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Thursday 21 February 2019

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Scottish Parliament

Thursday 21 February 2019

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

General Question Time

Bus Operators (Renfrewshire)

1. **Mary Fee (West Scotland) (Lab):** To ask the Scottish Government when the Cabinet Secretary for Transport, Infrastructure and Connectivity last met bus operators that serve Renfrewshire. (S50-02899)

The Cabinet Secretary for Transport, Infrastructure and Connectivity (Michael Matheson): I last met Stagecoach on 5 February 2019. I also met First Bus on 26 November 2018.

Mary Fee: I thank the cabinet secretary for his answer. McGill's Bus Service Ltd, which is the main operator that runs as a monopoly in many parts of Renfrewshire, has recently announced changes to its services, including axing the 907 service that links Glasgow and Renfrewshire to Dunoon. The company originally proposed fare increases of up to 62 per cent for peak-time journeys between Erskine and Glasgow, but has since backtracked. It now proposes fare increases of up to 30 per cent, which local MSP Derek Mackay has championed as a win for passengers. Does the cabinet secretary agree that extortionate fare increases are a win only for bus operators, and that they show the need to regulate the bus industry across Scotland?

Michael Matheson: I know from my discussions with Derek Mackay that he was concerned about the increases that were proposed by McGill's for some of its routes, and that he has been making strenuous representations to the company to address the matter. I welcome the reduction in McGill's proposed increase.

Mary Fee will be aware that we have set out a range of options in the Transport (Scotland) Bill to strengthen the role of local authorities in provision of bus services in their areas, including through bus service improvement partnerships, in order to ensure greater recognition of local need in the services that are provided by bus operators. I believe that the measures will strengthen our ability to ensure that bus services are delivered in communities in a way that reflects the communities' needs; I hope that the Labour Party will support the bill when it comes before Parliament.

Jamie Greene (West Scotland) (Con): I, too, have concerns about price increases in West Scotland. The cabinet secretary spoke about the Transport (Scotland) Bill's potential to address issues by enabling local authorities to set up franchises, but I have not met a single local authority that is interested in doing so—or, indeed, one that has any money to do so. How many local authorities have expressed to him interest in setting up local bus franchises?

Michael Matheson: Jamie Greene seems to be trying to characterise our bill as having franchising as its only element. As a member of the Rural Economy and Connectivity Committee, which is considering the bill, he will be well aware that it provides a range of measures to allow local authorities to take options that are not currently available. The committee has suggested that we add more options to the bill, and we are actively considering that for stage 2. It is important that the member not characterise the bill as offering only one option; it offers a suite of options that will allow local authorities to consider what will best meet the needs of their communities.

Singapore (Links)

2. **Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con):** To ask the Scottish Government what plans it has to forge greater links with Singapore. (S50-02900)

The Cabinet Secretary for Culture, Tourism and External Affairs (Fiona Hyslop): Scotland's international framework sets out how our international work supports the Scottish Government's central purpose of creating a more successful country. The Scottish Government values and appreciates the long and positive relationship that we have built with Singapore, which has been an important trading partner for Scotland for many years. The year 2019 marks the 200th anniversary of trading between the UK and Singapore, which began with the arrival of Stamford Raffles and William Farquhar, who was a Scot.

Scottish Development International's south-east Asia office has been based in Singapore since 2001, which demonstrates our commitment to a strong relationship. In fact, the value of Scottish direct exports to Singapore rose from £585 million in 2016 to £655 million in 2017—an increase of £70 million. We will continue to promote Scotland's trade capabilities in areas including oil and gas, food and drink, and renewable energy, as well as encouraging inward investment in data analytics, life sciences, energy, manufacturing and tourism. We will also continue to welcome exchange between Scotland and Singapore in education and culture.

Rachael Hamilton: The cabinet secretary acknowledges the bicentenary of the founding of modern Singapore in January 1819. It is notable that two of the three main founding fathers were Scottish: Major William Farquhar and John Crawfurd. Given those significant historical ties, the renewed memorandum of understanding between the British Council and the National Arts Council of Singapore, and the greater need to forge links across the world, will the cabinet secretary support the establishment of an MOU between Creative Scotland and the NAC Singapore?

Fiona Hyslop: I would be very pleased if an MOU between Creative Scotland and the National Arts Council of Singapore were to be signed. In July, we will welcome 70 technology leaders from Singapore and south-east Asia to the ConnectGov leaders summit in Edinburgh, which is very positive.

Does Rachael Hamilton not consider that it is a bit rich for the Conservatives to come to Parliament asking the Government to encourage more trading links, but also to say that we cannot leave the country to do so and that our First Minister should not visit other countries? She is encouraging us to help to support the 14th-largest export partner for Scotland, but not to work with our third-largest partner.

The First Minister was championing Scottish business in France this week, as she has done in the US and Canada. Can Rachael Hamilton get Maurice Golden to apologise for attacking the First Minister? Is it not about time that we all came together to support Scotland and our business trading partnerships? Let us ensure that our First Minister and the Scottish Parliament can fly the flag for Scotland.

Members: Hear, hear.

Tom Arthur (Renfrewshire South) (SNP): Following reports of cancelled trade talks with China and of souring relations with Japan as a consequence of the “high-handed” approach of the United Kingdom Government, which has been described as “gunboat diplomacy”, can the cabinet secretary outline the Scottish Government’s approach and how it benefits Scotland, in contrast with the reckless and incompetent approach that we have seen being taken by the UK Government?

Fiona Hyslop: In answer to that considered question, I want to explain to Parliament that we are currently working on “A trading nation: our plan for growing Scotland’s exports”, which we expect to publish in spring 2019. In relation to diplomatic activity, it is of serious concern that not just the Secretary of State for Defence, but—this is very

important—Jeremy Hunt, the Foreign Secretary, have jeopardised important trade discussions.

As we know, the European Union and Japan have signed an agreement on customs, exchange and exports that has just been implemented and is very important to businesses across the UK and Scotland, in particular. The cack-handed approaches that have been made by the UK Government are symptomatic of how it treats the Brexit situation in general, which is very worrying indeed. It is important that we all get behind our export companies at this difficult time, when things are so fragile. That needs leadership from the top, rather than the bumbling diplomacy that we have seen from the UK Government.

Universal Credit Recipients (Importance of Food Banks)

3. **David Torrance (Kirkcaldy) (SNP):** To ask the Scottish Government what its position is on the importance of food banks in supporting people in receipt of universal credit. (S5O-02901)

The Cabinet Secretary for Communities and Local Government (Aileen Campbell): Even the UK Government has finally recognised, after years of mounting evidence, that rolling out universal credit has increased the need for food banks. Universal credit has caused huge damage and has pushed people into debt and hardship. We will continue to call for no one to be migrated to universal credit until its fundamental flaws have been fixed and it works for people, rather than against them.

In recognition that people have been badly hit by UK Government welfare cuts and in order to protect vulnerable communities against the economic damage of Brexit, last month I announced a further £500,000 investment in FareShare, which will support organisations that are responding to food insecurity. That is in addition to our £3.5 million fair food fund to tackle food insecurity. It is shocking that we have to take such measures, but we want to reach more of the people who will most need help.

David Torrance: In my constituency, Kirkcaldy Foodbank has seen a 90 per cent increase in use between December 2017 and December 2018. Does the cabinet secretary agree that Amber Rudd’s recent acknowledgement of the link between roll-out of universal credit and increased use of food banks is too little, too late? Does she also agree that the cruel and callous actions of the UK Government have caused untold misery for thousands of families across Scotland?

Aileen Campbell: Yes, I do. The acknowledgement from Amber Rudd is long overdue, but acknowledgement alone will not help families in Fife, Scotland or the rest of the UK.

Amber Rudd needs to act now to change the failed system. That means reversing the benefits cap, the benefits freeze and the abhorrent rape clause. We will then see progress that does not leave people reliant on food banks for the most basic of needs.

Elaine Smith (Central Scotland) (Lab): The cabinet secretary is clearly aware of the increasing necessity of food banks. That necessity is shocking: we should not need Victorian-style charity in 21st century Scotland. Does she therefore agree that the £5 child benefit top-up that Labour has been calling for would make a big difference to many families, including families who are in receipt of universal credit?

Aileen Campbell: That is why we are currently working on an income supplement, as Elaine Smith knows. She should recognise that we need to work together to put pressure on the UK Government to acknowledge that universal credit is a failed system and to recognise the impending cliff edge that many people will face if there is a no-deal exit from the European Union, which will punish most those who are least financially resilient.

Does Elaine Smith agree that we should unite on that message, especially given that we have had to announce £500,000 to prepare for Brexit in tackling food insecurity, which we know will happen if there is a no-deal exit from the EU? That is, to be quite frank, ridiculous and is testament to the reckless actions of the UK Government, which will punish most the people in society who have the least. That is an absolutely shocking indictment of the UK's approach to welfare reform.

Kirkcaldy Sheriff Court (Modernisation)

4. Jenny Gilruth (Mid Fife and Glenrothes) (SNP): To ask the Scottish Government what action it is taking to modernise facilities at Kirkcaldy sheriff court. (S5O-02902)

The Minister for Community Safety (Ash Denham): This question relates to operational matters that are the responsibility of the Scottish Courts and Tribunals Service. The service is currently creating a two-court criminal annexe within Kirkcaldy police station to hear sheriff and jury cases and custody hearings, which is due to be fully operational by autumn 2019.

Jenny Gilruth: I welcome the Scottish Courts and Tribunals Service's investment of £3.7 million to modernise facilities at Kirkcaldy sheriff court in line with recent recommendations from HM inspectorate of prisons for Scotland.

In the context of the new Vulnerable Witnesses (Criminal Evidence) (Scotland) Bill, is there now an opportunity for Kirkcaldy sheriff court to lead the way in developing a pilot suite for child

witnesses to give evidence by commission, with the ethos of the barnahus approach at its heart?

Ash Denham: I am glad that Jenny Gilruth mentioned the bill. I am aware of the detailed consideration that she and her colleagues on the Justice Committee have given to the important reforms in it.

The Scottish Government is investing in facilities. It has already provided £950,000 of funding to support the creation of new child and vulnerable witness-friendly hearings suites in Glasgow and has made another £1.1 million available to the Scottish Courts and Tribunals Service to upgrade other venues and information technology. As part of that work, the service is procuring portable recording equipment and hiring camera operators, which will allow some commission hearings to take place in sheriff court buildings across Scotland.

We are exploring how the barnahus concept could operate in Scotland and we have asked Healthcare Improvement Scotland and the Care Inspectorate to develop Scotland-specific standards that will set out a road map for developing our approach.

Falkirk Growth Deal

5. Angus MacDonald (Falkirk East) (SNP): To ask the Scottish Government when it last met Falkirk Council to discuss the proposed growth deal for the district. (S5O-02903)

The Cabinet Secretary for Transport, Infrastructure and Connectivity (Michael Matheson): My officials last met representatives of Falkirk Council to discuss the development of its growth deal proposal on 16 January this year. The next meeting is scheduled for 20 March, when progress with the growth deal will feature on the agenda for a meeting of the Falkirk economic partnership. As part of our aim for 100 per cent coverage of Scotland with growth deals, the Government fully supports Falkirk's deal proposal. We look to the United Kingdom Government to join us in that common purpose and ensure that as much progress as possible is made towards that goal in 2019.

Angus MacDonald: I am aware that the leader of Falkirk Council is meeting the Secretary of State for Scotland today to discuss the proposed growth deal. I hope that there will be a positive outcome to those talks.

Given the significant investment plans by the private sector—not least the seven national-scale developments that are under way or are being considered for Grangemouth—will the cabinet secretary highlight to the secretary of state when he next meets him that the gross value added from the proposed growth deal would be in excess

of £330 million across Falkirk district and that the deal would set a new course for sustainable and inclusive growth?

Michael Matheson: Yes, and I will continue to highlight the potential benefits of the growth deal for the Falkirk area. When I last met the Secretary of State for Scotland to discuss growth deals, which was at the end of January, I asked again that the UK Government give a formal commitment to 100 per cent coverage of Scotland with growth deals. I am conscious that Falkirk Council is one of only three local authority areas that still does not have a formal commitment from the UK Government in that regard. Working in partnership with the Scottish Government to achieve that would mean benefits for local communities right across the Falkirk Council area, generating the investment that Angus MacDonald highlighted and helping to create new jobs and wider economic prosperity in the area.

Alison Harris (Central Scotland) (Con): As already mentioned, the secretary of state will today meet representatives from Falkirk Council to discuss plans. I am sure that we all agree that the city region deals that have thus far gone through have been beneficial for Scotland. Will the cabinet secretary assure me that any potential growth deal for Falkirk will include the regeneration of the town centre and not just, as is currently on the table, the area going east towards Grangemouth?

Michael Matheson: I am aware that the Secretary of State for Scotland will meet Falkirk Council representatives today. At the end of the meeting with Cecil Meiklejohn, the leader of the council, I hope that David Mundell will give a commitment on the part of the UK Government, which it has not provided to date, to support a Falkirk Council growth deal.

Alison Harris will recognise that the various issues that are highlighted in the growth deal are for the partners, not the Scottish Government, to determine. The content of the growth deal will be shaped in partnership with the different agencies that have an interest in developing it, and will not be directed by the Scottish Government. They will no doubt look at a whole range of regeneration projects that can help to support and sustain the Falkirk economy in the years ahead.

Stirling and Clackmannanshire City Region Deal

6. Keith Brown (Clackmannanshire and Dunblane) (SNP): To ask the Scottish Government what progress has been made on the Stirling and Clackmannanshire city region deal. (S5O-02904)

The Cabinet Secretary for Transport, Infrastructure and Connectivity (Michael

Matheson): The Scottish Government and its agencies have on-going constructive engagement with regional partners as we seek to progress the Stirling and Clackmannanshire city region deal to the final deal signing.

Keith Brown: The investment of £45.1 million from the Scottish Government and £45.1 million from the United Kingdom Government is a welcome and transformative opportunity for Clackmannanshire and Stirling.

As the cabinet secretary is aware, the UK Government pledged £8 million to Clackmannanshire as part of the deal that is to be developed collaboratively with Clackmannanshire Council and other local partners. What is the cabinet secretary's view on reports that the UK Government is actively considering bids for that fund from outwith the agreed formal governance structures, despite the risks to proper partnership working and the viability and sustainability of projects?

I seek the cabinet secretary's assurance that, when considering bids for the Scottish Government funds, he will ensure that the integrity of the local decision-making process is maintained.

Michael Matheson: I am aware of those concerns. The leader of Clackmannanshire Council raised them with me and I raised them with the Secretary of State for Scotland when I met him earlier this year. The secretary of state acknowledged the need for proper governance and assurance around the process. He assured me that he was dealing with Clackmannanshire Council's concerns about the competing bids for projects that are to be funded through the Clackmannanshire fund. My officials understand that a constructive meeting has taken place between Clackmannanshire Council and the UK Government to discuss those concerns, and we expect to get feedback on that in the coming days.

I assure Keith Brown that I am clear that regional partners need to be at the very centre of any city or growth deals. Stirling and Clackmannanshire councils have already established a city region deal joint committee to oversee and direct the implementation and delivery of the deal. The Scottish Government is clear that that committee must be an integral part of any decision-making process; that is part of the agreement that we have in place for that particular city deal. I will continue to assert that view as we go forward with that deal and any others in the country.

Dean Lockhart (Mid Scotland and Fife) (Con): Does the cabinet secretary welcome the investment of more than £45 million from the UK Government in the Stirling and Clackmannanshire

city deal, including £10 million for the establishment of a new national tartan centre that will create jobs and boost tourism in the Stirling region?

Michael Matheson: I welcome any investment alongside the Scottish Government's £45 million investment, which I am sure that the member also welcomes, to ensure that we do everything that we can to support the regional economy in Stirling and Clackmannanshire. Equally, it is important that that funding is utilised in a way that sticks to the agreement, which is to recognise that our regional partners, particularly local authorities, are key to the decision making on how that funding is used. I hope that the UK Government will ensure that that process is adhered to with that particular growth deal.

