of this session of Parliament. Does that mean that the top rate of tax will not rise for the duration of this session of Parliament?

Joan McAlpine: As the member has already heard, that is being considered at the moment.

The new Scottish welfare fund, which the SNP introduced for the most vulnerable people in our society, will benefit 217,000 households that are affected by emergencies, financial crises and the UK Government's cruel welfare cuts—which,

incidentally, Sheffield Hallam University has calculated will take £1 billion out of the Scottish economy by 2020.

In England, there is a Tory tax on education—students in England have to pay £9,000 in tuition fees. Of course, tuition fees were introduced by a Labour Government of which Anas Sarwar was part, as I recall. Here, 120,000 Scottish undergraduates do not have to pay fees.

In England, Tory taxes are higher for sick people. People must pay £8.50 for every item of medicine, so woe betide them if they have multiple conditions. In England, 100,000 people who suffer from long-term conditions are hit by that Tory tax.

There are also Tory taxes that apply to older people. In Scotland, around 77,000 people benefit from free personal care, which is not available in England, and which saves self-funders in residential care almost £9,000 per year. In effect, that is another tax that older people in Scotland do not pay.

The SNP does not need to take lessons from the Tories on taxes. It is Tory tax and benefit changes that are hurting the most vulnerable people more than they hurt the rich. Since 2010, the only income tax rate that the Conservatives have cut is the additional rate, which was cut from 50p to 45p. That gives us an insight into the Conservatives' priorities. The Tories are the party of hidden taxes. They plan tax cuts for the rich and stealth taxes for people on low and middle incomes—for the sick, for the poor, for struggling families, for students, for the disabled and for the old.

It is 15 years since Theresa May stood up at the Tory party conference and told her colleagues that the Tories were “the Nasty Party”. We have had many changes in politics since then. Mrs May has gone from party chairman to Prime Minister. However, I am afraid that the “Nasty Party” tag still sticks.

16:16

Oliver Mundell (Dumfriesshire) (Con): I have to be honest: I am still a relatively new member of the Parliament, and I have been a bit bemused by the circus of the past few weeks. I have been struggling to keep up with Derek Mackay's budget revisions and—more difficult for me—I have been trying to work out which of my two conclusions is worse: either we have a finance secretary who did not notice the missing millions from his budget, or we have a finance secretary who wilfully hid those millions while hiking up taxes and cutting funding for local government and other public services. I suppose that all that at least clears up some of the confusion about why SNP members thought that

they had less money to spend, if they were not actually planning to spend it.

Nonetheless, I came to today's debate hopeful that, even at the eleventh hour, Derek Mackay might change not just his mind but his mindset. Some of my colleagues may think that I was being a bit naive but, given all the unexpected windfalls and U-turns since the draft budget was published, I was beginning to think that nothing was impossible. In fairness, given that the cabinet secretary likes finding new money so much, and given his Government's new-found propensity to bound into action in response to Tory concerns, I thought that he might be willing to go the whole hog and embrace the principles of economic growth and competitive taxation to grow the overall tax take.

Instead, the finance secretary is steadfastly anchoring himself to the mistaken belief that it is the level of taxation, not the level of economic success, that will protect our public services and increase living standards. In doing so, he is single-handedly failing in his duty properly to redistribute the wealth of our nation and he is setting out on an economic path that will deny a generation of Scots jobs, economic opportunities and the well-funded public services that they deserve.

Worst of all, while doing all that, the finance secretary is masquerading as a kind of modern Robin Hood. The only problem is that Derek Mackay is not taking from the rich to help the poorest. No, he is more like the sheriff of Nottingham, putting forward a budget that is robbing all of us to pay for 10 years of SNP failure.

Andy Wightman (Lothian) (Green): Will the member take an intervention?

Joan McAlpine: Will the member take an intervention?

Oliver Mundell: No, thank you.

I fear that this is a case of the emperor's new clothes. The finance secretary's new-found powers seem to have gone to his head, and he is parading the naked truth about the SNP's economic policy in front of the people of Scotland. The truth is that, if the SNP has an economic plan, it must be invisible. Undeterred, the finance secretary soldiers on, believing so strongly in his own spin that he does not even seem to have noticed the outcry—

Derek Mackay: I would like to interrupt the member's insults for a moment and ask him to turn to his party's proposition. What area of funding would the Conservatives cut to fund their tax cut for the richest in society?

Oliver Mundell: As we have said repeatedly—I do not know how many times we will have to tell the finance secretary this—by reducing the rate of

taxation and maintaining competitive taxes, we can grow the economy.

There is no escaping the fact that Derek Mackay's Government has been found out. The years of economic indifference are coming home to roost. Blaming the UK Government for years of its own inertia no longer washes. We now know once and for all that this is a socially heartless and economically soulless Government that has chosen—believe me, the austerity of economic self-destruction is a choice—to push thousands of businesses to the wall, to demand that those on middle incomes pay more council tax and to send out an unequivocal message to the financially mobile and those who want to invest in Scotland that we are no longer open for business. All that hurts our economy and means that there will be less money to redistribute in future years. That hurts our schools, our NHS and the most vulnerable in our society, and it is just not good enough.

