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Scottish Parliament

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

Urgent Question

The Presiding Officer (Ken Macintosh): Good afternoon. I have selected an urgent question that will be taken as the first item of business today. As a consequence, I am afraid that decision time will be pushed back to 5.15, as we were already a bit tight for time. So, our first question is from Liam Kerr.

Firefighters' Pay and Conditions (Reform)

Liam Kerr (North East Scotland) (Con): Thank you, Presiding Officer, and I am grateful for acceptance of the question.

To ask the Scottish Government whether it will provide an update on the reported reform of firefighters' pay and conditions.

The Minister for Community Safety and Legal Affairs (Annabelle Ewing): Yesterday, the Scottish Fire and Rescue Service issued a letter to its staff setting out a proposal on the possible future transformation of the service. Under that proposal, there will be no compulsory redundancies. The Scottish Fire and Rescue Service has confirmed that formal negotiations will be conducted through agreed collective bargaining arrangements. The Scottish Government, in the 2018-19 draft budget, has increased the spending capacity of the Scottish Fire and Rescue Service by £15.5 million. The Scottish Fire and Rescue Service has been exploring for some time now how best to develop the service to meet new and emerging risks, including how transformation could see the Scottish Fire and Rescue Service do more for the people of Scotland. The Scottish Fire and Rescue Service will be issuing a formal consultation on the future transformation proposals within the next three weeks.

At this stage, the Scottish Fire and Rescue Service has indicated that its proposed reward package would be for a new, expanded role for firefighters, which of course is still to be negotiated and agreed with unions. I welcome the Fire Brigades Union's willingness to engage with the service.

Liam Kerr: I thank the minister for that answer. The public will understand the rationale for changing the fire service but, as I have said before in the chamber on similar occasions, they will have legitimate concerns that the proposal is a way to

implement cuts by the back door. The chief fire officer has told firefighters that there will be a small reduction in whole-time firefighter posts. Will the minister confirm exactly how many full-time equivalent posts will be lost? Will she explain how the service is expected to respond more quickly with fewer firefighters, given that the average time taken to respond to house fires has increased in almost every council area in Scotland?

Annabelle Ewing: Of course, decisions about the allocation of resources are an operational matter for the Scottish Fire and Rescue Service as the employer. What is to be embarked on is a discussion with the FBU about the transformation of the Scottish Fire and Rescue Service and a new and expanded role for firefighters. The Scottish Fire and Rescue Service has confirmed that there will be no compulsory redundancies, as has been the case since the establishment of the single Scottish service.

On resources and the press coverage that we have seen in this morning's papers, what the Scottish Fire and Rescue Service is looking at is a reward for the new expanded role and potential pay increases of up to 20 per cent.

Finally, if the Scottish Fire and Rescue Service was able to get back the almost £50 million in VAT that Mr Kerr's Tory colleagues in the House of Commons have refused the Scottish Fire and Rescue Service access to, then it would have had, over the years since the establishment of the single Scottish service, more resources available for each community in Scotland.

Liam Kerr: I thank the minister for some of that reply. Of course, it was the Scottish Conservatives who won the VAT refund for our fire service, which is worth £10 million a year. Perhaps we can stop the grievance politics so that the minister can answer my further questions.

There are aspects of reform that we can welcome. In particular, I praise the Scottish Fire and Rescue Service for its successful trials of responding to cardiac arrests—I understand that a number of lives have been saved thanks to that effort. However, the Fire Brigades Union has said that its members have been given no specific detail about the roles that they will be expected to take on. We understand, for example, that firefighters will take on youth and social prevention work and inspection and enforcement responsibilities. Will the minister outline the specific duties that will be included in the definition? Further, will the Government publish the methodology that has been used to calculate the proposed pay rise?

Annabelle Ewing: I am not entirely sure whether Mr Kerr is saying that the Tories in Scotland are against firefighters gaining a reward

for what they are being asked to do, which is a new expanded role for firefighters the length and breadth of Scotland. It seems that the Conservative Party is not very enthusiastic about it, which is a point that will not be lost on the firefighters.

The operational detail on the new expanded role is, of course, a matter for the Scottish Fire and Rescue Service to discuss with the FBU in the formal process, and that is what I understand is about to happen.

Finally, on the key question of resources, of course it is not surprising that the member did not like my point about VAT, but the fact of the matter is that, while Highways England and academy schools were allowed to reclaim VAT, the fire service in Scotland was precluded from doing so by the Tories in Westminster for years and years, during which time it lost almost £50 million. Instead of being less than supportive of the transformation of the Scottish Fire and Rescue Service and the increased reward for our firefighters, the member might want to fight to get that money back to Scotland and to the service.

Gillian Martin (Aberdeenshire East) (SNP): Will the minister give a guarantee that those who take on enhanced responsibilities as a result of the new contract will be given comprehensive training and the necessary resources to carry out their new role effectively?

Annabelle Ewing: Those are matters for the Scottish Fire and Rescue Service, but I am encouraged to note that training is deemed to be crucial and will play a vital role in transformation of the service. As I said, there have been no compulsory redundancies since the establishment of the Scottish Fire and Rescue Service, and the service has confirmed that its proposals do not involve any compulsory redundancies.

Daniel Johnson (Edinburgh Southern) (Lab): According to the response to a freedom of information request that the Scottish Labour Party has received, the Scottish Government has been intimately involved in not just the finances and strategies for the transformation project but the details. Will the minister therefore confirm whether, ahead of yesterday's announcements, she was aware of the scale of the reductions in firefighters, stations and units? If so, given the scale of the change, why did she not feel that it was worth revealing to Parliament directly? Finally, does she share my concerns and those of the FBU that it did not receive prior sight of the details and that national pay and bargaining mechanisms have, in effect, been bypassed?

Annabelle Ewing: On that last point, I heard Chris McGlone, head of the FBU in Scotland, on "Good Morning Scotland" on the radio this

morning, and I was concerned to note that due process had not been followed. However, I was encouraged to note the FBU's willingness nonetheless to engage in discussion with the Scottish Fire and Rescue Service, as is right and proper.

The Scottish Government is aware that the Scottish Fire and Rescue Service has been engaged in looking at how we can transform the service to meet the new and emerging risks of 21st-century Scotland, and we will continue to offer any support in that process that we can. I also stress that the SFRS is the employer and is in charge of operational matters. As the employer, it will be getting on to discussing the detail of the proposals with the FBU.

Liam McArthur (Orkney Islands) (LD): Simply relying on the good will and hard work of staff on the front line to get by is not a long-term sustainable strategy, and an important part of protecting the fire service is paying workers properly and preventing their living standards from falling.

To follow on from Daniel Johnson's question, was the minister informed specifically of the offer before it went directly to staff? How does the enhanced role that is envisaged for staff in respect of terrorism, medical emergencies and community engagement differ from what staff already do? Will it to any extent formalise or recognise existing practices?

Annabelle Ewing: The answer to the first question is that I had no knowledge of the letter being sent yesterday—the first I heard of it was when we all heard of it.

To an extent, the expanded role already exists. For example, the out-of-hospital cardiac arrest work has been going on in some fire stations in Scotland on a pilot basis. The proposals for the new role would expand that emergency responder aspect of the role across the country and aspects in relation to terrorism, environmental risk and other matters, including prevention. Those issues are the nub of the discussion that will take place between the employer—the Scottish Fire and Rescue Service—and the FBU in the context of the collective bargaining arrangements, which are important. I hope that the member will do what he can to support that process.

John Finnie (Highlands and Islands) (Green): I welcome the minister's comments about collective bargaining. As a former full-time official of a staff association, I would have been raging if the employer had bypassed agreed procedures. That is not an operational matter, so will the minister direct the Scottish Fire and Rescue Service to adhere to the collective bargaining procedures, not only for the benefit of future

negotiations for the fire service but to send a clear message to others in the public sector?

Annabelle Ewing: I am happy to reiterate what I said in answer to Mr Johnson, which is that when I heard Chris McGlone, the head of the FBU in Scotland, on the radio this morning, I was concerned to hear what he had to say on the matter, but I was equally encouraged that the FBU nonetheless stands willing to get round the table and engage in discussions about transformation of the service. As I stated in my answer to the original question, the Scottish Fire and Rescue Service has confirmed that formal negotiations will be conducted through agreed collective bargaining arrangements. I hope that that gives the member the assurance that he was seeking.

The Presiding Officer: I thank the minister for taking that urgent question. I understand that there are a number of questions outstanding. Members who still have questions to ask will have other opportunities later this week or next week if they wish to raise the issue again.

Portfolio Question Time

Communities, Social Security and Equalities

14:11

Carers Allowance (Uprating)

1. **Claudia Beamish (South Scotland) (Lab):** To ask the Scottish Government for what reason carers assistance is not included in its proposed amendments to the Social Security (Scotland) Bill. (S5O-01734)

The Minister for Social Security (Jeane Freeman): I think that Ms Beamish is referring to the uprating amendment, as carers allowance is in the Social Security (Scotland) Bill.

Later this year, we will honour our commitment to implement our carers allowance supplement. That will provide extra money for carers, up to the rate of jobseekers allowance, in recognition of the important role that they play. It is an increase of substantially more than the rate of inflation.

Under our proposed amendment on uprating, ministers would have a statutory duty to review annually the rates of social security assistance, to assess the impact of inflation. That will give ministers the flexibility to consider different effects on the different types of carers assistance that we will provide, such as carers allowance and the young carer grant.

Claudia Beamish: I thank the minister for that answer. Looking to the future, I urge the minister to support the amendments that have been lodged by my colleague Mark Griffin, which would afford Scotland's 72,000 carers allowance recipients the same protection from inflation, which is currently running at 3 per cent. The minister will recall that I have a strong interest in the issue, as co-convenor of the cross-party group on carers.

In August, the minister told me, in answer to a question, that the combined weekly rate of carers allowance and carers supplement would be £73.10 in 2018-19 and 2019-20, but does she accept that passing on the United Kingdom Government's benefit freeze will leave carers more than £50 worse off in real terms in 2019-20, while the Government saves—by our calculations—£5 million?

Jeane Freeman: I recall Ms Beamish's long-standing interest in and commitment to carers across Scotland. I point out that the increase that we will implement as our very first delivery of social security benefits—once the bill has passed through Parliament and received Parliament's approval and royal assent—will be that increased

allowance, which is a 13 per cent increase on the current state of play for carers.

I take the view that the right place to discuss and negotiate amendments on a bill is in committee, and I look forward to the stage 2 amendment procedure, which will begin tomorrow at the Social Security Committee.

Mark Griffin (Central Scotland) (Lab): The low incomes tax reform group has written to the Social Security Committee with concerns about how the carers allowance supplement will interact with the tax regime across the whole UK. Have there been any discussions with the UK Government and Her Majesty's Revenue & Customs to ensure that no one who receives the supplement will have to pay additional tax?

Jeane Freeman: I have not had the benefit of seeing the letter and I do not know whether the group has written to me, as it has written to others. However, we have a fiscal framework that makes it clear that where an individual's income increases as a consequence of the Scottish Government's exercise of power over devolved benefits, that individual should not subsequently be penalised or lose the increase through their interaction with UK matters, be they to do with benefits or tax. Our officials are in constant discussion with the Department for Work and Pensions to ensure that.

I am sure that Mark Griffin will recall that we previously talked about the abolition of the bedroom tax at source, which we will do, and the potential impact that that might have with respect to the UK Government's benefit cap. I am pleased that we have managed to resolve that matter, some of which we will discuss when we consider the Social Security (Scotland) Bill.

I am happy to look again at the issue in order to be sure that we are in the right place, but I think that the fiscal framework that we negotiated is our starting point. The framework is very clear about individuals not being adversely affected by UK Government decisions when they have had their situation improved by Scottish Government decisions.

Homelessness and Rough Sleeping Action Group

2. **Gordon Lindhurst (Lothian) (Con):** To ask the Scottish Government whether it will provide an update on the work of the homelessness and rough sleeping action group. (S5O-01735)

The Minister for Local Government and Housing (Kevin Stewart): I am pleased to say that the homelessness and rough sleeping action group, which was set up in October, has moved quickly to recommend actions to minimise rough sleeping this winter. The recommendations have

been implemented and were backed by a total funding package of £328,000, which included £262,000 from the Scottish Government. That swift action is increasing emergency accommodation and outreach provision for people who are at risk of sleeping rough, and is providing crucial support and protection to people this winter.

The action group is now examining longer-term actions to end rough sleeping for good and to transform temporary accommodation, and its recommendations are due in the spring. Crucially, the action group is engaging with the wider sector and partners and is learning from people with direct personal experience of homelessness, as it takes its work forward.

I am grateful to the action group for its excellent work to date, including its commitment to working at pace, and I look forward to receiving its further recommendations.

Gordon Lindhurst: I thank the minister for that answer. According to the recently released document, "Homelessness in Scotland: Bi-annual update 1 April to 30 September 2017", Edinburgh saw the largest increase in the number of homeless households in temporary accommodation in Scotland last year. As at 30 September 2017, the 25 households in Edinburgh in unsuitable accommodation accounted for 74 per cent of the Scottish total, and the 11 breaches of the Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014 were 92 per cent of the Scottish figure.

I heard what the minister said, but will he explain why the Scottish Government has failed to deliver the 2011 Scottish National Party manifesto commitment to build more than 6,000 new socially rented houses each year? What, in particular, is the Government doing to reverse those trends in Edinburgh?

Kevin Stewart: Since the Government came to power in 2007, we have built more than 70,000 affordable homes in Scotland. Our ambition is, as Mr Lindhurst will be aware, to deliver over the current parliamentary session 50,000 affordable homes, 35,000 of which will be for social rent. Edinburgh will get a large amount of resource to ensure that homes are built in this city, too.

I am not happy with the City of Edinburgh Council about the unsuitable accommodation that some folk are in. The council has recently breached the unsuitable accommodation order 11 times; the only other council to have done so is East Lothian Council, which has done it once. I want to ensure that Edinburgh and other councils around Scotland take cognisance of the recommendations from the action group. We will

look at them closely and implement them to try to improve the situation around the country.

I point out to Mr Lindhurst that since 2010 homelessness in Scotland has decreased by 38 per cent. We could do even better than that if we did not have the constant Tory austerity that has blighted our country.

Pauline McNeill (Glasgow) (Lab): Research by Glasgow Homelessness Network in 2014 found that 65 per cent of people who asked for help were told that there were no beds left in the city. Those are the most recent figures that I can find. The minister will be aware that homeless people have a statutory right to emergency accommodation, but that does not seem to be happening everywhere across the country.

The Scottish Government does not collect data on how many people or families asked for emergency accommodation or were given emergency accommodation. If the minister is serious about tackling the problem, surely he will agree that it is time to start collecting data on the number of people who have a statutory right to emergency accommodation but are being turned away.

Kevin Stewart: I remind members that local government has the responsibility for dealing with folks who present as homeless. I expect every local authority to abide by the legislation that Parliament has put in place.

I have been robust in saying that I want to know about any gatekeeping that is going on in councils, and when they do not respond appropriately to meet folk's needs. I am grateful to the organisations and individuals who have provided me with details of that.

I will continue to look at such situations. I am not averse to looking in depth to see whether we require any more data at any point. I know that the action group is looking at the situation closely and I expect it to make some recommendations, which the Government will also look at closely.

John Mason (Glasgow Shettleston) (SNP): I think that I heard the minister say that rough sleeping is down 38 per cent since 2010—

Members: Homelessness!

John Mason: Is it homelessness?

I understand that rough sleeping is up 169 per cent in England. Does the minister think that we have lessons to learn from the Conservatives down south, or do they have lessons to learn from us?

Kevin Stewart: The UK Government could learn many lessons from us.

Mr Mason is right: in England, in the past seven years, there has been a 169 per cent increase in rough sleeping. Here in Scotland, because of our prevention activity, rough sleeping numbers have fallen by about 41 per cent in the same period since 2010.

Scotland has some of the strongest rights in the world for homeless people. Everybody who is found to be homeless is entitled to housing, and most people are provided with settled permanent accommodation. In stark contrast to the light-touch approach of the Westminster Government, we are absolutely committed to tackling homelessness. That is why we have established the £50 million ending homelessness together fund to drive sustainable and lasting change and to tackle homelessness in Scotland.

The Westminster Government could do a great deal more if it was to look at its policies on welfare reform, on cutting social security, and on putting a cap on benefits. Those are adding to the woes of people in Scotland and right across the United Kingdom.

Community Councils (Empowerment)

3. Rona Mackay (Strathkelvin and Bearsden) (SNP): Can the Scottish Government say what arrangements are in place to empower community councils? (S5O-01736)

The Presiding Officer (Ken Macintosh): I am sorry, Ms Mackay, but that is the supplementary. Could you ask the first question? I think you asked your supplementary instead of your first question.

Rona Mackay: No, I asked my question.

The Presiding Officer: I beg your pardon.

The Minister for Local Government and Housing (Kevin Stewart): Through the new participation requests, the Community Empowerment (Scotland) Act 2015 creates opportunities for community councils, on their terms, to enter into dialogue with public authorities about local issues and local services. I know that a number of community councils have already taken advantage of that opportunity. In addition, since 2016, a number of community councils across Scotland have received a total of £337,000 from the community choices fund to directly involve people on local spending priorities.

In December last year, the cabinet secretary launched the local governance review with the Convention of Scottish Local Authorities. An extensive engagement process will help us decide how best to bring control over local public services closer to communities. Community councils can help to ensure that the views of the communities that they represent are heard loud and clear.

The Presiding Officer: My apologies again, Ms Mackay.

Rona Mackay: Does the minister agree that community councils are the lifeblood of our communities and that local authorities should be engaging with them at every level?

Kevin Stewart: I certainly welcome the approach of the community councils that undertake a wide range of roles and activities for the benefit of their communities, and I agree that local authorities should be engaging with their community councils on local issues.

As I said in my initial answer, through the provision of participation requests in the 2015 act, we have given community councils the right to raise the issues that are of importance to them. I hope that community councils across the country will take advantage of that right if the need arises.

Promotion of Human Rights

4. **Bill Kidd (Glasgow Anniesland) (SNP):** To ask the Scottish Government how it is encouraging public bodies to do more to promote human rights. (S5O-01737)

The Cabinet Secretary for Communities, Social Security and Equalities (Angela Constance): Human rights are relevant to the work of every public authority in Scotland. All public bodies have a responsibility to act in ways that respect, protect and promote human rights. The Scottish Government actively supports and encourages public bodies to act in ways that make human rights real for every member of Scottish society. We do so by working in partnership, by demonstrating leadership and, where necessary, by issuing guidance and bringing forward legislation.

Bill Kidd: Does the cabinet secretary agree that, now more than ever, the risks that have been created by Brexit and the United Kingdom Government's proposals to repeal the Human Rights Act 1998 mean that we must be resolute in encouraging human rights, which should be embedded in everything that we do, as they make a difference in helping people in live in dignity wherever their community is in Scotland, and whatever their circumstances?

Angela Constance: It is imperative that we acknowledge that the UK Government's proposals to repeal the 1998 act or even to withdraw from the European convention on human rights, combined with the potential impacts of Brexit, present a real danger to the human rights protections that we currently enjoy. They put at risk the most vulnerable members of society and hit them the hardest. Therefore, the Scottish Government is committed to defending the existing human rights safeguards that are provided

by the Human Rights Act 1998, the Scotland Act 1998 and European Union law, and to embedding human rights, equality and respect in everything that we do, so that everyone in Scotland can live a life of human dignity.

To that end, we want to go further. As members might recall, the First Minister recently established an advisory group on human rights leadership to make recommendations on how Scotland can continue to lead by example on human rights, including economic, social, cultural and environmental rights.

New Housing Stock

5. **Alexander Stewart (Mid Scotland and Fife) (Con):** To ask the Scottish Government what recent discussions it has had regarding the provision of new housing stock to meet future needs. (S5O-01738)

The Minister for Local Government and Housing (Kevin Stewart): As part of our more homes Scotland approach to support the increase in the supply of homes across all tenures, I and my officials take every opportunity to engage with stakeholders to drive forward the planning and delivery of more homes. That happens at national and local levels and involves housing providers, local authorities, house builders, infrastructure providers and policy experts from a range of organisations. The Scottish Government is constantly seeking ways to build more homes and looking to push forward new and innovative approaches to resourcing and delivery.

Alexander Stewart: The "Housing Statistics for Scotland Quarterly Update" document that was published last month revealed that 4,503 new-build homes were completed between April and June 2017. That brings the total for the year to the end of June 2017 to 17,178, down 1 per cent compared to the previous year. Those findings come against the backdrop of the number of new homes completed having fallen by a third since 2007. Can the minister confirm how he intends to increase the supply of new-build housing to sufficient levels to ensure Scotland's future prosperity?

Kevin Stewart: The Government intends to increase supply through our more homes Scotland approach, which will deliver 50,000 affordable homes across Scotland over the course of this parliamentary session, with 35,000 of them being for social rent.

I will give Mr Stewart examples of the resourcing behind that in the region that he represents. Over the period, Clackmannanshire Council will benefit from £24.48 million, Fife Council from £137.02 million, Perth and Kinross Council from £71.235 million, and Stirling Council from £38.397 million.

That is a total of £271 million in Mr Stewart's region alone; there is £3 billion across Scotland to deliver 50,000 affordable homes.

Beyond that, we continue to invest in our shared equity schemes, which allow new owners to enter the market. We will also continue to work with all the stakeholders that I mentioned to continue to drive the matter forward to ensure that Scotland gets the homes that it needs and deserves.

Richard Lyle (Uddingston and Bellshill) (SNP): How does the Scottish Government's supply of affordable housing per capita compare to the United Kingdom Government's supply in England?

Kevin Stewart: I am sure that there is about to be some noise from the Tory benches.

Since 2007, the supply of affordable housing per head of population in Scotland has been a third higher than in England. That difference in supply has become even more pronounced over the past three years, which reflects our continued commitment to deliver affordable housing. Since 2014, we have delivered 50 per cent more affordable housing units per head of population in Scotland than have been delivered in England.

Kezia Dugdale (Lothian) (Lab): I recently visited the Rock Trust, an organisation that supports young homeless people in Edinburgh. It told me that the single biggest reason why young people in Edinburgh are declaring themselves homeless is because they have had a negative experience of coming out. That is, 40 per cent of the people who arrive at the Rock Trust's doors identify themselves as homeless because they have had a negative experience of telling their parents that they are gay. What work is the homelessness and rough sleeping action group doing to address that fundamental root cause of youth homelessness?

Kevin Stewart: I thank Ms Dugdale very much for that question. I, too, have recently visited the Rock Trust and I applaud it for its efforts and the work that it does.