The Presiding Officer (Ken Macintosh): Thank you. That concludes general questions. Before we move on to First Minister's question time, I invite members to join me in welcoming to the gallery His Excellency Mr Wegger Strømme, Ambassador of Norway. *[Applause.]*

Please also join me in welcoming to the gallery His Excellency Mr Dan Mihalache, Ambassador of Romania. *[Applause.]*

First Minister's Question Time

12:00

The Presiding Officer (Ken Macintosh): Before I turn to the first question, I advise members that I have been in touch with all the party leaders to ask for shorter questions and answers this week. That will give more space for back benchers to make contributions and I hope that it will also make for snappier and more effective contributions. I live in hope that my exhortation will be adhered to. On that note, I call Jackson Carlaw. *[Laughter.]*

Workplace Parking Levy

1. **Jackson Carlaw (Eastwood) (Con):** Well, after that lengthy introduction, Presiding Officer— *[Laughter.]*

Thousands of Scots every day commute across central Scotland into Edinburgh and Glasgow. Can the First Minister explain to them why a car park tax imposed on them by a local authority whose politicians they do not elect and in whose region they do not live is a good example of local decision making?

The First Minister (Nicola Sturgeon): Of course, this would be a discretionary power for councils and a power that, under a Tory Government, councils in England already have; it is the kind of localism that Tories have been demanding in this chamber for some time. However, I noted that Jackson Carlaw launched a campaign in Edinburgh this morning and that he mentioned Edinburgh in his question. I thought that that was really interesting, because just a few months ago a motion that was passed at the transport committee of City of Edinburgh Council said:

"To note the merits in principle of pursuing the power for Edinburgh to ... introduce a Workplace Parking Levy."

That motion was tabled by Councillor Nick Cook, Conservative; seconded by Councillor Scott Douglas, Conservative; and voted for by Councillor Graeme Bruce, Conservative.

Members: Oh!

The First Minister: Would Jackson Carlaw care to explain that—how can I put this delicately—inconsistency?

Jackson Carlaw: The First Minister wants to talk about City of Edinburgh Council. Tory councillors noted the need for an economic assessment. The entire country has noted that the First Minister wants to impose a £500 car park tax on them with no assessment whatsoever. Do I support a back-of-the-fag-packet policy that threatens low-paid workers with a regressive tax?

No, I do not. Does the First Minister not understand what that means to ordinary people across Scotland? It is equivalent to many people's monthly rent.

I assume from the First Minister's answer that she is now the cheerleader in chief for people being punished for going to work and having no say, far less a vote, over that decision. However, the Scottish National Party's position on the car park tax is more confused than that. On Wednesday, SNP minister Kate Forbes said:

"A key principle, born of Adam Smith, is that taxes should be proportionate to the ability to pay."—[*Official Report*, 19 February 2019; c 28.]

Can the First Minister explain how that entirely admirable principle, which so rightly inspired Kate Forbes, is even remotely met if a call centre worker earning less than £20,000 a year has to pay the same car park tax as a company director earning five times as much?

The First Minister: As Jackson Carlaw well knows, the SNP Government would not impose anything on anybody. This is a discretionary power that councils in England already have, and councils can propose the levy on employers, not on employees. This is what the Tories used to believe:

"We believe that decisions should be taken as locally as possible and that powers should lie with politicians elected as locally as possible."

I am not sure when they changed their minds.

I have been wondering whether there is a reason—other than naked hypocrisy—for the Tories' position on the levy, and it might be something to do with this. At the end of last year, the Tories on Angus Council introduced car parking charges at 33 public car parks in Carnoustie, Arbroath, Forfar, Kirriemuir, Brechin and Montrose. Last year, the Tories on East Dunbartonshire Council increased car parking charges and scrapped free parking, and the Tories on Argyll and Bute Council imposed an 800 per cent increase in car parking charges in Arrochar. There we have it: the Tories do not want to give powers to councils, because the Tories clearly do not trust Tory councils.

Jackson Carlaw: So it is the Henry McLeish defence: "It wisnae me; it was a councillor what done it." However, the First Minister is responsible, because she and her SNP MSPs will vote for the car park tax this afternoon. Every Scottish Conservative council group leader has now said emphatically that they will not support a car park tax in their area, and every Scottish Conservative MSP will oppose the car park tax in their constituency or region.

What about the First Minister? She is a constituency MSP in Glasgow, so what is her view? If, as a result of powers that are voted for by SNP MSPs, the SNP leadership of Glasgow City Council proposes to charge hundreds of pounds each year for workplace parking, will she support the council? Yes or no.

The First Minister: It is up to local councils to do the assessment and to make the case. Presumably, that is what the Tories mean by

"decisions ... taken as locally as possible",

and by power lying

"with politicians elected as locally as possible."

Let us get to the heart of the Tory position. As I understand it, the Tory position is that, if the SNP Government devolves a tax to councils, and councils decide to use that power, that becomes an SNP Government tax. Therefore, given that the Tory Government devolved income tax powers to the Scottish Government, I ask Jackson Carlaw whether the Scottish Government's use of those powers is a Tory tax. That sounds ridiculous, but that is the logic of the Tory position. In the budget debate this afternoon, I look forward to us all calling the Scottish Government's income tax decisions a Tory tax. That is Jackson Carlaw's logic.

Jackson Carlaw: Bluntly, it sounds as though the First Minister does not know whether she is in favour of her own policy being imposed on her own constituents by her own SNP council.

We will oppose the budget deal when it comes before Parliament this afternoon. Frankly, so should SNP members, because it breaks their manifesto promises on the council tax and the basic rate of income tax. As we learned earlier this week, it risks precious tax revenue, which pays for our schools and hospitals, being lost to Scotland as people take their money elsewhere. Worst of all, the car park tax says to people across the country who are trying to do the right thing, who are trying to juggle school drop-offs with work, who are trying to keep Scotland going and who, in many cases, are working unsociable hours when there is no public transport provision, that they are to be punished.

All week, SNP ministers have been desperately distancing themselves from the car park tax, and now even the First Minister will not say whether she backs it. It is a simple question: if they do not back it, why should we or anybody else?

The First Minister: I back councils having the power to decide, because we do not just preach localism and empowering councils—we practise that principle. Councils could use the discretionary power to help with tackling pollution, cutting emissions and—yes—investing in public transport.

I repeat that that is exactly the localism that Tories have demanded and exactly the power that the United Kingdom Tory Government already allows councils in England to have.

Is it not the case—I have a wealth of evidence on this, some of which I have gone through today—that the Tories do not in principle oppose giving councils the power and that they oppose it only when the Scottish National Party proposes it? To coin a phrase, that is hypocrisy on stilts. I hope that Jackson Carlaw had more success when he sold second-hand cars than he is having in peddling his current line.

Jackson Carlaw: At least I had a real job.

Members: Oh!

The Presiding Officer: I call Richard Leonard. Order, please.

Local Government Funding

2. Richard Leonard (Central Scotland) (Lab): Yesterday, school pupils across Argyll and Bute took to the streets to protest against cuts to local youth services. They understand the impact that £230 million of cuts to Scotland's councils will have. Does the First Minister? (S5F-03062)

The First Minister (Nicola Sturgeon): As we saw last week, I always applaud young people taking an interest in the decisions that affect their lives, which applies to young people in Argyll and Bute as it does to young people who campaign for greater action on climate change. However, Richard Leonard is wrong to talk about cuts to the local government budget.

The budget that we will propose this afternoon increases the resources that councils have to spend. We will ensure that councils have more resources in revenue terms, in capital terms and overall. In addition, as we have just debated, we will give councils more flexibility to raise revenue. That is a good thing. It is incumbent on Richard Leonard, given that he did not propose a single change to the budget, to say why he will vote against the budget this afternoon.

Richard Leonard: The First Minister talks about providing more resources for Scotland's councils, so let us examine what that will look like on the ground. Later today, Scottish National Party-run Dundee City Council will propose a budget that will cut children's education in the city by cutting education resource workers, cutting pupil support workers, cutting primary school and early years assistants and even cutting 26 teaching posts from primary schools. All of that comes when school rolls in the city are rising. Will the First Minister explain why she stands up in the chamber to claim that education is her top priority but then sets a budget that will mean cuts to the number of

teachers and cuts to education out in the real world?

The First Minister: Yet again, I will give Richard Leonard the facts. The proposed budget, which Parliament will vote on this afternoon, increases local government day-to-day spending for local revenue services, including education, by £287.5 million. There is an increase in capital spending of £207.6 million and greater flexibility to raise revenue.

Those are the facts—[*Interruption.*]

The Presiding Officer: Order, please. Let us listen to the First Minister.

The First Minister: I give Richard Leonard a final opportunity. The final vote on the budget will take place at 5 o'clock today, so he still has a few hours. If he wants us to spend more on local government, which line in the budget should we take that money from? Should it come from health or social care? I am waiting—Richard Leonard has the opportunity to respond, so let us hear his proposal.

Richard Leonard: Here is a fact: it is not just in Dundee where cuts to council funding are hitting children's education. In SNP-run Clackmannanshire Council, the Scottish Government cuts were so deep that council officers proposed closing Coalsnaughton and Fishcross primary schools, and only a campaign led by parents stopped them. However, children in Clackmannanshire still face cuts. School transport is being axed, class sizes are being increased, and a half hour is being cut from the school week.

Nicola Sturgeon came into office promising to cut class sizes but, 12 years on, too many children will be in bigger classes because of her budget, and they will spend less time being taught in those classes because of her budget. If education is the First Minister's defining mission, and if young people are her sacred responsibility, why is she imposing £230 million-worth of cuts on Scotland's councils?

The First Minister: To put it bluntly, we are not. If we wound the clock back to about this time last year, Richard Leonard would be standing up, again claiming that education budgets across the country were going to be cut. Here is what happened in this financial year. Local authorities set education budgets this year that were 3.8 per cent higher than the budgets that they set the year before. That is a 2.3 per cent real-terms increase in their planned spend on education. Those are the facts, and no matter how hard Richard Leonard tries, he cannot negate those facts.

I give Richard Leonard one last chance. If he wants us to spend more on local government, he

has an opportunity before 5 o'clock today to come forward and say where that will come from. The only proposal that came from Labour benches was ruled out by Richard Leonard. He has got no credibility in asking for more money if he will not say where that money will come from.

The Presiding Officer: There are a number of constituency questions, the first of which is from David Torrance.

Elis Laundry Factory

David Torrance (Kirkcaldy) (SNP): Yesterday, Elis announced the closure of its laundry factory in Kirkcaldy by the beginning of April, with an anticipated loss of 86 jobs. Will the First Minister please advise what the Scottish Government can do to support the employees who are facing redundancy?

The First Minister (Nicola Sturgeon): I was very concerned to hear that Elis has announced the closure of its laundry factory in Kirkcaldy, with the potential loss of many jobs. I understand that the proposal is that the site will close at the end of March and the business will transfer to Inchinnan. Partnership action on continuing employment has already engaged with Elis and has worked with the employees affected over recent weeks. I can assure David Torrance that the partnership will continue to provide the support that employees need to help them at this very difficult time.

Ambulance Cover (Perthshire)

Murdo Fraser (Mid Scotland and Fife) (Con): A constituent in Highland Perthshire has asked me to raise concerns about ambulance cover in the area. On 20 January, after a 999 call for an ambulance in a life-threatening situation, it took one hour and 46 minutes for a rapid response unit to attend and two hours and 14 minutes for an ambulance to follow up. Fortunately, the patient in question has recovered, but does the First Minister consider that those timescales are acceptable? What steps will be taken to improve the level of ambulance cover in rural Perthshire?

The First Minister (Nicola Sturgeon): I am grateful to Murdo Fraser for raising that matter, and I ask him to pass my good wishes back to his constituent, please.

I am sure that members across the chamber would want to acknowledge that our Ambulance Service does an excellent job. I do not know all of the details of that particular case, but from what Murdo Fraser has narrated, that kind of response time does not appear to me to be acceptable. However, I will ask the Cabinet Secretary for Health and Sport to look into the circumstances, discuss them with the Scottish Ambulance

Service, and write to Murdo Fraser when she has more information.

Healthcare Environmental Services

Monica Lennon (Central Scotland) (Lab): After the clinical waste company Healthcare Environmental Services ceased its services to the national health service, health boards continued to pay the company, and it has been reported that boards still owe HES £450,000. Meanwhile, HES workers still have not been paid their final wages after they were let go at Christmas. Does the First Minister agree that any outstanding payments from NHS boards to HES should be used to create a special fund for HES staff, who cannot afford to be out of pocket any longer?

The First Minister (Nicola Sturgeon): First, I understand the sentiment behind Monica Lennon's question. I think that we would all share a sense of anger when any employees are treated less than ideally, which is certainly the case here.

My understanding is that any payments that were made to the company were for services that were delivered before the company went into administration, and therefore health boards were contractually and legally obliged to make those payments. *[The First Minister has corrected this contribution. See end of report.]* I am sure that Monica Lennon can understand that position. However, we will continue to do everything that we can to help the employees concerned, and I am sure that the Cabinet Secretary for Health and Sport would be happy to talk to Monica Lennon about the further actions that the Scottish Government is able to take.

Tarbolton Landfill Site

Brian Whittle (South Scotland) (Con): I wish to draw the First Minister's attention to Tarbolton landfill site. It has been 250 days since the company that was running that site went into liquidation. Since then, pumps have been switched off and there has been no flaring. There is increasing evidence of contaminants leaching into the ground, the air and the water.

At a recent stakeholders meeting, it was unclear where the responsibility lies for health and safety. Can the First Minister tell me where the lines of responsibility lie in relation to keeping that site safe?

The First Minister (Nicola Sturgeon): I am not able to give that information to Brian Whittle right now. I undertake to raise the issue with the environment secretary and to come back to Brian Whittle as quickly as possible about our understanding of the lines of accountability and the action that the Scottish Government can take

to try to reach a resolution of what certainly seems to be a deeply unsatisfactory situation.

I can understand that people in the local area will be very concerned about any prospect of contamination and it is absolutely necessary that all relevant agencies and organisations respond as quickly as possible.

Maternity Services (Caithness)

Rhoda Grant (Highlands and Islands) (Lab):

A woman in Caithness has bravely shared her experience of giving birth under the current maternity services provision there. She was pregnant with twins when she went into labour at 30 weeks. She went to Caithness general hospital and was told after examination that she would be transferred by road to Inverness—over 100 miles away and a two-and-a-half-hour drive.

Halfway into that journey, her transport had to stop at a community hospital in Golspie, where the first twin was born breach. The air ambulance was then tasked but because it would take two hours to arrive, the first twin was sent by road to Inverness.

The helicopter could not land. Another air ambulance was tasked but would have taken too long to arrive. Therefore, a second ambulance resumed the journey to Inverness, where the second twin was born.

Thankfully, after a prolonged stay in hospital, all are now doing well. However, it begs the question: why was the air ambulance or the emergency retrieval team not tasked initially with airlifting the mum from Caithness? Will the First Minister investigate this and will she make sure that the air ambulance service treats such situations as a priority?

The First Minister (Nicola Sturgeon): Yes, I will investigate that specific question and I ask Rhoda Grant to convey my good wishes to the family in her constituency.

As Rhoda Grant knows, mothers about to give birth are transferred from Caithness only when that is considered to be in line with patient safety. Why the air ambulance was not immediately tasked in this case is not something that I have information on now, but I will ask the health secretary to look into that this afternoon and come back to Rhoda Grant with an explanation of why that happened and any further consideration that we think is required in the light of that, to ensure that, where possible, the right method of transferring mothers is tasked at the earliest possible opportunity.

Fatal Accident Inquiries

3. Willie Rennie (North East Fife) (LD): New information suggests that John Yuill could have survived if the police had responded to an emergency call in time, but we know that both he

and Lamara Bell died when they were left at the side of the M9 motorway for three days. The accident happened four years ago, but there is still no fatal accident inquiry—and their families are not alone: our research has found that families across Scotland wait for up to eight years for a fatal accident inquiry into the death of their loved ones.

Can the First Minister tell these families why on earth it is taking so long for them to get the answers that they deserve?

The First Minister (Nicola Sturgeon): I thank Willie Rennie for raising the issue. I take the opportunity to once again express my deepest sympathies to the families of John Yuill and Lamara Bell. What happened in that case was unacceptable. There has been a great deal of investigation and lessons have been learned that will be applied.

On the specific issue of fatal accident inquiries, I absolutely understand the frustration that families will often feel about the length of time that it takes for them to begin. However—I hope that Willie Rennie understands this point; I am sure that he will—the decision to hold a fatal accident inquiry and the timescale for initiating the inquiry are matters entirely for the Lord Advocate. In this capacity, the Lord Advocate operates independently of Government, so it would be wrong for me to seek to second-guess that decision-making process.