I will undoubtedly be told that I am talking Scotland down or hurling insults, but at least—unlike the Scottish Government—I am not doing Scotland down. Indeed, it is about time that the SNP realised that, by calling out its incompetence, we are actually talking Scotland up. Unlike the fanatical, hard-left separatists, I do not believe that Scotland is too wee or too small to grow, nor do I think that we are shackled by our United Kingdom, and I certainly believe that we can make a success of Brexit. However, we will not achieve any of that by reducing our competitiveness and making ourselves the highest-taxed part of our United Kingdom.

Andy Wightman: Will the member give way?

Oliver Mundell: I am in my final minute.

Perhaps it is because I represent a constituency on the border, where the choice that people have to make about where to live, work and do business is most immediate, but I believe more strongly than ever that we are starting to pay a very high price for SNP rule. That is why I will not be voting with the Scottish Government this evening, and I whole-heartedly back Murdo Fraser's amendment.

The Deputy Presiding Officer (Linda Fabiani): The final speaker in the open debate will be George Adam.

16:22

George Adam (Paisley) (SNP): I begin by saying how pleased I am to speak in this debate, not only because it is the budget debate and the first time that my good friend and colleague Derek Mackay has presented a budget to us as the Cabinet Secretary for Finance and the Constitution but because it is the first time in history that we,

the MSPs of Scotland, have had the power to make new decisions ourselves, for our country. This budget heralds a material change in the financial responsibility of the Scottish Parliament, and it gives us our first opportunity to set income tax rates and thresholds. As such, it is an important step towards Scotland's future and growth as a country.

The budget is fair, focused and forward thinking, and it seeks to promote Scottish interests and protect Scottish people. It rejects the austerity that is so loved by the Tory party in Westminster and instead secures an additional £900 million to spend on our public services. We believe that money is better spent on the things that matter most to people—the things that can make or break everyday taxpayers and everyday families. Health, education, jobs and local services are the things that make a successful and fair society. By making people and public services our priority, we ensure that Scottish taxpayers get more for their money and a much better deal than people anywhere else in the UK.

Anas Sarwar: Will the member give way?

George Adam: I will take Anas Sarwar's comedy turn.

Anas Sarwar: The member talks about local services and the NHS. Today, he said on Twitter that 140 characters was not enough to say what his position on the Royal Alexandra hospital is. Will he demand that the health secretary calls in the proposal and rejects the plan to close the RAH kids ward?

George Adam: On three or four occasions, we have heard Kezia Dugdale and Anas Sarwar attack members of my community who have low-wage jobs and low incomes because I stood up for them to try to make sure that families in Paisley would have prosperity in future, so Mr Sarwar should not come to me playing politics with hospitals.

At this point, the Tories will no doubt fixate on what they perceive to be a disregard of Scotland's highest income tax payers, yet, at the moment, they are being asked to pay only a little more each year than taxpayers in the rest of the UK. That is greatly offset by the savings that those earners will benefit from in respect of free prescriptions, free higher education and other vital public services in Scotland. The difference in comparison to England amounts to around £7.60 a week. Compare that sum to the £8.40 that it costs people who live south of the border for each prescription item.

I have followed the passage of the Budget (Scotland) Bill through the chamber and committees and have seen the debate between Murdo Fraser and Derek Mackay, which has been an example of two different approaches, styles

and political beliefs. However, there is one major difference between the two of them. I have known Derek Mackay all his political life, and the big difference is that Derek has won every election in which he has stood as opposed to Murdo Fraser, who has lost every campaign. It seems that the public has real insight when it comes to choosing elected members.

In contrast, the Labour Party's suggestion for raising tax would undoubtedly affect our low-income taxpayers the most and that is something that the Scottish Government will certainly not get on board with. Instead, the Government will freeze income tax rates. Despite Westminster cutting the Scottish budget, we will not pass on austerity to the household budgets of those in our society with the lowest incomes. Indeed, the SNP Government continues to protect some of the poorest in our society from the negative impacts of the UK Government's welfare cuts, while attempting to tackle poverty, protect those with disabilities and continue to develop a Scottish social security system that is based on dignity and respect.

Locally, the budget recognises the importance of community resources. Local government is an integral and essential part of the overall good governance of Scotland and continues to be a key partner in the Scottish Government's transformative programme of public sector reform. In acknowledgement of that, Scotland's local authorities are to benefit from an additional £160 million investment to spend on local priorities—that is on top of the £240 million that is already pledged for local services. Each council area will also benefit from additional funding through the attainment Scotland fund, which will help to significantly close the attainment gap and further promote a fair and equal society for every Scottish citizen.

In addition, all the extra council tax income that is raised by the reforms to council tax for bands E to H, which is estimated at £111 million in 2017-18, will be retained in full in every local authority. Every authority can then decide how to spend the money, based on its own local priorities and needs. All council tax that is raised locally will be spent locally. The council tax reforms will provide additional support to families of low incomes across all council tax bands by extending the relief that is available to households with children, which could benefit 77,000 families and an estimated 140,000 children.

For healthcare, the budget proposes a record investment in the NHS and sends the total health resource spend to a soaring £12.7 billion. During times of difficulty and uncertainty, it is crucial that the NHS remains a priority service for the Scottish people.

In challenging times, the budget delivers for the people of Scotland. The cabinet secretary is showing the way forward to the prosperous, fair Scotland that we all want to live in.

The Deputy Presiding Officer: We come to closing speeches. Despite all the noise this afternoon, I have some time in hand, so I can allow time for interventions if members wish to continue the spirit of debate—although they must speak from a standing position, rather than from their seats.