During my time in office, I have met young folk on homelessness issues, including members of LGBT Youth Scotland, who have done a huge amount of work on the matter. The homelessness and rough sleeping action group is considering closely the situation that young lesbian, gay, bisexual and transgender people face. I fully intend to ensure that, in future, young people are present on our strategy group to deal with homelessness. We will without doubt take cognisance of the experience of all young people but, in particular, that of the LGBT young people who have faced the difficulties that Ms Dugdale highlights.

Social Housing

6. Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): To ask the Scottish Government what recent discussions it has had regarding the provision of social housing. (S5O-01739)

The Minister for Local Government and Housing (Kevin Stewart): As I confirmed to Alexander Stewart in my previous answer, as part of our more homes Scotland approach to support the increase in the supply of housing, I and my officials take every opportunity to engage with stakeholders to drive forward the planning and delivery of more homes. My officials and I met housing conveners at the Convention of Scottish Local Authorities last week and officials met Scottish Borders Council this week to discuss the provision of social housing.

Rachael Hamilton: As we heard, the latest figures show that the Scottish National Party is not meeting its new social housing completion commitments and new-build completions have stagnated. In his answers to questions from Gordon Lindhurst and Alexander Stewart, the minister outlined commitments that the Government has to numbers. What steps will the SNP Government take to increase the availability of new social rented homes to meet its housing commitments and ensure that Scotland has sufficient provision of, and scope for, appropriate housing to meet future demand, particularly for people who seek larger accommodation?

Kevin Stewart: I am glad that the housing convener in the Scottish Borders, who I met recently, is a little bit more positive than some of the folk on the Tory benches. Over the course of this parliamentary session, the Scottish Borders will benefit from investment of £62.678 million. I have told the Scottish Borders housing convener and others that looking at need in their areas should be driven by local housing strategies and local knowledge and that the investment of that money should feature in their strategic housing investment plans.

I have also said that in terms of need, if an area requires housing for larger families, my officials will look closely at what subsidy may be required for that. We have put in a level of flexibility. The same message has been given on housing for disabled people. My officials are always willing to meet local authorities, including housing conveners, to make sure that we get this right.

Local authorities must ensure that their local housing strategies—and the needs and demands assessments that they carry out—are right. However, we will be flexible on a number of these issues.

Tom Arthur (Renfrewshire South) (SNP): What support is the Scottish Government giving to increase the supply of affordable homes in my constituency of Renfrewshire South?

Kevin Stewart: In Renfrewshire South, we are doing what we are doing right across Scotland. We are increasing the amount of resource that we are giving to every council area and ensuring that they have the stability and comfort of knowing what money they will receive over the next number of years. That gives them the ability to plan in some depth. Many local authorities are already doing extremely well on delivery; others with housing association partners are taking a little longer to get plans in place.

I am committed to ensuring that we meet our ambitious target of delivering 50,000 affordable homes right across the country to benefit Renfrewshire South and every other constituency in Scotland.

Housing Needs (Older People)

7. Gordon MacDonald (Edinburgh Pentlands) (SNP): To ask the Scottish Government how it meets the housing demand of older tenants with mobility issues. (S5O-01740)

The Minister for Local Government and Housing (Kevin Stewart): The Scottish Government wants everyone to have a home that is the right size, is in the right location and is able to meet people's needs, and we want to ensure that people are able to live independently.

In spring this year we will—jointly with the Convention of Scottish Local Authorities—publish a refreshed age, home and community strategy, setting out plans to ensure that the housing needs and choices of older people are met.

We are investing more than £3 billion in affordable housing to deliver at least 50,000 affordable homes over this parliamentary session, which is a 76 per cent increase on our previous five-year investment; 35,000 of those homes will be for social rent.

Most of those homes will be delivered by housing associations and councils and they will be sufficiently flexible and adaptable to meet people's varying needs as they age and their mobility decreases. The latest available statistics show that 91 per cent of homes built by housing associations and councils in 2016-17 met housing for varying needs standards. I expect that level of compliance to continue to apply to the delivery of the 50,000 affordable homes target.

Appropriate adaptations can help older and disabled people with mobility issues live safely and independently in their own homes. We are working with health and social care partnerships, older and

disabled people's organisations and the housing sector to ensure that people who would benefit from adaptations to their homes can access these services when needed.

Gordon MacDonald: In Edinburgh, older tenants with mobility issues are awarded gold priority, which entitles them to a ground-floor property. However, there are not enough homes to meet the demand. What steps is the Scottish Government taking to encourage more developers to build suitable affordable homes for older people with mobility issues?

Kevin Stewart: As I said earlier to Rachael Hamilton, I expect local authorities to look at social housing need in their areas. I cannot remember the contents of Edinburgh's strategic housing investment plan off the top of my head, but it is clear that some local authorities seem to have done more work in the area than others.

I think that I highlighted to Pauline McNeill the other week that Angus Council stated that it was looking to make 16 per cent of its new homes suitable for wheelchair access and specialist need. The City of Edinburgh Council and other local authorities need to use the knowledge that they have to ensure that the new houses that are built are the right houses, and that they include provision for older and disabled people.

On the private sector side, I have tasked my building standards officials with looking at what we need to do to ensure that private housing is improved for the needs of older and disabled people. That work is on-going. There will of course be the publication of the joint document with COSLA later in the year, which will highlight what we are doing in the area.

Maurice Corry (West Scotland) (Con): I am sure that the minister will agree that looking after the housing requirements of our wounded veterans community is vital. The Scottish Veterans Garden City Association, which does sterling work for our veterans community, has been working closely with several local councils, where possible, to provide housing that meets the physical requirements of disabled veterans and provides inclusiveness within their community, which veterans so dearly need.

Will the minister consider bringing that work to a national level, and encourage all local authorities in Scotland to engage with third sector organisations such as the Scottish Veterans Garden City Association, so that we ensure that housing is built appropriately for hard-to-reach groups such as our so-deserving disabled veterans?

Kevin Stewart: I encourage all local authorities to work with all partners that have an interest in housing. I had the pleasure of meeting

representatives from the Scottish Veterans Garden City Association at a recent opening of a Link housing scheme in Edinburgh, and I am very pleased that the City of Edinburgh Council has reached agreement with the association on housing provision in Edinburgh. I encourage all local authorities to do likewise.

To help meet our housing needs in Scotland, it would also be very useful if there was a little co-operation from the Ministry of Defence on some of the land, housing and buildings that it owns in Scotland. The Cabinet Secretary for the Economy, Jobs and Fair Work, who is also the veterans minister, is sitting to my right. I know that he has made lots of effort to try to get the Ministry of Defence to live up to what I see as its responsibilities to help us in that regard. I wish that the answers that he got back were more positive than they have been. Maybe Mr Corry can help to make the Ministry of Defence see sense and co-operate with the Scottish Government on those matters.

Disability Benefits

8. Rhoda Grant (Highlands and Islands) (Lab): To ask the Scottish Government which stakeholders it has had discussions with regarding providing alternatives to cash in lieu of disability benefits. (S5O-01741)

The Minister for Social Security (Jeane Freeman): Alternatives to cash were raised with us during our extensive consultation on social security in Scotland in 2016. Since then, there has been on-going engagement with a number of stakeholders, including the disability and carers benefits expert advisory group, the ill health and disability benefits stakeholder reference group, and others.

We had always intended that cash alternatives would be a choice for individuals. I have listened to those who have rightly pointed out that our draft social security bill does not clearly reflect that. I have lodged amendments, which I hope, with members' support, will ensure that choice is central to cash alternatives.

Rhoda Grant: I thank the minister for that response and I hope that the bill will give claimants real choice

She will be aware that the Department for Work and Pensions has begun to review the cases of 1.6 million people who claim personal independence payments, including 13,000 people across the Highland region, to establish whether they should have been treated with parity regardless of their condition. Will she give me an assurance that she will make specific provision so that no Government can ever again unfairly differentiate between physical and mental

conditions in the determination of disability assistance?

Jeane Freeman: I welcome the UK Government's decision not to appeal the ruling, to begin what is an extensive and significant piece of work on its part to identify the individuals who have been adversely affected by its decisions and to take steps to remedy that. We will keep in close contact with that in as much as we can, and in as much as the DWP is willing to share with us information about individuals living here in Scotland.

I absolutely give Ms Grant the assurance that she seeks. We have brought forward a rights-based social security bill, which is now the subject of detailed discussion. Along with the fact that in our Parliament we are required to comply with the European convention on human rights and we have a responsibility as ministers, under the ministerial code, to make sure that we behave and act in that way, that should go some way to not only providing the assurance that Ms Grant seeks but ensuring that we deliver on it through our practice.

George Adam (Paisley) (SNP): How does the minister see the use of experience panels influencing the delivery of devolved benefits under the new social security system?

Jeane Freeman: Members will be aware of the 2,000 volunteers that we have recruited to our experience panels and our most recent extra recruitment exercise to bring in additional young carers to assist us with that aspect of our work. The rationale behind that is that we will build a proper system if we found it through listening to those with personal experience of being on benefits, paying attention to that experience and addressing those concerns.

So far, the experience panels have been involved in initial design questions, particularly around the first wave of benefits that we have committed to delivering, such as the carers allowance supplement, the best start grant and funeral assistance. They have helped us with everything from the nature of the application form right through to how decisions are made, how people are informed of them and the manner of the communication that they receive from us on the various choices, and they have tested some of the online offers that we are beginning to design and build. They will continue to be with us and we will top them up where necessary. We will look to increase our reach to hard-to-reach groups that are perhaps not as well represented on the experience panels as we would hope through our work with stakeholders such as the Scottish Association for Mental Health and others. The panels will continue to be with us in this exercise right through to the end of this parliamentary

session. I hope that a future Government would also consider following such good practice by involving those who will use the system in designing it.

Third Sector Support (Funding and Development)

9. Neil Findlay (Lothian) (Lab): To ask the Scottish Government, in light of the statement in its programme for government that the “third sector needs stability of funding and the opportunity for longer term planning and development”, how this is being rolled out across its departments and agencies. (S5O-01742)

The Cabinet Secretary for Communities, Social Security and Equalities (Angela Constance): All funding under the Scottish Government’s equality budget moved to three-year funding at the start of 2017-18 and we have increased that budget by £2.375 million for 2018-19. Our community capacity and resilience fund is enabling community groups to secure a three-year rolling funding commitment to their work. We have also announced three-year commitments for the social entrepreneurs fund and the volunteering support grant from 2018 onwards.

Support for the third sector is from a wide range of portfolios and we will continue to extend three-year rolling funding where possible across the Scottish Government. Together with a transparent and fair basis for the extension of core funding, that will give the third sector a significant level of stability of funding and the ability to plan ahead.

Neil Findlay: Given the statements in the programme for government, does that mean that voluntary organisations that currently receive one-year funding can now look forward to three-year core funding to allow them the opportunity for longer-term planning and development?

Angela Constance: As I have already said to Mr Findlay and others on numerous occasions in this chamber, we have very firm commitments to the voluntary sector.

It is a shame that Neil Findlay did not welcome the progress that we have made thus far, despite the difficult financial position that is imposed on us by the United Kingdom Government, with its austerity and cuts. Nonetheless, we have made good progress with three-year funding. Organisations apply for funding, and applications are considered on their merits.

It is also a shame that Mr Findlay did not welcome the increase for the equality budget, the protection of the third sector budget of £24.5 million, the empowering communities fund and our £8 million commitment to third sector interfaces the length and breadth of Scotland—I must say to Mr Findlay that that includes £234,000 to

Voluntary Sector Gateway West Lothian; that is money that this Government is investing locally, and I wonder whether West Lothian Council will continue to make its investment of £60,000.

Maurice Golden (West Scotland) (Con): What tools and techniques is the Government using to measure the social impact of its funding awards to the third sector?

Angela Constance: Social impact informs a wide range of our work across Government. If the member looks at, for example, grant award letters, he will see that we look at the impact of our continued and significant investment in the third sector.

We are particularly interested in the third sector’s role in public sector reform and meaningful civic engagement, and in its contribution to the economy—Scotland’s social enterprise census has helped us to unpick some of that. We are interested in the contribution that the voluntary sector can make to the wellbeing of not just individuals but communities and in how the sector, working in partnership with Government, can help to tackle some of the toughest social problems.

Budget (Scotland) (No 2) Bill: Stage 1

The Presiding Officer (Ken Macintosh): We move to the debate on motion S5M-10183, in the name of Derek Mackay, on stage 1 of the Budget (Scotland) (No 2) Bill.

14:52

The Cabinet Secretary for Finance and the Constitution (Derek Mackay): I am delighted to lead this debate on the principles of the Budget (Scotland) (No 2) Bill. I welcome the Finance and Constitution Committee's report on the draft budget, and I will respond fully to the report before stage 3, as agreed.

We all know that the bill is of huge importance to Scotland, which represents the maturity of our Parliament. We are a Parliament of minorities and must work across the chamber to find compromise and consensus so that we can give support, sustainability and stimulus to our economy and our public services. Reaching consensus is a task for us all, and I thank those members who have engaged properly and constructively.

The bill seeks approval for spending plans that will use the powers of this Parliament to build a fairer, more prosperous country and put the progressive values of this Government into action. The budget will invest in our public services, in our people and in our businesses to enable them to develop and thrive. We set out a bold and ambitious agenda in the programme for government, and the budget provides the resources that are necessary to deliver that vision.

Our public services require a strong economy. Equally, the most successful economies in Europe are built on the firm foundation of strong public services and inclusive societies. We must support our economy to keep pace with changing technology and access new markets in the most challenging economic and fiscal environment of any budget of the devolution era. That is why we have prioritised measures that will bring stability and stimulate growth.

The budget invests almost £2.4 billion in enterprise and skills, through our enterprise agencies and further and higher education bodies. That includes a 64 per cent increase in the economy, jobs and fair work portfolio, an initial £10 million to support the new south of Scotland enterprise agency and £18 million for the new national manufacturing institute. It also doubles, to £122 million, the funding that is allocated to city region deals.

In total, we are investing £4 billion in infrastructure, with £1.2 billion for our transport

system, which will include turning the A9 into an electric highway and delivering new railway investments such as the electric trains between Edinburgh and Glasgow.

Knowing the views of the Parliament, I am sure that all members will welcome the news that I have reached a deal with the leaders of the northern isles councils on the support for internal ferries for the northern isles. In the light of that agreement, and as part of a wider agreement with the Scottish Green Party on the budget, I will allocate an additional £10.5 million to the Shetland Islands and Orkney Islands councils in 2018-19 while we continue to explore a long-term model of fair funding.

Scotland has a world-leading reputation for our efforts to tackle climate change. To support our transition to a low-carbon economy, the budget delivers £137 million for energy efficiency and heat decarbonisation, and it confirms £600 million of investment in our reaching 100 per cent programme to make superfast broadband available to every home and business premises in Scotland. The budget allocates £60 million for a low-carbon innovation fund and £20 million to support the transition to electric vehicles and more green buses, and it doubles investment in active and sustainable travel.

The proportion of the Scottish Government capital budget that is spent on low carbon is increasing from 21 per cent to 29 per cent. As part of my agreement with the Scottish Green Party, we will continue to increase, year on year, the proportion of our capital budget that is spent on low-carbon projects beyond this year's budget. I also intend to provide an additional £2 million of capital to the home energy efficiency programme and a further £2 million to explore a proposal for a pipeline fund for local rail projects, and I intend to provide the funding necessary to accelerate the delivery of the four marine protected areas.

If we are to achieve our full potential, we must do more to address the inequalities that exist in our society. Regrettably, we do not have many of the levers that are necessary to do that, but we will do all that we can to mitigate the worst impacts of the United Kingdom Government's welfare reform, with £100 million of support. The attainment Scotland fund will increase to £179 million, including £10 million to provide support to children and young people with complex additional support needs, and a total investment of £243 million will support the expansion of publicly funded early learning and childcare entitlement. In 2018-19, we will invest £10 million in an ending homelessness together fund and the first investment in a new £50 million tackling child poverty fund, which will address the underlying social and economic causes of poverty.

Alongside the draft budget, we have published a fair and progressive public sector pay policy. We were already the only Government in the UK to lift the pay cap and offer a real pay rise to our public sector staff. Today, I can confirm that we will go further. I will increase the threshold for the 3 per cent uplift to £36,500, which will increase the proportion of staff groups that receive the inflationary pay increase from 51 per cent to 75 per cent. That will include nearly 80 per cent of national health service staff and the vast majority of our teachers. The policy also provides for an increase of up to 2 per cent on the pay bill for people who earn between £36,500 and £80,000. I again urge the UK Government and the Welsh Assembly to follow our lead and recognise public sector staff.

In our draft budget, I set out proposals for progressive taxation that offers significant protection to the lower paid. Under my proposal to introduce new starter and intermediate rates and to increase the personal allowance, no one who earns less than £33,000 will pay more than they did last year. More than half of taxpayers will pay less than if they lived in the rest of the UK. Those changes, combined with an increase in the higher rate threshold and changes to the personal allowance, created an anomaly by which a small number of higher rate taxpayers would have seen their bills reduce. I can confirm today that I will act to remove that anomaly. Rather than pursue my initial proposal, I will instead increase the higher rate threshold by 1 per cent to £43,430. That will raise around £55 million over and above the draft budget proposal, with final costings to be determined by the Scottish Fiscal Commission.

Overall, our tax decisions will deliver an additional £420 million to protect the NHS, to invest in Scotland's public services and to support our economy.

Murdo Fraser (Mid Scotland and Fife) (Con): Will the cabinet secretary give way?

Derek Mackay: Not at the moment.

I have previously set out in detail why the local government settlement that we proposed was a fair one. However, I have also consistently said that I am willing to compromise and find common ground. Through constructive discussions, I have been able to do so. I intend to use the additional £55 million of tax revenues to underpin the delivery of local services. I also plan to utilise an element of the funding that is available in the Scotland reserve and a level of additional underspend from 2017-18 to further support local government.

Those decisions have enabled me to identify an additional £159.5 million of funding to add to the local government settlement to ensure that the

revenue settlement, along with the capital settlement, receives real-terms growth. Of course, local authorities can also raise an additional £77 million from council tax. Of the additional money, £34.5 million will be allocated to local authorities in 2017-18, and the balance of £125 million will be allocated as an amendment to the Budget (Scotland) (No 2) Bill at stage 2.

In three weeks' time, we will return to debate the Scottish rate resolution that underpins those spending plans. Our tax proposals will safeguard the lowest-earning taxpayers and, coupled with our spending decisions, they will protect and grow the economy.

Murdo Fraser: In the light of the changes that the cabinet secretary proposes to make to income tax, what is the additional income tax liability of people in Scotland as a result of all his plans compared with the liability elsewhere in the UK?

Derek Mackay: As I have said repeatedly, a majority of people in Scotland—55 per cent of them—will pay less tax than they would if they lived elsewhere in the UK, and 70 per cent of taxpayers will pay less than they do at the moment. As a consequence of our tax decisions, we will turn a real-terms cut in Scotland's resource budget into growth for our public services. We will protect our public services by investing more in them.

In addition, our business rates package, which will provide a boost of £100 million, is the most generous anywhere in the UK. We still have lower average council tax bills, and no one in Scotland pays a tax on ill health through prescription charges or on their ability to learn through tuition fees.

The decisions on tax that I have taken have enabled me to reverse the real-terms cut that the Tories at Westminster have imposed on our resource budget.

James Kelly (Glasgow) (Lab): What measures will the cabinet secretary announce to tackle the scandalous situation whereby 260,000 children are living in poverty?

Derek Mackay: The first thing that I will do is present to the Scottish Parliament a coherent and competent budget that will invest more in housing and support, do more to protect people from the welfare reductions that the UK Tory Government intends to impose and provide more to invest in the health service and to tackle inequality. Through progressive taxation and the right decisions, we will avoid the chaos of what has been put forward by the Labour Party and James Kelly.

On tax, there is divergence from the UK. Our progressive system of taxation will protect our public services that are free at the point of use,

including free prescriptions. It will also protect free personal care and free higher education. No business rates will be payable on 100,000 properties. We are reducing the attainment gap, doubling free childcare and delivering 50,000 affordable new homes. We are providing above-inflation investment in the police, in our universities and colleges and in local government services the length and breadth of Scotland. Perhaps most important of all, as a result of our actions, we will be able to deliver on all our commitments and invest an additional £400 million in Scotland's national health service.

Through all of that investment, this Government is delivering the best deal for taxpayers in the whole of the UK. For our economy and our communities, and for the wellbeing of our nation, I commend the principles of the Budget (Scotland) (No 2) Bill to Parliament.

I move,

That the Parliament agrees to the general principles of the Budget (Scotland) (No.2) Bill.

15:05

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

You could have knocked me over with a feather when I heard the news a couple of hours ago. The ever-faithful Patrick Harvie has once again saved the Scottish National Party's bacon; the always-willing Scottish Greens are there to do their masters' bidding; the wholly owned subsidiary has had its orders from head office and, after the usual pretence of playing hardball, with choreography that the greatest showman would be proud of, it fell sweetly into line exactly as was planned all along.

The price for that, of course, will be paid by hard-working Scottish taxpayers—not the high earners, but families that are struggling to get by, with Mr Mackay's hand in one pocket and Patrick Harvie's in the other.

"The perception, if you are a talented person sitting in London, Manchester or Birmingham and Scotland wants to attract you, is that you may think Scotland is a high tax economy."

Those are not my words, but the words of Sir Tom Hunter, one of Scotland's leading business figures. Liz Cameron of the Scottish Chambers of Commerce put it this way:

"If Scottish businesses are taxed more and Scottish-based staff are taxed more, then that would not seem to be a situation designed to attract investment and grow Scotland's economy."

The SNP should listen to what Scottish business is telling it.

This budget can be summed up in four words: pay more, get less. It is a budget in which the SNP

has broken its promise to the taxpayers of Scotland not to increase income tax for those paying the basic rate, and one that will nevertheless deliver cuts to services across Scotland. I need hardly remind members that the promise on income tax was made in the SNP manifesto in 2016, and has been repeated since then some 53 times over the past two years. Nicola Sturgeon said it 10 times, Derek Mackay said it at least 10 times, John Swinney said it at least five times—

Derek Mackay: Will the member take an intervention?

Murdo Fraser: Let me complete the list and then I will give way to Mr Mackay.

It was repeated by Keith Brown, Humza Yousaf, Maree Todd, James Dornan, Ivan McKee, Gillian Martin, Joan McAlpine, Paul Wheelhouse and Angus Robertson. Mr Mackay can be their spokesman and apologise for breaking his manifesto pledge.

Derek Mackay: Where do the Tories propose to cut £556 million, which would be the consequence of following their tax proposals?