Depending on the circumstances of a case—I am not talking about any particular case—a death investigation can be complex and technical and often involves a number of different agencies. The Crown Office is committed to prompt investigations. However, it accepts that the time that has been taken to complete an investigation has been too long in some cases.

Finally, the Government has made additional funding available to the Crown Office, some of which the Crown Office is using to support the Scottish fatalities investigation unit to try to reduce the time that is required to complete death investigations.

I hope that that is a helpful answer and that Willie Rennie is assured that the Crown Office and the Government take the issue seriously.

Willie Rennie: I understand that. However, how can any lessons be learned when it takes years to get the answers?

It may be that the issue of the failure to maintain experienced call handlers in the Bilston Glen police service centre is one of the lessons that should be learned from the M9 crash. However, mistakes are about to be made again at Bilston Glen, as well as at centres in Motherwell and Govan. Police staff who work night and back shifts are about to lose thousands of pounds per year

due to changes in their shift allowances. I am told that morale is at rock bottom.

We cannot afford to drive experienced call handlers out of police service. Will the First Minister therefore step in to prevent those damaging changes?

The First Minister: That change is, of course, still under discussion. The majority of police staff will see an increase. Nevertheless, those are important issues that the Government must properly consider.

I have answered the points about fatal accident inquiries as fully as I can and I will not repeat what I have already said. It is in the interests of everyone that investigations and inquiries take place as quickly as possible. However, it is also important that the right processes are followed.

The average number of days that are taken to complete fatal accident inquiries is reducing. However, that is of no comfort to any family who is still waiting for one to start. We take those issues seriously and continue to work with the Crown Office to address them—and that is the case with regard to the other changes that Willie Rennie mentioned.

Bedroom Tax

Keith Brown (Clackmannanshire and Dunblane) (SNP): The First Minister might be aware that the Conservative Party's spokesperson for social security stated this morning that there is no such thing as the bedroom tax.

Given that the Scottish Government provides an average of £650 in bedroom tax relief for more than 70,000 families in Scotland, is the First Minister concerned, as I am, that the Tories would take away that support for families, because they believe that the tax does not even exist?

The First Minister (Nicola Sturgeon): I have not seen the details of the comment, but I am aware that Michelle Ballantyne, the Tories' spokesperson for social security and welfare, said at a committee this morning that the bedroom tax does not exist.

That will come as news to the many people who are subject to the bedroom tax—or who would be subject to the bedroom tax but for the mitigation action that the Scottish Government has taken to ensure that nobody in Scotland has to pay it.

Perhaps Michelle Ballantyne will want to explain her comments later this afternoon. I would hope that Jackson Carlaw would want to take a very close look at her comments. However, if the Tories do not even understand the basics about what people across the country are experiencing as a result of their welfare policies, it does not augur

very well for our chances of persuading them to change them.

It is an appalling comment, if indeed it was made, and I hope that Michelle Ballantyne will retract it at the earliest opportunity.

Discrimination

Anas Sarwar (Glasgow) (Lab): Discrimination is about more than just hate crime; it impacts people's life chances and outcomes. Today, with the support of the Scottish Parliament information centre, I published a report that shows that Scotland's diverse minority communities are chronically underrepresented in the civil service and public sector bodies.

Only 1.8 per cent of civil servants are from a diverse background; only 10 of the people who are in the most senior posts are from a diverse background; and in two thirds of local authorities people who are from a diverse background make up less than 1 per cent of employees.

Will the First Minister commit to a full and regular audit of Scotland's public sector? Will she support the implementation of the Rooney rule, which means that at least one person with an ethnic minority background is shortlisted when a vacancy arises? Will she agree to expand the welcome Gender Representation on Public Boards (Scotland) Act 2018 to ensure that our public sector bodies reflect Scottish society?

The First Minister (Nicola Sturgeon): I want to say a couple of things in response to that. First, I absolutely agree with the sentiments behind Anas Sarwar's question. I will ask the permanent secretary to consider all the specifics that he has asked me about and I will be happy to write to him, or I will ask the permanent secretary to write to him, on how we will take forward those specific points.

I assure Anas Sarwar and the entire chamber that the Scottish Government, as an employer, is absolutely determined to increase the number of people from ethnic minorities who work in the organisation. They are underrepresented in the Scottish Government at the moment, as will be the case for many organisations and employers. Just as it is important that we redress the imbalance in gender, it is vital that we redress the imbalance that affects people from ethnic minorities. As an employer, the Scottish Government is absolutely committed to doing so and to encouraging other employers to take similar action.

Saltire Prize for Marine Energy

Liam McArthur (Orkney Islands) (LD): The First Minister will recall that the saltire prize for marine energy was first launched in 2008 by her predecessor, Alex Salmond, amid characteristic

fanfare. Mr Salmond went on to relaunch the prize on a regular basis over subsequent years, before it was quietly abandoned, unclaimed, in 2017.

Given the role that tidal energy needs to play in our future energy mix, as well as in meeting our climate change targets, what assurance can the First Minister give that the latest version of the saltire prize is actually winnable and is not simply an exercise in window dressing?

The First Minister (Nicola Sturgeon): That is a legitimate question for Liam McArthur to have raised. We have recast the prize to make sure that it matches developments in tidal energy. The fact that the saltire prize was not doing that was nothing to do with the situation when the prize was launched; it is simply the case that tidal energy has not developed in the way that people then thought that it would. We are determined to ensure that the recast initiative helps those who are seeking to develop tidal energy.

Over the past couple of weeks, as I have promoted Scotland internationally, I have spoken to a number of people who are active in renewable energy, some of whom warmly welcomed the changes, because they thought that the recast prize better reflected the work that they were doing. I hope that Liam McArthur is reassured by that and that we can all get behind renewable energy generally in Scotland, and tidal energy in particular.

Shooting (Glasgow)

Annie Wells (Glasgow) (Con): On Saturday, another shooting took place in Glasgow—in Springburn, which is the area where I live—almost a year after the victim's brother was shot in the same street. It is one of the many shootings that have taken place in Glasgow over the past two years. The issue is one that I have previously raised in the chamber.

What action will be taken to reassure residents that steps are being taken to clamp down on gun crime?

The First Minister (Nicola Sturgeon): That is primarily an operational matter for Police Scotland. I know from the discussions that I have with Police Scotland that the issue of gun crime and gang-related crime in the city of Glasgow is a real priority for the organisation.

For the Government's part, we have a duty to support the police, which is why we are increasing Police Scotland's revenue budget. That will enable Police Scotland to do the job that it is tasked to do. The Cabinet Secretary for Justice and I are regularly briefed by Police Scotland on developments to do with serious and organised crime, and I am sure that the issue that Annie Wells has raised will continue to be a great

priority. I think that that is required in order to provide the necessary reassurance to people who live in Glasgow, which is where I live and where my constituency is. Annie Wells has raised an important point.

Canada, United States and France (Visits)

4. Kenneth Gibson (Cunninghame North) (SNP): To ask the First Minister whether she will provide an update on her recent visits to Canada, the United States and France. (S5F-03084)

The First Minister (Nicola Sturgeon): In the face of Brexit, it has never been more important to demonstrate that Scotland is an open, outward-looking country and that we are open for business. I visited the US, Canada and France, which are markets that are worth more than £8 billion to Scotland's economy, to promote our country as an attractive place to invest, visit, work and live.

During my visits, I opened new hubs in Canada and France, as part of our programme for government commitments to grow our relationships with other countries, and hosted events to promote Scottish food and drink. I met companies including Marriott, Accor, Morgan Stanley, IBM and BNP Paribas, all of which are important stakeholders in some of our key economic sectors. I also spoke at an event at the United Nations that was hosted by the assistant secretary general for human rights to discuss Scotland's commitment to gender equality and human rights.

Kenneth Gibson: Does the First Minister agree that, by promoting trade and investment and launching new innovation and investment hubs in Ottawa and Paris, the Scottish Government is working to show that Scotland is an attractive place to invest, visit, work and live, and that Scotland is building positive international relationships as we are taken out of the European Union against our will, instead of taking the isolationist view of the parochial Tories, who quibble at any attempt by Scotland to raise its profile on the international stage, even as we strive to attract investment and jobs to Scotland?

The First Minister: It has always been important for First Ministers to represent and promote the country abroad. By coincidence, when I was going to France on Monday, I ran into Jack McConnell at Edinburgh airport, and he reminded me how important it was to do that when he was First Minister. It is even more important now because of Brexit. I make no apology. I will continue to do everything that I can to promote Scotland abroad. Interestingly, the Tories have been criticising that, but I notice that the Secretary of State for Scotland seems to agree with me, rather than with them. In the past couple of years alone, David Mundell has visited Iceland, the USA,

Uruguay, Chile, New Zealand, Hong Kong, Japan, Norway, Paraguay, Argentina, Germany, Belgium, Myanmar and Singapore, and I back him to do that. The only question is why nobody noticed that he was gone.

ScotRail Satisfaction Targets (Alterations)

5. Jamie Greene (West Scotland) (Con): To ask the First Minister what the Scottish Government's response is to reports that alterations have been made to ScotRail's satisfaction targets over the last two years. (S5F-03077)

The First Minister (Nicola Sturgeon): The Government puts the interests of the passenger first, which is why the franchise contract includes requirements to meet passenger satisfaction targets. Only a few rail franchises require that. The Government holds ScotRail to account for matters within the franchisee's control, but it is only reasonable—and required contractually—that we also take account of impacts that are beyond the franchisee's control. The targets for overall satisfaction have been adjusted, as required by the contract, for two reasons: first, to take account of a change in survey methodology by Passenger Focus and, secondly, to take account of increased disruption levels from extended route closures due to track renewal works in the Queen Street tunnel and delayed electrification works. The extent and impact of that disruption was not known at the time of the bids for the ScotRail franchise.

Jamie Greene: ScotRail's contractual satisfaction target is 88.5 per cent, but the Scottish Government dropped that target to 84 per cent and 85 per cent in the past two years. Surprise, surprise, the operator met the new, lower targets, thus avoiding triggering an event of default. We know that ScotRail is unlikely to meet its public performance measure targets for months, if not years, to come. In December, the First Minister told the Parliament that services were unacceptable and she apologised to passengers for the dismal performance. Is the Government not sending the message that moving the goalposts and lowering the targets is how it will deal with any franchise holder that does not meet its contractual obligations? Given that satisfaction levels are at a 15-year low and that passengers have had repeated apologies from the Government, what is the First Minister's message to passengers today?

The First Minister: First, as I said, the ScotRail franchise is one of just a few rail franchises that require the holder to meet passenger satisfaction targets. That is a good thing. When it comes to amendments or adjustments, I am not sure whether Jamie Greene is seriously proposing that ScotRail should be held to account for factors that are outside its control—factors that are down, for

example, to the failure of Network Rail, the responsibility for which is not devolved to this Parliament. Thirdly and finally, we continue to hold ScotRail to account. The results of the national rail passenger survey led to a formal remedial plan notice being issued by Transport Scotland on 8 February, which required ScotRail to submit a remedial plan. We have robust arrangements in place, and the Scottish Government will do what is required to ensure that ScotRail is held to account against those arrangements.

Richard Lyle (Uddingston and Bellshill) (SNP): Can the First Minister give an indication of what proportion of any delays are linked to Network Rail? Does she agree that it is high time that Opposition members joined in the call for the full devolution of Scotland's railways?

The First Minister: The Opposition does not like this, but Richard Lyle's question is absolutely on the money. The key performance indicator target for overall satisfaction was adjusted to take account of increased disruption that was caused by the delay to Network Rail's electrification works. The adjustment also took account of the delay to track renewal works in the Queen Street tunnel. Again, that is the responsibility of Network Rail. Those issues are outwith the control of ScotRail and the Scottish Parliament, because responsibility for Network Rail is not devolved. Overall, more than half of the delays on the network over the past year have been the responsibility of Network Rail. If Opposition members want us to be able to do more about that, they need to get behind our call to devolve responsibility for Network Rail to this Parliament.

Mike Rumbles (North East Scotland) (LD): It is no good blaming Network Rail. Half of Network Rail's problems are down to weather, and they do not change.

The Presiding Officer: Is there a question, please?

Mike Rumbles: We have heard that customer satisfaction rates have dropped to a 15-year low and performance indicators are still well below the level at which financial penalties should have been imposed by the Government. Abellio is still providing an unacceptable service. Does the First Minister accept that the public have lost confidence in Abellio as the operator of the £7 billion ScotRail franchise and that the franchise should be ended at the first break point in the contract?

The First Minister: First, ScotRail should be held to account where it fails, and it is held to account. ScotRail is fined for failures in its performance, where appropriate.

Secondly, it is only down to the actions of this Government—this was opposed for a long time by

the unionist parties in the Parliament—that we have the power to ensure a public sector bid for future franchises.

Mike Rumbles cannot seriously be suggesting—although I think that he was—that, when more than half of the delays on the network are the responsibility of Network Rail, we should not blame Network Rail. Let us hold ScotRail to account when its failure is to blame and let us hold Network Rail to account when it is to blame, but let us give ourselves the ability to properly hold Network Rail to account by devolving responsibility for it to this Parliament.

Vulnerable Energy Consumers

6. Pauline McNeill (Glasgow) (Lab): To ask the First Minister what steps the Scottish Government plans to take to help vulnerable energy consumers. (S5F-03075)

The First Minister (Nicola Sturgeon): We are disappointed that the United Kingdom Government continually fails to create an energy market that serves consumers fairly, particularly the most vulnerable. As the member knows, fuel costs, which we do not have power over, are the biggest driver of fuel poverty. Where we have powers, we are taking action, including by introducing the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill and our energy efficiency route map.

We are pleased that the latest Office of Gas and Electricity Markets findings show that no customers were disconnected in Scotland in 2017 and that fewer Scottish customers are repaying energy debts, but I believe that still more should be done. We have recently written to the chief executive officers of the big six energy companies, urging them to build on that action and inviting them to engage with us on how we can support more people.

Pauline McNeill: Almost a quarter of people already live in fuel poverty. On 1 April, more than 1 million households in Scotland will see their bills increase by, on average, £110 a year after the energy watchdog Ofgem increased the cap for those on the default tariff, otherwise known as the variable tariff. There is a question about whether it can any longer be argued that there is a cap.

The energy companies are supposed to have a priority services register, but there are no standard qualifying criteria for a vulnerable household. I am pleased that the First Minister said—

The Presiding Officer: A question, please.

Pauline McNeill: —that she has written to the big six energy companies. Will she pressure them to ensure that they have a strategy for vulnerable

customers that protects their interests and does not force them to take on the highest tariffs?

The First Minister: I agree with Pauline McNeill. I agree with her point about the cap. The cap is controlled by the UK Government, and we do not have control over it. We will continue to engage with the energy companies to persuade and encourage them to do everything that they can to help vulnerable customers. We will take whatever other action we can in our power to help vulnerable customers, because the increases to which Pauline McNeill referred are unacceptable.

Youth Strike 4 Climate

7. Ross Greer (West Scotland) (Green): To ask the First Minister what the Scottish Government's response is to the youth strike 4 climate. (S5F-03073)

The First Minister (Nicola Sturgeon): The threat of climate change can sometimes seem overwhelming, but we should all be optimistic given both Scotland's record in almost halving our emissions and the actions of young people last week.

Given the impact that climate change will have on young people, it is essential that we listen to them carefully. I would certainly be happy to meet the students, and I have asked my officials to work with them to facilitate that.

The targets that are proposed in our Climate Change (Emissions Reduction Targets) (Scotland) Bill mean that Scotland will be carbon neutral by 2050. Last week, the Committee on Climate Change informed us that its next advice on targets will be published on 2 May. If it says that we can now responsibly and credibly set a date to achieve net zero emissions of all greenhouse gases, we will do so.

Ross Greer: I thank the First Minister for her words of support for the young people who took strike action last week and today. As she has previously acknowledged, we are well beyond the point when words are sufficient to deal with the crisis. The young people I was with in Glasgow last Friday had one key demand: keep oil and gas in the ground. I will ask a question on their behalf: does the First Minister acknowledge the indisputable scientific reality that the overwhelming majority of oil and gas reserves in the North Sea and elsewhere must stay there unburned?

The First Minister: We certainly understand the importance of the transition from fossil fuels to a carbon-neutral economy and we support it in many different ways. At the heart of our proposals is the concept of just transition, to make sure that workers in one industry are not left behind as we make the transition, and I hope that all members in the chamber understand the importance of getting

that balance right. There is no bigger priority than tackling climate change. Scotland is already leading the way on that and we will continue to do so.