16:28

Jackie Baillie (Dumbarton) (Lab): Labour's approach from the start of the budget process has been to use the Parliament's new powers to stop the cuts in full, not in part, so that we can invest in public services and in our people to grow the economy. That stands in stark contrast to the approach of the SNP, which is content to operate simply as a conveyor belt for Tory cuts. We now have the power to do things differently, but that takes political will, which is something that appears to be strangely absent in the SNP.

Every time we debate the subject, the SNP blames the Tories for the cuts. I confess to having a modicum of sympathy for that approach, but when the SNP has the power to change that and refuses to do so, I part company with it.

I remind the Parliament of the First Minister's pronouncements on the issue of Tory austerity. She used to believe in being anti-austerity—that was at a time when she had fewer powers than she does now. Now that she can actually deliver anti-austerity, is it not a shame that she no longer wants to do so? The SNP always demands more powers—it is, after all, the party of independence. What a shame it is that it does not want to use the powers that it has to protect our public services and our economy.

We have heard from SNP back benchers today a list of good things in the budget. This is not about denying those things, but we believe that this Parliament can and should do more. The SNP cannot really get away from the cuts that it is making—

John Swinney: Will Jackie Baillie give way?

Jackie Baillie: In a second. No amount of double counting on the part of SNP ministers can hide the cuts: the £170 million that has been slashed from local services this year; and the £1.5 billion that has been slashed since 2011, much of it on the Deputy First Minister's watch. What does he have to say about that?

John Swinney: Jackie Baillie says that there is no denying the good things in the budget. Why on earth, then, is the Labour Party going to vote

against every single one of them—against £900 million of investment in local services? Where is the social justice in that absurdity?

Jackie Baillie: That is interesting because there are actually £170 million of cuts; there have been £1.5 billion of cuts on the Deputy First Minister's watch—he has cut services. I watch him and the First Minister shake their heads. The unfortunate thing for them is that all that is true. They claim to be funding the health service, but we know that across Scotland, the NHS is struggling. NHS Greater Glasgow and Clyde will start to consult on the biggest cuts programme in its history—a staggering £105 million of cuts next year alone. Services will close; patients will suffer.

Let me give members a flavour of that. There is the reduction in mental health services for older people—and here I thought that mental health was supposed to be a priority for this Government; the removal of school nurses from our schools; and, of course, the closure of the children's ward at the RAH, which the local member, George Adam, failed to mention. That is not to mention the proposals to close the Vale and Inverclyde maternity units, which the Government will not tell us about until after the May election—how deeply cynical that is. Let us not pretend that this is anything other than a budget that cuts.

Let me move on to the SNP-Green deal.

John Swinney: Will the member give way?

Jackie Baillie: No, I have given way to the member already. He might want to comment in a minute.

I have watched their manoeuvres with fascination. They all say that there is an extra £160 million on the table, but that is simply not true. The only new, extra money is £29 million; the other money is already in the budget—it is underspend, shifting budget lines, accounting trickery. Like a cheap conjurer, the finance secretary reaches up his sleeve and pulls out another bankroll of money—but it is only for one year, so we will start off next year with a £130 million cut.

I say to the Greens as gently as I can that I think that they have got very little out of this deal. I am disappointed that progressive and principled politics has been abandoned for low politics and the illusion of influence. I think that the SNP will be smiling tonight. It has played a blinder; and it has played them well.

I welcome the cabinet secretary's announcement of a 12.5 per cent cap for the north-east, the hospitality industry and renewables, but again it is not new money and again it is only for one year—businesses want to know whether they will receive the same relief

next year, or do we have to wait and see what money the cabinet secretary can pull from his other sleeve in 12 months? Also, that is before I even begin to touch on the additional impact on hospitals, universities, nurseries and schools. With the greatest respect, sleight of hand, short-termism and a complete failure to grasp the challenge ahead are no way to run a budget.

As the cabinet secretary knows, we raise a substantial proportion of our own income. The number of people paying tax in Scotland matters and has a direct relationship to the amount that we can spend on public services. Clearly, therefore, we need to grow the economy and grow our tax base. If we have more people in work—more people paying tax—we have more to spend on public services. It really is that simple.

However, at a time when our economy is stagnating, employment is down, unemployment is up and economic inactivity is rising, what does the SNP do? You guessed it—the Scottish Government cuts the budgets of its enterprise and skills agencies: the very bodies that are charged with growing our economy. Having cut the Scottish Enterprise budget by 48 per cent, the Government decides to give some of that money back. We have to welcome that, but it is financial transaction money—it can be used only as loans that need to be repaid. There is still a £50 million cut.

Labour will not support grubby back-room deals among parties that are more interested in the next independence referendum than in growing the economy and investing in public services. This budget does not protect the poorest or public services—it tinkers at the margins, and it is timid and lacks vision. That is why we will vote against it at decision time.

16:35

Douglas Ross (Highlands and Islands) (Con):

As a new MSP, this is my first stage 3 budget debate, so I can only surmise how such debates must have gone in the past. I assumed that when we got to this stage, there would be very little new to add, and that may have been the case in the past, before we got Derek Mackay, the cabinet secretary for U-turns. I could give him other titles, such as the cabinet secretary for the Scottish Parliament information centre, given how often he deflected to SPICe any difficult questions over his funding for additional business rates relief; or the cabinet secretary for money trees and cash down the back of the sofa—I accept that that is not particularly catchy, but it accurately describes how Derek Mackay has navigated his first budget.