Murdo Fraser: It is dead simple. We would cut out the waste and the vanity projects and we would grow the Scottish economy. That is what the SNP should be doing.

At the same time as taxes are going up, people across Scotland are seeing their services cut. Notwithstanding what we heard today about the financial settlement for local government, councils across Scotland are still having to make service cuts: reducing classroom assistants, scrapping school-crossing patrollers, reducing services for children with disabilities, reducing services for older people, and reducing waste collections, all as a result of the choices that are being made by this SNP Government.

The budget cuts spending on motorways and trunk roads by £136 million. That might be good news to Patrick Harvie's ears, but it is not what businesses and motorists across Scotland want to hear. The budget also cuts by more than half—a reduction of £76 million—the spend on digital connectivity, which is supposedly a key priority for this Government.

It did not need to be like this, because the Westminster block grant is up in real terms compared with the previous year's, according to both the Scottish Parliament information centre and the Fraser of Allander institute. The SNP does not want to listen to the experts—to those who know. Indeed, at the Finance and Constitution Committee just two weeks ago, the finance secretary accepted that the block grant for

discretionary spending is increasing over the next two years.

Derek Mackay rose—

Murdo Fraser: I have given way once already and I need to make progress. It is on the record and the finance secretary can read it for himself.

Any cuts that are being made and any tax increases are purely the result of SNP choices; they are no one else's responsibility. When we hear SNP members talk about austerity, let us be clear of the fact, stated by the Fraser of Allander institute, that, in real terms, the discretionary spend of the Scottish Government today is equivalent to what it was in 2006-07—the year in which it took office. Over the 10 years of this SNP Government, there has been no real-terms cut in its discretionary spending. That is an undeniable fact, and it puts into context everything that we hear from the SNP about austerity and cuts.

In many ways, the real story of this budget came not in the statements from the finance secretary but in the publication last month by the Scottish Fiscal Commission of its forecasts for economic growth in Scotland. Those forecasts were deeply worrying, for they predicted that the SNP-run economy in Scotland will fail to match UK growth in each of the next five years. They said that, in 2018, the SNP-run economy in Scotland will grow at half the rate of the UK economy as a whole. Scotland is also projected to have the lowest growth of any major economy—in the European Union, in the G20 or in the Organisation for Economic Co-operation and Development—over the next three years. That failure to match even the average UK economic growth for the period from 2007 to 2022 will amount to a growth gap in Scotland that is worth a staggering £16.5 billion in cash terms.

We need to put growing the economy first: that is the way in which we generate the tax revenues that we need. That is why the message from every business organisation in advance of the budget was the same: do not increase the tax burden. The Federation of Small Businesses, the Scottish Chambers of Commerce, the Confederation of British Industry in Scotland, Scottish Engineering and the Scottish Retail Consortium all warned that taking money out of people's pockets and reducing consumer spending at a time when we need to kick-start economic growth is not the way to go. Even Business for Scotland, the independence-supporting lobby group, backed that call not to increase income tax.

Now, the SNP used to agree with us. It used to say that it was possible to use tax as a lever to grow the economy and generate additional tax receipts. Alex Salmond and John Swinney used to argue for lower corporation tax. SNP members of

Parliament for the north-east—back in the days when there were more than one of them—used to argue for tax cuts for the North Sea oil industry. In 2016, 44 SNP MPs—yes, there used to be 44 of them—called for a reduction in VAT in tourism, which was echoed by Richard Lochhead in February 2017. In 2012, Fiona Hyslop demanded a reduction in VAT on repair and maintenance costs, and was backed by Alex Neil. Nicola Sturgeon, John Swinney and Derek Mackay have all argued for a cut in air passenger duty to boost economic growth—a call that was backed by John Mason in a motion in this Parliament just two weeks ago. The SNP is happy to call for tax cuts when it suits it, but when it actually gets power over taxation it breaks its promises and puts up taxes.

This budget should have been a programme for growth. It should have concentrated on cutting out the waste in the Scottish Government. It spent £132 million on delayed discharges in the NHS, £170 million on agency staff due to poor workforce planning and £180 million on an information technology system for farm payments that does not work. It should have cut out the vanity projects and concentrated on growing the economy. Two weeks ago, in the SNP's now-notorious party-political broadcast, we were asked, "What has the SNP ever done for us?" It has broken its promise on tax, cut services and ignored the interests of the business community and the Scottish economy.

This is not a budget that is fit for purpose. It is bad for business, bad for the economy, bad for taxpayers, bad for families and bad for services. That is why this Parliament should reject it.

I move amendment S5M-10183.1, to insert at end:

“, but, in so doing, regrets proposals to increase tax for 898,000 basic rate taxpayers, which breaks an SNP 2016 manifesto pledge.”

15:14

James Kelly (Glasgow) (Lab): Let me say at the outset that this budget falls well short of what is required. There is a lack of investment in public services. It does not properly fund fair pay for public sector workers, lacks ambition in tackling child poverty and does not alleviate the growing crisis in the NHS.

The grubby deal between the SNP and the Greens that Derek Mackay has announced today just does not cut it. The budget falls short and the deal will be condemned by local communities that are faced with cuts to lifeline services, criticised by workers who have endured years of below-inflation pay rises and rejected by families whose children are living in poverty and who do not have

enough money to feed and clothe their kids properly. Scotland's communities have been sold short by the SNP and the Greens today.

The basis of the reasoned amendment that Labour is asking Parliament to endorse is explicit support for Labour's £1 billion plan, which would protect—

Derek Mackay: Will the member take an intervention?

James Kelly: No, thank you, not at this time.

Labour's plan would protect lifeline services, invest £100 million in the NHS, increase child benefit by £5 for every child and introduce a properly funded public sector pay policy. Instead of the SNP tinkering round the edges, Labour would introduce a radical taxation system.

Derek Mackay: Those proposals are predicated largely on an income tax policy. To what extent was behavioural change taken into account in arriving at that income tax policy?

James Kelly: We worked on that policy with the experts in the Scottish Parliament information centre. The fundamental difference between our policy and Mr Mackay's policy, which is supported today by the Greens, is that we will ask those earning over £100,000 to pay a 50p top rate of tax. That is not an unreasonable ask, when lifeline services are on their knees and the NHS is in crisis. I have to say that I am taken aback by the Greens, whose manifesto pledge is a top-rate tax of 60p but who have signed up today to a tax policy with a top rate of 46p. The Greens really have been sold short.

With regard to what the cabinet secretary has announced today, we should go back to before the draft budget was introduced, when the Convention of Scottish Local Authorities made it clear that to get to a standstill position on the cuts, local government needed £545 million. We should not forget that councils have been penalised to the tune of £1.5 billion since 2011. Because of that, we will continue to see job losses, which are forecast to be 28,000 for the coming period, and a reduction in the numbers of teachers and classroom assistants. How can we possibly grow the economy as Mr Mackay has suggested if we are draining resources out of the education system? Crucially, we will also see, as in my area, a reduction in library services, which will undermine the ability of young kids to improve their learning potential. Again, the SNP has failed to deliver for local communities and front-line services.

We have heard in recent weeks about the continued crisis in the NHS, particularly in relation to delayed discharge, with £132 million being spent on keeping patients in hospital who are fit

enough to be released. That has resulted in 532,423 bed days lost across the year in the NHS. That equates to 1,400 beds, which is more than enough to fill—

Derek Mackay: Will the member take an intervention?

James Kelly: No, thank you.

It is more than enough to fill the Queen Elizabeth university hospital. That is a crisis for the NHS and that is why Labour has pledged specific spending to address it.

Despite my intervention, Mr Mackay did not mention the scandalous figure that 260,000 young people are living in child poverty. That is why Scottish Labour endorses the give me five campaign, which aims for a £5 increase in child benefit for every child. We have heard from the Poverty Alliance that some families in this country do not have enough to spend on fresh fruit and have to send their kids out to school in this appalling winter weather with leaking shoes. As a modern country in the 21st century, surely we can do better than that. Surely it is time that the SNP stepped up to the mark and used the powers of the Parliament.

Clare Adamson (Motherwell and Wishaw) (SNP): Will the member take an intervention?

James Kelly: No, thank you.

Despite the announcements that have been made on public sector pay, there has been a lack of transparency on the issue. Mr Mackay has not been clear about how the measure will be funded.

Derek Mackay: Will the member give way?

James Kelly: No, thank you.

Councils have been left in a situation in which Mr Mackay has announced a policy but has not provided any money to fund it.

The approach of the SNP and the Greens has simply been to tinker round the edges with the budget. The Conservatives have almost a Trump-like approach. They would prefer to run taxation down to lower levels, and if that results in council workers losing their jobs, people living in homes that are not fit for purpose or local libraries being closed, so be it, as far as the Conservatives are concerned.

Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP): Will the member give way?

James Kelly: No, thank you.

Labour's £960 million investment plan is a progressive plan that tackles the issues that are afoot in this country. It deals with the lack of funding for lifeline services, it will help to tackle child poverty, it will properly fund public sector pay

and it will make a real difference in local communities. Labour will oppose the budget all the way to stage 3, because it tinkers and does not meet the challenges. I ask Parliament to support my reasoned amendment and Labour's alternative budget.

I move amendment S5M-10183.2, to insert at end:

“, but, in so doing, believes that proposed Scottish income tax rates do not raise enough revenue or redistribute enough wealth to tackle poverty, ensure that local services are properly resourced, nor provide the funding for a public sector pay rise.”

The Deputy Presiding Officer: I call Bruce Crawford to speak on behalf of the Finance and Constitution Committee.

15:22

Bruce Crawford (Stirling) (SNP): There will be a bit of a change of tone during my speech on behalf of the Finance and Constitution Committee, but I am sure that normality will resume once I sit down.

One of the strengths of the Parliament's committee system is that it allows us, when we work collegiately, to tackle some of the more complex challenges that we face as parliamentarians. I sincerely believe that the committee's report on the draft budget is a good example of that approach. I am delighted that my colleagues on the committee have once again put our political differences to one side and produced a unanimous report, which is a bit of a contrast to today's debate.

That approach is significant, because it allows us to work together in grappling with some of the challenging and complex issues that arise from the operation of the fiscal framework. As colleagues are aware, the operation of the fiscal framework is now an important element in determining how much money is available to the Scottish Government. Colleagues will be equally aware that the framework is a challenge to comprehend. In our report, we have therefore sought to provide some clarity and greater transparency on how the framework works. With some foreboding, I will try to do the same now, if colleagues will bear with me.

As a starting point, I point out that the budget is now subject to greater volatility and uncertainty as a result of the increased dependence on the performance of the Scottish economy. That is because of the obvious strong correlation between economic growth and growth in income tax revenues. Under the fiscal framework, the size of the Scottish budget will be dependent on the relative growth rate of tax revenues in Scotland compared to the growth rate in the rest of the

United Kingdom. The block grant is now adjusted to reflect the annual growth in revenues per capita in the rest of the UK for the taxes that have been devolved to Scotland. If those tax revenues in the UK continue to grow, the reduction in our block grant will also grow. That means that we need at least a similar level of growth in revenues per capita from the Scottish taxes in order to protect the Scottish Government's budget.

That is complex enough, but it is further complicated by the budget's dependence on two sets of independent forecasts: first, the forecasts that are carried out by the Scottish Fiscal Commission for the devolved taxes; and, secondly, the forecasts carried out by the Office for Budget Responsibility for the equivalent taxes in the rest of the UK. The SFC forecasts determine how much tax revenues are available to the Scottish Government in deciding its spending proposals in its draft budget, and the OBR forecasts inform the size of the adjustments to the block grant.

Critically, as we highlight in our report, that means that the budget is subject to a degree of risk arising from forecast error. To some extent, the risk is lessened if there is a similar level of forecast error by both the SFC and the OBR, so if both forecasting bodies turn out to have been overly optimistic or unduly pessimistic, the net impact on the budget will be minimal. A bigger risk occurs if there is significant variation in any forecast error between the two bodies. For example, if the OBR turns out to be pessimistic about tax revenues in the UK while the SFC turns out to have been more optimistic about the Scottish taxes than reality, the risk to the public sector increases. Of course, if the opposite were to transpire, the public finances of Scotland could be boosted by an unexpected bonus. As you can see, Presiding Officer, it is all pretty simple.

It is important to recognise that that is not intended to be a criticism of either the Scottish Fiscal Commission or the Office for Budget Responsibility. Rather, I simply highlight the critical point that the budget is now significantly dependent on forecasts and that it is inevitable that, to some extent, those forecasts will be incorrect in the future, because forecasts often are. Recognising that, the fiscal framework therefore provides the Scottish Government with the power to borrow up to £300 million annually to address forecast error, within an overall statutory limit of £1.75 billion.

One key issue that the committee is keen to understand more clearly is the relationship between economic growth and tax revenue growth. Robert Chote, the chairman of the OBR, told us that weaker gross domestic product growth means weaker growth in all major tax bases.

However, despite relatively pessimistic GDP growth forecasts, the SFC is forecasting that income tax revenues per capita will grow at the same rate in Scotland as in the rest of the United Kingdom. Some of that may be explained by higher employment and wage growth, but the committee has asked the SFC to explain in more detail how it arrived at its conclusion.

We are now entering a new period of devolution, in which our Parliament is responsible for raising much of the revenue that funds our public services. That requires us all to rise to the challenge of using the new powers wisely and of managing the inevitable risks with a pragmatic and reasonable approach. Our report on the draft budget is intended to support that process.

Moving forward, the helpful recommendations of the budget process review group, which we fully support, will further enhance effective budget scrutiny in future years. We welcome the commitment from the cabinet secretary to fully implement the recommendations. The changes to the draft budget that have been implemented to date have already improved the transparency of the process, but there is still much work to do in delivering a more effective budget process in response to the increased complexity of fiscal devolution. That will require the support of colleagues across the chamber, and that is why the committee has asked the Scottish Parliamentary Corporate Body to look at what additional support can be provided to members.

There is also clearly a need for the Parliament and the Government to take a longer-term view of the public finances, and the introduction of the Government's medium-term financial strategy this spring should start to provide that. The Scottish Government will also set out its broad financial plans for the next five years following the UK Government's spring financial settlement. That should assist the Parliament in adopting a longer-term outlook, including addressing fiscal constraints and the impact of increased demand. In due course, the committee will provide revised guidelines to subject committees on how the new budget process will work, prior to the publication of the medium-term financial strategy.

I appreciate that none of that is easy and that understanding the complexities will require a significant degree of effort from us all. As highlighted by the review group, cultural change will be required, as well as procedural change. It is a challenge, but I am confident that we can rise to it to ensure effective scrutiny of an increasingly complex budget process.

The Deputy Presiding Officer (Linda Fabiani): We move to the open debate. There is a little leeway for interventions.

15:30

Patrick Harvie (Glasgow) (Green): Back in October, our party conference gave us a clear task for the budget process: we could not vote for a budget that contained unjustified and unsustainable cuts to aviation tax. That absurd policy has been shelved for the coming year and we will continue to press the Government to scrap it altogether.

We also could not vote for a budget that continued to throw money at high-carbon capital projects. We know that we are supposed to be aiming at 70 per cent low-carbon capital spend. That cannot be achieved overnight but, as a result of our work, the budget makes a change for the better, with low-carbon project spend rising from 21 per cent to 29 per cent as a share of the budget. More than that, we have secured a commitment for that increase to continue, year on year, throughout the current parliamentary session, alongside commitments to additional progress on rail, fuel poverty and protecting the marine environment.

Further, we could not vote for a budget that continued the 1 per cent pay cap for public sector workers. We made it clear that an inflation-based increase was necessary and that an above-inflation increase was justified, and we continue to take that view. The progress that has been made in negotiations to increase the threshold for an inflation-based offer to £36,500, which covers 75 per cent of the people affected, is a significant and welcome step. The result is still not ideal and we continue to believe that a restoration of the value of public sector pay is fully justified. Although the progress that today's announcement represents is welcome and will allow us to vote for the budget, we will continue to back the unions that are arguing for an above-inflation settlement. If, as I hope, they are successful in making their case, the cabinet secretary will need to return to Parliament to find a solution.

We also made it clear that local government, which, once again, showed up near the bottom of the priority list when the draft budget was published, deserves better. We consistently pointed to the SPICe analysis that shows a real-terms cut of £157 million. Although the finance secretary did not accept that assessment, we were very clear that we could not vote for a budget that imposed the cut or ignored the other pressures that local government faces.

Those other pressures come from increased demand, an expectation of a fairer pay settlement than the 2 per cent that most councils have already budgeted for and some specific local issues such as the interisland ferries in Orkney and Shetland. Today's total package of £170 million is substantial. It more than reverses the cut

and leaves councils around Scotland in a stronger position to meet the pressures ahead.

Colin Smyth (South Scotland) (Lab) *rose—*
[*Interruption.*]

The Deputy Presiding Officer: Your card is not in, Mr Smyth. Please start your question again.

Colin Smyth: Given that much of the proposed local government settlement in the budget is for new and additional responsibilities, such as childcare and the £66 million that is to be transferred to integration joint boards, what does Mr Harvie's analysis show us about the hundreds of millions of pounds of cuts that local councils will have to make and the thousands of jobs that will be lost as a direct result of the budget?

Patrick Harvie: We are very clear that the £157 million cut has been more than reversed—we will see that as the local government finance orders are presented. The reversal package is substantial.

Unlike the Scottish Government, we will never treat local choices over council tax as part of the national funding package. Nevertheless, it is true that councils that decide to increase their council tax revenue will gain additional flexibility to invest in services.

Last year, we reversed a £160 million cut to local services and, according to SPICe, that resulted in a settlement that was broadly flat in real terms instead of a drastic cut. This year, we have gone further, with a £170 million package for local government as well as the progress that we have made on pay and low-carbon investment.

That has been made possible because of a redesign of income tax powers that has shifted the debate fundamentally since we first proposed change in 2016. The Conservatives still want tax cuts for the richest, which would strip half a billion pounds out of our public services. However, nobody talks now about increases for all basic rate taxpayers. The Green argument has been leading the change in tax policy, showing that we can raise additional revenue while protecting people on low and middle incomes.

On tax, as on pay, I acknowledge that I urged the Government to go further, but the progress that has been announced today will make a meaningful difference in people's lives and in public services in every community of this country. That is the result when Opposition parties accept the responsibilities and the opportunities that present themselves in a period of minority government.

I have two final points to make. There is a strong case for early, positive and constructive engagement in the budget process, to avoid last-minute brinkmanship by the Government and the

futile activity of Opposition parties producing dramatic new proposals at the very last minute, too late to make meaningful negotiation even possible. I repeat my suggestion that, in future, Opposition parties should be called to give evidence to the Finance and Constitution Committee as part of the budget scrutiny process.
[*Interruption.*]

The Deputy Presiding Officer: Excuse me, can we have a bit of quiet please? Mr Harvie is just rounding off his contribution.

Patrick Harvie: Opposition proposals that are ultimately taken up by the Government deserve to be subject to proper scrutiny, and parties that choose not to engage with serious proposals would lose some of their later grandstanding opportunities. [*Interruption.*] I name no names.

This year's budget negotiations, like last year's, have been dominated by the issue of local government funding. How much do councils need for their core services? Are responsibilities properly resourced? Should the freedom to increase council tax be counted as part of the national funding mix? The overwhelming problem here is the absurd overdependence of local government on national Government for grants, and the marginal freedom that it is permitted by a Government that has stalled on local tax reform. That cannot go on. We are not willing to allow the national budget process to become an annual rearguard action against local funding cuts.

The Deputy Presiding Officer: You must finish, Mr Harvie.

Patrick Harvie: We therefore give notice that we will be unable to enter negotiations on next year's budget, unless meaningful progress has been made on local tax reform.

The Deputy Presiding Officer: You are pushing it now, Mr Harvie.

Patrick Harvie: We will enter that debate in the same constructive spirit that has allowed us to make progress on this budget. Local tax reform can wait no longer.

15:38

Willie Rennie (North East Fife) (LD): The budget does not deliver the transformational change that we need for our country. We face huge challenges in the next two to three years because of Brexit. We have a sluggish economy that is lagging well behind that of the rest of the United Kingdom. The budget should therefore have been used as an opportunity to make transformational investment in education. Only by investing in the skills and talents of our people can we revitalise the economy.

We have argued for a modest penny on income tax to invest in education. We believe that we should be investing in nursery education, but we have already heard that the nursery education roll-out is facing difficulties. We have argued that nursery education should be expanded to cover two-year-olds: the Government eventually accepted that, reluctantly. There is a big roll-out programme in the next few years, but there are difficulties with that. We should make the necessary investment to recruit people and give them the required skills and create the necessary infrastructure for the nursery education sector.

Yesterday, with great fanfare, John Swinney announced the pupil equity fund. However, we have discovered that the figure has been frozen from last year—there was no increase in the pupil equity fund. We were already lagging way behind the equivalent fund in England—the pupil premium, which was advocated for by the Liberal Democrats in Government and which closed the attainment gap by five percentage points. We were already behind, and the budget has been frozen for this year. We should have been investing in that, too.

On college places, this week we have found out that 140,000 college places have been cut from the sector under the SNP. That has cut training, opportunities and education for women, mature students and part-time students. We should be investing in that sector in order to make the transformational change for our future, because by investing in the skills and talents of our people we can grow the economy.

We could also grow the economy by investing in the skills and talents of people through investment in mental health. We have argued that the mental health budget should be raised by £1.2 billion. I believe that that is necessary in order to deal with the deep-seated problems that we have with child and adolescent mental health services and with other services for children and young people, which are lagging well behind. Last autumn, 3,000 people were waiting for mental health treatment, and 10,000 young people have had their mental health treatment delayed in the past three years alone. That situation is appalling and needs to change, which is why we believe that investment in those services is required.

We believe that there should be investment in integrating mental health professionals with other services, such as those that are provided in accident and emergency units, and in embedding them in the police and primary care services. Further, there should be more investment in CAMHS.

We need investment in the skills, talents and abilities of people in order to make the necessary change for our future. That is why we have argued

for the extra penny on income tax. We were open and frank about it at the election—unlike the Government, which said that there would be no increase in the basic rate of income tax. We said to people that if they made a small sacrifice, they would have a big return. We said that if people paid, they would get a transformational change for their country—a specific tax rise for a specific purpose to get a specific benefit.

There is a danger with the Conservative approach of cutting taxes ever more, irrespective of the consequences, and with the Labour Party's approach of increasing taxes ever more, irrespective of the consequences, and sometimes just with 48-hours' notice. That is not the way in which to have a mature, open and frank debate about the future of our country. We need honesty at the election. We need frankness from all the parties about the opportunities for our country.