The Presiding Officer: That concludes First Minister's question time. I thank the First Minister and most of the contributors for their brevity. Before we move to members' business, we will have a short suspension while the members change seats and the people in the public gallery move.

12:45

Meeting suspended.

12:48

On resuming—

Delivering Sustainable and Renewable Transportation

The Deputy Presiding Officer (Linda Fabiani): The next item of business is a debate on motion S5M-15696, in the name of Jamie Greene, on delivering sustainable and renewable transportation for Scotland. The debate will be concluded without any question being put.

Motion debated,

That the Parliament notes its responsibility in improving access to and facilitating the delivery of sustainable and renewable transportation in Scotland; acknowledges the important role that low-emitting transportation methods such as low and ultra-low emission vehicles (ULEVs) have toward meeting the Scottish Government's climate change target to reduce carbon emissions by 90% before 2050; notes the view that, while low-emission cars have the additional benefit of reducing air pollution and improving public health, tangible increases in the take-up of such vehicles will require significant increases in, and wide geographical spread of, suitable charge point networks; recognises that emerging hydrogen technology will play an additional role in delivering a sustainable and renewable transportation network in Scotland; acknowledges calls for new rail technology to also be explored and developed, such as hydrail, which, it understands, has been introduced in Germany and is used as a viable alternative to electrification of tracks; believes that hydrogen technology can also play its part in sustainable marine transportation, and notes the calls to explore all available technologies that have the potential to ambitiously alter infrastructure to help deliver an affordable and truly sustainable transport network in the West Scotland region and across the country for future generations.

12:48

Jamie Greene (West Scotland) (Con): I thank members from across the political spectrum, some of whom are not in the chamber, for supporting my motion, which has allowed the debate to take place.

Delivering a sustainable and renewable transport network is an absolute necessity if we, as a Parliament and as a country, are serious about meeting our climate change obligations, which is something that I feel has wide cross-party support. The premise of the debate is to stimulate a sensible conversation around how we can use technology, specifically, to help to get people moving, make public transport more sustainable and cost effective and ensure that the investment that any Government makes in transport infrastructure depends less on expensive, carbon-reliant power.

According to the Government's Scottish greenhouse gas emissions report, transport emissions accounted for 37.3 per cent—or more

than a third—of our country's total emissions in 2016; that is a lot. The report also highlighted that road transport was the largest source of transport emissions in Scotland, with the figure growing by over 7 per cent since 1990. Admittedly, that is probably due to the increase in the number of vehicles on our roads.

I know that many members spoke in the recent excellent parliamentary debate on efforts to roll out ultra-low-emission vehicles, and I want to reiterate some of the challenges that were highlighted in that debate by members across the board. For a start, there is still an insufficient number of charging points, especially in remote and rural areas, and there are still substantial issues with range anxiety—in other words, people being worried about running out of power and having nowhere to charge the car. Concern was also expressed about the lack of standardisation of charging points. I appreciate that Government is not necessarily in control of what business does, but surely it can take the lead in improving standardisation. There is also the issue of the significantly higher costs of these vehicles, which are, at the moment, anything from 10 to 30 per cent more expensive—although they are becoming more affordable as the days go by.

I hope that we can also look at some of the great work on ultra-low-emission vehicles that is happening in other countries. For example, on charging points being a barrier to uptake, we should look at the excellent job that Amsterdam is doing to improve such uptake. Residents have to register their electric cars; the Dutch Government collects that data in order to know the quantity and scale of electric car ownership in particular streets or areas; and, as a result, it can target investment in charging points instead of having some arbitrary or sporadic roll-out. I am sure that when he winds up, the minister will tell us about the number of charging points that exist at the moment, but the issue is not how many there are, but where they are. If people cannot charge their cars outside their front door but have to park streets away to do so, it is very unlikely that they will buy these vehicles. In our party's recent publication, "Global Challenge, Local Leadership: Environment and Climate Change Position Paper", we set out a number of what I think are very useful measures that we would like to be introduced to increase uptake and ownership of these types of vehicles.

In the brief time that I have left, I want to touch on some other important technologies, specifically hydrogen technology, which we have not had much of a conversation about in the Parliament. Such technology is a reality and can deliver almost carbon-free transportation. In Germany, which I think is the world leader in this respect, the technology is being used on light-rail projects and main-line services; increasingly, it is taking over

from diesel-powered passenger trains. Indeed, I have many examples of its use, but I will not list them all today.

As we know, Scotland can be a pioneer in this type of technology. I recognise the great work that is being done on hydrogen marine technology—indeed, a ferry service that will use it is being introduced—but that kind of power needs a source, which will require infrastructure. How will we get that fuel into the country so that we can use it day to day? Welcome progress is being made, but more needs to be done.

Another type of technology that I am learning more about every day is battery power, especially its use on rail services. Members might not be aware of this, but battery packs can be added retrospectively to existing electric trains. I am thinking, for example, of the new class 385s that are coming on board in Scotland—I welcome that move to electrification. Battery power means that such trains can go off grid, if you like, by moving from tracks that are reliant on overhead lines to tracks that are traditionally used by diesel trains. In other words, an electric train can get to where it needs to go by using battery power to operate on non-electric lines. The range is increasing as the technology gets better. That technology is used extensively in Japan, where a train will pull into a station, charge for a few minutes and then head back out on its journey.

There are many technologies out there—liquefied natural gas, for example—that we as a country could be focusing investment and working hand in hand with industry on. As industry makes progress in this space, Government, too, can intervene.

If we truly want to tackle climate change, we need to lead the way in the world on emerging technologies. That will mean increasing our research and development capacity, increasing targeted investment of the right sort in new technologies, and fostering a country that inspires new businesses to come here and work with Government to introduce new technology. If we want to remain ahead of the rest of the world—and, indeed, the rest of the UK—in tackling climate change, we need to stop talking so much and start doing more.

I believe that the Scottish Government is committed to its obligations, as are our party and our Parliament, but we need to take tangible steps to introduce the necessary measures.

I appreciate that it is lunch time for many members, so I will leave it there, but I thank members again for supporting my motion. I hope that our debate—short though it may be—will stimulate conversation about how our society can introduce technology to meet our climate change

objectives and make transport safer, cleaner and more cost-effective.

12:55

David Torrance (Kirkcaldy) (SNP): I thank Jamie Greene for securing this important debate on sustainable and renewable transportation in Scotland. The transport sector contributes more than a third of the air pollutants emitted into Scotland's atmosphere, so any progress that can be made towards reducing its emissions is worth while.

The grave effect of air pollution on our environment is well documented and causes global temperature rises, shrinking ice sheets, sea level rises and extreme natural events. Long-term exposure to air pollution can also affect public health: it is known to cause respiratory issues and heart disease and to be linked to a wide variety of illnesses. It is clear that steps must be taken to tackle carbon emissions and reduce the harm caused to our environment.

Scotland has always had a forward-thinking attitude towards reducing carbon emissions and we are currently on track to outperform the interim emissions reduction target of at least 56 per cent by 2020. Edinburgh, Aberdeen and Glasgow have been named the three greenest cities in the United Kingdom, based on everything from recycling and air quality to the number of electric vehicles and green spaces.

The Scottish Government continues to encourage emissions reduction, particularly in public and private transportation. Significant investment has been made, both by the Scottish Government and by local authorities, in infrastructure for alternative fuel vehicles. As part of the process of dualling the A9—Scotland's longest road—electric vehicle charging points are being placed at various points along it, adding to more than 2,000 connection points across Scotland and helping to tackle range restrictions on electric vehicles and break down perceptions of long-range electric travel as an inconvenience. Scottish Power is also helping to encourage private citizens to make the switch to electric vehicles by introducing a new tariff aimed at electric vehicle owners, allowing users to access discounted charging during off-peak hours and, for the first time, to take advantage of cheaper electricity rates through their smart meter—all with 100 per cent renewable electricity.

As part of the steps that they are taking to address carbon emissions, local authorities are increasingly turning to hydrogen-powered fuel cell vehicles to reduce transport emissions. Hydrogen is a sustainable, zero-emission fuel that can be compressed and stored for refuelling fuel cell

vehicles. The only waste products from combustion are water and heat; no greenhouse gases are emitted into the atmosphere. Fuel cell vehicles are also more comparable to conventional cars than electric vehicles, because they take less than 10 minutes to refuel and have a driving range of between 200 and 300 miles, depending on the model. That makes them more appealing to drivers with long commutes, to those who lack plug-in access for an electric vehicle at home or outside, and to organisations with commercial vehicles that have long-distance requirements.

The Bright Green Hydrogen site in Methil has allowed Fife Council and local businesses to use lower-emission vehicles. Bright Green Hydrogen's energy storage system uses excess green energy generated by its on-site wind turbine and solar photovoltaic system to create hydrogen for storage. The stored hydrogen powers the site's microgrid at times when there is a deficit in green energy production, but it also powers the 17 hybrid vehicles that were deployed in the Methil area in 2017. The fleet includes 10 hydrogen-electric vans, five hydro-diesel vans and two specially adapted hydro-diesel refuse lorries, thought to be the first of their kind in the world. The energy storage system supplies hydrogen to two mobile hydrogen vehicle refuelling units, which are based on International Organization for Standardization shipping container dimensions, so that they can be readily transported and easily relocated from site to site. An additional hydrogen storage and refuelling station is located at the council's Bankhead vehicle depot in Glenrothes, off the A92 trunk road.

Fuel cell vehicles are also being used to reduce emissions from public transport networks in our major cities. Aberdeen already has one of the most advanced municipal hydrogen-powered fleets in the UK, including 10 buses, with another 10 due to be introduced. The buses are not only emission free but quieter than conventional buses, reducing air and noise pollution.

By the end of 2019, 60 fuel cell vehicles are set to be operating in the Aberdeen area. Additionally, the city's refuelling centre is now open to the public, so anyone wishing to cut down their carbon emissions can make the switch to an emission-free vehicle.

I encourage everyone to consider the option of electric or hydrogen-powered vehicles when thinking of replacing their car. I would also like to see a faster move towards environmentally friendly bus services across Scotland, especially in our cities.

The various projects around Scotland that utilises renewable energy and alternative fuel sources in transportation are beneficial not only to

the individuals that use them, but also to the local communities that they serve by improving the quality of the air that everyone breathes. As CO₂ remains in the atmosphere for up to 100 years after emission, the effects of the reductions will be felt for generations to come and our efforts will continue to cement Scotland as a leading player in the renewable energy industry.

13:00

Colin Smyth (South Scotland) (Lab): I thank Jamie Greene for lodging the motion, which has enabled today's debate on what is an important issue.

Transport accounts for 37 per cent of Scotland's emissions, so it is clear that we will not meet our environmental obligations without radical changes in our transport system. The fact that Jamie Greene's motion covers such a wide range of technologies that can contribute to helping to meet those obligations emphasises the need for a multi-faceted approach, where every mode of transport has a part to play.

On our roads, the Scottish Government's target to phase out the requirement for new petrol and diesel cars by 2032, combined with the introduction of low emission zones, makes the expansion of ultra-low-emission vehicles a priority. The number of such vehicles has increased in recent years, which is welcome, but electric and hybrid cars still make up less than 1 per cent of road vehicles in Scotland.

There is a need to address the financial and practical barriers that prevent people from using ultra-low-emission vehicles. UK-wide research by the Department for Transport found that most private electric vehicle owners are middle-aged, well-off men in urban areas. The department estimated that that demographic is unlikely to change in the near future, with affordability remaining a significant barrier to the take-up of ultra-low-emission vehicles. More needs to be done to ensure that the use of greener vehicles is not a luxury that is available only to the better-off, particularly as cities begin to introduce low-emission zones.

In January, when we debated the issue of ultra-low-emission vehicles, I raised concerns that there remains a lack of a comprehensive, long-term plan from the Scottish Government to break down the barriers that I have mentioned, incorporating the incentives, infrastructure and technological developments required to meet the 2032 target. The minister replied by saying:

"the national transport strategy and the network vision statement, which I will publish later this month, will give more detail on the necessity for investment in infrastructure to support EVs and their roll-out more widely."—[*Official Report*, 8 January 2019; c 58.]

The end of January has come and gone, so I hope that the minister will be able to update members on the publication of that statement in his summing-up.

The Minister for Energy, Connectivity and the Islands (Paul Wheelhouse): I am happy to do so now. The publication of the network vision statement was delayed in order to take on board more information about hydrogen, which is the subject of today's debate, and it will be helpful for me to reflect on today's debate in that document. It has been held back with good intent, which is to ensure that we reflect recent developments in the hydrogen economy.

Colin Smyth: I hope that we will see the publication of that statement sooner rather than later. The clock is ticking when it comes to developing and supporting vehicle technology.

Of course, reductions in transport emissions will not all be met by a move away from diesel and petrol cars, because that in itself will not tackle congestion. We need a modal shift from cars towards environmentally friendly public transport and active travel.

Hydrogen-based technology has an important role to play, as we have already heard—from hydrogen ferries to the new hydrogen buses that are being rolled out in many parts of Scotland; there has also been a suggestion that the UK's first hydrogen-powered train will be running by 2022. The role of electric vehicles will also be important—from electric buses which are now a familiar sight in our communities, to more electrification on our railways.

As Jamie Greene has already highlighted, we should also be doing more to explore the use of battery-powered trains. As we have heard, those trains have the advantage of running and being charged on the electrified parts of the railway as well as being able to continue to run, using battery, on the tracks that have not yet been—and never will be—electrified. That opens up huge opportunities for many parts of our network.

Such greener public transport will require support and the will to deliver. With buses, that means public subsidies being set up in a way that incentivises investment in a greener bus fleet. With ferries, we need a long-term ferry strategy and a national shipbuilding plan to replace and upgrade the fleet in an environmentally friendly way. With rail, we need a greater focus on delivering greener trains by vigorously pursuing options such as hydrail and electric batteries, so that we are not solely dependent on electrification, which is a slow and expensive process.

Across the board, one of the most effective ways to improve public transport would be to take our railways back into public hands and promote

more publicly owned bus services. That would ensure that profits are reinvested back into providing services that are not only greener but more reliable, more affordable and more accessible. Ultimately, that would ensure that our public transport puts passengers, not profits, first.

I will end on that consensual note.

13:05

Maurice Golden (West Scotland) (Con): I believe that any move to build sustainable transport systems must include at its heart a transition to electric and low-emission vehicles.

The case for cutting transport emissions is stronger than ever, particularly given that emissions have remained broadly unchanged since 1990. Moreover, it would boost public health by cutting air pollution, which it is estimated contributes to 2,000 deaths every year. Finally, it would help all drivers, especially low earners, given that running costs for electric vehicles are about a tenth of those for petrol vehicles.

It is only fair to recognise the steps that the Scottish Government is taking. Designating the A9 as Scotland's first electric highway is to be welcomed, both as a practical means to help adoption and as a statement of intent.

The same can be said of the 500 new ultra-low-emission vehicles that the Scottish Government has announced for the public sector. The Scottish Conservatives recognise the role that the public sector can play in that, and we have already proposed conducting cost benefit analyses of replacement, and we have proposed mandating consideration of electric vehicles in future procurement.

The commitment to expand the electric charging network, with extra funds being committed to that effort, echoes the Conservative policy of expanding the network across our rural communities. It is understandable that many people might have range anxiety about being stranded having run out of power with no charging point nearby, so expanding the charging network is a vital step to remove that barrier to adoption.

Welcome though the measures are, unfortunately we are not yet seeing the progress that we need. For example, between 2010 and 2016, chargeplace Scotland installed just 13 charging points in Renfrewshire and only three in East Dunbartonshire. There is also the unresolved issue of standardising of charging equipment, which is a must if we are to facilitate mass adoption and minimise costs for consumers and businesses.

Costs are an issue: even with support, electric vehicles remain prohibitively expensive for many

people. That point is underscored by the fact that the Scottish National Party electric vehicle loan scheme has received just 416 applications, with under 500 vehicles having been purchased over seven years. Added to that is the fact that no serious consideration has been given to how to nurture the second-hand market to widen access.

The reality is that fewer than 1 per cent of Scotland's 2.9 million cars are electric, and the same goes for new vehicle registrations—fewer than 1 per cent were for electric vehicles in 2016. Projections show that even by 2030, electric vehicles will constitute just 27 per cent of new car sales, with the deadline for reaching 100 per cent coming a mere two years later.