Derek Mackay has long been considered a rising star in the SNP, but some must now be questioning his abilities. He is a finance secretary

with more than £500 million more in real terms to spend in this budget than his predecessor had, but he can manage only to conjure up a budget that taxes hard-working families more, does not deliver for businesses and cuts funding to local authorities while expecting them to deliver more.

Kate Forbes: If Douglas Ross is so concerned about cuts to local councils, how does he anticipate funding them when he is so determined to cut taxes for the rich?

Douglas Ross: I will come on to both funding for local councils and our tax proposals later, because it is important to give those areas the full amount of time.

We know that the only way that the budget will be passed tonight is through an alliance between the parties that support Scottish separation from the rest of the United Kingdom. What of the Greens, then, half of whom are in the chamber just now? Derek Mackay was—shamefully—described as a “white knight” by Richard Lochhead on Tuesday, so what could we call Patrick Harvie? My colleague Murdo Fraser offered his own choice description during the stage 1 debate, but I have another description: the Greens are pusillanimous—they lack courage, they are timid and they give in too easily.

We all remember Patrick Harvie telling members in the chamber that he had not negotiated enough from the SNP to meet the commitments in his party’s manifesto, on which he had been elected just nine months earlier, but he felt that he had to do a deal. How the SNP and Derek Mackay must have laughed as the Green Party professed to having wrung every last penny of concessions out of the SNP only for another £44.6 million to be found for the business rates increases.

Patrick Harvie: We know that the Tories’ main concern is the Scottish Government’s refusal to cut taxes for the richest 10 per cent. Does Douglas Ross at least acknowledge, as Maurice Goldman failed to do, that people on the higher rate are high earners? Mr Goldman seems to think that £43,000 is a middle income. Does Mr Ross accept that the only people he is trying to protect are the richest 10 per cent in society?

Douglas Ross: I do not accept that, and I do not accept Patrick Harvie calling my colleague Maurice Golding “Maurice Goldman”—*[Interruption.]*

I say to Patrick Harvie that people—hard-working taxpayers—will suffer as a result of the budget, and it is wrong of SNP and Green members who have pushed this budget through to profess any differently. The public know that it is hard-working families who will suffer because of the vote that SNP and Green members are about to take.

The Minister for Local Government and Housing (Kevin Stewart): Will the member give way?

Clare Adamson: Will the member give way?

Andy Wightman: Will the member give way?

Douglas Ross: I am sorry—I want to make a bit of progress if I can. I will try to come back to those who are intervening if possible.

If I may, I would like to ask a question of the cabinet secretary, on business rates. I did welcome the additional funding that he announced on Tuesday, but I would like to raise a particular point on behalf of an operator of a bowling alley in Elgin. The bowling alley previously had a rateable value of £41,000 a year, which went up to £70,000—a 70 per cent increase. Through his own work, Darren Margach, the owner and managing director, managed to get that back down to 30 per cent, but the increase is still crippling. I ask the cabinet secretary: since the bowling alley is also a restaurant and bar, will it be included in the 12.5 per cent cap? I would like to get this important point on the record. I give way to Mr Mackay.

Derek Mackay: It would be totally inappropriate for me to give individual tax advice to individual companies in the course of a stage 3 debate. My retort is: given that situation, why are the Tories about, in just a matter of minutes, to vote against a relief package for tens of thousands of businesses across this land?

Douglas Ross: I would say that I am grateful for that intervention but I am not. If the cabinet secretary wants to make the discussion wider than about just one business, will he tell me why some bowling alleys across Scotland saw a 20 per cent reduction, but Darren Margach and Pinz bowling alley in Elgin had a 30 per cent increase? If we take them out, there is an overall decrease in business rates; but there is an increase when we include them.

Derek Mackay: Will the member give way?

Douglas Ross: No, I cannot give way any further. The matter is of genuine concern—

The Deputy Presiding Officer: Mr Ross—

Douglas Ross: Well, if the cabinet secretary could answer as regards Pinz bowling alley in Elgin—

Derek Mackay: Presiding Officer, as I have said, lowering the poundage for businesses results in a tax reduction for businesses across the land. In addition to all the new national reliefs and the extension of the small business bonus, I have asked local authorities what other areas they might wish to protect with the extra £160 million that we have given to them. Within that, the Conservatives need to step up to the plate and

support local authorities in making those decisions.

Douglas Ross: I understand why the cabinet secretary will not give an answer here today, but I raise a genuine concern, so I will write to him and I would appreciate a full response for my constituent.

Before I move on, I will take a final look at stage 1 and a very—*[Interruption.]* Mr Swinney!

What I would say—*[Interruption.]*

The Deputy Presiding Officer: Mr Ross, please sit down. Mr Swinney, please sit down.

If members wish to have a debate with no backchat, they should please respect that. If all parties want to take part in this kind of heckling, it is for me to decide when there has been too much, and not for anyone else, Mr Ross, please.

Douglas Ross: Thank you, Presiding Officer.

I was reflecting on the stage 1 proceedings. Just after that, SNP cabinet ministers—John Swinney included—went into tweet overdrive. They were hailing the deal that they had done with the Greens, all of them saying how bad Labour and the Conservatives were for voting down the budget and all of them with the same omission—I looked at the tweets and a number of them all failed to mention a different group in this Parliament. Which group was that? It was the Liberal Democrats. They never got a mention in any of the tweets about the stage 1 debate.