We have always been constructive in budget debates. We have always sought to work with the Government where we could. In previous years, we have voted for the Government's budget on a couple of occasions. In those cases, we decided that although the budget was not perfect, it was good enough, and that it would result in investment in nursery education, in free school meals and in colleges. In those years, we had frank and open discussions with the Government about the political differences between our two parties. This year has been different, however.

This year, the Government identified two small and remote constituencies with lifeline ferry services and reneged on a commitment that it had given over the past six years in order to lever in the support of those constituencies' MSPs. *[Interruption.]*

The only reason why the funding for the ferries in the northern isles is in the budget is because we made the case, we committed the debating time, we secured an amendment in committee and we enabled separate discussions to enable it to happen. *[Interruption.]* If the Government had been left to its own devices, the islands would have been left wanting, and everyone knows that. That is not the way for a Government to behave—picking off remote and rural constituencies for its own devices—and we will not play its game.

The Deputy Presiding Officer: Let us have a wee bit of quiet, please; Mr Kenneth Gibson likes things to be quiet.

15:44

Kenneth Gibson (Cunninghame North) (SNP): Compromise, collaboration and consensus are integral parts of the budget process and the work that we strive to do in Parliament. In these challenging times, with a tough economic climate

and, courtesy of the UK Tory Government, a real-terms cut of over £211 million to our resource budget for the forthcoming year, producing a balanced and fair budget for Scotland is no mean feat.

Nevertheless, our finance secretary has delivered a progressive and responsible budget that is determined to ensure a health service that is fully equipped for the future. That is why the budget will increase funding for front-line NHS boards by a real-terms increase of £208 million. We want Scotland's health service to be among the best in the world, and we are investing in a new general practitioner contract and mental health services. The budget also supports increased research and development, it supports infrastructure, and it supports strengthening collaboration between the NHS, industry, academia and the third sector.

After years of pay restraint, thousands of nurses and healthcare staff will benefit from a minimum pay increase of 3 per cent for staff who earn up to £36,500. That has been welcomed by the Royal College of Nursing and by Unison.

As an MSP with 6,300 island constituents, I understand how crucial lifeline ferry services are. I was therefore delighted when the SNP Government invested £12.6 million in a new hybrid environmentally friendly ferry, the MV *Catriona*, which began in service from Lochranza on Arran to Claonaig in Argyll some 16 months ago, and when it invested £48.5 million in MV *Glen Sannox*, which will sail from Ardrossan to Brodick from next year. Having lobbied hard for that investment, I congratulate Liam McArthur and Tavish Scott—sadly, they are not in the chamber to hear this praise—on their tenacious lobbying of the finance secretary to secure £5.5 million for Orkney and £5 million for Shetland to help to resource their interisland ferry services. It is a shame about Willie Rennie's curmudgeonly comments a few minutes ago.

Colleagues will touch on the £66 million to support additional investment in social care, the £24 million to fund fully the pay offer to teachers, the £52.2 million in revenue and £150 million in capital to support the expansion of funded early learning and childcare, and the many other positive aspects of the budget.

A fortnight ago, I spoke in Labour's daft no-confidence debate. I must apologise to members: in pointing out numerous incidences of Labour-imposed austerity, I neglected to mention the £500 million cut that was imposed on Scotland in 2009-10 by the last UK Labour Government, and the future plans of the then Chancellor of the Exchequer, Alistair Darling, which were revealed on 25 March 2010. Mr Darling was asked on "Newsnight" how his plans compared with Mrs

Thatcher's attempts to slim the size of the state. He replied:

"They will be deeper and tougher"

and added that, if re-elected, he would

"impose reductions in capital spending of almost 15% a year for the next four years."

The Institute for Fiscal Studies said that Labour's plans implied cuts to public services of £46,000 million in real terms over four years. Hefty tax rises and Whitehall spending cuts of 25 per cent were in prospect, with a squeeze that would have lasted until 2017. It is simply laughable for the same Labour MSPs who fought for the re-election of Mr Darling and his austerity policies in 2010 now to pretend to champion anti-austerity. Are repentant sinners overcompensating? They have form.

On Labour's proposals, I, like many, waited patiently for a glimpse of Labour's tax plans after James Kelly said:

"Labour will take adequate time to put forward its proposals."—[*Official Report*, 17 January 2018; c 23.]

In fact, we have had little time to scrutinise its meagre dabblings. For Labour, it is about playing to the gallery. There has been nothing on the economy, transport, justice, the environment and so on. Not only is the total revenue that Labour says would be raised by its proposals a fantasy, but many of Labour's suggestions would not raise any revenue this coming year. What does that say to families? The people of Scotland merit genuine engagement and debate, not political posturing and gesture politics.

There has been no mention of the behavioural impact of Labour tax rises, even though James Kelly sits on the Finance and Constitution Committee, where that was discussed. To be fair, his campaign to turn back the clock in the fight against sectarianism has kept him busy. I understand that some of the old songs are already being sung again.

The Tories make Labour's proposals seem rational and coherent. On capital, they equate loans with grants. I wonder how many Tory MSPs would like their salaries in the form of a loan. Their pitiful efforts to con folk that £556 million in tax cuts can be delivered with a £211 million real-terms resource cut to Scotland's block grant and a bewildering array of Tory spending demands—70, at the last count—beggars belief.

Ruth Davidson will be querying all the lefties who have infiltrated her group. Among the many are Brian "the Bolshevik" Whittle, who has called at least 11 times for an increase in spending on issues that range from the port of Cairnryan—cutting across his colleague Finlay Carson—to sport and local government.

Meanwhile, “Red” Rachael Hamilton demands more investment in roads and the Borders railway, which her Tory predecessor criticised, and Maurice “the Menshevik” Corry wants us to double our housing programme from 50,000 to 100,000 homes, but has yet to tell us how that would be funded and delivered, given Westminster’s financial straitjacket and the UK’s Brexit policy, which will increase skills shortages in the construction trades.

Adam Tomkins was once a real Marxist of course, having addressed a rally on Calton Hill in 2004 calling for the establishment of a Scottish socialist republic. The impetuosity of youth—he was only 35 at the time. [*Interruption.*] These days, Mr Tomkins no longer wants to storm the Winter palace; he is just asking for a few bob to upgrade the Scottish exhibition and conference centre.

The Tories do not really care about Scotland; they are simply following the shambolic lead of Mrs May in London. A couple of years ago, during negotiations on the fiscal framework, they urged the SNP Government—as did Labour for a time—to accept a cut of up to £7,000 million over ten years to this Parliament’s budget, and were foiled only by the determination of the now Deputy First Minister, backed by the First Minister, not to give ground.

Throughout this year’s budget process, the Tories have failed to engage: the people see through them. The Greens have engaged and can claim credit for helping to deliver a more progressive budget for the people and communities of Scotland.

A vote for the budget is a vote for high-quality public services, a vote for strong support for business, a vote for measures to tackle poverty and inequality, and a vote for a fairer Scotland. I urge colleagues to support it.

15:51

Dean Lockhart (Mid Scotland and Fife) (Con): Scotland’s economy is facing what the Fraser of Allander institute has described as the “longest period” of weak “growth in ... 60 years”. That is reflected in recent figures. Scotland’s economy is growing by only 0.5 per cent—less than a third of the rate of growth in the rest of the UK. Trade figures show a 5 per cent decline in total trade from Scotland, and data confirm that business investment in Scotland declined by 15 per cent last year.

The outlook for the economy is equally challenging. The Scottish Fiscal Commission—which, I note, Derek Mackay did not mention once in his opening statement—is forecasting average growth of 0.6 per cent in the next four years. Let me put that into context: under the SNP, Scotland

will experience the lowest growth of any economy in the developed world.

Those growth forecasts are of real concern, but even more alarming is the conclusion of the Scottish Fiscal Commission that the Scottish economy is currently running at or above capacity, which means that the growth capacity of Scotland’s economy has declined from a long-term average of 2.2 per cent to half a per cent today. In other words, economic growth of half a per cent is as good as we can expect under this SNP Government.

Ivan McKee (Glasgow Provan) (SNP): Will the member give way?

Dean Lockhart: I will give way to Ivan McKee if he will help me to understand why the long-term growth potential of Scotland’s economy has fallen in the past 10 years.

Ivan McKee: Absolutely. Dean Lockhart will be aware that the Scottish Fiscal Commission said that the main reason for Scotland’s economy being at capacity and unable to grow any faster is population issues—the biggest issue being the lack of skilled labour, which will be exacerbated by Brexit. That is what it has taken into account in its forecast, as the member well knows.

Dean Lockhart: I think that Mr McKee will find that lower productivity in Scotland than elsewhere is the key driver of the SFC’s forecast. He will also find that there is a direct correlation between population growth and migration and the strength of an economy. The stronger our economy is, the more skilled workers we attract into that economy.

The fundamental problem that the budget should be addressing is that after a decade in power, the SNP economy has become a low-growth, low-wage, low-enterprise and low-productivity economy. That economic stagnation is not inevitable, nor is it something that we should accept. With world-class universities, international cities and a skilled workforce, Scotland has real potential to perform at much higher levels. To realise that potential, the absolute priority of the budget must be to increase the productive capacity of the economy. The Scottish Government, despite denying that it does, has all the powers that are necessary to make that happen. It has full control over skills, enterprise and economic development policy—which has an annual budget of more than £2.5 billion—as well as significant new tax powers.

Derek Mackay: In that case, is the Scotland Office being not entirely accurate when it says that the UK Government has control over macroeconomic policy for the whole UK?

Dean Lockhart: I think that Mr Mackay will find that the UK Government has control over

monetary policy and interest rates, which are at record lows. The SNP has control over enterprise policy and economic growth, which are also at record lows. Instead of using those substantial powers to grow the economy, increase productivity and promote business growth, the SNP has decided to double down on its failed economic agenda and to make Scotland the highest-taxed part of the UK for skilled workers, the highest-taxed part of the UK in which to expand business, and the highest-taxed part of the UK for business rates.

The budget means that there will be a reduction in the net salary of skilled workers in Scotland: they will have lower take-home pay than colleagues elsewhere in the UK.

Tom Arthur (Renfrewshire South) (SNP): Will the member give way?

Dean Lockhart: I need to make progress.

To increase productivity, it is vital that we keep existing skilled workers and attract more. However, there is already evidence that higher tax is adversely impacting the decisions of business to expand and locate and skilled workers to locate in Scotland. Productivity in Scotland has declined in every one of the past seven quarters.

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

Dean Lockhart: I need to make progress.

The budget imposes higher taxes on skilled workers, so it is not surprising that the SFC is forecasting that the trend of lower productivity will continue.

The budget means that 20,000 businesses in Scotland will pay £17 million more in rates than do businesses elsewhere in the UK, because of the large business supplement. The budget also means that business will pay an extra £85 million as a result of an increase in the poundage rate. Scotland already has the lowest business creation and survival rates in the UK. Hammering business with an extra £150 million of rate payments will serve only to damage the economy further.

The most effective way to increase Government tax revenues and public spending is to grow the economy. The negative impact of low economic growth on public spending was highlighted by the Scottish Fiscal Commission in December, when it reduced the projected level of tax receipts over the next four years by £2 billion, as a result of lower than expected economic growth. That means that the Scottish Government will have £2 billion less to spend on vital public services as a result of the weakness in the economy. The £2 billion reduction is a multiple of what Derek Mackay will raise in revenues by increasing tax on the hard-working people of Scotland.

Instead of increasing tax, the SNP should listen to the leading organisations across Scotland that are calling for a reversal of the decision to make Scotland the highest-taxed part of the UK, for a new direction in economic policy and for urgent action now to address the longest period of weak growth in Scotland for 60 years.

I support the amendment in Murdo Fraser's name.

15:57

Elaine Smith (Central Scotland) (Lab): I remind the chamber that I am a member of Unite the union.

The budget debate is being closely watched right across Scotland: it is being watched by councillors, who have to deal with the fallout of the on-going cuts to their budgets; it is being watched by public sector staff, who have not had a decent pay rise in years; and it is being watched by the people of Scotland, who are suffering from cuts to the public services on which they depend. They all know that things could be very different if the SNP Government stopped being so timid and used the powers of the Parliament to create a fairer Scotland.

Like me, many of those people campaigned and voted for a Scottish Parliament, but they did not expect that, 20 years later, this Government would simply pass on Tory austerity. There is the opportunity to do things differently, be radical instead of tinkering about the edges, and begin to reverse the damage of years of cuts in our communities. That is what Labour would do in government, and it is what we demand that the SNP does.

Our budget plan, which was laid out clearly and concisely by James Kelly, is based on progressive taxation.

Derek Mackay: Will the member take an intervention?

Elaine Smith: I will in a moment, cabinet secretary.

As socialists, we believe in the redistribution of power and wealth to eradicate the obscene reality of poverty in a rich country.

Derek Mackay: The Government has outlined a pay policy of a 3 per cent uplift for those earning up to £36,500. What does the Labour Party believe the pay threshold and percentage increase should be?

Elaine Smith: Perhaps the cabinet secretary could answer what the pay policy is for local government, as I asked him to do when we were in front of the Local Government and Communities

Committee, because local government has not been funded, but expectations have been raised.

It is long past time that the SNP took radical action to eradicate poverty and the inequality that underpins it. I note that there was no answer earlier from the cabinet secretary on child poverty. The Government's own report on poverty and income inequality states that, after housing costs, 26 per cent of children in Scotland were living in relative poverty in 2015-16; that is nearly 260,000 children, which is 40,000 more than the previous year. That appalling rise in child poverty is happening under this SNP Government.

Shockingly, forecasts also show that up to 100,000 more children will be pushed into poverty in Scotland by 2020. Of course, I recognise that we now have the Child Poverty (Scotland) Bill, which provides a framework and sets targets, along with setting out some policy steps in the right direction. However, Scottish Labour is clear that this year's budget must tackle the shameful growth of child poverty, because children cannot wait any longer. The Scottish Government's plans simply do not go far enough.

Given that, by definition, a child is living in poverty if their household income is insufficient to meet their basic material needs, the Scottish Government should understand that the most immediate and effective way to lift children out of poverty is to directly raise family income levels. For parents at the lower end of the income scale, child benefit is vital to provide their children with adequate clothing and nutrition and allow them to participate in sporting activities and school trips. However, given that one in four children in Scotland lives in material deprivation, we know that far too many children are going without, which of course has a severe impact on their wellbeing and their future life chances.

Under the Tories, child benefit has risen by just 2 per cent since 2010-11 and it has not changed at all since 2015.

Fulton MacGregor (Coatbridge and Chryston) (SNP): Will the member give way?

Elaine Smith: I am afraid that I do not have time.

Coupled with the increased cost of raising a child, that is part of the reason why ever-increasing numbers of households with children are being pushed into poverty. That is why a coalition of charities, faith groups and trade unions back the give me five campaign, which urges the Scottish Government to top up child benefit payments by £5 per week. To support that, Scottish Labour's Mark Griffin has lodged amendments to the Social Security (Scotland) Bill that back the top-up of child benefit because research shows that that would lift 30,000 children

out of poverty. It could fund a nutritious breakfast every day, a good-quality winter coat or taking part in school trips, which could stop children being hungry, cold or left out of school activities.

Topping up child benefit is undoubtedly an extremely effective way to reduce material deprivation for all households that are struggling, but I note in particular that 70 per cent of children in Scotland who live in poverty live in working families. Low wages, precarious employment and zero-hours contracts mean that work does not always provide a route out of poverty. In months where wages are lower than expected, parents are often forced to use food banks or rely on vicious pay-day loans.

Given that child benefit is a universal benefit, a £5 top-up would provide a stable and reliable source of additional income for families, benefiting those who are in work as well as those who are not in work. If the Scottish Government was to use its taxation powers progressively, in line with Labour's budget plans, the cost of topping up child benefit could be met.

The eradication of child poverty should be an absolute priority for this Government, but it will not be tackled with an inadequate, lightweight and, frankly, feeble budget. After 10 years in office, is it not time that the SNP used the powers of this Parliament to their full extent to redistribute wealth and power, eradicate poverty and create a fairer Scotland for the many? That is what Scottish Labour would do.

16:03

Emma Harper (South Scotland) (SNP): This is a budget for a stronger economy and a fairer society, with increased funding for the NHS and protection for low and middle income earners. Given that I have mentioned the NHS, I refer members to my entry in the register of interests and remind them that I am a registered nurse and soon to be a volunteer at the new Dumfries and Galloway royal infirmary.

The foundations of the budget—investing in our NHS, stopping Tory cuts, protecting public services and growing our economy—were welcomed by the majority of organisations that gave evidence to the Finance and Constitution Committee. There is a strong consensus across Scottish society that backing this budget is necessary to keep driving Scotland forward and that politicians from all parties should get behind these progressive plans.

The actions of the Scottish Government that are set out in the budget make Scotland the fairest taxed part of the UK. Next year, those earning under £33,000 will pay less. That includes thousands of nurses and healthcare workers.

Dean Lockhart just said that this Government is raising taxes on skilled workers. Is he suggesting that nurses, who will be paying less tax, are not skilled? I challenge him on that.

Dean Lockhart: I was just repeating the Government's figures, which show that the tax cuts will not apply to anyone on less than £26,000 and will impact on more than 900,000 workers in Scotland. Nurses absolutely are skilled workers; I am just repeating what the Government's figures show, which is that 900,000 workers in Scotland will be impacted by higher tax. [*Interruption.*]

The Deputy Presiding Officer (Christine Grahame): Excuse me, Mr Arthur. Ms Harper is going to deal with that.

Emma Harper: Thank you, Presiding Officer. I have big boots, and I can challenge the member. The nurses who are making less than £33,000 will pay less tax—and I reiterate that they are skilled workers.

I am a member of the Finance and Constitution Committee, and in my questions to witnesses I focused on how the structural changes that are proposed in the budget will benefit women. For example, many of the employees who fall into the first three tax bands are women. Some 89 per cent of skilled nurses are women, a high percentage of healthcare support workers are women, and most people who work in care in the community are women.

The budget therefore directly reflects the Scottish Government's equalities agenda, in respect of both revenue and expenditure. Given how the finance secretary has aligned pay policy and tax policy, and given his overall expenditure plans, it is clear that equality has been at the forefront of his mind.

Elaine Smith: Will the member take an intervention?

Emma Harper: I have just taken one.

The finance secretary has taken those actions against a backdrop of tough economic and public expenditure conditions. Scotland's block grant for day-to-day expenditure is decreasing, and a decade of Westminster austerity has left families across Scotland worse off and has put enormous pressure on the Scottish budget.

Throughout the process, the finance secretary has attempted to engage Opposition parties about their plans. He wrote to them formally some months ago to ask for confirmation of their proposals on income tax policy, so that the proposals could be included in a discussion paper, as was announced in the programme for government. Despite that, Labour neglected to publish a tax plan until 48 hours before the vote on the budget bill.

Two weeks ago, Labour used its parliamentary debating time to bring a debate on what it claimed was a motion of no confidence in the budget. For a party to call a debate on the budget and then admit that it does not have a policy on income tax goes beyond incompetence.

The Tories' plan would create a £500 million hole in our public services. Despite demanding a £500 million tax giveaway for high earners and big business, and while the UK Government continues to hammer Scotland with cut after cut, the Tories have made more than 100 demands for increased public spending.

It is time for the Tories to tell us what funding they would cut so that they could hand out £500 million to high earners. It is time for the Tories to tell us what their plans would mean for the NHS and our schools. The consequences of the Tories' proposals are unimaginable. It is difficult for me to envisage how our NHS would function and how many nurses' livelihoods would be under threat. The Tories' approach would be devastating for the service in all areas, from A and E to mental health services.

It is fortunate that members of the Scottish Parliament have the opportunity today to vote for fair and progressive tax plans, as well as a growth package that includes real-terms increases in funding for colleges and universities, investment to expand early learning and childcare and the establishment of Scotland's first national investment bank.

A vote against the budget will be a vote against those progressive measures. It will be a vote against investing in children and in our schools, hospitals and other vital public services, to give them the funds that they need. I urge politicians from all parties in the Parliament to get behind the Government's progressive plans and vote for the budget today.

16:08

Miles Briggs (Lothian) (Con): I am pleased to take part in today's budget debate. I will focus my remarks on the NHS and social care and on the settlement for local authorities in my region.

Since 2010, the UK Conservative Government's protection of the NHS budget has seen investment in our NHS, with more than £2.154 billion in extra money for our NHS in Scotland since 2011. We all accept that health inflation is a driver of pressure in the overall health budget, as are the demographic challenges that face the population across the UK, and it is legitimate to scrutinise the SNP Government's spending of taxpayers' money—and we should remember that it is taxpayers' money—on our health services.

It is sadly all too easy to find examples of where the SNP Government is having to use vital resources to fill the gaps that are left by its poor decision making on health. It is an indictment of its failure to build capacity in our social care sector that delayed discharge cost the NHS £132 million last year. SNP ministers' failure to put in place long-term NHS workforce plans means that private agency staffing costs have rocketed across Scotland. In 2017, NHS boards spent £171 million on agency staff, which was a real-terms increase of 79 per cent in just five years. Meanwhile, spending on locum staff has reached £0.25 billion pounds in 2016-17 and some health boards have almost doubled their locum spend in a year.

While I am on the subject of NHS staff retention and recruitment, I was disappointed but perhaps not surprised that, in a response, the Cabinet Secretary for Health and Sport confirmed to me earlier this week that the SNP Government has undertaken absolutely no assessment of how higher taxes in Scotland will impact on the recruitment and retention of NHS staff. That is despite public warnings from the British Medical Association and others that SNP tax hike proposals for middle and higher earners will make it more difficult to recruit GPs, consultants and other highly-skilled NHS professionals in Scotland. That is another example of the Government's lack of joined-up thinking and its inability to see the bigger picture.

I move on to local authority funding. Until just a couple of hours ago, this SNP Government wanted Edinburgh City Council to have a cut of £3 million. That was a political choice that was being taken by the Government.

Kate Forbes (Skye, Lochaber and Badenoch) (SNP): Miles Briggs has called for additional spend on healthcare and, now, on local government, yet he supports tax plans that would see more than £500 million cut from public services. Where should those cuts land?

Miles Briggs: Part of this debate, as a number of speakers have already said, is that we need to grow the Scottish economy. *[Interruption.]* Under the SNP—members on the Government back benches need to listen to this—Scotland is on course for the slowest growth in the developed world. Is the Government proud of that? I do not think so. I never thought that I would say, "Bring back Alex Salmond to the Parliament," but at least he had an idea about growing our economy.

Did SNP ministers believe that cutting Edinburgh City Council's budget yet again was going to help councils to address the social care crisis in Edinburgh—

Derek Mackay *rose—*

Miles Briggs: I do not have time. The facts stand.