None of that is said to be critical; it is to highlight the scale of the challenge. As I said, there is political common ground and a role for the public sector, but we must not forget the private sector. A good example is Scottish Power. Having met its representatives, I know that it is working hard to improve the grid system that underpins efforts to expand charging networks. On the consumer side, it has introduced a new smart meter tariff to make vehicle charging cheaper.

If the political, public and private sectors work together, we will have the road to success. We just have to take it.

13:09

The Minister for Energy, Connectivity and the Islands (Paul Wheelhouse): I thank Jamie Greene for bringing this important issue to the chamber for debate.

I agree with members from across the chamber that decarbonising transport is one of Scotland's biggest challenges in meeting our greenhouse gas emission targets. It is a challenge that we are tackling head on. Our plans for the transport sector will see the greatest emissions reduction in absolute terms of any sector over the lifetime of the climate change plan, so it is important that we start to make progress.

Decarbonisation is vital work. It is good for Scotland's health. David Torrance made some excellent points about the impact on health of air quality. It will help to protect our precious environment, which we all care about. Innovative approaches to low-carbon transport have the potential to bring economic benefit to Scotland. Our focus and, I am sure, that of every member in the chamber, is on harnessing as many of those benefits as possible for the people of Scotland.

When opening our debate last month on ultra-low-emission vehicles, the Cabinet Secretary for Transport, Infrastructure and Connectivity described the various forms of support that we are

providing to encourage the transition to electric vehicles. Many colleagues from across the chamber highlighted the importance of having a charging network that provides comprehensive coverage around Scotland, which will give people the confidence to buy and run battery electric vehicles. That point has been repeated today.

Provision of that confidence is a priority for us, but we should reflect on what we have already achieved and be sure that we focus our attention on the most important issues. That is not necessarily to big ourselves up, but it is important to get the information out there about how many charging places there are, which will give the confidence that members seek.

Jamie Greene made the fair point that the chargeplace Scotland network already provides 1,000 publicly available charge points, which means that we have one of the most comprehensive charging networks in Europe. On average, the nearest charge point is just 2.78 miles away in Scotland—there are longer distances to travel in some localities—whereas in Great Britain as a whole the nearest charge point is, on average, 4.09 miles away. There is still an issue to be resolved for the whole of Great Britain, but we are making relatively good progress.

In addition, a number of independent providers have put in place chargers at various locations. Taken together, more than 2,800 publicly available individual connectors around Scotland are listed on Zap-Map, which is one of the leading listings of publicly available charge points. In some cases, there is more than one connector at a single charge point, which underscores the fact that there are probably more charging points than people might imagine. Even taking that into account, the numbers show that Scotland is well ahead of the European Commission's recommendation of one public charge point for every ten plug-in vehicles.

Through the Energy Savings Trust, we supported the installation in 2018-19 of 350 workplace chargers, in addition to the 461 that had already been installed, and of 1,200 domestic chargers, in addition to the 1,928 that were already installed.

There are perhaps more charging points than we have given ourselves credit for in the past. As Jamie Greene, Maurice Golden and other members acknowledged, some businesses already have their own charging points, and organisations and individuals are likely to have made their own arrangements without public support, so there will be more charging points than we are aware of. A lot of the public debate has focused on the chargeplace Scotland network, because it is the main publicly operated network, but most important is overall accessibility of chargers for electric vehicle owners.

We are committed to continuing to fund the public EV charging infrastructure, and to working with local authorities and others through programmes such as the switched on towns and cities challenge fund. However, we have to be sure that we are providing the right kind of investment. I take the point about ensuring that we get investment in the right places, which is important. We will continue to add charge points to the network where there is a need to ensure coverage. Our commitment to the electric A9, which was referenced by Maurice Golden, is an example of that. Equally important will be the focus on ensuring that the current network is well maintained and supported by excellent customer service, and that it keeps pace with changing technology.

The burden of charging EVs in Scotland will not fall on chargeplace Scotland's network alone. Analysis suggests that, on average, EV drivers use the public network for 10 per cent or less of their charging needs, with the rest of the charging being done at home, work or another destination. There is a mix of charger usage. We will continue to talk to the sector to make sure that we stay ahead of developments and ensure that installation of chargers on trunk roads, and at workplaces, destinations and at home happens as smoothly and effectively as possible.

I turn to other points that were made about the wider transport system. Support for EVs and charging is just one of the most visible demonstrations of our activity, but our support goes far beyond that. A number of examples have been referenced by colleagues from across the chamber.

We are tackling freight emissions through support for local authorities to deliver the ECO Stars programme for heavy goods vehicles. We have set Network Rail challenging but achievable regulatory targets to grow rail freight, which produces 76 per cent less carbon dioxide than road freight per tonne of cargo.

We will introduce an improved bus service operators grant low-carbon vehicle incentive from 1 April this year, as well as a new Scottish green bus fund, with money being available over years, and for infrastructure for the first time, which will be weighted towards the lowest-emitting buses.

We will also continue to promote a shift towards active and sustainable travel to combat health issues related to poor air quality, as referenced by Mr Torrance.

Hydrogen was mentioned by Colin Smyth and other colleagues from around the chamber. I mention our forthcoming network vision statement because I am trying to listen to stakeholders about reflecting the need for hydrogen. We will probably

do more detailed work on that throughout the year. We are on the verge of a transformational shift in use of hydrogen. Scotland has the natural assets, skills and experience to exploit fully the potential for hydrogen to help to decarbonise our transport and heat systems.

We have supported a number of world-leading hydrogen demonstration projects. I will not go through them all, but I will make sure that a list is available to colleagues who have taken part in the debate. We have given more than £6 million in support for procurement of hydrogen buses in Aberdeen, which Mr Torrance mentioned. We have provided £1.3 million for the Orkney surf'n'turf project on Eday, which is using tidal and wind energy to power the production of hydrogen for use in Kirkwall and potentially for the hydrogen ferry that has been commissioned to service the route there. We have provided £4.3 million for the Levenmouth community energy project—also referred to by Mr Torrance, because it is in his constituency—which is demonstrating the role that hydrogen can play in a low-carbon energy system. We need to seize the moment and to build on those and other projects that are developing economically sustainable models for production and use of hydrogen.

From providing support, to grid balancing and utilising constrained renewable energy, to direct use in heat systems, through which we can see the currently very low percentage of hydrogen that is injected into the grid being increased over time, and to transport applications, hydrogen presents an opportunity to decarbonise our energy use significantly, while releasing the potential for new technologies, businesses and economic benefit across Scotland. The role and value of hydrogen in our future energy system will form part of our electricity and gas networks vision statement, which we will publish shortly.

As the First Minister said at First Minister's question time, the Scottish Government wants the transition to a low-carbon economy to be a just one that ensures that no one is left behind as our technological and economic landscape develops. That is why we have established the just transition commission, which met for the first time on 31 January and will consider how the benefits of transition to a low-carbon economy can be shared widely across Scotland.

Although the emergence of new technologies provides an opportunity for Scotland to become a world leader in low-carbon innovation, it also has the potential to provide high-quality job opportunities for people across Scotland. An element that has not been mentioned in the debate, but which is very important as we roll out low-carbon transport, is skills. The energy skills partnership and Skills Development Scotland are

working to support Scotland's learning institutions to develop the skills base that is needed to deliver and maintain a sustainable low-carbon transport system that provides economic and environmental benefits for Scotland, as well as for individuals. I know that that includes provision of electric vehicles to colleges so that they can train the apprentices of the future and retrain people who are already in the workforce in order to adapt their skills to service a growing fleet of electric vehicles.

The shift towards low-carbon transport has the potential to unlock massive opportunities for Scotland. It is great that there is a great degree of consensus on that point. We believe that businesses will benefit from access to burgeoning new markets, and that individuals will also see huge benefits. However, we are already seeing encouraging progress in the uptake of battery electric and plug-in hybrid cars, and in the first steps towards the adoption of hydrogen bus fleets, rail and ferries.

I commend the Scottish cities alliance and its partners for the work that they are doing to encourage their members and neighbouring local authorities to adopt a more collective approach to their work on low-carbon transport and energy.

The Scottish Government will work closely with all colleagues in the chamber who have an interest in the matter. I thank everyone for their constructive tone in the debate and look forward to working with them as we decarbonise our transport system.

13:18

Meeting suspended.

14:30

On resuming—

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

The Presiding Officer (Ken Macintosh): The next item of business is a debate on motion S5M-15907, in the name of Derek Mackay, on the Budget (Scotland) (No 3) Bill.

Before the debate begins, I am required, under the standing orders, to state whether any provision in the bill relates to a protected subject matter—that is, whether it modifies the electoral system or franchise for Scottish parliamentary elections. In this case, the bill does no such thing and therefore does not require support from a supermajority of members to be passed. The cabinet secretary will be relieved to hear that.

I invite all members who wish to speak in the debate to press their request-to-speak buttons as soon as possible, and I call on the cabinet secretary, Derek Mackay, to open the debate.

The Cabinet Secretary for Finance, Economy and Fair Work (Derek Mackay): A majority for the budget tonight would be super. *[Laughter.]*

I am delighted to lead this debate on the final stage of the Budget (Scotland) (No 3) Bill. The budget ensures that we provide the necessary certainty that the country deserves and expects.

I thank all the Parliament's committees for their deliberations, especially considering the process changes that we made following the agreement of Parliament. I confirm that I have responded formally to the Finance and Constitution Committee's report on the budget.

This budget safeguards Scotland as best we can, using all the powers and resources at our disposal, with a clear focus on our priorities as a nation: education, the economy, the national health service, the environment and support for our communities, to name just a few.

Education—a top priority for the Scottish Government—benefits from more than £180 million to raise attainment in schools. We will transform early learning and childcare with a record £500 million expansion. We will continue our investment in skills and talent by investing more than £600 million in Scotland's colleges, £1 billion in universities and £214 million on apprenticeships and skills for young people.

On health, the budget will deliver on our commitment to pass on health consequential in full, increasing the health resource budget by more than £730 million—an increase of around £500 million in real terms. That increases the

investment in social care and integration to more than £700 million. It also provides an additional £27 million directly for mental health services, which takes the overall funding for mental health to £1.1 billion.

Under the circumstances, the 2019-20 budget delivers a fair financial settlement for local government by providing more than £11.2 billion, which is a real-terms increase of almost £300 million.

James Kelly (Glasgow) (Lab): Does the cabinet secretary think that it is fair that, as a result of this budget, a chief executive who earns £120,000 a year will get a tax cut, but Dundee City Council will have to cut its education budget by £3 million?

Derek Mackay: As a matter of fact, the education budget in Dundee is going up. The education portfolio is increasing in real terms as well. Why is the shadow cabinet of the Labour Party adopting the Tory income tax plans, when the Scottish Government is rejecting them?

In total, overall spending power for local authorities next year will potentially be up to £620 million higher than it is currently. At the same time, we are protecting household budgets by continuing to protect a cap on council tax increases. Overall levels of council tax will continue to be significantly less than in Tory-run England.

On a cross-party basis, local government has lobbied for more discretionary taxes.

Graham Simpson (Central Scotland) (Con): Why is it, then, that every council is having to make cuts?

Derek Mackay: As I have just expressed, the Scottish Government is giving councils more money—a real-terms increase—and improved spending power of more than £620 million. If I had followed Tory tax plans, £500 million would have had to come out of public services to fund them. What about the calamity of Brexit? Think of what that would do to our public services.

We have listened to local government on a cross-party basis—that even included Tories demanding a power that they now say should not be transferred to local government. What hypocrites there are in the Conservative Party.

I have reached a deal with the Greens to take forward our empowerment agenda. On local tax reform, we will see the empowerment of local authorities, supporting local democracies to develop local solutions. We will convene cross-party talks to replace the current council tax and publish legislation by the end of this parliamentary session to implement any agreement.

On the agreement to support new powers for local authorities, we will formally consult on the principles of a locally determined tourist tax and introduce legislation that would permit local authorities to introduce such a levy, if they consider it appropriate in their circumstances.

We will also support an agreed amendment to the Transport (Scotland) Bill that would enable councils wishing to use such a power to introduce a workplace parking levy. The use of such a power will be entirely an individual choice for each local authority and, as has already been noted in this chamber, in Tory-run England and in Wales, where councils already have the power, Nottingham is the only council to have used it. As I understand it, neither Glasgow City Council nor the City of Edinburgh Council—those councils perceived to be most likely to deploy the levy—are intending to promote it in the financial year 2019-20. How about this? Rather than focus on what is not happening in 2019-20, maybe the Conservatives should focus on what is happening in 2019-20.

This budget delivers a competitive package of business rates measures to help our businesses grow, prosper and be successful; it delivers the most generous business rates relief package anywhere in the United Kingdom, worth more than three quarters of a billion pounds, with capped poundage increases below inflation, ensuring that 90 per cent of properties in Scotland pay less than in other parts of the UK; and it continues the growth accelerator to provide a further competitive advantage for Scotland's businesses.

Our economic action plan sets out the measures to build a strong, vibrant, diverse and dynamic economy, which includes an ambitious national infrastructure mission, the national investment bank and investment of more than £5 billion of capital funding in our infrastructure. We are investing £1.7 billion in transport and connectivity and £180 million towards city and regional growth deals; establishing an £18 million advanced manufacturing challenge fund; boosting town centres with a new £50 million capital fund; and investing a record £826 million in housing, delivering affordable homes in communities across Scotland.

This budget expands the use of our new devolved social security responsibility powers to create a system that is based on dignity and respect, with a total forecast expenditure of £435 million in 2019-20. It delivers real action to tackle poverty and support families on low incomes, investing more than £100 million to directly mitigate the worst impacts of UK Government welfare cuts, including mitigating the bedroom tax in full.

On the subject of tax, as approved by the rate resolution this week, the budget ensures that 55 per cent of Scottish taxpayers will continue to pay less than they would if they lived elsewhere in the UK, with Scotland continuing to be the lowest and the fairest taxed part of the UK.

Before I ask Parliament to approve the budget later this afternoon, I must draw attention to the work of the chief economist that was published today. The UK chancellor's budget was constructed on the basis of an orderly Brexit, as was the Scottish budget. With just over a month to go before Scotland faces being dragged out of the European Union by the UK Tory Government, we face the real and increasingly likely possibility that the UK will crash out without a deal. The Scottish Government continues to believe that the best outcome for the UK and for Scotland is to remain in the EU. The choice is not just no deal or the Prime Minister's deal—in fact, the Prime Minister's deal would make Scotland poorer as well. The UK Government is systematically damaging our economy: austerity by choice, Brexit by design. Any form of Brexit damages our economy and our people.

Even though investment decisions have already been impacted, our economy has so far proven to be resilient, with gross domestic product growth and record low unemployment. That economic success is now at risk from the increasing Brexit uncertainty and, in particular, the no-deal scenario. Today, the chief economist in the Scottish Government has published a report, "No Deal Brexit—Economic Implications for Scotland", and it is important that the people of Scotland know that it shows that a no-deal Brexit would lead

"to a major dislocation to the Scottish economy"

and that it

"would be expected to push the Scottish economy into recession during 2019."

The report says that there is the potential for the economy

"to contract by between 2.5% - 7% by the end of 2019, depending on the way in which a No Deal Brexit outcome evolves."

Such an economic slowdown would be expected to result in unemployment in Scotland rising from its current record low level and potentially soaring by 100,000 people. That would be an economic shock on the scale of the 2008 financial crisis. Scotland should not have to pay such a heavy price for the incompetence of the Conservative Government.

Murdo Fraser (Mid Scotland and Fife) (Con): If the scenario of a no-deal Brexit is as appalling as the finance secretary sets out, is that not an argument for Scottish National Party MPs to back the deal that the Prime Minister has on the table?

Derek Mackay: Remember, outside number 10 Downing Street, the Prime Minister said that there was a choice: her deal, no deal or no Brexit. We will take no Brexit, thank you very much. The choice that Murdo Fraser offers is a false choice. The Tories are asking the people of Scotland how much damage they would like to come upon them. That is what the Tories, through their gamble and their recklessness, have taken us to. It is appalling and the economic credibility of the Tories is about to be shattered before our eyes. A no-deal Brexit is not just a hypothetical; it is impacting on our economy now and it must be avoided at all costs. That is what happens when we leave the economy of Scotland in the hands of the Conservatives.