That got me wondering, so I thought that I ought to check the voting record of the Liberal Democrat MSPs. They had all also voted against the budget, so why were they not included in the criticism? I began to wonder whether it was because they are the smallest party in Parliament; or was it because the SNP is now worried that the Greens realise that they have been sold short on their deal and so it will need the Liberal Democrats to prop it up in future? The tweets that we have seen so far were very telling.

I want to mention briefly—

Willie Rennie: Will the member take an intervention?

Douglas Ross: I give way to Mr Rennie.

Willie Rennie: I do not really need Douglas Ross to stand up for me. *[Laughter.]* What we really need is a change in the budget to deliver investment for the future. Is that something that he will support next time round?

Douglas Ross: Given how unsuccessful Mr Rennie was in his negotiations with the Scottish Government, I do not think that I will be taking any

lectures from him on how to go about budget negotiations in the future.

I would like to go over a number of the points that were made, but I do not think that I have the time. However, I will raise a couple of issues if I have a bit more time. I like to mention things that were said during a debate.

Kate Forbes said that it is a privilege to be a parliamentary liaison officer to the cabinet secretary and now we all know why: she gets reports from the cabinet secretary before they are released to the rest of Parliament, and puts out a press release. No wonder she thinks it is a privilege if that is how she deals with her role.

As the stage 3 debate on the budget comes to a conclusion, the door closes on an unprecedented opportunity to grow Scotland's economy. Let us be clear that our economy is underperforming. Tonight, the Greens and the SNP will make Scotland the highest-taxed part of the United Kingdom, but the reality is that Derek Mackay did not need the tax rises at all. As Murdo Fraser pointed out during Tuesday's debate on the Scottish rate resolution, the total being raised by creating the income tax differential is £108 million—substantially less than the £185 million that the SNP had seemingly stashed away for a rainy day.

We should make no mistake about it: Scots can see past the smoke and mirrors of the SNP. They want a strong Opposition that holds the Government to account on decisions that will affect not only Scotland's bottom line, but their own.

The Scottish Conservatives will not support the budget at decision time tonight because it is a bad proposition for the people of Scotland. Bruce Crawford and Tom Arthur said that this is an historic day. The budget is indeed historic, but it will be remembered not for the powers gained, but for the opportunity lost.

16:46

Derek Mackay: I said at earlier stages of the budget process that I would embark on a process of negotiation to find consensus in this Parliament, and I feel as if I have done that, as this debate has evidenced. Well, there is not a consensus among members in every part of the chamber to vote for the budget. Perhaps that was too much to ask. I know that I have been described as a magician, but I am not a miracle worker who could get the better together alliance to vote with us to unlock extra investment for the public services of Scotland.

Many elements of the debate have actually been quite disappointing when we think about the

seriousness of what we are discussing—all our public services and the tax rates that we are now responsible for. This was an opportunity for us as a Parliament to show how we have matured and how we will respond to the powers that we have. Therefore, the most disappointing contribution has to be that of Douglas Ross, who spent his summing up on behalf of the Conservatives indulging to a large degree in personal insults and abuse.

Douglas Ross: Will the cabinet secretary give way?

Derek Mackay: No. I am sorry. If the member chooses to spend his summing-up time on behalf of the Conservatives simply insulting me, that does a disservice to his own party and to the entire country.

The budget is about £39 billion-worth of services. That is what we have been discussing. Members across the chamber may find points of difference to oppose the budget on, but many members have been able to express reasons to support the budget and the choices that this Parliament will make.

I say to the Labour Party that I listened closely to what it and others wanted, and there were specific requests that I tried to deliver as part of the budget process. Members can describe them as U-turns if they want to, but the way that I look at it is that trying to listen to what parties in this Parliament wanted, to respond to that and to build a budget that tried to build that consensus felt like the right thing to do. I listened carefully to what local government and members of this Parliament said about our council tax proposition and how we should fund attainment. We increased the attainment fund to enhance what was proposed in our manifesto and we changed how that resource would be raised in order to listen to voices in Parliament. We also acted on rail fares and local services, but it looks as if the Labour Party, from a very dogmatic position, will still vote against the budget this evening.

Kezia Dugdale: The cabinet secretary will understand that our main opposition to the SNP's budget is about its failure to use its tax powers. In the conversations that we had throughout the budget process, which I felt were consensual and worth while, the cabinet secretary said that he may be willing in future years to revisit the question of a higher top rate of tax. Can he tell us whether he is still open to that?

Derek Mackay: The Scottish Government has been clear that we would not take an unnecessary gamble with the additional rate, so, yes, that policy is still under review. We may revisit the additional rate, but we will do so based on the evidence. The First Minister has specifically instructed the

Council of Economic Advisers to look at the issue so that, if we are to change the rate, we will do what is intended, which is raise revenue for public services rather than jeopardise it.

I turn to the Liberal Democrats to say that I know that, like many members of the Opposition, they might not be willing to vote for the budget. However, I think that all members of the Opposition are willing the budget to go through this evening because they know that it is a sensible and balanced budget that will deliver for Scotland.

The Greens have worked with us constructively and I will return to that point.

Willie Rennie: I want to give the finance secretary another opportunity to abuse me and satisfy Douglas Ross.