The Deputy Presiding Officer: Sit down, cabinet secretary.

Miles Briggs: The Cabinet Secretary for Finance and the Constitution and the SNP Government have received real-terms increases in the block grant and in Barnett consequential from the UK Government. Their decision to raise income taxes for so many hard-working families in this budget is a political calculation that SNP ministers need to be held accountable for. That is why I believe that the finance secretary has lost his way. Growing the Scottish economy is not an added extra to a budget; it is central to everything that he and the Scottish Government should be about if we are going to continue to provide the services that we all rely on.

We were told by many in the media that this SNP budget is an attempt by Nicola Sturgeon and the Government to demonstrate their left-wing high-tax credentials in a desperate bid to outflank Richard Leonard and Jeremy Corbyn, as we have heard from red Ken Gibson today. Is that really where the finance secretary and the SNP find themselves today: trying to be a cheap version of Jeremy Corbyn? If that is where the SNP wants to find itself, I wish it good luck. It is little wonder that the SNP lost almost a third of its seats and almost half a million votes at the Westminster election. After 11 years of SNP mismanagement of our public services and a Scottish economy that is going nowhere under Nicola Sturgeon, we need to look to the future and how we as a country can grow our economy and deliver the sustainable public services that we should all want to see. *[Interruption.]* Is independence always the answer for you lot?

Last week, I said that the closure of the children's ward at the Royal Alexandra hospital in Paisley would go down as Nicola Sturgeon's Nick Clegg moment. Today will go down as Derek Mackay turning into the Artful Dodger from "Oliver"—he has certainly picked a pocket or two today. The people I represent across Edinburgh and the Lothians are once again being badly let down by this SNP Government. They will be hit hard by SNP income taxes as we become the highest-taxed part of our United Kingdom. They will have the pleasure of paying more under this SNP Government and receiving less. I support the amendment in Murdo Fraser's name.

16:14

Ivan McKee (Glasgow Provan) (SNP): Today's debate is about the Scottish Government's budget for next year, but it also demonstrates in stark

terms why the present Government is the only credible option for running this country's finances.

The people who elected us expect us to do a professional job, to evaluate the evidence before us and to make decisions about how best to proceed, taking into account the likely results of our actions. They do not expect us to ignore reality and just mouth soundbites. They also trust us to make sure that the numbers add up. In other words, they expect us to behave like adults. Nowhere is that more important than when it comes to the pound in their pocket.

In scrutinising the budget, members of the Finance and Constitution Committee took evidence from the Scottish Fiscal Commission, which is the body that was set up to provide independent analysis and forecast data for the budget process. We heard about the work that the commission does to evaluate the tax plans of Government to ensure that they are evidence based and do not defy the laws of mathematics. We heard about the importance of correctly estimating the value of taxable income elasticity, or TIE, in calculating how much revenue any changes to the tax system will generate, taking into account what actually happens in the real world. Along with Mr Kelly, Mr Bibby and others, I listened while the SFC explained in great detail the care and attention that it had taken to do a professional job and give the Government the robust data that it needs to bring forward a budget that will deliver what it says on the tin. Indeed, the impact that taxable income elasticities have on revenues is covered in some detail in our committee's unanimous report.

To ignore the SFC's work—to pretend that the world is somehow different from the reality before us and that two plus two somehow does not equal four—is not only an insult to the people of Scotland, who expect better from their politicians; it trashes the credibility of the people who make those claims. Even judged on its own terms, that approach takes us nowhere because, as the members of Labour's front bench know full well, if the Scottish Government were, in some strange circumstance, to adopt Labour's tax plans, the amount of money that the Scottish Fiscal Commission would allow the Government to spend in its budget would be hundreds of millions of pounds short of the fantasy data that Labour has in its back-of-the-envelope analysis.

James Kelly: On tax policy and evidence, does Ivan McKee think that it is fair that, even taking into account the correction that Mr Mackay announced earlier, somebody on £45,000 will face the same level of increase as somebody on £150,000? Is that a fair tax policy?

Ivan McKee: The problem that Mr Kelly has is that every time he opens his mouth, people

understand that none of the numbers that come out of it has any credibility. He has no idea what he is talking about and he cannot add up the numbers. He just makes stuff up.

Mr Kelly cited SPICe. I will tell members what SPICe actually said. It said:

“our estimates of the income tax revenue raised under different scenarios are static estimates i.e. they do not take account of any behavioural responses that might result from the policy changes outlined. We make this very clear in all our costings, and in all of our published work on the topic”.

SPICe went on to say that any analysis that was done without taking into account the SFC's behavioural assessments would not be accurate from a modelling perspective.

That is not the only area in which Labour's tax plans have been holed below the waterline. On the non-domestic rates pool, which is the source of another magic £174 million in Labour's alternative reality budget, Mr Kelly knows fine well—or, at least, he should—that Audit Scotland has stated that the pool must be brought back into balance by the end of 2018-19, and that is what the budget does.

Iain Gray (East Lothian) (Lab): The member must know that Audit Scotland has said no such thing. It has said that the Scottish Government has said that that is what it will do and that that is entirely a matter for it.

Ivan McKee: No, it has said that the non-domestic rates pool needs to be brought back into balance. Labour has said that it will not do that—it seems that it would continually take money out of a pool that does not exist. That is another example of Labour's lack of credibility on its budgeting process.

It is now clear why Labour left the publication of its tax plans till the last minute—it wanted to avoid any scrutiny of its proposals. Well, that gamble has failed. The credibility of Labour's analysis is in tatters and the party is seen as unfit to do any more than carp from third place. Labour's tax proposals are more worthy of Screaming Lord Sutch than of a supposedly serious political party.

On the other side of the chamber, we have a different kind of reality denial. I have here a list. It is not a short list; in fact, it is rather a long list that runs to eight pages. It is not a list that I wrote; it is a list that others have written for us. It is the list of spending demands that have been made by Tory members in this Parliament—more than 70 different demands, the cost of which adds up to hundreds of millions of pounds. They go from air-quality monitors through to zebra crossings—the full A to Z of Tory spending demands—but nowhere are there any plans on how to raise the cash. That is because, as everyone can see, when

it comes down to it, Tory tax and spend just does not add up.

Dean Lockhart: Will the member take an intervention?

Ivan McKee: I am sorry—I have already taken two.

This budget delivers for the people of Scotland. It reduces taxes for more than 70 per cent of earners, it means that the majority will pay less tax in Scotland than they would if they lived in the rest of the UK, and it makes Scotland the lowest and fairest-taxed part of the UK. It does that while meeting manifesto commitments to invest funds over and above inflation in our key public services, and it provides the resources to enable the Scottish Government to deliver quality public services, including the best health service in the UK.

It is a budget that exists in the real world, where real people make real decisions to deliver real revenue and real services. It is not a game of fantasy economics in which the books do not have to balance and individuals are assumed to behave as we want them to, not as they actually do on planet earth. Labour and the Tories are competing for the gold medal in the economic incompetence Olympics, one failing to explain how its shopping list would be paid for and the other ignoring the laws of mathematics—clowns to the left of us, jokers to the right. Meanwhile the Scottish Government gets on with the grown-up work of putting together a budget that delivers for the people of Scotland.

16:21

Iain Gray (East Lothian) (Lab): What an opportunity the budget should be for the Government to set a new direction for our country in the year to come. A Government with real vision, the courage of its convictions and a willingness to win the argument for real change could choose to end the miserable narrative of austerity, begin to invest again in our public services and the people who work in them and kick-start our pitiful levels of economic growth—more so this year than ever before, because of the new powers that we have over taxation, which allow us to make new choices that would raise more money to invest and redistribute across income levels.

Ending austerity, progressive taxation and reducing poverty are all principles that this Government loves to espouse, but it is never prepared to put them into action. This year, the Government yet again proposed a draft budget for passing on cuts. Local government alone was to get £150 million less, when it had been clear that it needed more than £500 million just to stand still.

The Government proposed a tax plan that yet again bottled out of the 50p tax rate for top earners, which the SNP famously and regularly supports every five years when an election comes round.

Kate Forbes: If Iain Gray was so keen to change the budget constructively, why did he wait until 48 hours before the stage 1 debate to bring forward these budget proposals?

Iain Gray: Because this is stage 1, when the budget is proposed. We have two further stages during which we consider it in detail—that is the parliamentary process.

The truth is that this is hardly the first time that we have raised the issue of the 50p tax rate, is it? We have repeatedly asked the SNP to support a 50p tax rate and it has repeatedly refused, except when elections come round. Indeed, on the 50p tax rate, the SNP truly is the very definition of all mouth and no trousers.

Derek Mackay: Will the member take an intervention on that point?

Iain Gray: No, I am sorry; I have just taken one.

Even better, the tax plan turned out to be a tax increase for someone earning £40,000 and a tax cut for someone earning £50,000, which raised only £164 million and handed most of that back to businesses, leaving local service budgets woefully short again. What a timid effort, circumvented by lack of ambition and fear of upsetting high earners, simply managing the austerity that the Government rails against on any other day of the year.

But of course, the Government always knew that it would get away with that, because, with a tweak here and there, it would have the Greens in the bag—and so it proves. I heard Patrick Harvie on “Good Morning Scotland” this morning, saying that he has had enough of a budget process that is only about deciding where the cuts will fall. Me too! However, he then went straight from the studio to meet Derek Mackay and agree exactly where the cuts would fall. I know that he claims that he is trying to mitigate austerity, but he must see that he is colluding in the cuts.

Patrick Harvie: Will the member give way?

Iain Gray: Yes.

Patrick Harvie: I acknowledge that Iain Gray thinks that—

The Deputy Presiding Officer: Could we have Patrick Harvie’s microphone on, please?

Patrick Harvie: I beg your pardon, Presiding Officer. I have done a Colin Smyth. I am so sorry.

I acknowledge that Mr Gray thinks that the process should go further, but can he not at least admit that the £157 million cut to local government has been more than reversed as a result of the work that we have done and compare that with what his party has achieved, which is nothing?

Iain Gray: No, I do not accept that, for two reasons. First, the letter from Mr Mackay to Mr Harvie reveals that, in 2018-19, the uplift will be £125 million, which is already £50 million less than he was claiming only minutes ago. Let me give members an example of how dishonest I think all this is. The Government draft budget estimates income from non-domestic rates at £2.8 billion, but it plans to distribute only £2.6 billion to councils. There is £142 million of councils' own money that is being held back from them. The extra money that Derek Mackay and Patrick Harvie have been dealing with over these weeks was local councils' money all along. It is just like last year, when £300 million was skimmed out, £150 million of it was put back in and Mr Harvie wanted congratulating on it.

In the real world, that deal leaves local services facing cuts. There will be more reductions to teaching and support staff and higher charges for social care. Mr Harvie might like to note that local energy efficiency projects will be put at risk, threatening further increases in fuel poverty. In the real world, 260,000 children live in poverty and will get no help at all from this budget. In the real world, it is still the rich who benefit most from the Government's timidity on tax. The Greens, who proposed a 60p top rate, will vote through a budget that asks those on the highest incomes to contribute only a penny more in the pound. What a sell-out.

We could have a budget that would stop austerity cuts, invest £1 billion more in public services and start to invest in schools and hospitals again—at last. It would ensure that all public sector workers could have a real-terms, fully funded pay increase after years of pay erosion, lift thousands of children and their families out of poverty by boosting child benefit and ask the most highly paid in society to pay a fair share. That would be a budget of vision and of conviction—and one worth supporting.

16:27

Ben Macpherson (Edinburgh Northern and Leith) (SNP): Last week, I visited two primary schools in my constituency. As I was there, meeting the teachers and chatting to some of the children, I thought about how young people of primary school age across Scotland have grown up in a context of on-going Westminster austerity. That is a sobering fact, and something on which we should all reflect—particularly those who believe in the UK state.

Since 2007, when Labour started slashing Scotland's budget, there has been a significant reduction in the finances available to this Parliament, including a staggering £2.6 billion Tory cut to Scotland's discretionary budget between 2010-11 and 2019-20. To put that in context, it is the equivalent of the entire education budget.

Despite that Westminster austerity and the backdrop of tough economic and public expenditure conditions, under SNP leadership, Scotland has moved forward with growing confidence. Devolution has protected vital public services. Our nation's economy has progressed significantly in a whole range of areas, with higher productivity growth than that in any other part of the UK—

Dean Lockhart: Will the member take an intervention?

Ben Macpherson: Yes, I will.

Dean Lockhart: Mr Macpherson mentioned the economy developing. Based on SFC forecasts, the Scottish economy under the SNP will grow at the slowest rate of any developed economy over the next four years. Is that a record of which he is proud?

Ben Macpherson: I thank Dean Lockhart for his intervention. It gives me the opportunity to point out this week's news that, in a Tory Brexit, the UK will be worse off under any possible scenario. It also allows me to highlight the fact that Brexit threatens to cost the Scottish economy around £11 billion a year by 2030. Dean Lockhart would do better to support the fact that the Scottish economy has had higher productivity growth than any other part of the UK.

Dean Lockhart: *rose*—

Ben Macpherson: I will take no more interventions from Mr Lockhart.

Given the positive outlook for the economy and despite the negativity of Brexit, the people of Scotland have many reasons to be hopeful. For me, today's budget is about how all of us, as Scottish politicians, do our part to help to make a real and positive difference for the current generation and future generations. Since 2007, the SNP has delivered increased healthcare spending, more support for schools and many more affordable homes, and the budget is about building on that strong record.

Iain Gray: Will the member take an intervention?

Ben Macpherson: No. I want to get on to an important point, as I have limited time.

Last year, Edinburgh was voted the second-best city in the world for quality of life and Scotland as a whole has been ranked as the best place to live in

the UK for quality of life. Talented and well-motivated people, despite the negativity from the Tories, are moving here more and more. One of the overarching reasons for that is that in Scotland we value the balance between social progress and economic development. We understand that strong public services and a vibrant economy go hand in hand, and businesses understand that a healthy social environment is vital for a growing economy.

I will support today's budget because it will deliver a variety of things, including making our country the fairest-taxed part of the UK, with the best deal for taxpayers, alleviating Tory Westminster cuts to public services where possible and investing in a range of new initiatives and investments. I cannot list them all, but particularly important proposals for me are an extra £400 million of spending for the NHS; £120 million for pupil equity funding; lifting the cap on public sector pay; protecting the police budget in real terms; investing £756 million in building more affordable homes, with 50,000 by 2021; and the expansion of free childcare.

As I said earlier, it is important to remember that the Scottish Government's proposals will assist both the economy and individuals. The proposed tax changes will mean that, overall, 70 per cent of taxpayers in Scotland will pay less tax and 55 per cent will pay less than they would if they lived in England. That is fair and progressive, and there is strong public support for it, as a recent YouGov poll has shown. Moreover, there are proposals for the economy, with a 70 per cent increase in investment for research and development, for example; £340 million to provide capitalisation for the Scottish national investment bank; an additional £6.6 million for Creative Scotland and the creative industries; significant investment in low-carbon infrastructure, thanks to the Greens' constructive input; and childcare investment.

I do not have time to go into the amateurish proposals from Labour, which are bereft of serious detail on any robust analysis, but I will comment on the Tories' budget plans. The Tories have at least been honest, unlike Labour, because they have proposed slashing £500 million from Scottish revenue. Every time that the Tories ask for more spending on health, people will remember that Ruth Davidson, Miles Briggs and their colleagues wanted a cut of £500 million from the money that is available to spend on our hospitals, on supporting our working families, on building new homes, on keeping communities safe and on helping our young people.

I could say so much more, but I will conclude by saying that voting for the Scottish Government's budget proposals today is about building a fairer and more progressive country. There is strong

consensus across Scottish society for backing the budget in order to keep Scotland moving forward. As representatives of our constituents, we should all get behind those progressive and forward-thinking proposals.

16:34

Liz Smith (Mid Scotland and Fife) (Con): I will restrict my remarks to the Barclay review proposals, and specifically some of the likely consequences of policies that the Government has set out in the budget process. Before I do so, I again put it on record that the Scottish Conservatives are generally supportive of the majority of the Barclay recommendations. For example, we support the business growth accelerator, which will delay the rates increase for businesses that are expanding their properties; the 100 per cent relief for day nurseries; and the 60 per cent relief on hydro schemes. All of that is very good news, but there are other areas where we believe that the Scottish Government has not thought through its approach and certainly not thought through the consequences of its actions.

The first concern relates to the large business supplement, which is an additional tax that is levied on businesses with a rateable value of more than £51,000 and which will be set at 2.6 per cent in Scotland, whereas in England it is 1.3 per cent. The SNP's review of business rates recommended scrapping the policy of doubling the large business supplement, so it was very little surprise when Liz Cameron of the Scottish Chambers of Commerce said that the decision puts many Scottish businesses at a "competitive disadvantage" with those south of the border. Despite the name, the supplement will affect many medium-sized businesses across Scotland and, as Liz Cameron pointed out, it means a very unwelcome addition to their fixed costs at the very time when the Scottish economy is underperforming that of the UK as a whole and is looking increasingly shaky from an international perspective.

The absence of a level playing field in that respect could be a distinct disadvantage, and the same would have been the case had the Cabinet Secretary for Finance and the Constitution pressed ahead with his tax on arm's-length external organisations—something that he has acknowledged, although perhaps rather late in the day. That would have been deeply damaging to many local communities across Scotland that are doing their level best to ensure that people take advantage of facilities such as leisure centres and swimming pools. The cabinet secretary knows that it would have been the height of folly to press ahead with that.

Derek Mackay: It appears that the Conservatives quite like the elements where we

spend money or give further relief, but they do not like it when we raise money. How do the Conservatives propose to resolve that difficulty of raising less and spending more?

Liz Smith: If Mr Mackay had listened to the reaction when his proposals about ALEOs were first made, he would know the answer to that question.

In relation to the policies to help people's physical and mental wellbeing, at one stage, the Scottish Sports Association faced a cut of £70,000 to its funding, so I put on record my thanks to the minister, Aileen Campbell, for listening to the majority opinion in the Parliament and reversing that cut, which would have been severely at odds with SNP policy.

I want to raise another issue, but, before I speak about it, I draw attention to my registered interest as a governor of St Mary's School in Melrose, as the issue relates to the Scottish Government's approach to the independent school sector. I will not talk about the principle of the policy, which is a debate for another day, but I will mention some of the anomalies and inconsistencies in the approach as it affects nursery and special needs provision, which the cabinet secretary has said are very much a priority.

I am a bit surprised that the cabinet secretary has not picked up on some of those anomalies, because I know that he has had extensive briefings provided to him by the independent school sector. I ask him whether the Scottish Government can justify the illogicality of allowing private profit-making nurseries to enjoy 100 per cent tax relief when nurseries in independent schools, which provide exactly the same service but not on a profit-making basis—obviously, because they are charities—and that also assist local authorities with the provision of additional places when those authorities cannot provide them, will not be permitted the same tax break. We know from today's newspapers about the pressure that is felt by the private profit-making nursery sector in Scotland, which claims that there is no level playing field, and the argument is exactly the same for the independent sector.

Likewise, how does the Scottish Government intend to separate out mainstream schools that cater for special needs and independent special schools that do so, given that all independent schools have exactly the same legal status?

How will the Scottish Government define "special needs" when very few pupils who receive additional support are receiving it for physical impairments? The substantial majority of pupils who are receiving that special help are getting it to assist with a range of behavioural, emotional and social needs that are not recognised as disabilities

under the Equality Act 2010 and accompanying legislation.

Derek Mackay: I accept that Liz Smith has strong views on the matter. I have set out our policy intent and have given evidence at committee. There is some time to go before those recommendations are implemented and we are not going as far as Barclay recommends, but we will take the time to get it right and will engage with the sector to achieve the outcomes that Liz Smith has suggested. We are not rushing on those statutory instruments, to ensure that we can make that distinction in rates legislation.

Liz Smith: I hope that that is correct. The cabinet secretary listened carefully when there was a fuss about the proposal to punish ALEOs, so I hope that the same will be true in this instance, because the proposals as they stand have not been thought through. They do not have logical deduction behind them, and that is something that the Scottish Government must address.

I will address my closing remarks to another anomaly in the budget proposal, which is the fact that state schools are unable to take advantage of an equivalent financial benefit to the charitable relief that other educational institutions enjoy. If the Scottish Government deems education to be a public good, that is true for state schools too. The Scottish Government has stated many times that the core functions of universities, for example—including education and research and development—are worthy of charitable relief to reflect their key role in supporting economic growth through education of the workforce and supporting innovation, so why is that principle not also applied to independent schools and why are state schools not given an equivalent benefit? Again, I do not see the logic in that.

Part of the budget is about some of the difficult thinking that the cabinet secretary has been faced with but, more importantly, there are illogical steps in what he is proposing. He needs to sort that out, because it undermines the credibility of what the SNP is trying to do with our financial provisions, and it certainly undermines various aspects of our educational system.

16:42

Ash Denham (Edinburgh Eastern) (SNP): Around this time last year, members on the Tory benches were in a complete frenzy at the prospect of Scotland using its income tax powers to raise more money for our vital public services. Such action would ensure nothing short of a calamity, according to the Tories. Indeed, Murdo Fraser had the audacity to claim that, if such a budget passed, Scotland

“might as well put up a sign at the border saying ‘Scotland is closed for business’.”—[*Official Report*, 2 February 2017; c 64.]

It is sad to witness the fact that the second-largest party in the Parliament lacks so much faith in the country.

Maurice Golden (West Scotland) (Con): Does the member think that the marginal propensity to consume will go up or down among those individuals hit with higher taxation?

Ash Denham: It is evident that the majority of people who will experience tax cuts are at the lower end of the income scale and, as we know that they are more likely to spend their disposable income, I think that there will be increased spending.

The budget has been set against the backdrop of tough public expenditure conditions, but it is a budget that makes Scotland the fairest-taxed part of the UK, with the best deal for taxpayers. It invests in our NHS, it protects our public services and it supports our economy.

Budgets, as we know, are about priorities and policy choices, and the jury has returned on the Tories’ priorities—another month, another report condemning Conservative policy. The latest, according to the IFS, is that 400,000 children will be forced into absolute poverty in the next six years because of Tory benefit cuts. That is roughly the population of Edinburgh. Conservative policies will create a city-sized failure; poverty and suffering for children—that is the reality of Conservative policies. Once again, the Scottish Tories come to this chamber to criticize a budget that exercises Scotland’s tax powers to build a better, fairer and more prosperous country.

Last year, the SNP Government met its target, four years early, to reduce youth unemployment by 40 per cent, and we now have one of the lowest rates for youth unemployment in the EU. The Government’s small business bonus scheme has exempted 100,000 properties from rates. Last year, business research and development spending grew by more than £1 billion for the first time. The number of registered businesses is at a record high, despite the Scottish Tories wanting to hang up the closed-for-business sign.