Of course I am working on an economic response in the event of a no-deal Brexit, but we in this Parliament will have no choice but to revisit our spending proposals and priorities, to limit the economic harm that is being imposed on Scotland by Westminster. With the best will in the world, devolution and the current limited powers will not be enough to mitigate the economic catastrophe that is coming our way.

There are new converts to the notion that Westminster is broken, including some of its own members. I just wonder what took them so long to realise it. In sharp contrast, Scotland's Parliament must show leadership, stability, consensus and compromise, and, importantly, it must deliver.

This Parliament is at its best when all parties engage constructively, and surely the nation's finances and the decisions that we make on our public services deserve serious engagement. After all, decisions are indeed made by those who turn up. This year, unionist parties might have been in the room, but credible budget alternatives were absent, with the Liberal Democrats and the Tories putting their constitutional obsession before public services and those in the Labour Party too busy arguing among themselves. It was only the Greens who engaged constructively.

The passage of today's budget provides £42.5 billion of investment in our public services and economy to the benefit of the people of Scotland. By approving this year's budget, we make investments for the here and now while building for our future and safeguarding Scotland.

I hope that this will be a turning point for the Opposition, who would gain so much more for their constituents by working with us on the budget. Our Parliament in Scotland can offer the modern, progressive style of politics that is focused on the common good and the opportunities and challenges that we face together. That is why I have striven to deliver stability, sustainability and economic stimulus and why I am so proud to commend this budget to the chamber today.

I move,

That the Parliament agrees that the Budget (Scotland) (No.3) Bill be passed.

The Presiding Officer: Thank you, cabinet secretary. I call Murdo Fraser to open for the Conservative Party.

14:45

Murdo Fraser (Mid Scotland and Fife) (Con): Thank you, Presiding Officer.

Richard Lyle (Uddingston and Bellshill) (SNP): It's muddled Murdo!

Murdo Fraser: Oh, do not worry, Mr Lyle—I will come to you very soon.

When the finance secretary introduced his budget to Parliament at stage 1, just three weeks ago, I described it as a pay more, get less budget. That description still holds, but it does not do justice to what has turned into an omnishambles budget. For the past three weeks, this budget deal has faced criticism: criticism for a lack of transparency; criticism because of the tax hikes that are being introduced, which will hit the poorest families the hardest; and criticism because of the cuts in local government services that are being handed down, which will mean that families across Scotland will be paying more in tax at the same time as the services that they depend on are being reduced.

Let me start with transparency. Both the finance secretary and the First Minister told Opposition parties throughout the budget process that every penny in the budget had been accounted for. However, we now know that there were additional Barnett consequentials amounting to £148 million from the UK Government that the finance secretary was given notice of on Friday 25 January, some six days prior to the stage 1 debate in this Parliament.

No doubt, when Patrick Harvie and the Green Party negotiated an extra £90 million for local government, they thought that they were getting a good deal. Little did they know, I suspect, that Mr Mackay was holding back another £54 million to put into the Scotland reserve. It does not say much for the Green Party's negotiating skills, but it says even less about the transparency of the Scottish Government's budget process when it gets an extra £148 million thanks to the UK Conservative Government and it keeps that information to itself.

Patrick Harvie (Glasgow) (Green): Will the member give way?

Murdo Fraser: Mr Harvie will now tell us whether he knew about the extra £54 million.

Patrick Harvie: Murdo Fraser is well aware—as am I—that the money is not simply being put into the reserve but is being used to move things from one financial year to the next, to ensure that a much-needed teacher pay settlement will be funded nationally. Is Murdo Fraser saying that that teacher pay settlement should not be funded?

Murdo Fraser: Mr Harvie could not answer my very simple question: did he know about the extra money or not?

The lack of transparency in the budget has also been criticised by one of the Scottish National Party's own economic advisors. The economist Richard Marsh, who is a member of the expert group that is advising the Scottish Government on economic modelling and statistics and a researcher for the SNP's sustainable growth commission, has gone so far as to report the Scottish Government to the UK statistics watchdog, saying that the budget presented confusing data that buried key facts. He also said that strict clarity guidelines had been breached for political reasons and that figures in the budget were misleading. The numbers in the Scottish budget report were, he said,

“arranged in a way to persuade the reader of the merits of the Scottish Government's narrative around the budget”.

It is time for the finance secretary to reflect on how his budget information is presented to Parliament when even his own Government's advisers are criticising the way in which it is being put forward. If he really wants the Opposition parties to engage seriously with future budgets, he needs to stop the practice of getting extra money and not telling Parliament about it, as he should.

It is not just on grounds of transparency that the budget has been criticised. The growing income tax gap between Scotland and the rest of the UK, which breaks an SNP manifesto pledge, has been attacked by business organisations. The Confederation of British Industry Scotland has warned that the divergence in income tax will be a major issue for companies that are keen to attract the best talent. The Scottish Chambers of Commerce has warned that it could take years to repair the damage caused by higher taxes. The Federation of Small Businesses in Scotland states that the tax changes in the budget

“will erode the small business community's trust”.

The greatest criticism of the budget relates to the ludicrous plans for a new car park tax. It is a tax on which we have been given virtually no detail, despite being asked to vote on the budget package in a couple of hours' time; a tax that could cost workers £500 a year; a tax that will be regressive and hit the poorest hardest; and a tax on which, by the finance secretary's own admission, no economic analysis has been done.

The Scottish Government has claimed that the tax is a localist policy, but it has already taken the decision centrally to exempt NHS buildings, despite the fact that not all NHS workers are actually employed in NHS buildings. As we have pointed out, general practitioners' practices employ large numbers of staff but are not classed as NHS properties. When asked about the policy in the chamber yesterday, the Cabinet Secretary for Health and Sport did not even seem to know what it was: she said that NHS workers would be exempt, which directly contradicts the finance secretary's position. In this shambolic Government, the left hand does not know what the right hand is doing. I will give way to any member of the SNP front bench who can tell me whether GP buildings are exempt.

There is no answer. SNP front benchers do not have a clue about their own policy.

John Mason (Glasgow Shettleston) (SNP)
rose—

Murdo Fraser: We are elevating Mr Mason to the Government's front bench—not before time.

John Mason: I thank the member for his compliment. The answer is that we have not yet started the process. The Rural Economy and Connectivity Committee will be doing a consultation, and it will be this Parliament, not the Government, that makes the decision.

Murdo Fraser: I am not sure that Mr Mason will get promoted quickly on the basis of that intervention, but I applaud his valiant attempt to step in when his party's front bench failed to do so. I am not sure whether Jeane Freeman is in the chamber, but she told us yesterday that GP practices would be exempt from the policy, whereas Mr Mason is now telling us that SNP members do not know. They need to make up their minds.

If NHS buildings are to be exempt, why not exempt local government workers? Why not exempt teachers, social workers, police officers and emergency service workers? For that matter, why not exempt those in the private sector who may well be on lower pay than their public sector equivalents? At the weekend, the First Minister suggested that councils could rule out the car park tax and protect their local residents, but that completely misses the point that tens of thousands of workers commute every day by car from one council area to another.

Today, every Conservative council group leader in Scotland has pledged not to introduce the car park tax. It is time that the SNP did the same, but SNP-led councils such as City of Edinburgh Council and Glasgow City Council are already talking about introducing the charge. Adam McVey, the leader of City of Edinburgh Council,

has suggested that the charge should be paid not by employers but by employees. Does Mr Mackay agree?

Derek Mackay: An intervention is supposed to mean my asking a question and Mr Fraser answering. This is my question: are the Conservatives who are against the workplace parking levy the same Conservatives who come to me demanding power over local discretionary taxes so that those in local government can make decisions for themselves?

Murdo Fraser: I do not blame local councils that have had their budgets slashed by the finance secretary for knocking on his door to complain about it.

Even SNP members have complained about the regressive tax. John Swinney once warned that a workplace parking levy would lead to people simply parking their cars in nearby residential areas—he was right. Bruce Crawford and Fergus Ewing are on record as having opposed such plans in the past. Nor should we forget that, much more recently, Richard Lyle told a committee of this Parliament:

“I am not for your parking charge levy, and I speak on behalf of thousands of motorists who have been taxed enough.”—[*Official Report, Environment, Climate Change and Land Reform Committee*, 13 November 2018; c 59.]

There speaks the voice of reason on the SNP back benches—it is time that Government ministers listened to him.

In reality, there was no need for those tax increases, because, for this year’s budget, the Scottish Government has had more money from Westminster, with the block grant increasing in real terms by some £520 million as against last year according to the Scottish Parliament information centre. In addition, according to SPICe, the Scottish Government’s overall budget is up in real terms compared with when the Conservatives first came to power in 2010—not that anyone would think so if they listened to the Scottish National Party. Nevertheless, this budget delivers not just tax hikes but a slashing of the core grant to local government that, according to SPICe, amounts to some £230 million in real terms.

We have seen it in our local newspapers every day this week: as councils across Scotland set their budgets, they are having to reduce teacher numbers, cut the length of the school week, lay off school crossing patrollers and close libraries and leisure centres. They are making cuts in the real services that people across Scotland depend on. The finance secretary may be in denial about such things happening, but they are happening on his watch and he must take responsibility for them.

Derek Mackay: Will the member give way?

Murdo Fraser: I would give way, but I cannot because I am in the last minute of my speech.

We should have had a budget that focused on growing the economy, which increases our tax revenues. Every 20 new additional rate tax payers we attract to Scotland generate at least £1 million in extra tax revenue. An extra 2,000 additional rate tax payers would give us a minimum of £100 million annually extra to spend on public services. A 1 per cent increase in Scottish productivity would deliver £2.3 billion extra in GDP and £400 million in tax revenue. That is how we get more money for public services—with an expanding economy and rising wages.

What a pity that, instead of going in that direction, we have an SNP Government that would rather hike up taxes for working families, penalise the poorest with a regressive car park tax and, at the same time, slash our public services. At decision time tonight, the Parliament should reject the omnishambles budget.

14:56

James Kelly (Glasgow) (Lab): Scottish Labour will oppose the budget. The SNP has ignored the calls for a fair budget, has awarded tax cuts to high earners and has imposed cuts on councils. That will reduce jobs, close services and hit vulnerable people hardest.

The debate on council funding has been central to the budget process. The cabinet secretary and SNP members of the Scottish Parliament are kidding themselves on if they think that there are not going to be any cuts to council services. The reality is that there will be £230 million in cuts across the country. We can trade figures back and forward, but the real test is the decisions that councils on the ground are considering.

Let us take Dundee City Council. There, there will be a £3 million cut to education services, which will include a reduction of 26 teaching posts. What does that say about education supposedly being the number 1 priority of the Government? In Clackmannanshire, the cut in funding to Clackmannanshire Citizens Advice Bureau Ltd means that it faces closure, and support for food banks there is also being reduced. Vulnerable people living in that area are the ones who will be hit. In Moray, services including library services will be slashed, and there is a proposal to close swimming pools.

The reality of the budget is cuts, cuts and cuts. That is what is happening all over the country.

Keith Brown (Clackmannanshire and Dunblane) (SNP): Will the member take an intervention?

James Kelly: No, thank you.

Child poverty is a scandal that stains modern Scotland.

Derek Mackay: At this point, will James Kelly explain how he would fund the many commitments that I am sure he is about to list, and what the headline tax rates in a devolved Scotland would be under a Labour Government?

James Kelly: Under your—[*Interruption.*]

Members should just listen to me. Under Mr Mackay's proposals, a lawyer on £90,000, a chartered accountant on £100,000 and a chief executive on £120,000 will all pay less tax. That is why workers who fear loss of their jobs have been demonstrating on the streets of Dundee.

Labour proposes a top rate of tax of 50p, which the SNP previously supported but then stepped back from. We would also extend tax being raised in the higher band, which would raise a significant amount and would mitigate the crisis that we see in the country and address issues including child poverty.

It should shame every MSP in the chamber that in this country some kids leave for school in the morning having not had a proper breakfast. That is an absolute scandal and it is why Labour proposed raising child benefit by £5. That proposal was supported by charities and churches. It was even given some support by Kevin Pringle in *The Sunday Times*, and he is someone who carries some weight with SNP MSPs.

The Government has also failed to mitigate the two-child cap. That is a horrendous Tory policy that is being imposed from Westminster. We had an opportunity to do things differently in this Parliament, but we have failed.

On rail services, passengers continue to suffer delayed and cancelled trains. We have seen today that the performance figures for ScotRail have plummeted to their lowest-ever level. That is why Scottish Labour demanded a fares freeze, but that is another demand that was ignored by the Scottish Government. It is time that the Government started listening to the concerns of rail passengers. The Government should strip Abellio ScotRail of the contract and give us a fares freeze and a publicly owned railway.

One of the changes from the first stage of the budget was the introduction of the proposal for the workplace parking levy. It is clearly a flawed proposal.

John Finnie (Highlands and Islands) (Green): Was the workplace parking levy a flawed policy when James Kelly's colleagues promoted it in their Glasgow and Edinburgh local authority election manifestos?

James Kelly: As the Unite and GMB trade unions have pointed out in recent days, any proposal that imposes a tax on workers as they take their car to work is an unfair tax and it will be opposed—

The First Minister (Nicola Sturgeon): Will the member take an intervention?

James Kelly: No thank you—[*Interruption.*] Okay.

The First Minister: James Kelly did not answer John Finnie's question. I wonder whether he will do so now. If the workplace parking levy is such a bad policy, why did Labour propose it in its council election manifestos in Edinburgh and Glasgow? It is a simple question. Let us have an answer.

James Kelly: As the First Minister will be aware, her Government has carried out no economic assessment of the workplace parking levy policy. The Government is proposing to introduce it at stage 2 of the Transport (Scotland) Bill and, therefore, to limit proper scrutiny of it. It is a flawed policy and it will be rejected by workers across Scotland.

What Parliament needed was a budget that would have used fair taxation to stop the cuts and to tackle poverty and inequality. What we have is a budget that will cause a crisis in Scotland's communities. The budget lets people down. We will oppose it at 5pm.

15:04

Patrick Harvie (Glasgow) (Green): Just a few weeks ago, I took part in a public meeting at Whitehill secondary school in Dennistoun, in which people from the Labour Party, the SNP and the Conservative Party, and a great many local people, debated the impact on that community of the proposed closure of their pool, at a time when community and leisure centres across the city were all threatened. We all know the scale of what was under consideration before the budget agreement, which has secured not only new money but new flexibility for local councils.

This afternoon, as Glasgow City Council debates its budget, my colleagues on the council are able to put forward a balanced budget proposal that will save all the libraries, sports facilities and community centres and will protect budgets for schools, including for additional support for the children who need it most.

Neil Findlay (Lothian) (Lab): Will Patrick Harvie take an intervention?

Patrick Harvie: I will give way in just a moment.

The Glasgow City Council budget proposal also includes new measures including a climate emergency fund to save money through energy

saving and cutting waste, and it proposes investing in renewable energy, Glasgow crossrail and active travel. That would not be possible were it not for the agreement that we have reached.

I have time for one intervention: I give way to Mr Findlay.

Neil Findlay: Is the cabinet secretary telling the truth when he says that there will be no cuts to any council's budget because of the deal that the Greens and the SNP have struck? If there are to be no cuts, why are councils around the country, from Shetland to Dumfries, debating lists of cuts that are as thick as you could find?

Patrick Harvie: I am certainly not accountable for the words of the cabinet secretary, but I say to Mr Findlay, as I have said before—*[Interruption.]*

If Mr Findlay is willing to listen, I say to him that I have not pretended that the process has resulted in a perfect budget. We know that councils face rising demands for services, inflation costs and, in the case of Glasgow, the cost of historical decades-long failure by the previous administration to meet the equal pay bill.

My colleagues on the City of Edinburgh Council are proposing a budget that would boost care for older people by an extra £9 million, proposes an £80 million programme for new high schools, and suggests a measure that my Glasgow council colleagues suggested—a climate emergency fund.

Councils around Scotland are in a far stronger position to meet the challenges that they face as a result of the work that has been done. I do not pretend that the budget will solve every problem, but it is a vast improvement. I say again to all political parties that the process would have been better if every political party in Parliament had engaged positively and had put forward proper constructive and costed proposals, as the Greens tried to do.