Can the finance secretary set out why he is not taking the opportunity to use the new tax powers to do something different on mental health and education?

Derek Mackay: We are using our new tax powers, but in a fair, balanced and proportionate way. We are not passing austerity on to the families of Scotland and basic rate tax payers. At the same time, we are investing an extra £900 million in our public services, and spending more on the key areas that Willie Rennie asked me about, including police, mental health, the NHS and, specifically, education in a way that I would have thought Willie Rennie would have welcomed. I will not, have not, and do not intend to abuse Willie Rennie now, or any other member in future, because that does not fit with the seriousness of the subject that we are discussing.

It is always interesting that, when I turn my attention to the Conservatives, it motivates the Labour Party to get involved. The Tories have put into the public domain their priorities for the budget, which did not include education, police, enterprise, innovation, or international trade. I will tell you what the Conservatives' requests were: a tax cut for the biggest businesses; a tax cut for owners of higher-value homes who want to sell their houses; and a tax cut for the top 10 per cent of income earners in this country. Those are the Conservatives' priorities. They are not about all those requests for extra expenditure that many Conservatives make day after day and week after week; they requested tax cuts for the richest in our society. That is not the choice that the Government will be making this evening.

Murdo Fraser: I offer the cabinet secretary a final opportunity to answer my point. If he will not listen to us, why will he not listen to the Scottish business community voices that have told him time and again that creating a tax differential

between Scotland and the rest of the UK is highly dangerous? Why will he not listen to that?

Derek Mackay: The only people who are saying that that will be the impact of our policies are the Tories who are talking Scotland down. I do not believe that there will be a mass exodus from Scotland as a consequence of our policies, especially when we look at the other side of the balance sheet and the social contract that we are delivering for our country with free education, no prescription charges, free personal care and lower council tax. That is the kind of thing that will encourage people to continue to live, work and invest in Scotland. The Tories are certainly not a branch of Scottish Enterprise with their attitude towards this country; they are doing Scotland down while we are building Scotland up.

There was also criticism from the Conservatives of the Scottish growth scheme. It has been approved by the Treasury and it will be a sound scheme that will support Scottish business. We revisited the tax argument, which was determined on Tuesday. That does make me wonder what element of the £900 million of the extra expenditure for the public services of Scotland the Tories oppose and will vote against this evening.

The Tories' hypocrisy has been shown on one issue above all else: business rates. The Government took early action and then took further action to ensure that they were in place in advance of the new financial year. I hear the Conservative members grumbling about 11th-hour actions, but the Chancellor is still to respond on what he will do with business rates south of the border.

On support for business rates, it was this Government that lowered the poundage and increased the small business bonus threshold, lifting 100,000 properties out of rates altogether, and ensuring that 70 per cent of businesses will pay no rates or lower rates as a consequence of our decisions. As well as opposing all that, the Tories at local level have also opposed local rates relief schemes. We hear the Tories making a lot of noise, but they make no difference when it comes to the decisions of our country.

The Greens, however, have made a constructive contribution to budget setting in this country. The Tories are for tax rises, but only for the poor, the sick or those seeking education; they are quite happy to raise and charge taxes in those areas. They might well be a strong Opposition—

Members: We are!

Derek Mackay: Oh, yes. Tonight they will be strongly opposing the police, strongly opposing the NHS, strongly opposing the extension of childcare, strongly opposing more support for business and strongly opposing connectivity as well as a new

skills fund. They are a strong Opposition to the good ideas that are coming from this Government and this Parliament.

Some have said that there has been no support for this budget. Given that the Conservatives do not want to hear from me, I will mention others who have commented. The chair of Colleges Scotland said:

"The increased investment in Scotland's colleges is very welcome indeed, particularly in these tough financial times."

Liz Cameron from the Scottish Chambers of Commerce has said:

"We are pleased that key infrastructure budgets such as roads and digital infrastructure are set to rise substantially over the coming year."

The Educational Institute of Scotland welcomed

"the announcement of additional investment to support schools in this area."

The Federation of Small Businesses said:

"By giving full rates relief to 100,000 Scottish firms, the government has lifted the prospects of smaller businesses facing a tough 2017."

Furthermore, on the new skills fund, the FSB said:

"We called for a new flexible fund to help firms develop their skills—especially the ones they need to tap the power of the digital economy. So what was announced today, while we need to see the details, sounds like it fits the bill perfectly."

Finally, Hugh Aitken from the Confederation of British Industry Scotland said:

"The commitments in this budget, on housing, and digital and transport connectivity, will lay the foundations to allow firms to get on with growing our economy and creating jobs for the long term."

Bruce Crawford very helpfully covered the economic incoherence of the Conservative Party, whose members, when asked how they would meet any new spending commitment, would say every time how they would spend the resources—*[Interruption.]* Murdo Fraser is heckling me; perhaps I will recap his economic madness. The Conservatives promised me a new economics book, but all I get from them are daft dossiers that normally begin with inaccurate figures. They said that, to fund their policies, they would re-spend money that had already been spent or, with a status quo tax policy, magically increase their revenues to be retrospectively spent at the start of a financial year based on future economic growth. That is the economic madness of the Conservatives, and I will not take their advice on economics.

Nor will I take the advice of the Labour Party on how to run a budget. Let us look at Clackmannanshire, whose administration faced a budget decision today. The Labour leader resigned, the whole administration resigned and

now they have no budget. Therefore, I will take no lessons from the Labour Party on how to run a budget.