The budget that we debate today sets Scotland on an ambitious economic path for the coming year. Two hundred and seventy million pounds, which is an increase of 64 per cent, will be delivered to the economy, jobs and fair work portfolio, and that includes an increase of 70 per cent in business research and investment funding. A new growth accelerator will ensure that new or improved properties pay no rates for a year, and Scotland’s new bands and rates of income tax will ensure that the majority of Scottish taxpayers pay

less than taxpayers elsewhere in the UK, which is the best deal by far.

Meanwhile, between 2010 and 2020, the Tory UK Government imposed a cut of 8 per cent to Scotland’s discretionary budget, which is now £2.6 billion lower in real terms. A decade of Westminster austerity has left families around Scotland worse off and has put an immense amount of pressure on our public services.

It is a hugely challenging time and our priorities are laid out in the budget for all to see and judge.

Jackson Carlaw (Eastwood) (Con): We had elections in 2015, 2016 and 2017. Why did Ash Denham not have the courage of her convictions to say that the SNP would put up taxes when the electorate could make a judgment about it, rather than waiting until she could hide from the voters?

Ash Denham: I am sure that members have seen the recent polls that show that the majority of the Scottish public supports our tax plans.

The budget provides for a £400 million increase in health spending alone, which is well above inflation and is part of a total record spend of £13.1 billion. The budget delivers £756 million to fulfil the promise of 50,000 affordable homes by 2021, doubles free childcare and early learning, provides free personal care for those under the age of 65 who need it, and looks out for the most vulnerable, with its £50 million end homelessness together fund, £50 million child poverty fund and £100 million to mitigate the worst of Tory welfare cuts. It combines measures for a strong economy with policies that build a fairer society.

Yet, if the Tories had their way, fairness would be stripped away with the £300 million-worth of cuts under their tax plans. Programmes such as the baby box, which ensures that every child gets the best start in life regardless of income, would be eliminated, as they are branded as “vanity projects” by members of the Tory benches. The budget aims to provide basic human decency for all and to build a prosperous society. That is not vanity; true vanity is coming to this chamber, year after year, calling for tax cuts for the best off and ignoring the plight of the worst off.

I support this budget because I choose fairness, human decency and a sustainable economy for Scotland.

The Deputy Presiding Officer: Before moving to closing speeches—you just made it here in time, Mr Gray—I note that I am disappointed that Emma Harper is not here for them. It is an old song that I am singing and I am tired of saying it: it is disrespectful to the chair and to colleagues, and I expect an explanation.

16:49

Monica Lennon (Central Scotland) (Lab): The cabinet secretary opened the debate by saying that compromise and consensus have characterised this budget. In its current form, the budget fails to protect the most vulnerable in our society. I do not think that the people of Scotland appreciate being compromised in this way. Building consensus around cuts to communities is nothing to celebrate.

The budget does not raise enough revenue and it fails every one of Scottish Labour's five budget tests. It does not halt austerity. It does not stop the growth of poverty. It does not redistribute power or wealth, and it does not grow our economy in the interests of the many.

The alternative plan that Scottish Labour has proposed passes every one of those tests. It would raise almost £1 billion of extra stimulus for the Scottish economy. That investment would save lifeline local services, fund a pay rise for our public sector workers, put money back in the pockets of working families by topping up child benefit—

Derek Mackay: Will the member take an intervention on that point?

Monica Lennon: In a second. It would top up child benefit by £5 per week and deliver an extra £100 million of spending above what is in the budget for the national health service.

Derek Mackay: Can Monica Lennon answer the question that I asked earlier? Where should the 3 per cent pay rise threshold be pegged?

Monica Lennon: The cabinet secretary has not funded the public sector pay rise. He has not spelled that out.

It is the cabinet secretary's job to answer those questions.

Derek Mackay: Oh, it is my job. Okay.

Monica Lennon: Perhaps the cabinet secretary should check his job description.

Our costed alternative is proof of our ambition for Scotland. We are demonstrating that, when the political will exists, there is no reason to be timid or to tinker around the edges. I am therefore sad to hear today several SNP politicians—either in their speeches or from a sedentary position, like the First Minister earlier—dip into the Tory playbook to say that our proposals are just a wish list.

I say to Ben Macpherson that there is nothing amateur about challenging austerity and costing radical alternatives. That is what the people of Scotland want. Our plans are ambitious and we make no apology for that.

The Cabinet Secretary for Economy, Jobs and Fair Work (Keith Brown): Shambles.

Monica Lennon: I hear the cabinet secretary for the economy; he has not mentioned Wales, which makes a nice change.

On our tax plans, the important narrative is about ending the misery of austerity. Our alternative tax plans would ensure that the richest paid their fair share.

Kate Forbes: Will the member take an intervention?

Monica Lennon: I have taken an intervention already and I want to make progress.

Seven out of 10 taxpayers would not pay any more. Our plans, just like the SNP's, would ensure that those who are earning up to £33,000 would not pay a penny more in tax than they do at the moment. However, unlike the SNP, we plan to ask the very richest in our society to pay their fair share. By dropping the threshold for the 45p rate to £60,000 and introducing a new 50p rate for those who are earning more than £100,000, we would raise vital money for public services by asking those who can afford it, including those who are on MSP salaries, to pay a bit more. For example, the SNP's tax proposals mean that MSPs would pay only 29p extra in income tax every week. Under our plans, it would be almost £8 extra per week. We believe that it is only fair to ask those who can afford it to pay a bit more so that we can reinvest in the public services that we all use and depend on.

Kate Forbes: Will the member take an intervention?

Monica Lennon: I would like to make some progress.

Despite manifesto pledge after manifesto pledge from the SNP in support of a 50p tax rate, the Government has broken its promise to use the power to make the richest pay their fair share. That only seems to come up for the SNP when there is an election.

The bottom line is that the SNP's tax plans are timid. Tinkering at the edges is simply not good enough when Scotland is blighted by widening inequality. James Kelly got no answer from the cabinet secretary when he asked specifically what the budget will do to reverse the growth in child poverty. Elaine Smith used her time in the debate to talk about the shameful growth in child poverty, with projections telling us that, by 2020, 100,000 more children will be in poverty. That is why Labour supports—

Fulton MacGregor: Will the member take an intervention?

Monica Lennon: We know that the SNP does not support it, but Labour supports the give me five campaign, which is also supported by charities, faith groups and trade unions across Scotland. We are listening to people in the community. That is why Mark Griffin has lodged amendments to the Social Security (Scotland) Bill that will lift 30,000 children out of poverty.

Bruce Crawford: Will the member take an intervention?

Monica Lennon: No, I will not.

We refuse to allow the SNP's assertion that it has dealt local government a fair hand to go unchallenged. Since 2011, budget negotiations year after year have squeezed and short-changed local councils.

Patrick Harvie: Will the member take an intervention?

Monica Lennon: No, thank you.

COSLA has said that local authorities need £545 million to protect lifeline services, and that is what Labour's funding package would deliver. In the real world, cuts to councils mean cuts to vital local services, which have a serious impact on people's everyday lives and hit the most vulnerable the hardest.

Ash Denham: Will the member take an intervention?

Monica Lennon: No, thank you.

As the reality of the cuts begins to bite, that will mean library closures, bigger class sizes, more broken promises, redundancies, the closure of community centres and many more issues.

The Scottish Government claims that councils are getting a fair deal, but how does the cabinet secretary explain why nine out of 10 austerity job losses in Scotland have been in councils, with 28,000 local government posts cut in the past seven years? That does not seem fair to me. Meanwhile, hard-working staff have had their pay squeezed at the same time as demand and pressure are rising.

Speaking about his budget deal, Patrick Harvie said that the budget is still not ideal with regard to public sector pay. The Greens have voted for the SNP's austerity budget when there is no extra money for pay, inflation-related issues or demand pressures in many areas.

Patrick Harvie: Will the member take an intervention?

The Deputy Presiding Officer: The member is in her closing seconds, Mr Harvie.

Monica Lennon: Do I have only a few more seconds, Presiding Officer?

The Deputy Presiding Officer: Yes.

Monica Lennon: In that case, I will have to skip past all the things that Greens have said in the previous love letters to local government.

Despite all the rhetoric, when this Government is given the opportunity to use the powers that it has, it is obvious that it is running scared, declining to introduce a 50p rate for higher earners despite pledging to do so at election after election and refusing to use the power to top up benefits—the £5 top-up to child benefit—that could reduce poverty in Scotland. I will say no more.

16:57

Adam Tomkins (Glasgow) (Con): Three themes have emerged from this afternoon's gentle discussion about the budget. The first is that this is a high-tax budget: it is a budget that taxes success and aspiration. However, it is also a budget that, as we know, has been presented in a climate in which the Scottish Government's overall budget is going up by £479 million in real terms, which means that there is no need for the tax rises that have been presented.

What do we get from the SNP-Green alliance? We get a situation in which a nurse earning £30,000 will pay more tax; a primary schoolteacher or a social worker earning £35,000 will pay more tax; a police officer or a secondary schoolteacher on £40,000 a year will pay more tax; and a general practitioner in our NHS will pay more tax. Those are people in ordinary hard-working families and public sector employees who are providing the front-line services on which we all rely and depend, and they will all pay more tax. It is bad for them, it is bad for their families, it is bad for the economy and it is bad for Scotland. The only good news is that it will also be bad for the SNP's electoral prospects. In every Derek Mackay cloud there is, I suppose, a silver lining—one that he keeps down the back of his sofa for the day when Patrick Harvie comes to visit.

The plan to make Scotland the highest-taxed part of the United Kingdom has not gone down very well. Eight out of 10 business owners oppose tax hikes. Even the chief executive of Business for Scotland, Gordon MacIntyre Kemp—Murdo Fraser's new best friend—has said that it is "not a positive move."

The Scottish Chambers of Commerce has warned that it could "take years" to repair the economic damage of higher taxes. The Scottish Retail Consortium has said that income tax increases should be

"firmly knocked on the head",

and CBI Scotland has said that higher taxes in Scotland will make it harder to attract investment.

Did the finance secretary, Derek Mackay, listen to any of those voices or to any of that advice? No. He listened only to the Greens, who urged him to do nothing but thrust his hands even deeper into the pockets of hard-working Scots and tax them and tax them again until the pips squeak.

That is the first theme to have emerged.

Patrick Harvie: Will the member give way?

Adam Tomkins: No.

The second theme is chronic low growth. The Scottish Fiscal Commission's report that accompanied Derek Mackay's draft budget last month makes incredibly depressing reading. Growth forecasts run at only half the UK rate. The Fraser of Allander institute has said that it is "deeply disappointing" that, for the duration of the SNP's decade in power, Scotland has been stuck in a nationalist cycle of chronically weak growth.

The key figure in all the budget documentation that we have been presented with in this budget cycle is £16.5 billion. That is the cost to the Scottish economy of the SNP's decade of mismanagement. Its failure since 2007 to keep pace with the performance of the UK economy as a whole will cut £16.5 billion from the value of the Scottish economy by the time of the next election. That is £100 million every single month. That is why we say that the first priority is to grow the economy. We cannot have the world-leading public services that we all rightly demand without a strong economy to pay for them.

The third theme is that this is a budget of betrayal. The SNP was elected on a manifesto commitment to freeze the basic rate of income tax throughout this parliamentary session. That promise has been abandoned. The SNP said that it would

"protect those on low and middle incomes."

That vow has been ignored. Nicola Sturgeon said:

"it is not right to increase income tax for those who are on the basic rate."—[*Official Report*, 3 May 2017; c 9.]

That commitment to the people of Scotland has been betrayed. She also said:

"the Government will not increase income tax".—[*Official Report*, 2 February 2017; c 10.]

She said that the SNP will

"not increase the basic rate of income tax or increase the additional rate".

Likewise, John Swinney said:

"the last thing that I am going to do is put up"

teachers'

"taxes."—[*Official Report*, 3 February 2016; c 20.]

Promise after promise has been breached, broken and betrayed.

Labour's answer is bewildering. Its answer is that the betrayal does not go far enough, that taxes should be hiked even more and that private finance initiative contracts should be bought out. That would be a cool £29 billion. Its answer is that the railway should be renationalised. The cost of that is unknown. The behavioural consequences of pushing up income tax are completely uncoded. It is the same old from old Labour: tax, spend, regulate, nationalise, repeat.

Our response is simple: it is to say to the people of Scotland that it does not have to be like this. We do not have to be locked into a dance between nationalists and socialists to see who can tax Scots more. There is an alternative; there is another way, which puts the economy first, prioritises growth and makes Scotland not the highest-taxed part of the UK, but the best place in the UK to do business in.

We need a budget for growth and for business that backs Scotland's hard-working families, not one that rips ever more money out of their pockets. That is the opposite of what we have. Derek Mackay's budget is a missed opportunity. It does not deserve our support, and it will not get it.

17:04

Derek Mackay: We should reflect on Bruce Crawford's speech, because it was quite a sober contribution on the technicalities of the budget, which are very significant in terms of the complexity of the system. It is important that we understand those and the work that has been done on transparency for the budget process review group. The fact that we have to work so closely with the SFC and the OBR is significant. I will come back to that when I refer to Labour's proposition.

Patrick Harvie made a number of positive contributions throughout the budget process and it is in that context that, in the national interest, we have secured a deal for Scotland. As well as those meaningful proposals, he made a further proposal during the debate that I am particularly attracted to, which was that the Opposition should give evidence on its proposals to parliamentary committees—that has a certain appeal to it. Of course, I gave Opposition parties the opportunity to have their propositions independently modelled so that we could have a mature debate as we use that most significant tax lever of income tax. Some people chose to use it and some did not.

Kenny Gibson and Ivan McKee helpfully exposed the Tory party's spending plans—the new left wing of the Scottish Tory party—and I am glad

that someone is keeping a record of its asks, because we cannot raise less and spend more.

Johann Lamont (Glasgow) (Lab): Will the cabinet secretary take an intervention?

Derek Mackay: Not right now. Dean Lockhart specifically spoke about the SFC forecast, apparently ignorant of the fact that the greatest danger to the Scottish economy is Brexit and the significant issues that it causes for the working-age population.

Dean Lockhart: One of the central targets of the SNP's national performance framework is for the Scottish economy to match the UK economy's growth levels. The failure to do that has cost £16.5 billion of lost GDP over the time that the SNP has been in power. Does the cabinet secretary recognise that it is time for a new direction in economic policy?

Derek Mackay: No, that is nonsense. The SFC is forecasting growth in income tax and growth that will help to support our spending plans. Of course we want to grow the economy more; that is why we are investing hundreds of millions of pounds to stimulate and grow the Scottish economy in the face of real-terms resource reductions from the Tory party and the Brexit madness that will harm the whole of the UK economy—but particularly Scotland's economy—under every scenario.

The Tories will also have to answer to business as to why they are opposing the £100 million support for businesses in Scotland. We have delivered the number 1 ask of businesses, which was to move the rates poundage to the consumer prices index rather than the retail prices index.

Murdo Fraser was unaware of the amount that would have to be found if we followed Tory tax policies. It is no longer £501 million of cuts for the public sector but £556 million. Murdo Fraser asked why some road projects have come to an end. The answer is that we have built the roads and we have built the bridge. That is why that budget line has come to an end. He suggested that we would be reducing the resources for broadband when in fact we have embarked on a £600 million investment package for broadband, which will be way better than what is delivered in the rest of the UK.

The Tories have £556 million-worth of secret cuts, but I will leave it there and turn to the Labour Party, which, just a few weeks ago, moved a motion of no confidence in the budget. Now that it has found the confidence to present its own budget, it has shown itself to have no competence in delivering any form of coherent plan. James Kelly at the shadow cabinet had a cunning plan, apparently vetoed by Richard Leonard. Apparently, I have sprung the budget process on

the Labour Party's annual leadership contest—we have been 10 years in government and had 10 leaders of the Labour Party in Scotland.

I have an important point to make. I presented the move in the threshold for the 3 per cent pay uplift to over £36,000—that is more than the Labour Party is committing to for public sector pay. The really telling question is on its £1 billion budget plan. When asked about just one element—income tax and the effect on Labour's tax plans of behavioural change—James Kelly said that he has worked with SPICe. SPICe told the Labour Party that its estimate was the static figure, so that wipes hundreds of millions of pounds off the Labour Party income tax policy alone. That is just income tax—and the Labour Party knows it. By law, we have to use the Scottish Fiscal Commission forecasts to deliver a budget. That is what allows us to draw down from the Treasury the resources to spend on public services. It is clear that the Labour Party is not fit for administration; it is not even fit for opposition.

Iain Gray: The cabinet secretary brought to Parliament a budget with a £50 million mistake in the middle of his tax plan, which he has had to correct today, and he made an £86 million arithmetical error in his local government provision. He is not on the strongest ground when it comes to fiscal competence.

Derek Mackay: That was more nonsense from former leader, Iain Gray—one of the 10. The financial settlement for local government is increasing in real terms, and it is opposed by the Labour Party. That is before we even come to raising council tax. No wonder that COSLA has, just now, welcomed the budget movement from the Government, in alliance with the Green Party, to deliver that above-inflation increase. COSLA's resources spokesperson says:

"First and foremost I am pleased that both Mr Mackay and the Scottish Green Party have listened to what COSLA has told them and that they have taken our concerns on board ... That is why today, I give credit where it is due."

That spokesperson is a Tory councillor—no wonder the Tories are silent. Of course COSLA will welcome those extra resources to Scotland's local government, as well as the resolution to the northern isles issue.

Brian Whittle (South Scotland) (Con): I thank my comrade for taking an intervention. He says that the budget protects services, but is he aware that the SNP-Labour coalition in South Ayrshire is proposing to cut teacher numbers by one in six, to stop all outdoor learning, to remove school crossing patrols and to reduce the budget for learning disability services—for children with disabilities—and mental health services? How does he reconcile the necessity for a council to even consider such damaging cuts with the First

Minister's assertion that education is the SNP Government's first priority?

Derek Mackay: As a consequence of our decisions and the local government order that will follow, that local authority will have an extra £9.4 million to spend, so it can look again at those decisions. [*Derek Mackay has corrected this contribution. See end of report.*] [*Interruption.*] The Tories will oppose that, as they are back to their attitude of raise less, spend more.

Miles Briggs asked about the City of Edinburgh Council. Using the same methodology, it will get an extra £12.4 million as a consequence of the deal that we arrived at today, which I am sure will be opposed by the Conservatives.

We are the lowest-taxed and fairest-taxed part of the UK. We will deliver a deal that ensures that free prescriptions continue, as well as free personal care and free higher education; that there are no rates for 100,000 properties; that we tackle the attainment gap; that we expand free childcare; that we build 50,000 new affordable homes; that we fund above-inflation investment in the police, universities and colleges, and local government; and that we protect our precious NHS.

The budget delivers stability, stimulus and sustainability for our public services in a fair way. It invests in today and our future. It invests in growth. There is divergence from the approach of the UK Government because we want to build a better country. I believe that our proposition commands the support of the Scottish people as well. Even on income tax, a poll by *The Times*—of all newspapers—showed that people backed our proposition by two to one. There is popular support for our tax plans and our investment plans for our public services. There is popular support for tackling inequality as well.

In a Parliament of minorities, we have reached out and found consensus. We have a deal that works for Scotland. We are building a better country in the face of Tory cuts. When we approve the budget, I believe that we speak for the majority of Scotland. That is why I am very proud to support and present the budget today.

Business Motion

17:15

The Presiding Officer (Ken Macintosh): The next item of business is consideration of business motion S5M-10209, setting out a business programme.

Motion moved,

That the Parliament agrees—

(a) the following programme of business—

Tuesday 6 February 2018

2.00 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Topical Questions (if selected)

followed by Equalities and Human Rights Committee Debate: Equality Statement - Scottish Draft Budget 2018-19

followed by Scottish Government Debate: Celebrating 100 Years of Women's Right to Vote

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Wednesday 7 February 2018

2.00 pm Parliamentary Bureau Motions

2.00 pm Portfolio Questions
Economy, Jobs and Fair Work;
Finance and Constitution

followed by Scottish Government Debate: Stemming the Plastic Tide: Action to Tackle the Impact of Single-use Plastics on Land and in our Seas

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 8 February 2018

11.40 am Parliamentary Bureau Motions

11.40 am General Questions

12.00 pm First Minister's Questions

followed by Members' Business

2.30 pm Parliamentary Bureau Motions

2.30 pm Stage 1 Debate: Islands (Scotland) Bill

followed by Financial Resolution: Islands (Scotland) Bill

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

Tuesday 20 February 2018

2.00 pm Time for Reflection
followed by Parliamentary Bureau Motions
followed by Topical Questions (if selected)
followed by Scottish Government Business
followed by Business Motions
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Wednesday 21 February 2018

2.00 pm Parliamentary Bureau Motions
 2.00 pm Portfolio Questions
 Rural Economy and Connectivity;
 Environment, Climate Change and Land
 Reform
followed by Stage 3 Proceedings: Budget (Scotland)
 (No.2) Bill
followed by Business Motions
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Thursday 22 February 2018

11.40 am Parliamentary Bureau Motions
 11.40 am General Questions
 12.00 pm First Minister's Questions
followed by Members' Business
 2.30 pm Parliamentary Bureau Motions
 2.30 pm Scottish Government Business
followed by Business Motions
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time

and (b) that, in relation to First Minister's Questions on 8 February 2018, in rule 13.6.2, insert at end "and may provide an opportunity for Party Leaders or their representatives to question the First Minister".—[*Joe FitzPatrick*]

Motion agreed to.

Parliamentary Bureau Motions

17:15

The Presiding Officer (Ken Macintosh): The next item of business is consideration of Parliamentary Bureau motions S5M-10210 to S5M-10212, on approval of Scottish statutory instruments, and motion S5M-10213, on the Budget (Scotland) (No 2) Bill.

Motions moved,

That the Parliament agrees that the Regulation of Investigatory Powers (Covert Human Intelligence Sources - Code of Practice) (Scotland) Order 2018 [draft] be approved.

That the Parliament agrees that the Regulation of Investigatory Powers (Covert Surveillance and Property Interference - Code of Practice) (Scotland) Order 2018 [draft] be approved.

That the Parliament agrees that the Regulation of Investigatory Powers (Equipment Interference – Code of Practice) (Scotland) Order 2018 [draft] be approved.