The reaction to the workplace parking levy would be funny if it were not so dismal. It is a proposal that has in the past been legislated for down south by a Labour Government, used by a Labour council, proposed by Scottish Labour councillors, supported by Lib Dem MSPs and councillors, and voted for by Tory councillors. Their having all decided that it is an intolerable policy when the Greens propose it, but not when they have proposed it, is a mark of shameless political opportunism. It comes in the week after young people in Scotland and around the world took radical action to demand urgent responses on air pollution and climate change. Some people appear to be losing the plot over as trivial a thing as the workplace parking levy policy. It is not even in the budget; it will never be in a Scottish budget, because it is about giving power to councils so

that they—the local decision makers—can decide whether it is in the local interest.

I finish with an appeal across the political spectrum. We now have the opportunity to do something radical to decentralise fiscal power in this country, which the Scottish Parliament should have done much earlier in its 20-year history. We have the opportunity to start devolving non-domestic rate reliefs, to give new tax powers and environmental levy powers to councils and—if all political parties take the opportunity—finally to scrap the broken and unfair council tax that creates so much injustice in our society.

I only hope that all politicians will step up and take that opportunity to ensure that we get better improvements, year on year, as a result of the changes that we have negotiated this year.

15:09

Willie Rennie (North East Fife) (LD): This is shaping up to be the worst of Scottish budgets. We can tell that the SNP agrees, because its MSPs have spent so much of the past fortnight talking about which bits of the budget they do not support. In the stage 1 debate, I said that Patrick Harvie had sold out local government for the vice-convenership of the car park working group, but I may have spoken too soon. The entire SNP has run a mile from the proposal, so it looks like Patrick Harvie is going to be doing it all by himself.

The SNP has lost any pretence of financial competence. I have yet to see any evidence that the tax change that was implemented last year has driven people out of the country, but the tax burden has to be managed with care, as we do not want to see falling revenues as a result of adverse behavioural change. However, I think that the SNP has lost its senses as its record is now five new taxes, none of which was in the SNP manifesto, and two broken tax promises in just one year. If people think that taxes will rise at every budget and over a range of areas, this country will get a reputation for being high tax and we might see the result in falling tax revenues.

The Greens have been bought very cheaply. It turns out that the extra money for councils was already available. There was £123 million of October consequentials and £148 million of January consequentials. There was hundreds of millions of pounds of underspend this year, plus the hundreds of millions of pounds of underspend next year that the Government's track record all but guarantees. There are also the increased tax receipts from the public sector pay increases and the £54 million put into reserves. The Greens did not get all the money that was available, but they said to councils, "We have closed your £237 million funding gap with £90 million cash and

permission to cut adult social care by £50 million.” That was quite astonishing. Then the Greens said that they do not expect councils to cut their social care but that they had still closed the gap. It never added up and is a clear trick.

In addition, local government finance reform has been delayed until the next session of Parliament, meaning yet more talks on top of all the other talks that we have had that have amounted to nothing.

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

Willie Rennie: Not just now.

The Greens used to say that council tax was unfair; it is so unfair that they want it to go up this year and become even more unfair. The inventor of the plan for the parking levy, John Finnie, tweeted the wrong information about the Nottingham scheme; he said that you pay only for the 11th car parking space, but that is not true—you pay for all 11. The budget has a list of policies that they do not understand, cuts that they cannot hide and taxes that they are putting up when they promised that they would go down. What a budget this is turning out to be!

It could have been different. We offered to work with the SNP. We have done it before in previous years when we voted for the budget—SNP members remember. Despite the SNP’s opposition, we secured extra support for early education and childcare, for colleges and for school meals. We have been prepared to work with the SNP.

However, with the First Minister travelling the world to tell all about her plans to break up the United Kingdom in the wake of the break-up of the European Union, it is no surprise that we might be just a little bit concerned. There is no way we could support the budget of a Government that is determined to drive forward yet another divisive independence referendum. We asked for a cessation so that we could work together on this budget, but the SNP could not even agree to a short cessation, such is its obsession.

We have successfully harried the Government to invest in mental health services, but the Government is now playing catch-up and we remain unconvinced that the funds that have been announced will feed through to real change quickly enough.

Last year, we said that mental health spend should rise to a total of £1.2 billion but, a year later, the figure is still £100 million short. That £100 million could fund schools, the police and new health professionals in the NHS. We need a budget that puts teachers at the centre of our developing economy in the years to come, and a

proper and fair deal for local government is also important.

This year, we could have worked together on the needs of local government, on the funding of mental health and on support for teachers, but Derek Mackay declined. This weekend, I am sure that the finance secretary will be taking down his Catalan flag from his flagpole in Renfrew. It turns out that the Catalan pro-independence parties have insisted on a dialogue on independence as the price for supporting the Spanish Government’s budget. Who says that we are not allowed to put independence and the constitution at the heart of the budget debate?

We will not support a Scottish Government that will use the budget as a stepping stone to independence and the economic damage that that would bring. The budget could have been very different if it was not for the one-track mind of the SNP and its sidekicks in the Greens.

15:16

Angela Constance (Almond Valley) (SNP): After the stage 1 debate a few weeks ago, I had hoped that members would be in a more mature and reflective mood today and that they would be prepared to discuss and debate the big budget issues of the day on how best to grow our economy and make Scotland fairer. I for one will not be quoting poetry at Mr Mackay, because he is the only man I know who takes it as a compliment when a woman quotes “Tam o’ Shanter” at him.

Instead, over the past few weeks, we have heard a heavy dose of hysteria—hysteria about 32 local authorities in Scotland getting the same power on workplace parking that 326 local authorities in England have. Despite English local authorities having had that power since 2000, and despite local government in England having suffered a 17 per cent real-terms reduction in its budget in the past four years, only Nottingham City Council has used the local power.

Of course, the Tories and others will not let the facts get in the way of some good old-fashioned scaremongering. Their campaign is about reducing the debate about a £42 billion budget to the lowest common denominator. Their tactics are about diminishing debates in our Parliament to those of a parish council in an episode of “The Vicar of Dibley”. We should be debating where power lies, what other decisions should be made at a local level and how we improve local democracy and accountability.

With 36 days until Brexit, we have heard all the faux outrage about the First Minister daring to put a foot outside Scotland to represent our future economic interests, when we run the risk of our GDP falling by 7 percentage points. At best, that is

playground politics; at worst, it represents a poverty of aspiration.

I have listened carefully to what the Tories and others have said about taxation. What interests me is that we never hear the Conservatives bemoan the fact that Scottish taxpayers pay twice to insulate the most vulnerable in our society from the harshest of Tory welfare austerity. Our citizens pay for the Scottish and UK social security systems, and they have the right to expect fairness, dignity and respect from both Governments.

Neil Findlay: The member has mentioned harsh Tory welfare policies. The harshest policy is the two-child cap, so is it not regrettable that we are not taking action through the budget to eradicate it?

Angela Constance: There is a serious point about the role of mitigation, and I want to address the point that Mr Findlay has raised, although it is regrettable that the Labour Party has not produced a costed alternative budget on how best we could use our resources and powers in this Parliament.

As we have heard, the Labour Party advocates a £5 increase in the near-universal child benefit, but I would rather give an extra £10 to £20 to the children who are most in need. According to the Institute for Public Policy Research, that would lift 40,000 children out of poverty, as opposed to the 10,000 to 15,000 children whom Labour's proposal would affect. The challenge for Labour and for folk such as me, as well as the Government, concerns where we would get the £250 million for the annual cost of such a measure.

Can we please start to lift the level of the debate about how we get weans out of poverty, as opposed to confining our horizons to mitigation? Mitigation prevents a step backwards, but it does not enable a step forwards. We in the Parliament need to recognise that mitigation comes at a cost. The United Nations rapporteur on extreme poverty—not a man to mince his words—said:

“mitigation comes at a price and is not sustainable.”

To be frank, it is outrageous that one Government has to use its resources to protect its citizens from another Government's actions.

I will therefore always argue for more powers for this Parliament. I say to Mr Rennie that I will always campaign for independence. However, I will never demur from the debate about how best to use the powers and resources that are currently available and I will never shirk from the hard work of building consensus about the best ways to grow our economy and make Scotland fairer.

The questions of the day are not about car parking charges but about how we reform our public services, given that resources are never

infinite but needs always are; about how we ensure that young people in the current generation are not the first to be worse off than their parents; about how we welcome new Scots from the EU and beyond; about how we pay for the social democracy that we want; about how we end poverty; and about how, for our economy's sake, we step out of the short-term political cycle and have the courage and guts to plan and invest for the long term.

That is what a budget debate in the Parliament should be about. The budget process is for grown-ups; in these difficult times, it is about finding the basis of agreement to provide stability. That is what we are all elected to do and it is rightly what the country expects us to do.

15:22

Dean Lockhart (Mid Scotland and Fife) (Con): In the rate resolution debate earlier this week, the SNP declared that its tax proposals were based on the key principles of being progressive and protecting low-paid workers, raising additional Government revenue and supporting the economy.

However, once we look beyond the SNP spin, it becomes clear that the budget delivers on none of those so-called principles. The reality is that the budget is regressive and will serve only to penalise low-paid workers. Everyone in Scotland who earns £27,000 or more will have lower take-home pay than their friends and colleagues in the rest of the UK. That means that ordinary, hard-working people such as nurses, police officers and teachers have to pay for the SNP's high-tax, low-growth agenda.

The budget delivers higher council tax bills for low-income households across Scotland. Many families will face an increase of more than £500 a year.

Worst of all, the budget introduces a new tax—the car park tax—which could cost low-paid workers an extra £500 a year. Organisations across Scotland have—rightly—warned that that tax will be deeply unpopular and regressive. It is not based on the ability to pay and it will hit the lowest-paid workers most.

John Mason: Will the member give way?

Dean Lockhart: I will do so in a second. I highlight to John Mason that, yesterday, Unite the union warned the SNP that the tax will penalise workers

“just for turning up to work”.

The Scottish Food and Drink Federation has warned that

“full-time workers on lower-level wages would fall below the National Living Wage if they have to pay this ... Car-Park Tax”.

John Mason: Does Mr Lockhart at least accept that the parking levy is not in the budget? The proposal still has to go through the parliamentary process, when we will examine all the details.

Dean Lockhart: Mr Mason should know that, as part of the budget negotiation process, his party agreed with the Greens to introduce that unfair tax.

If SNP members think that increasing the tax burden on low and middle earners, increasing council tax bills and imposing a tax on workers who park their cars at work is fair and progressive and will protect low-paid workers, they are clearly out of touch with the hard-working people of Scotland.

The SNP has also declared that the budget will raise additional Government revenues to support public services. It is true that increasing the tax gap with the rest of the UK will in itself raise £68 million in revenue for the next financial year, but that has to be seen in the context of total forecast income tax revenues for next year being revised downwards by £660 million by the Scottish Fiscal Commission. Now that Scottish income tax is under the control of the SNP, we are seeing the real negative budgetary consequences of Scotland's economy growing at just half the rate of the rest of the UK.

The Fraser of Allander institute has made it clear that

“the new Fiscal Framework puts an explicit burden on the Scottish Government to secure growth rates at least equal to the rest of the UK.”

It goes on to say that if Scottish income tax revenues grow just one third of a per cent slower than UK levels, the Scottish budget will be short by £250 million. However, that is exactly what is being forecast by the SFC and the Office for Budget Responsibility—slower income tax revenue growth in Scotland compared with the rest of the UK, which will significantly reduce the budget available for public spending in Scotland.

The Minister for Public Finance and Digital Economy (Kate Forbes): The member will welcome, then, the fact that the Scottish economy grew faster than the UK economy as a whole last year. What is his opinion on whether Brexit will help us to grow the economy or hinder it?

Dean Lockhart: For nine of the 11 years that the SNP has been in power, the Scottish economy has grown more slowly than that of the rest of the UK and the SFC is forecasting five more years of stagnation under the SNP. I think that that is the answer to the minister's question.

By increasing the tax gap with the rest of the UK, the budget will only make that worse. The Chartered Institute of Taxation has warned that

“Taxpayers will now take steps to relocate away from Scotland”

or incorporate their business and take themselves out of Scotland's tax base. The finance secretary must recognise that, under the fiscal framework, the priority must be to increase Scotland's tax revenues relative to the rest of the UK. This budget does precisely the opposite and will create a vicious cycle of ever higher taxes having to be imposed on a declining tax base in Scotland.

The SNP has also claimed that its tax policy will support Scotland's economy. Every leading business organisation in Scotland disagrees. The CBI has warned that Scottish businesses will be unable to compete with rivals across the UK in the event of a further divergence of tax rates. The Scottish Chambers of Commerce has told the SNP that

“The sooner politicians realise that supporting economic growth rather than hiking up taxes is the route towards increasing revenues, the quicker Scotland will prosper”

and the Federation of Small Businesses has told the SNP that its latest tax increases will erode the trust of the small business community. We have a straight choice here. We can either believe the SNP saying that higher taxes will grow the economy, or we can believe every leading business organisation in Scotland saying that higher taxes will damage economic growth. It is clear which side of the argument is correct.

After 11 years of SNP Government, we are already seeing the longest period of low growth in Scotland for 60 years. This budget will only cause further damage to Scotland's economy, as forecast by the SFC.

Derek Mackay: Will the member take an intervention?

The Deputy Presiding Officer (Christine Grahame): The member is in his last minute.

Dean Lockhart: By introducing the deeply regressive car park tax, the budget also shows the people of Scotland that this is a tired Government—a Government out of ideas, out of touch and fast running out of time. That is why we will vote against the budget at decision time.

15:28

Tom Arthur (Renfrewshire South) (SNP): It is an honour to contribute to the debate. I am delighted about the £180 million for the attainment challenge fund, and I highlight the budget line for the £120 million that will go directly to headteachers.

I am sure that the chamber will join me in congratulating teachers, staff, pupils and parents in Renfrewshire, and Renfrewshire Council officials, on their outstanding work and their achievement, announced this week, of significant year-on-year improvements in listening, talking, reading, writing and numeracy, with the attainment gap closing across all measures. In Renfrewshire, there are incredibly challenging circumstances for some of our young people, so we should be incredibly proud of teachers, pupils and staff in Renfrewshire for that achievement. I hope that the Parliament will show its appreciation. [*Applause.*]

The debate has been characterised by a great deal of heat but not a great deal of light. Many speakers have noted that we are marking the 20th anniversary of devolution, which promised a new kind of politics and a new kind of Parliament—a Parliament where the architects of our electoral system envisaged that all parties would have to work together. Nowhere is that more necessary than in setting a budget.

Unfortunately, many of the debating points do not seem to stand up when confronted with reality. In the previous speech, Dean Lockhart spoke about the different rates of growth between Scotland and the rest of the UK. He quoted SFC figures and he is perfectly entitled to do so, but we need to drill down a bit further.

For example, if we look at the GDP per person differential between Scotland and the rest of the UK, it narrows. If we look at the per capita working age GDP in Scotland and the rest of the UK, the difference in the forecast of the SFC disappears completely. Why is that the case? It is a demographic issue. We have an older population and we face a significant challenge in growing our population so that we can fund our public services. That will be made incredibly difficult by Brexit.

There are challenges for the Scottish Government and there are challenges for us in this Parliament in continuing to make Scotland an attractive place to live. However, when we have a Prime Minister who, as Home Secretary, was the architect of the “hostile environment”—a Prime Minister whose former Cabinet colleague stated on national television last night that she believes the Prime Minister to have an immigration problem—that is deeply concerning. Indeed, as Angela Constance mentioned, mitigation may be able to stop us taking a step back, but we will never be able to take a step forward when powers over immigration are held in London and are exercised by someone with the views and values of the Prime Minister.

Another key area with regard to growing our economy is productivity, a challenge that has received much commentary within the Parliament and from many thinkers outwith the Parliament.

With the Presiding Officer’s permission, I wish to quote from a recent article in the respected *Society Now*, the Economic and Social Research Council’s journal. It is an interview with Philip McCann, who is Professor of Urban and Regional Economics at the University of Sheffield. He makes some interesting remarks regarding productivity in the UK. The interviewer writes:

“The first and most striking difference between the UK and other nations, says McCann, is the massive variation in economic productivity between its regions and nations. These different levels of productivity in turn drive levels of affluence and influence social conditions, and are regarded as a key determinant of economic success.

McCann’s message is that amongst the industrialised economies, the UK has ‘some of the world’s biggest inter-regional differences in productivity.’ He has examples to make the point. ‘On some measures the UK has bigger productivity variations than the whole of the Eurozone. It has regions that are less productive than many parts of the Czech Republic, Slovakia, the Baltic states and the former East Germany. And almost half of the UK population today lives in areas that are poorer than West Virginia or Mississippi in the US, where British TV companies go to make documentaries about poverty.’”