In my final minute, I want to say that this budget is good for Scotland. It invests an additional £900 million in our public services, makes record investment in the NHS, expands childcare, provides more to tackle the attainment gap in our schools, gives more support to our colleges, makes more investment in infrastructure, expands broadband and supports our business environment. It is a budget of which I am proud, and I urge every member to support it this evening.

Points of Order

16:59

Tavish Scott (Shetland Islands) (LD): On a point of order, Presiding Officer. A governance review of public bodies subjected to the Scottish Government's skills review was published this afternoon, making recommendations on the Highlands and Islands Enterprise board and, indeed, on others. As you know, Presiding Officer, Parliament has already voted to retain HIE's strategic decision-making board, and the proposals now in front of Parliament would change that. In light of the vote that the Parliament has already had, have you had any indication that the Government wishes to make a statement on the matter?

The Presiding Officer (Ken Macintosh): I thank Mr Scott for his point of order. I am about to address it imminently, given that the same issue was raised by Rhoda Grant earlier this afternoon.

Douglas Ross (Highlands and Islands) (Con): On a point of order, Presiding Officer. Under standing order 7.3, I seek your guidance after Gail Ross, during the debate that has just completed, twice called Edward Mountain a liar in relation to the concerns that he was raising about maternity cover at Caithness general hospital. When I raised the issue during the debate, the Deputy Presiding Officer and her officials said that they had not heard the word. So that the issue can be dealt with, will you seek confirmation from the member that she did, in fact, use that word twice? If not, will you check the audio and the video recordings of this meeting, which will show that even her colleagues who were sitting next to her were concerned about the language that she used?

The Presiding Officer: I will address the points of order in turn. First—

George Adam (Paisley) (SNP): On a point of order, Presiding Officer. Under rule 7.3 of the standing orders, I seek your guidance on comments that were made by Kezia Dugdale today during First Minister's question time. She said that I could not even be bothered to respond to the public consultation on paediatric services in the Royal Alexandra hospital. However, I have this afternoon received a letter of apology from NHS Greater Glasgow and Clyde, which says that, due to an administrative oversight, my submission was not included in the report.

In this age of alternative truths, I am sure that Kezia Dugdale would not wish to put petty political point scoring ahead of the facts. Will Kezia Dugdale be given the opportunity to correct the record on that matter?

The Presiding Officer: That is not a point of order for me to rule on, but it is a point. The member was named in the proceedings earlier, and he has now been able to make a correction and put his point of view. That will be noted by all.

Tavish Scott and, earlier, Rhoda Grant raised points of order about the publication of Lorne Crerar's report on the enterprise and skills review. I have looked into this matter further. I understand that the cabinet secretary wrote to the convener of the Economy, Jobs and Fair Work Committee just after 2.30 pm today, and that the report has now been placed in the Scottish Parliament information centre. The news release that Rhoda Grant referred to was issued more than 30 minutes before that.

The Scottish Government will be aware that there has been significant interest in this issue across all parties. In those circumstances, I would expect the Government to make all members aware of the report's publication at the same time. I invite the cabinet secretary—who I cannot see in the chamber—to reflect on that. Members of the Parliamentary Bureau will be aware that the cabinet secretary has undertaken to come back to Parliament on the issue in due course, so there is an expectation that members will have the opportunity to question the cabinet secretary on the issue and to discuss it further.

On Mr Ross's point of order—

Daniel Johnson (Edinburgh Southern) (Lab): On a point of order, Presiding Officer.

The Presiding Officer: If I may, Mr Johnson, I will just finish my comments on the previous points of order. I will then take the fourth point of order.

On Mr Ross's point of order, I was in the chamber for the earlier part of the debate and I followed the debate during the afternoon. I understand that the debate was a heated one and that emotions were running high. Neither the Deputy Presiding Officer who was in the chair at the time nor the clerks heard the remarks that were referred to. I simply take this opportunity to remind all members to treat each other with courtesy and respect and not to make personal remarks or use unparliamentary language.

Daniel Johnson: On a point of order, Presiding Officer. Given your confirmation that Kate Forbes released the information about Lorne Crerar's report 30 minutes prior to its being placed in SPICe, do you consider that rule 4.1.1 of the ministerial code has been breached? It states explicitly that parliamentary liaison officers are required to exercise care in the use of any official information to which they have access in the course of their duties as a PLO.

The Presiding Officer: Again, that is not a point of order. The ministerial code is a matter for the First Minister and the Government. However, I have made my views on the matter known and I expect the minister to reflect on the matter.

Are there any further points of order? [*Laughter.*] Thank you.

Decision Time

17:04

The Presiding Officer (Ken Macintosh): There are two questions to be put as a result of today's business.