That the Parliament agrees that, subject to its agreement to the general principles of the Budget (Scotland) (No.2) Bill, for the purposes of consideration of the Bill at stage 2, in Rule 9.10.2 of Standing Orders—

- the word "third" be substituted for the word "fourth" in both places where it occurs,
- the words "except on a final lodging-day, when amendments may be lodged only until 12:00" be omitted.—[*Joe FitzPatrick*]

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

Decision Time

17:15

The Presiding Officer (Ken Macintosh): The first question is, that amendment S5M-10183.1, in the name of Murdo Fraser, which seeks to amend motion S5M-10183, in the name of Derek Mackay, on stage 1 of the Budget (Scotland) (No 2) Bill, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Balfour, Jeremy (Lothian) (Con)
 Ballantyne, Michelle (South Scotland) (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)
 Greene, Jamie (West Scotland) (Con)
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Harris, Alison (Central Scotland) (Con)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Kerr, Liam (North East Scotland) (Con)
 Lindhurst, Gordon (Lothian) (Con)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Mason, Tom (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Mountain, Edward (Highlands and Islands) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Scott, John (Ayr) (Con)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, Alexander (Mid Scotland and Fife) (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)
 Baker, Claire (Mid Scotland and Fife) (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)
 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)
 Marra, Jenny (North East Scotland) (Lab)
 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)
 McKee, Ivan (Glasgow Provan) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 McNeill, Pauline (Glasgow) (Lab)
 Neil, Alex (Airdrie and Shotts) (SNP)
 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 30, Against 95, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S5M-10183.2, in the name of James Kelly, which seeks to amend S5M-10183, in the name of Derek Mackay, on the Budget (Scotland) (No 2) Bill, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Dugdale, Kezia (Lothian) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Kelly, James (Glasgow) (Lab)
 Lamont, Johann (Glasgow) (Lab)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Macdonald, Lewis (North East Scotland) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 McNeill, Pauline (Glasgow) (Lab)
 Rowley, Alex (Mid Scotland and Fife) (Lab)
 Sarwar, Anas (Glasgow) (Lab)
 Smith, Elaine (Central Scotland) (Lab)
 Smyth, Colin (South Scotland) (Lab)
 Stewart, David (Highlands and Islands) (Lab)

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)
 Balfour, Jeremy (Lothian) (Con)
 Ballantyne, Michelle (South Scotland) (Con)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Bowman, Bill (North East Scotland) (Con)
 Briggs, Miles (Lothian) (Con)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burnett, Alexander (Aberdeenshire West) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Campbell, Aileen (Clydesdale) (SNP)
 Carlaw, Jackson (Eastwood) (Con)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Chapman, Peter (North East Scotland) (Con)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Constance, Angela (Almond Valley) (SNP)
 Corry, Maurice (West Scotland) (Con)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-

shire) (SNP)
 Davidson, Ruth (Edinburgh Central) (Con)
 Denham, Ash (Edinburgh Eastern) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (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)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 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)
 Greene, Jamie (West Scotland) (Con)
 Greer, Ross (West Scotland) (Green)
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Harper, Emma (South Scotland) (SNP)
 Harris, Alison (Central Scotland) (Con)
 Harvie, Patrick (Glasgow) (Green)
 Haughey, Clare (Rutherglen) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Johnstone, Alison (Lothian) (Green)
 Kerr, Liam (North East Scotland) (Con)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lindhurst, Gordon (Lothian) (Con)
 Lochhead, Richard (Moray) (SNP)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 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)
 Mason, Tom (North East Scotland) (Con)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McKee, Ivan (Glasgow Provan) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 Mitchell, Margaret (Central Scotland) (Con)
 Mountain, Edward (Highlands and Islands) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Neil, Alex (Airdrie and Shotts) (SNP)
 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)
 Rumbles, Mike (North East Scotland) (LD)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Russell, Michael (Argyll and Bute) (SNP)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Alexander (Mid Scotland and Fife) (Con)

Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Todd, Maree (Highlands and Islands) (SNP)
 Tomkins, Adam (Glasgow) (Con)
 Torrance, David (Kirkcaldy) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wells, Annie (Glasgow) (Con)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Whittle, Brian (South Scotland) (Con)
 Wightman, Andy (Lothian) (Green)
 Yousaf, Humza (Glasgow Pollok) (SNP)

The Presiding Officer: The result of the division is: For 23, Against 102, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that motion S5M-10183, in the name of Derek Mackay, on the Budget (Scotland) (No 2) 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)
 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)
 McArthur, Liam (Orkney Islands) (LD)
 McKee, Ivan (Glasgow Provan) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 Neil, Alex (Airdrie and Shotts) (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)
 Scott, Tavish (Shetland Islands) (LD)
 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)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Balfour, Jeremy (Lothian) (Con)
 Ballantyne, Michelle (South Scotland) (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)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Greene, Jamie (West Scotland) (Con)
 Griffin, Mark (Central Scotland) (Lab)
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Harris, Alison (Central Scotland) (Con)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Kelly, James (Glasgow) (Lab)
 Kerr, Liam (North East Scotland) (Con)
 Lamont, Johann (Glasgow) (Lab)
 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)
 Marra, Jenny (North East Scotland) (Lab)
 Mason, Tom (North East Scotland) (Con)

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)
 Rowley, Alex (Mid Scotland and Fife) (Lab)
 Rumbles, Mike (North East Scotland) (LD)
 Sarwar, Anas (Glasgow) (Lab)
 Scott, John (Ayr) (Con)
 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)
 Tomkins, Adam (Glasgow) (Con)
 Wells, Annie (Glasgow) (Con)
 Whittle, Brian (South Scotland) (Con)

The Presiding Officer: The result of the division is: For 69, Against 56, Abstentions 0.

Motion agreed to,

That the Parliament agrees to the general principles of the Budget (Scotland) (No.2) Bill.

The Presiding Officer: The next question is, that motions S5M-10210 to S5M-10213, in the name of Joe FitzPatrick, be agreed to.

Motions agreed to,

That the Parliament agrees that the Regulation of Investigatory Powers (Covert Human Intelligence Sources - Code of Practice) (Scotland) Order 2018 [draft] be approved.

That the Parliament agrees that the Regulation of Investigatory Powers (Covert Surveillance and Property Interference - Code of Practice) (Scotland) Order 2018 [draft] be approved.

That the Parliament agrees that the Regulation of Investigatory Powers (Equipment Interference - Code of Practice) (Scotland) Order 2018 [draft] be approved.

That the Parliament agrees that, subject to its agreement to the general principles of the Budget (Scotland) (No.2) Bill, for the purposes of consideration of the Bill at stage 2, in Rule 9.10.2 of Standing Orders—

- the word “third” be substituted for the word “fourth” in both places where it occurs,
- the words “except on a final lodging-day, when amendments may be lodged only until 12:00” be omitted.

Bus Services

The Deputy Presiding Officer (Linda Fabiani): The final item of business today is a members’ business debate on motion S5M-09970, in the name of Ross Greer, on bus services. The debate will be concluded without any question being put.

Motion debated,

That the Parliament is concerned by reported rises in bus fares by First Bus, particularly in Glasgow and the West Scotland region; understands that fares for under-16s have risen by 40% and that single adult fares have increased by a further 15%; further understands that unaccompanied child fares have been withdrawn entirely following a move in 2017 to no longer offer return fares; considers that changes to fare structures that favour smartphone app-based ticketing will impact on those less likely to own a smartphone; expresses concern that fare rises will, it believes, also have a considerable negative impact on families, young people and low-earners; notes that several bus routes in Glasgow and the West Scotland region have been withdrawn or reduced, including the 4A service, with, it considers, little to no consultation with local residents, and further notes the view that that bus services should be affordable, environmentally sustainable and accessible to all members of society.

17:21

Ross Greer (West Scotland) (Green): After this afternoon’s debate, I am glad to provide members with an opportunity to vent their frustrations about something other than our colleagues in other parties. I am grateful to Labour and Scottish National Party members for supporting my motion and enabling it to reach the chamber. This debate might not quite generate the high political theatrics of the budget debate, but bus services is one of the biggest issues for hundreds of thousands of people in every corner of this country, and it is exactly the kind of issue that our constituents expect us to get to grips with.

Just yesterday, YouGov reported that its United Kingdom wide poll on the policies that people regard as most progressive found that reducing bus fares is the policy that people think would most help people on lower incomes, as opposed to wealthy people. It is not hard to see why. More than half of low-income households do not have access to a car, and many that do also rely on public transport in some way. People who have mobility issues as a result of an impairment or old age rely on buses to go about their daily lives, as do children and young people who travel to school, college, university and work.

For people who are looking for work, a reliable and affordable bus route to their local jobcentre—which might be far less local after the last round of closures—is often the only thing between them and benefit sanctions that force them into crisis.

More than 400 million local bus journeys are made every year. That is more than three-quarters of all public transport journeys. Those journeys are people going to work, school, college and university, they are people visiting friends and family, and they are people going to the shops, going to the pub and just living their lives.

Transport is central to all our lives—it is a vital public service. However, despite accounting for the overwhelming majority of public transport journeys, bus services are treated as anything but a public service across most of Scotland. Instead, they are run in the interests of private companies and their profit margins. As a result, we have seen bus services being run for profit over people. When times get tough, routes get cut, fares rise and pollution-reducing initiatives are delayed.

I acknowledge that congestion is the single biggest issue for public transport and bus services in Scotland. The Confederation of Public Transport, whose chair is in Parliament today, has made that point clearly. However, fare increases will not make the situation better; indeed, they will make it worse.

It does not have to be that way. Lothian Buses, here in Edinburgh, is a first-class example of a publicly run bus company that is run very much in the public interest. Lothian Buses is very much in the minority, though. In Glasgow and West Scotland, McGill's bus service has hiked fares for students by 50 per cent by cutting its student day ticket. For a young person in Renfrew, that means paying about £20 more every month just to get to college or university for a couple of days each week.

This is not the first time in recent years that students have seen their fares go up with McGill's. A young woman who has been hit by the changes got in touch with me. She lives in a small town just outside Glasgow, where there is no public transport option other than McGill's. She has seen the price of a student day ticket increase substantially in the few years since she started studying, and she is struggling to stay on her course because of the constant financial pressure.

More than 5,000 people have signed a petition calling on McGill's to reinstate the student ticket. The petition was launched by local member of the Scottish Youth Parliament Josh Kennedy, who has done a fantastic job to raise the profile of the issue and to win much support across all political parties. Josh and I will meet McGill's next week to discuss the impact that the hike is having on local students. I hope that the company will begin to engage constructively with us in working towards an agreed solution.

McGill's is not the only bus company involved, of course. In fact, the motion was lodged before its

most recent fare hikes became an issue. I have raised the issue as a result of the damaging changes that were announced by First Bus some weeks ago in and around Glasgow and West Scotland. Those changes, including a 15 per cent increase for adults and 40 per cent increase for under-16s, have come at a time when many people have not had a proper pay rise for a decade and many benefits have been frozen.

I am thankful that the decision to increase fares for unemployed people has been reversed for now, due to public outcry and the cross-party work of Glasgow's elected representatives. It is hard to state what a disaster the increases could have been in combination with recent jobcentre closures and the nightmare of a welfare system that is built around draconian sanctions.

The companies say that many fare rises are justified by restructuring that favours smartphone-based ticketing. What impact would the increases have on people who cannot afford a smartphone? As I have said, low-income households are far more likely to rely on bus services. Where is the justice in people having to pay more for essential public transport because they cannot afford a smartphone? The issue also concerns generational justice, because less than half of people aged between 55 and 64 own a smartphone.

The issue is not just about fare rises: many routes have been cut, too. The motion highlights the 4A route, which ran from Eaglesham in West Scotland to Knightswood in Glasgow. First Bus changed the route in 2016, which left entire communities without a service that was vital to many people. A bus service that is run truly in the public interest would not leave communities stranded through its pursuit of maximisation of profits.

Over the past decade, one fifth of bus routes in Scotland have been cut, with Glasgow and the west having been hit particularly hard. Route cuts have hit residents in areas including Auchinairn, Duntocher, Bishopbriggs, Linwood and Paisley. Time and again, communities outside central Glasgow and other cities have been left cut off or have faced increased journey times as buses have become more infrequent and more expensive.

Passengers are not the only people who lose out when profit is the overriding motivation. In Aberdeen, First Bus drivers have resorted to industrial action over an assault on their pay and conditions. They have described as "Victorian" changes that put them on the road for up to 10 hours a day and which mean that they are no longer paid for their breaks. The drivers certainly have the Greens' solidarity.

In East Lothian, First Bus decided to cut all its routes. Luckily, the public sector stepped in and took over and the routes are now run by East Coast Buses, which is a subsidiary of publicly owned Lothian Buses. That is another example in which the public sector has picked up the pieces when the private sector has failed.

Members will have received from McGill's a briefing that reads more like a stream of consciousness than a policy paper. It accuses us of "demonising profit": for once, I do not totally disagree with the company. Private profit should have no place in an essential service such as public transport. The only priorities should be to provide an affordable, accessible and environmentally sustainable service for our communities. Right now, we have a patchwork of private and public bus provision across Scotland, along with plenty of public subsidies for private firms. That has created a lottery for communities; some cities have benefited far more—for example, from flat fares for all journeys—and some rural areas are better connected than others that have been left nearly isolated.

We need to ensure that public options are available across Scotland, so that everyone can enjoy high-quality services. The private sector free-for-all experiment with public transport has failed for decades. It is time for reregulation and a public transport system that is run truly and entirely for the public good.

17:28

Tom Arthur (Renfrewshire South) (SNP): I congratulate Ross Greer on securing the debate. He has put a lot of effort into bringing this important issue to the chamber. He has stated that a buses debate may not typify "high political theatrics", but if he has been door-knocking in an election campaign in rural areas like Howwood, Lochwinnoch and Uplawmoor, he will find that it is a very pressing issue.

My constituents in such places have lost bus routes over the past 10 to 15 years. I have met the bus companies and been struck by the tension between private interest and public responsibility. This debate is analogous with the debate about bank branch closures: the banks are private enterprises but they provide a public good, so how do we get that balance correct? What is the correct approach? Proposals in the forthcoming transport bill, including giving more flexibility and options to local authorities, are the correct way to go.

It is important to consider the broader context in which those decisions are taken by First Bus and others. We know that congestion is worsening, that car ownership has risen substantially in recent

years and that costs have increased; bus operators have said that their costs have gone up by 15 per cent over the past five years. In addition, the number of bus journeys has decreased by almost 15 million in the past four years. The reasons behind that are complicated, and the bus operators say that 75 per cent of the factors behind that drop in patronage are outwith their control. We have a duty to maximise the appeal of public transport in all its forms.

Ross Greer effectively highlighted the context in which proposed fare rises have been enacted and the groups in society that are most likely to have been affected. He said that there is generational inequality. That is a key point. It was, allegedly, Margaret Thatcher—although it might have been someone else—who said that anyone over 30 who rides on a bus has failed in life. I am over 30 and I proudly still use the bus. It is young people and elderly and retired people, in particular, who use buses.

It is a difficult circle to square. In engaging with bus companies locally, I have found that there is demand in village communities, but that that demand is limited, and the bus companies simply say that they cannot justify providing a service on commercial grounds. As Ross Greer said, bus companies have a public duty, as do banks, but as well as having a corporate responsibility, they have a commercial responsibility to their employees. I say that as the member for Renfrewshire South—a constituency that includes the McGill's depots in Barrhead and Johnstone.

In my view, a balance must be struck. We must have equity and fairness in fares, and cognisance must be taken of the ability to pay of the key groups who use bus services. Equally, regard must be had to the sustainability of bus companies. I look forward to the introduction of the proposed transport bill as a means of giving local authorities the flexibility to create bus services that are truly sustainable and which benefit all our constituents.

17:32

Jamie Greene (West Scotland) (Con): I thank Ross Greer for bringing this important debate to the chamber and giving me the chance to share my views on the subject.

The motion raises the important issue of bus fare rises, especially those that affect under-16s, who are less able to absorb such rises. In anyone's eyes, a fare rise of 40 or 50 per cent, which Ross Greer mentioned in his speech and in the motion, is excessive and unacceptable.

I appreciate that First Bus is a private company, but the private sector has a responsibility to ensure that consumers are given a fair deal.

Affordable local bus services are essential, not just in allowing non-drivers to get around in the way that Ross Greer mentioned, but in helping us to meet our important CO₂ emission reduction targets and to create a better environment in general. However, if people are to be encouraged out of their cars, they need viable alternatives. That means affordable, reliable services that go from where people are to where they want to be.

I am in no way here to justify decisions that have been made by private operators—indeed, I have written many letters to the operators of services in North Ayrshire, and I share the frustration of constituents when services are reduced or removed completely—but it is important that we look at the environment that those companies are operating in to see what we can do to address some of the problems in the sector.

KPMG found that 75 per cent of the relevant factors were outside the control of bus operators. Those factors included changing shopping habits, growing car ownership and greater congestion. Over the past decade, congestion has caused an increase of 10 per cent in average journey times, while growing car ownership has shifted people from buses into cars. We have a fundamental problem with bus patronage in Scotland, which has reduced by 16 per cent in the past decade. It is no great surprise that if a bus route is cut in someone's area, they will simply switch to the car, because there is no other choice. It is an unfortunate vicious cycle: the routes are cut because of falling passenger numbers, but passenger numbers are reducing because of routes being cut. The question is how we break that cycle.

I know that bus companies' operating costs have risen by around 15 per cent in the past five years, but that cannot and should not necessarily translate into fare increases.

The question that I pose to the industry concerns what it is doing to mitigate such rises. A shift to more environmentally friendly and cheaper-to-run vehicles is one way forward. Lothian Buses is an example of a company that has invested in a greener fleet and that work is to be commended, but even that company has seen satisfaction levels reduce to a 4-year low.

Progress has been made on vehicle types, but it is often the rural and small-town services that continue to run older rolling stock. In that context I will mention concerns about low-emission zones. If the zones create an environment in which cities place restrictions on certain types of vehicles, it is important that bus services do not compound the problem outside cities by moving stock into the surrounding areas that are outside the limits of

those zones. That is something else that we should consider.

There is a fundamental and, perhaps, ideological debate to be had about whether bus services should be nationalised, further regulated, subsidised or, indeed, publicly funded. We probably do not have time for that in the short time that we have today, but we should have it. I welcome the proposals that I think will be in the transport bill to look at giving local authorities more freedom to operate models that work best for their communities. We will certainly look at that very carefully and sympathetically.

We have also been calling for a long time for improvements to community bus services. I will work with members from across the chamber on any sensible proposals that seek to improve bus services and I look forward to being part of the on-going debate on the issue.

17:36

Johann Lamont (Glasgow) (Lab): I congratulate Ross Greer on both his motion and his speech about an issue that is recognised across the chamber as being very important. When First Glasgow announced its fare increases at the beginning of the new year—the 10 per cent rise for unemployed people, the 40 per cent increase for young people at school and a number of other changes—I was very struck by the reaction of people across the communities that I represent. Those increases caused a great fuss, but beyond that emerged a picture of how much buses matter to people.

As a consequence of raising the question of bus fares, it was not just people's anger about those fare changes that was flagged up to me, but the fact that very many unemployed people were not even aware of the discount for job seekers. The minister can correct me if I am wrong, but the way in which the concessionary travel scheme operates offers a perverse incentive for bus operators to keep the single bus fare high. That is something that would be worth looking at.

The Educational Institute of Scotland contacted me to highlight its concerns about what it has called text poverty, because it was having a campaign around child poverty. Text poverty is the inability of the very people who would benefit from it most to benefit from a reduction in fares that is available for people who use their phone. That is utterly ironic and unacceptable. I can understand why bus operators might want to move to such systems, which are seen as being more efficient, but they cannot use the price structure of fares in a way that most disadvantages the poorest. That must surely be unacceptable.

I ask the minister to confirm in his summing up what meetings he has had with First Glasgow to raise concerns about its unacceptable decisions. On the point that was made by the previous speaker, Jamie Greene, about whether public money should be used on bus services, I say that the public money is already there, but the problem is that there is very little or no accountability for that money, so it is entirely reasonable that the question should be pursued.

As I have already said, buses matter. The vast majority of public transport journeys are by bus and the sector is dominated by four large companies, with simple consequences. We have seen a massive reduction in the number of journeys and routes, and a rise in fares. When we say that people do not use the buses, it is a question of the chicken and the egg. We want stability.

I will highlight one other issue that particularly relates to young people. They are predominantly flexible workers now and, too often, the public transport system operates on the basis that people work between 9 and 5 o'clock. In many of our communities, people are utterly disadvantaged because they cannot access the transport that they need to get to their work.

The question is not just about highlighting concerns but about recognising that there are solutions. This debate has been in the public domain for a long time. I congratulate Unite on its haul the bus campaign. In declaring an interest as a member of the Co-operative Party, I highlight its people's bus campaign, which does not just provide an analysis of the problem, but offers solutions. The party wants to talk about community transport in particular, and how we can support not-for-profit providers and recognise that the business is currently stacked against such organisations. It has a very particular view on how that can be progressed. I ask the minister whether he would be willing to meet me, my fellow Co-operative Party members and our group in the Scottish Parliament to discuss further with him how our proposals can offer real solutions to the very real problems that have been experienced by far too many people across our communities.

Buses matter a great deal. The issue is not just about fares; it is also about sustaining communities and allowing people to get to work or study and to enjoy their leisure time.

17:40

John Finnie (Highlands and Islands) (Green): I join with colleagues in congratulating Ross Greer on bringing this motion to the chamber.

So far, there has been some very interesting discussion on who uses buses. Many who do so

have no alternative: that is the mode of transport that they require to take. We might also consider who uses cars. Clearly, if someone has a car they will have the alternative of using a bus, but that is often seen as being inconvenient. I therefore go along with what Tom Arthur said about our needing to maximise the appeal of using buses.

Lest that is seen as criticism of car ownership, I draw a very clear distinction on the position in rural communities, in which a car is often a necessity in the absence of the availability of public transport. Community transport plays an important role in some places, but at the moment it faces legislative challenges regarding its introduction, which I know that the minister is aware of. I have written to him about it, and his colleagues at Westminster are dealing with it on the Transport Committee. However, it is clear that the car lobby has always received a more positive response than the public transport lobby has.

We heard from Ross Greer about the negative impact on families, young people and low earners and about the positive implications that reduced bus fares could have.

Public transport is delivered by the private sector, so there is an inevitable conflict with the making of profit. Others have alluded to the loss of services in East Lothian—I know that there are similar issues in Midlothian at the moment—and it is right to say that a publicly owned response addressed that void. Services are operated purely on a commercial basis. Indeed, local authorities can offer subsidy for operation of a "socially necessary" service that cannot be provided commercially, but only once it has established that it cannot be so provided.

A lot of statistics have been quoted—and some are more current than the ones that I was going to use—but it is important to illustrate points with information. The following is from a Scottish Parliament information centre briefing. In the decade up to 2014-15, the number of local bus journeys fell by 46 million to 414 million. During that period, bus fares increased by 13.5 per cent above inflation and, as we have heard, that was often in the context of a reduced number of routes. In 2014-15, local authority subsidy for socially necessary bus services was £57 million and Scottish Government subsidy for concessionary fares was £189 million.

Much has been said about First Bus. Although it is not in my remit, I am aware of the problems that have been caused, which are notwithstanding the significant amount of public money that goes into it.

Members have alluded to issues of congestion and bus gates. People in Inverness, in my region, are frustrated about the efficiency of the service,

but they all want to drive their motor vehicles into the town centre and be positively encouraged to do so by Highland Council. Therefore we have to make sure that it is practical to have buses running.

Reference has been made to the situation in Aberdeen. I, too, lend my support to the workers involved with First Bus there. There has been little or no consultation with local residents. I know that party colleagues have been liaising with Unite about that. We are having to deal with a situation in which there is cherry picking of routes that are profitable.

I want the proposed transport bill to be an opportunity to promote models such as the Lothian Buses model and to make better use of services. Fairly recently, I spoke about the time when prescriptions used to come to people in rural communities on the bus.

The Minister for Transport and the Islands (Humza Yousaf): You are showing your age.

John Finnie: I certainly am showing my age. We have to maximise vehicle use. If a vehicle is going somewhere, it should be carrying parcels and it should have bike trailers and the like.

Socially necessary services must be delivered by public transport. Some members might be familiar with the statement that true equality will not be reached when every citizen has a motor car; it will be reached when every millionaire uses public transport. We are way short of that, but here's hoping.

17:44

Bob Doris (Glasgow Maryhill and Springburn) (SNP): Like others, I congratulate Ross Greer on securing the debate. When I saw his motion come through, I was preparing to lodge a motion of a similar nature. However, the issue concerned is something on which we do not compete with motions: we sign up to the motion and get cross-party support for it and—I hope—consensus on how we can influence the forthcoming transport bill to improve matters. That is why I am speaking in the debate.

With regard to the bus price increases that have impacted on my constituents in Maryhill and Springburn, I put on the record—if there is any need to, of course—that they are unacceptable and unjustifiable. They will have a direct impact on the quality of life of individuals and families across the area that I represent, and they will impact on children and jobseekers, despite some of the mitigation around that. What a complete lack of awareness First Glasgow showed when it implemented the price change when my local jobcentre was closing. The price change will

impact on the working poor and not just the unemployed, on the most vulnerable and, as we have heard, on the information technology excluded and some older citizens. All that has come from a so-called service without there having been any meaningful consultation whatsoever, any meaningful equality impact assessment or any attempt to mitigate the impact. I state for the record that it should not be legal to do that and that we have look at that.

I am going to give members some algebra now, because I am going to mention lots of bus services in my area that have been reduced or cancelled in recent years. We have heard about the 4A, which used to go into Kelvindale, but it was pulled from there. Then the M4 came along, which I had to fight for, as a use-it-or-lose-it service. It was a pretty poor service, but it was better than nothing. However, we lost it and Strathclyde partnership for transport went on to subsidise a service that is even more inferior. What is the future for it? Who knows?

One of the ideas was that we could divert the number 15 service from Summerston in my constituency to go through Kelvindale, but that could not be done because the 15 no longer existed. It had been replaced by a number 8 service that now—if the minister is still following this—no longer goes down part of Sandbank Street in my constituency, which means that vulnerable old people can no longer get a bus to the local health centre.

There used to be a competitor to First Glasgow in the Kelvindale area, which was Stagecoach. It could not make a profit, so its G2 service was pulled. However, it had another service, which was the G1 service that served Firhill, Possilpark and Hamiltonhill. That could not make money either, but there was yet another service—if the minister is still following this—which was the M4 service, which went twice an hour through Hamiltonhill. That is a vital service, but it is now reduced to once an hour.

I spoke to First Glasgow and SPT and pointed out to them that there was yet another service—the 128—that ran a similar route to the one that the M4 used to run.

Jamie Greene: Will the member take an intervention?

Bob Doris: No, thanks—not on this occasion.

I suggested that they could vary the 128 route to serve all the communities, because the 128 was a subsidised route. However, I was told by both SPT and First Glasgow that that is not how things work. If there was ever justification for some kind of integrated public bus service—perhaps a franchise—that was it. The current service is not efficient by any stretch of the imagination. We can

run an improved service at a cheaper cost and with lower fares if we look to franchising and how to go about that. When we franchise, we can put in some form of price controls as well. So, we have got there in the end. I note that there is capping of rail price increases, so it can be done.

Just to recap, if members are following this, whether it is the 4A, the M4, the G1, the G2, the 15, the 8, the 128 or even the 90 and others that I have not mentioned, there is a much better way of doing things.

I thank Ross Greer for bringing the matter to public attention. I thank the minister for the engagement that I have had with him on the transport bill that will come before the Parliament shortly. I hope that we can get consensus that there is a better way to run a bus service, not just for my constituents in Maryhill and Springburn but for people across Glasgow and Scotland, and preferably with much more public control.

17:49

Colin Smyth (South Scotland) (Lab): I thank Ross Greer for lodging his motion, which is on an issue that has greatly concerned members in Glasgow and West Scotland, including my colleague Johann Lamont and others. They have campaigned vociferously on behalf of their constituents against First Bus's unacceptable fare hikes, which impact disproportionately on young people.

The matter raises fundamental issues about how we manage bus services, not only in Glasgow and West Scotland but right across the country, and that is the issue on which I will focus my brief comments. As we know, buses are disproportionately used by young people, older adults, the unemployed, students and often other people on low incomes. Spiralling bus fares therefore hit those who can least afford it, and the savage cuts to services in recent years have often removed the only viable travel option for many.

First Bus's unacceptable fare increases reflect a wider trend of rises by bus companies right across Scotland. Adjusting for inflation, bus fares have increased by an average of 12 per cent in the 10 years from 2006 to 2016. The latest set of fare rises are not a one-off; they are a result of a system that is failing and that will continue to fail until we intervene.

The challenges that we face with bus services go beyond price hikes. There are growing problems with the regularity and availability of buses, and private bus companies often remove services with little warning and no consultation. Services across Scotland have been steadily diminished over recent years, with the number of vehicle kilometres covered by local bus services

decreasing by 17 per cent from 2007 to 2016. With fares rising and services contracting, it is no surprise that bus use is plummeting. Provisional figures from Transport Scotland show that, between 2007 and 2016, the total number of journeys taken by bus each year declined by 19 per cent in Scotland and by 27 per cent in the south-west and Strathclyde.

The problems have been compounded by funding cuts, with total government support for buses going down by 12 per cent between 2009 and 2016, while bus service operating grants were cut by 22 per cent in the same period. Today's budget deal will put further pressure on local council budgets and, because local councils provide much of the funding for contracted bus routes, that will inevitably lead to the loss of further routes. As well as the devastating impact that those trends have on communities, failing to deliver sustainable public transport is also bad for our environment.

We need a bold rethink of how we manage bus services in Scotland. The Government and the bus companies are failing the travelling public. People are being priced off the bus, and connectivity, particularly in our small towns and rural areas, is being undermined. Staff in the bus companies are also being failed. As research by Transport for Quality of Life reported, we have seen

"a 'race to the bottom', with companies striving for commercial advantage through obtaining the lowest staff pay and worst working conditions."

The case for reregulation and alternative modes of bus ownership has never been stronger. Scotland has fallen behind much of the rest of the UK and the Government needs to wake up to the fact that the unregulated market simply is not working. The Government has a consultation on improving the framework for delivery of our bus services, but the minister has already ruled out consideration of wholesale reregulation.

We are therefore left with the possible alternative option of franchising. If implemented properly, that could result in significant improvements in services, but it must include giving local councils the ability to run bus services and features such as standardised fares. In developing proposals, I hope that the Government will consider the possibility of a national bargaining agreement for workers' terms and conditions across the sector to stop the race to the bottom that we have seen. As Johann Lamont said, we need to explore the Co-operative Party's people's bus proposals, which would mean supporting co-operative and social enterprise bus operators and other not-for-profit operators in running bus services that are affordable and responsive to local people's needs.

The debate has been a good opportunity to expose First Bus's unfair price rises in Glasgow and the west of Scotland, but I hope that it is also the start of a debate on how we radically reform our bus services in Scotland so that passengers, not profit, become the priority.

17:53

Maurice Corry (West Scotland) (Con): I thank Ross Greer for bringing this pertinent and interesting debate to the chamber. I believe that his motion raises a number of important issues that affect a large number of people in Glasgow and in my West Scotland region, so it is good to have the chance to talk about them this evening. People have varying views on the issue.

It is vital that bus firms remember that they are providing an essential public service and it is important that they consider the public as well as commercial issues in making their decisions. Every decision that they make affects the daily lives of tens of thousands of people. By putting up fares by inflation-busting amounts, bus firms put a large demand on many people with tight budgets. In particular, the 30 per cent of Scottish households who do not have access to a car, or the closer to 50 per cent of such households in Scotland's most-deprived communities, feel the effect of those decisions most of all.

The evidence points towards people being forced off buses because of fare increases. Figures show that the number of bus journeys fell from 436 million in 2011-12 to 409 million in 2015-16, with provisional estimates showing a further fall to 393 million last year. Over the same period, fares have risen by nearly 60 per cent. Undoubtedly, there must be a connection between the two.

Those figures are backed up, as my colleague Jamie Greene said, by an independent analysis by the auditors KPMG that showed that reduced bus service routes and increased bus journey times arising from congestion accounted for a fall of 5.9 million trips, with the increases in bus fares being pinpointed as putting people off making at least 4 million trips.

However, First Bus is able to put up its fares by 40 per cent not due to a lack of Government intervention into the marketplace, but due to a lack of competition in the market. In many areas of Scotland, individual bus firms have massive shares of the market, meaning that there is no pressure on them to provide good-quality vehicles, to ensure that they are punctual for a regular service, or to keep fares as low as is reasonable.

I take slight issue with Ross Greer on that point, because private companies are obviously in business to make a profit and to keep the buses

running and they must reinvest in their buses and equipment. I was talking to a bus operator in my local area the other day. His is a private family business that runs a very good service, including the hospital service from Helensburgh through Alexandria and Dumbarton to the Royal Alexandra hospital, and he has recently invested again in new, environmentally friendly buses, which will please Mr Greer's party no end. Those costs are not inconsiderable, so they have to balance, but the operator has a good liaison with the councils involved, both West Dunbartonshire Council and Argyll and Bute Council.

Ross Greer: I absolutely agree with Maurice Corry that moving towards environmentally sustainable fleets is important. Does he acknowledge that the issue with private companies is that it is simply up to them whether they make that investment, as they are working in the interests of their own companies? The issue is that there is no regulation. A public service that was run in the public interest would be compelled to improve services. With private companies, it is at the whim of the owner of each company.

Maurice Corry: I understand Ross Greer's point, but I return to the fact that it is a partnership. In such a partnership, the local authority wants professionals who run buses to run bus services for them. My previous interest in the matter was as a councillor on Argyll and Bute Council, and I had discussions all the time with officers about the fact that, if we have private operators, we need to ensure that we work in partnership with them, because they bring the equipment, skills and knowledge. I have seen bus routes that we had to cancel and then re-let, and maybe more subsidies had to go in, so we have to play each one as it comes. I do not believe in total state control, and there are certainly people out there who want to invest. If we work together properly with them, the private operators will deliver, especially those who are conscious of the fact that they are serving their communities.

I am sure that we all want an increase in the number of journeys that are being made using public transport, particularly buses, because it is more environmentally friendly—the new buses in my area are an example of that—and because it will help to fight the congestion issues in many of our towns and cities. However, to achieve that goal we need more companies in the market, not more big government; I made that point to Ross Greer.

We need more buses. The figures and statistics from the Driver and Vehicle Licensing Agency show that 100,000 fewer young people took driving tests last year, and that is because the cost of running a motorcar is greater nowadays and is getting progressively more expensive. There will

be more need for those people to use buses. It is good to hear that, but we obviously understand that there is a shift in the market.

Finally, I want to touch briefly on the point in Ross Greer's motion about smartphone technology. We all support business finding new and innovative ways of making life easier for customers, but it strikes me that what is being proposed for smartphones is a little bit unfair. As Ross Greer quite rightly pointed out, it will mainly disadvantage poor people and the elderly, who we also know are the people most likely to use the bus. I hope that First Bus will reconsider its decision on that.

17:59

Neil Bibby (West Scotland) (Lab): I join other members in welcoming this evening's debate on the motion in Ross Greer's name. I have a few brief remarks to make. I am happy to support Mr Greer's motion, because it has given us the opportunity to discuss concerns over fare rises by First Glasgow, changes to student day tickets by McGill's Buses, and wider issues about who runs public transport and who it is run for.

Like other members, I have spoken to many constituents who are concerned about bus fare rises and, in the past few years, I have spoken to constituents in places such as Eaglesham and the west end of Paisley who are concerned about First Glasgow's bus service cuts. Too often, bus services are cut without any public consultation and that has to change.

The proposal by McGill's Buses to withdraw student day tickets, in particular, has been met by significant opposition from students in my region. As Ross Greer said, the issue has been raised by members of the Scottish Youth Parliament such as Josh Kennedy, who should be commended for their campaigning efforts. It has been mentioned that more than 5,000 people have signed an online petition that calls for the student day ticket to be reinstated, which shows the strength of feeling among local young people. It is important that they are listened to.

Students are among the most regular bus users. From speaking to a number of students in Renfrewshire and Inverclyde, I know that student tickets that are provided by companies such as McGill's are very popular but, often, they are also a financial necessary. That perhaps explains the response that we have seen.

As I have said before and will say again, we have a broken bus market and there has been a decade of decline in bus patronage. It is hard to see how increasing fares in general and the significant increase in fares for students will reverse that decline. Across the Parliament, we

surely understand that there must be a modal shift towards public transport if we are to tackle climate change, improve social inclusion and alleviate congestion in urban areas, but the figures, as Maurice Corry just mentioned, sadly show that we are going in the wrong direction.

I hope that, in this case, McGill's Buses will listen to the views of the thousands of students in my region and that they will take seriously the views expressed by members of the Scottish Youth Parliament. I also hope that First Glasgow will listen to the issues that have been raised by other members this evening.

From the briefings that have been provided by, for example, the Confederation of Passenger Transport UK, we know that bus companies have concerns about the conditions in which they operate. Although I do not always agree with the bus companies, I think that they make a valid point about the links between investment in buses and the wider social benefits. However, if we cannot get a rethink from McGill's Buses on the issue of student day tickets or from First Glasgow on the issues that have been presented to it, that will be further evidence that the status quo is not an option.

I declare an interest as a member of the Co-operative Party and Unite the union and, like them, I believe that public transport is a public service. It should be run in the interests of passengers and not just those of the big bus companies. Only with greater democratic control over bus services can we secure a fairer deal for bus passengers in areas such as Renfrewshire, and I hope that there will be measures in the forthcoming transport bill that will make that aim a reality. I urge the minister to be bold and radical. If he is, he will have the support of many of Scotland's passengers.

18:03

The Minister for Transport and the Islands (Humza Yousaf): I thank Ross Greer for bringing the debate on his motion to the chamber. He is absolutely right—it is incredible that 75 per cent of public transport journeys are made by bus. However, bus services do not get air time that reflects that, so it is important that Ross Greer lodged his motion. The debate and the speeches by members from across the chamber have been excellent, and have provided a lot of food for thought. I will try my best to address as many of the points raised as possible.

I completely understand passengers' frustration when there are fare increases. I have no doubt that fare increases are unwelcome for any mode of transport, but in some cases, passengers feel that they are not getting a service that justifies the increase. I understand that.

It is important that I use my time to focus on the common areas of action that we can take forward in the proposed transport bill, in particular, and through other initiatives. There is probably no point in spending too much time on the areas on which there are obvious disagreements, such as wholesale reregulation. On ownership, I suggest to members who have not spoken to passenger groups such as Passenger Focus and others that it is worth their while to do so. The feedback that I get from such passenger organisations is that who owns the buses is not so much an issue. Issues for passengers are reliability, affordability and so on. I know that some members will say that there is a link, but it is worth noting that between 1960 and 1974, when the buses were regulated, we saw the steepest decline. There was not just a decade of decline, as was mentioned by one member: we are talking about decades of decline for which every single one of us who has been in power has some responsibility.

John Finnie: I readily accept that passengers want a good service and that ownership is a secondary issue. However, if there are problems, public ownership means that there is a line of accountability that does not exist if there is a profit motive.

Humza Yousaf: I accept that and will come on to talk about democratic accountability for our bus services.

Neil Bibby said that he does not believe that the status quo is working, and I agree with that assessment. That is why I want to talk about measures that we will take forward in the forthcoming transport bill.

Before I do that, I reiterate a point that I think members have articulated well tonight. Congestion is clearly an issue in many of our urban areas and conurbations. Local authorities have some powers to tackle congestion, and I know that some excellent work has been done in some of our cities to do that. One example is the recently announced Glasgow connectivity commission, which is headed by David Begg, who will be known to many members and is someone who I greatly respect. He will be looking at the challenges that face transport, with a particular focus on congestion.

Bob Doris: My constituents would never forgive me if I did not make this point. One of the things that Glasgow City Council is doing to deal with congestion is having fewer bus stops, which means that there are fewer places to get off. That is having an impact on the quality of the service for a lot of my constituents. There are contradictions in some of the public policies that happen at local level.

Humza Yousaf: I am pleased that Bob Doris will receive the forgiveness of his constituents, and he is right to raise the point. He should raise it with Glasgow City Council. The connectivity commission's purpose is to look at local policies that might affect transport in a connected and integrated way.

I go back to Neil Bibby's point about the status quo not working and him asking us to "be bold and radical". The measures that we are consulting on, and have consulted on, for inclusion in the forthcoming transport bill are bold and radical, and represent a shift from the status quo. I look forward to members scrutinising the proposals in great detail and coming back to us with their suggestions and potential amendments.

We are looking at proposals including enhanced partnership working, which is something in which SPT's Strathclyde bus alliance, Glasgow City Council and others are interested. The bill will also introduce measures including local franchising, which has been mentioned by some members. That is because local authorities have asked us for those powers. We also hope to remove the legal dubiety that exists around whether we can have council-owned bus companies in order to give local authorities the option to do that.

Johann Lamont made a good point about fares and the public often not knowing what the fares structure is. She also mentioned the reverse incentive around single fares. That is why we have consulted on open data, which would effectively force bus operators to be more open and transparent about their fares structures.

Johann Lamont: This is a point that has been raised with me, so the minister could clarify it for me. Concessionary fares are calculated as a percentage of the single bus fare. That creates an incentive for the company to maintain the price of a single fare at a higher level. If that is true, it is within the minister's gift right now to change it. What are his comments on that?

Humza Yousaf: We are in active discussion with the CPT about concessionary fares reimbursement. Other people have raised that point with me; I am more than happy to keep Johan Lamont updated on that. We consulted on concessionary travel recently—the member might have contributed to it, in which case she will know that we have to get agreement with the bus companies, and there has to be some give and take. Certainly, the issue of the single fare has been raised with me.

Jamie Greene: Will the minister take an intervention?

Humza Yousaf: If Mr Greene does not mind, I would like to make some progress first, because I want to talk about measures in the forthcoming

transport bill and other measures that we are taking forward. It is almost as if Jamie Greene rose on cue, because he mentioned one earlier that I think is worth mentioning again—our emissions reduction agenda and the introduction of low emission zones. For me, buses are very much part of the solution, not part of the problem. If we can reduce the number of privately owned cars going into our city centres, which is where the first four low emission zones will be, we will be onto a winner.

Jamie Greene: How would the minister respond to suggestions—albeit that they are perhaps based on anecdotal evidence—that if there were substantive changes to the pricing structure for concessionary travel and the subsidy that is given to bus companies, the bus companies would react simply by reducing and cutting services?

Humza Yousaf: There should be no justification for that, because concessionary travel reimbursement is based on the premise that the bus company will be no worse off and no better off. That is the basis on which we negotiate with the CPT.

That brings me to the point about local democratic engagement. Some members have said that they feel that bus services have been cut without there having been adequate engagement with the local community. I accept that some people in some communities feel that there has not been adequate consultation. We expect bus operators to engage but, of course, through our proposals in the transport bill, I should be able to ensure absolutely that passengers are at the very heart of bus service delivery and that some democratic accountability is at the heart of things.

I also say that one size does not fit all. All of us would recognise that there are some unacceptable practices by bus operators, but it is worth saying that there are some good practices by bus operators, too. One example that has not been mentioned is West Coast Motors, which is a private company that has bought a pull-out from First Scotland East that has been rebranded as Borders Buses. That is an example of a company working well in the commercial market. As I said, one size does not fit all. Through the forthcoming transport bill, which I hope members will support, I aim to give local authorities all the tools in relation to whatever size of service fits their local area.

Johann Lamont: Will the member take an intervention?

The Deputy Presiding Officer: I am afraid that the minister is just closing.

Humza Yousaf: Johann Lamont asked whether I would meet her and the Co-operative Party. Of course I will. She also asked when I met First Bus Glasgow. I do not remember the exact date, but it

was about two weeks ago. In fact, I think that I tweeted about that meeting, but I am happy to provide her with the exact information. In that meeting, I mentioned fare rises. The First Bus representatives told me that the jobseekers fare rise had been reversed and robustly said that they understood my concerns around that. Further, last week I met Jackson Cullinane to talk about Unite's haul the bus campaign. Of course, I am more than happy to meet members to discuss issues regarding the bus sector.

On that note, I will close. I look forward to members' contributions to the proposed transport bill, and I hope that we can build a bus service that is fit not only for the people and communities of Scotland now, but that we can future proof so that there are adequate services for communities into the future.

The Deputy Presiding Officer: By way of explanation, I say to members that the standing orders of the Parliament dictate how long a members' business debate should last. There is an option to extend the debate by a maximum of half an hour, and we were getting near to the point at which I would have had to extend business for the sake of 30 seconds or so.

Meeting closed at 18:13.

Correction

Derek Mackay has identified an error in his contribution and provided the following correction.

The Cabinet Secretary for Finance and the Constitution (Derek Mackay):

At col 71, paragraph 2—

Original text—

As a consequence of our decisions and the local government order that will follow, that local authority will have an extra £9.4 million to spend, so it can look again at those decisions.

Corrected text—

As a consequence of our decisions and the local government order that will follow, that local authority will have an extra £3.4 million to spend, so it can look again at those decisions.

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