The first question is, that amendment S5M-04168.2, in the name of Murdo Fraser, which seeks to amend motion S5M-04168, in the name of Derek Mackay, on the Budget (Scotland) Bill, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Balfour, Jeremy (Lothian) (Con)
 Bowman, Bill (North East Scotland) (Con)
 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)
 Chapman, Peter (North East Scotland) (Con)
 Corry, Maurice (West Scotland) (Con)
 Davidson, Ruth (Edinburgh Central) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Golden, Maurice (West Scotland) (Con)
 Greene, Jamie (West Scotland) (Con)
 Hamilton, Rachael (South Scotland) (Con)
 Harris, Alison (Central Scotland) (Con)
 Kerr, Liam (North East Scotland) (Con)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Lindhurst, Gordon (Lothian) (Con)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Mountain, Edward (Highlands and Islands) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Ross, Douglas (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Thomson, Ross (North East Scotland) (Con)
 Tomkins, Adam (Glasgow) (Con)
 Wells, Annie (Glasgow) (Con)
 Whittle, Brian (South Scotland) (Con)

Against

Adam, George (Paisley) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Denham, Ash (Edinburgh Eastern) (SNP)
 Dey, Graeme (Angus South) (SNP)

Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dugdale, Kezia (Lothian) (Lab)
 Evans, Mairi (Angus North and Mearns) (SNP)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Fee, Mary (West Scotland) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (Green)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Greer, Ross (West Scotland) (Green)
 Griffin, Mark (Central Scotland) (Lab)
 Harper, Emma (South Scotland) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Haughey, Clare (Rutherglen) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Glasgow) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, Johann (Glasgow) (Lab)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Uddingston and Bellshill) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Macdonald, Lewis (North East Scotland) (Lab)
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)
 Maguire, Ruth (Cunninghame South) (SNP)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McDonald, Mark (Aberdeen Donside) (SNP)
 McKee, Ivan (Glasgow Provan) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 McNeill, Pauline (Glasgow) (Lab)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Rennie, Willie (North East Fife) (LD)
 Robison, Shona (Dundee City East) (SNP)
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)
 Rowley, Alex (Mid Scotland and Fife) (Lab)
 Rumbles, Mike (North East Scotland) (LD)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Russell, Michael (Argyll and Bute) (SNP)
 Sarwar, Anas (Glasgow) (Lab)
 Scott, Tavish (Shetland Islands) (LD)
 Smith, Elaine (Central Scotland) (Lab)
 Smyth, Colin (South Scotland) (Lab)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, David (Highlands and Islands) (Lab)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)

Swinney, John (Perthshire North) (SNP)
 Todd, Maree (Highlands and Islands) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wightman, Andy (Lothian) (Green)
 Yousaf, Humza (Glasgow Pollok) (SNP)

The Presiding Officer: The result of the division is: For 31, Against 94, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The final question is, that motion S5M-04168, in the name of Derek Mackay, on the Budget (Scotland) Bill, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, George (Paisley) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Dr 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)
 Campbell, Aileen (Clydesdale) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Denham, Ash (Edinburgh Eastern) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Evans, Mairi (Angus North and Mearns) (SNP)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Finnie, John (Highlands and Islands) (Green)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (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)
 Johnstone, Alison (Lothian) (Green)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Uddingston and Bellshill) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)
 Maguire, Ruth (Cunninghame South) (SNP)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)

Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (Aberdeen Donside) (SNP)
 McKee, Ivan (Glasgow Provan) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Russell, Michael (Argyll and Bute) (SNP)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Todd, Maree (Highlands and Islands) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wightman, Andy (Lothian) (Green)
 Yousaf, Humza (Glasgow Pollok) (SNP)

Against

Baillie, Jackie (Dumbarton) (Lab)
 Balfour, Jeremy (Lothian) (Con)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Bowman, Bill (North East Scotland) (Con)
 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)
 Chapman, Peter (North East Scotland) (Con)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Corry, Maurice (West Scotland) (Con)
 Davidson, Ruth (Edinburgh Central) (Con)
 Dugdale, Kezia (Lothian) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Golden, Maurice (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Greene, Jamie (West Scotland) (Con)
 Griffin, Mark (Central Scotland) (Lab)
 Hamilton, Rachael (South Scotland) (Con)
 Harris, Alison (Central Scotland) (Con)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Kelly, James (Glasgow) (Lab)
 Kerr, Liam (North East Scotland) (Con)
 Lamont, Johann (Glasgow) (Lab)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Lindhurst, Gordon (Lothian) (Con)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Macdonald, Lewis (North East Scotland) (Lab)
 McArthur, Liam (Orkney Islands) (LD)
 McNeill, Pauline (Glasgow) (Lab)
 Mitchell, Margaret (Central Scotland) (Con)
 Mountain, Edward (Highlands and Islands) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Rennie, Willie (North East Fife) (LD)
 Ross, Douglas (Highlands and Islands) (Con)
 Rowley, Alex (Mid Scotland and Fife) (Lab)
 Rumbles, Mike (North East Scotland) (LD)
 Sarwar, Anas (Glasgow) (Lab)

Scott, John (Ayr) (Con)
Scott, Tavish (Shetland Islands) (LD)
Simpson, Graham (Central Scotland) (Con)
Smith, Elaine (Central Scotland) (Lab)
Smith, Liz (Mid Scotland and Fife) (Con)
Smyth, Colin (South Scotland) (Lab)
Stewart, Alexander (Mid Scotland and Fife) (Con)
Stewart, David (Highlands and Islands) (Lab)
Thomson, Ross (North East Scotland) (Con)
Tomkins, Adam (Glasgow) (Con)
Wells, Annie (Glasgow) (Con)
Whittle, Brian (South Scotland) (Con)

The Presiding Officer: The result of the division is: For 68, Against 57, Abstentions 0.

Motion agreed to,

That the Parliament agrees that the Budget (Scotland) Bill be passed.

Meeting closed at 17:06.

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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Pàrlamaid na h-Alba