To suggest that the challenge around productivity is exclusively an issue for Scotland and for the Scottish Government does not stack up. We have to be a bit more mature in how we discuss productivity and a range of other measures.

There is much else to add but something that is worth while bearing in mind is what McCann articulates regarding these variations within the UK:

“The higher productivity areas, he says, include London and a wide swathe of the South East, the East and parts of the South West of England, as well as Scotland.”

McCann then goes on to praise the work of the Scottish Parliament and how it has enabled a more “data-driven” approach. He highlights how smaller territorial units with a population of about 4 million to 5 million are able to address issues of productivity far more effectively.

Those are some of the things that we have to take on board. We can come into the chamber—and I am as guilty of this as the next person—and engage in cheap politics and exchange blows and get progressively more irascible as a debate progresses, but ultimately, that will not make a difference for the people we are sent here to represent.

What makes a difference for the people we are sent here to represent is the money in the attainment challenge fund: money that will go into schools in my constituency and that is enabling headteachers such as Jacqui McBurnie at St Anthony’s primary in Johnstone to deliver such outstanding results that it has become the first Scottish school to receive a UK literacy school award.

I hope that around next year's budget—and in the conversations about next year's budget that will start imminently—we can take a more mature and constructive approach—

The Deputy Presiding Officer: You must conclude.

Tom Arthur: —and live up to the aspirations that the architects of devolution had for this place.

15:35

Pauline McNeill (Glasgow) (Lab): There are some things in the budget that I agree with—the introduction of a new best start grant for low-income families, the wider eligibility criteria for funeral expenses and the carer's allowance supplement, but it could be better still. On the whole, the budget does not meet the challenge that Scotland faces to protect public services.

Scottish Labour members will oppose the budget as it stands, because we believe that it will further entrench austerity in our communities and mean much deeper cuts to our public services. The pressure on local authorities and services has never been greater or so acute.

I do not remember a time when local authorities were more hard pressed for funds or when communities faced such cuts to basic services, with headteachers writing to parents about unprecedented cuts. Life is hard for many people who are struggling to make ends meet and who have been utterly shafted by a decade of wage stagnation, rising prices and job insecurity.

One in four children in Scotland lives in poverty, yet the Government has repeatedly rejected the calls of the Labour Party and a broad range of the third sector—including the Child Poverty Action Group—to top up child benefit to lift children out of poverty. Meanwhile, we remain in the dark about what the proposed income supplement will look like. Analysis by the Fraser of Allander institute shows that 0.1 per cent of the Scottish budget is targeted at low-income families with children.

The effects of child poverty have been discussed in this Parliament on many occasions and should not be underestimated. CPAG states:

“Children from higher income families significantly outperform those from low income households at ages 3 and 5. By age 5 there is a gap of ten months in problem solving development and of 13 months in vocabulary.”

It continues:

“Three year olds in households with incomes below £10,000 are two and a half times more likely to suffer chronic illness”

than children in other households.

“As well as being harmful to children and families child poverty has a wider cost for society. A 2013 study

estimated that the high levels of child poverty in the UK are currently costing the country at least £29 billion a year. This includes the cost of policy interventions, long term losses to the economy, lower educational attainment and poorer mental and physical health.”

Labour analysis shows that a top-up to child benefit of £5 a week could benefit a total of more than 270,000 families across the country, who would see their household income topped up by at least £520 per year. It is wrong to say that income does not matter to low-income families. Hard cash makes a difference. If you want evidence for that, look at the Labour Government's introduction of working tax credits in 2010, which has lifted tens of thousands of people out of poverty. Do not tell me that hard cash does not matter—it does.

I will say a few words about the tax on work. In a moment of complete madness—in my opinion—the cabinet secretary for finance offered the Green Party the prospect of devolving to councils the power to introduce a workplace levy on car parking without any consideration of the detail, of who it would affect or, indeed, of its objectives.

Derek Mackay: Will the member take an intervention?

Pauline McNeill: I will be happy to take an intervention if the cabinet secretary lets me make a few more points.

Part of the deal is to legislate for the levy. However, so far, I have not heard one word in defence of the substantive case for the levy—all that I have heard is who said what to who. Frankly, I am not interested in that. The Labour group in this Parliament is opposed to the devolution to councils of the power to introduce a workplace parking tax, and I am personally immovable on the issue.

Derek Mackay: Will the member take an intervention?

Pauline McNeill: I will in a minute.

There is zero understanding if you think that the levy is a realistic prospect for working families and the 44 per cent of adults who do not pay income tax because they earn less than £12,500 per year. Cabinet secretary, it is far from scaremongering to ask why you would risk introducing a policy that will tax people to go to work. I will take your intervention now.

The Deputy Presiding Officer: Before that happens, I remind members not to use the term “you”. You must speak through the chair.

Derek Mackay: My intervention relates to something that Pauline McNeill said some moments ago. However, the point is that Pauline McNeill says that the Labour group in the Parliament opposes the workplace parking levy,

but the Labour Party in local government is campaigning for such discretionary taxes.

I sought to intervene on a point of detail. In relation to the commitments that Pauline McNeill is asking for, can she tell me how the Labour Party intends that they would be funded?

Pauline McNeill: Rather, cabinet secretary, it is for you to tell us why you support the policy of a workplace parking levy, which you seemed reluctant to do.

Let us take the argument a little bit further. There is already talk of exemptions from the proposed levy, but so far there has been no talk of exemptions for low-paid people, who in Scotland's largest city, Glasgow, can still not get a reliable bus or train to work. It beggars belief that three pages of the budget are devoted to public transport but there is to be no revolution in the bus industry. In fact, the Government cannot even make the trains run on time.

Patrick Harvie: Will the member give way?

Pauline McNeill: No.

A child could see that investment ought to be put into public transport before such a levy is even considered. That indicates that the policy has not been thought through. You have already lost the argument. I challenge the SNP and the Greens: will you conduct a public consultation?

Andy Wightman: Yes.

Pauline McNeill: Let us find out what the public think about such a tax on work. I am confident that the public will tell the SNP and the Greens where to go.

Like Unite and Unison, I ask the Glasgow MSPs in the chamber whether they will back the proposed tax on work. I invite all the Glasgow MSPs who will back the workplace parking levy to put their hands up.

Patrick Harvie *rose*—

Pauline McNeill: Patrick Harvie is the only one who is defending it.

The SNP Government is a centralising Government that suddenly believes in devolving to councils the power to impose the proposed tax. It should abandon that proposal now and stand up for working people—that is what it was elected to do.

The Deputy Presiding Officer: That is it. Your passion does you credit, Ms McNeill, but you kept using the term “you”, and I am determined to stop that. I call Keith Brown, to be followed by Miles Briggs.

15:41

Keith Brown (Clackmannanshire and Dunblane) (SNP): Thank you, Presiding Officer. [*Laughter.*]

It is a pleasure to have the opportunity to speak in favour of the budget proposals of the Scottish Government, which I believe show that the Government is pursuing a progressive agenda despite the financially difficult background. That background has been caused by two things: the failed austerity agenda of the Conservatives and the complete economic failure of the previous Labour Government. The legacy of that Labour Government was, “There is no money left.”

We know that it must be a difficult budget if we look at the actions of the three Opposition parties. The Tories do not want to play a serious part in the process because they know that their proposition of a £0.5 billion tax cut and more spending for everything does not add up. That is why they have not come up with a budget proposal. Labour is simply incapable of coming up with a budget proposal. I was approached by a Labour councillor, who asked me whether I would lodge an amendment to the budget bill. I presume that he did so because he felt that he could not get an amendment past the Labour group in the first place.

I turn to the lonely figure of Willie Rennie, who wants everyone else to give up on what they believe in before he will even have a discussion about the budget. Even his former colleague Margaret Smith described that position as bizarre and stupid. That is why the Liberal Democrats have had no input into the budget.

When I spoke in the stage 1 debate on the budget bill, I made the point that the national context is extremely difficult, given the austerity squeeze, which has resulted in the slashing of the Scottish budget by the Tory Government by more than £2 billion over the past decade. I also mentioned the financial consequences of Labour's disastrous private finance initiative projects. That led to the usual outcry from the Labour Party, which is desperate to avoid any responsibility for the size of the challenge that local authorities face. Last year, the Labour debt legacy that local government inherited was £434 million nationally. Thanks to contracts that were signed under the Labour Executive, those debts will continue to have to be paid for decades to come.

In Clackmannanshire, which has been mentioned by Richard Leonard and James Kelly, three high schools were built because the Labour Party chose to go for PFI. That decision saddled Clackmannanshire Council with debts of around £8.5 million this year, which is 17 per cent of its education budget. Those debts must be met

before it can spend a penny on schools. Neither the citizens advice bureau nor the schools that were mentioned earlier will close if the SNP has anything to do with it; of course, I cannot speak for the Labour Party. The situation in Stirling Council, whose area I also represent, is little better. Last year, its debt repayments totalled £11.7 million, or 14 per cent of its education budget.

The reality of that legacy has to be faced by councils as they try to set their budgets. That process is also taking place against the background of the Tories' failed austerity agenda and their pernicious welfare and benefit reforms.

Patrick Harvie mentioned the increasing demand on councils and public services. That is certainly not helping matters in my constituency. Unfortunately, this Parliament does not yet have the powers to implement—right across the board—fairer policies that have dignity and respect at their core. However, it can and it does mitigate some of the worst excesses of the unfair Tory welfare policies in order to provide relief from at least some of their appalling consequences.

The Tory MSPs might want to listen to this part of my speech. I am happy to give way to any Conservative member who is willing to say that they are committed to the mitigation of the bedroom tax. The Tories have today clarified their position on the bedroom tax by saying that it does not exist, but if they want to come forward and say that they support the mitigation of up to £650 on average per year for 70,000 families—that they support it now and beyond 2020-21—I am more than happy to hear from them.

The silence that we are hearing from them will be greeted with real concern by people across Scotland, because it means that they are willing to take away that mitigation of the bedroom tax and impose that Tory tax, which was supported by the Liberal Democrats when Willie Rennie's party was in office but which apparently does not exist, on the people of Scotland. We heard some absolute bunkum from Dean Lockhart when he expressed concern for hard-working, poor families in relation to the tax proposals. That mitigation is a huge benefit of £13 million a year for 70,000 families.

In addition to that, there are benefits for carers. Pauline McNeill mentioned the best start grant. If the Tories get the chance, will that go as well? These are the real things that affect people in Scotland.

Angela Constance was right to say that we do not have all the powers to deal with the situation and that a sensible argument must be had about how we can properly address child poverty and rising poverty levels with a Government at Westminster that is willing to play its part. That is not happening just now.

The bedroom tax is appalling. It was first considered by the Labour Party, under Andrew Adonis, but it has been taken to new levels and it is a real bind for the people who have to pay it. It is perhaps not the most obvious tax, because it has been mitigated, as the First Minister said earlier. People are sometimes unaware of that, but they will certainly be aware of the fact that, as we have seen today, the Tory party wants to take away the mitigation and impose that burden fully on families in Scotland.

Will the Tories support the people in Scotland or will they continue to support their London masters? This week, we have seen the destruction and dissolution of Westminster, with previously Labour and Tory MPs sitting down and shaking hands on the same benches. Not one of the Tory MSPs has said what they think about the view of those Tory MPs who have left that the Tory party is in the grip of the European research group and the Democratic Unionist Party and has abandoned every principle that it had. Those Tory MPs are willing to speak up about it, but not one Tory MSP will speak up about the biggest threat to the welfare of families in Scotland, which is a hard Brexit—or any Brexit at all. When will they find a spine and speak up for the people of Scotland? When will they find a spine and propose a proper, responsible amendment to the budget?

Oliver Mundell (Dumfriesshire) (Con): Will the member give way?

The Deputy Presiding Officer: The member is just closing.

Keith Brown: I would have taken an intervention from the member, but I am not allowed to.

The Deputy Presiding Officer: I am afraid that you must conclude.

Keith Brown: I am grateful for the opportunity to contribute to the debate, and I support the Scottish Government's proposals.

15:48

Miles Briggs (Lothian) (Con): In my time as an MSP, I have not seen such a negative reaction from members of the public to any budget proposal such as the reaction that we have seen to the SNP car park tax. The First Minister has not had the opportunity to speak to many Scots recently, but it is important that, in the coming weeks, SNP members and ministers start to listen to the growing concerns over the impact that the SNP car park tax will have on businesses, workers and the economic attractiveness of our country.

Kate Forbes: Will the member give way?

Miles Briggs: Let me make some progress.

The Cabinet Secretary for Finance, Economy and Fair Work has already admitted to Parliament that there has been no consultation on the proposed new tax. That is not great for councils when they look to take the tax forward.

As each day passes, SNP ministers seem to dig themselves into ever deeper holes—deeper than some of the worst potholes on our roads. Nicola Sturgeon claimed that people who did not live in areas where the tax is to be imposed—which now seems to be Scotland's major cities—would not be affected. That is just not true.

Derek Mackay: Miles Briggs welcomed many elements of the draft budget when it was published, including the extension of free personal care. Does he have any shame in voting against making the resources available to deliver the extension of free personal care?

Miles Briggs: As Pauline McNeill outlined, parts of the budget are welcome, but this is not the budget that will deliver anything for Scotland. I will take credit for the things that we forced the Government to do, but this is not the budget that will help our country move forward.

It is interesting that the cabinet secretary did not want to talk about his car park tax, for which it is hard-working families across my Lothian region who will pay the price. Many of my constituents who live in West, Mid and East Lothian drive to their work in the capital and will be the very people affected. Last year, car journeys to Edinburgh were undertaken by 12,381 commuters from West Lothian, 10,316 commuters from Midlothian and more than 10,000 commuters from East Lothian.

Many people who live in West, Mid and East Lothian but who work in Edinburgh have looked to take advantage of cheaper house prices—

Patrick Harvie: Mr Briggs may be very happy to see that vast volume of traffic flooding into Edinburgh city centre every day, but does the Conservative Party have any proposals for actually tackling the pollution and climate change crisis that the current short-sighted and unsustainable approach to transport policy is causing?

Miles Briggs: Patrick Harvie said that the policy is “trivial”. It is not a trivial policy; it will impact on everyone in Scotland, including businesses, general practitioners and care homes. Patrick Harvie has not explained that impact. Maybe he did not think through the policy; maybe it was not his policy—maybe it was suggested by the cabinet secretary for votes. We do not know.

I am proud to represent Edinburgh and the Lothians. Our capital remains a vibrant and successful city, but SNP ministers are increasingly risking that. Edinburgh and the south-east have

outperformed the rest of the Scottish economy. Last year, the region was the only part of our economy still growing. I know from speaking to businesses across my region that they increasingly feel that the finance secretary and the Government are taking the economy of Edinburgh and the Lothians for granted.

The budget demonstrates the increasing deficit and debt levels that Government spending is building up. Last year, the deficit was more than £13.4 billion, which is equivalent to 7.9 per cent of our gross domestic product, while the UK rate was 1.9 per cent. Scottish Government debt has hit £1.5 billion this year as SNP ministers borrow the very maximum on the nation's credit card.

It used to be said that, as night follows day, a fundamental truth of any Labour Government was that it eventually ran out of other people's money. It now seems that SNP finance ministers have joined the same club.

Stuart McMillan (Greenock and Inverclyde) (SNP): Will the member take an intervention?

Miles Briggs: No, I have only two minutes left. I have dealt with three interventions from SNP members—and one from Patrick Harvie, which is maybe the same thing.

The fundamental fact is that the SNP-Green budget will hit small-town Scotland and hard-working Scots who play by the rules and who are trying to get on and build a better life and future for themselves and their families.

Last year, Murdo Fraser famously lamented the budget deal struck by the finance secretary and the Greens when he somewhat cruelly said that Derek Mackay had done a deal with the “lentil-munching, sandal-wearing watermelons”. Looking at the 2019-20 budget in the round, it is clear from what we have seen over the past few weeks in the latest SNP-Green budget that the lentils have fermented, the sandals have snapped and the watermelon is truly rotten.

We had an opportunity to deliver a budget for jobs and growth for our country and constituents; all that we have got from SNP and Green members is a tax on small-town Scotland. I think that they will pay the price in 2021 for all their new taxes.

15:53

Kenneth Gibson (Cunninghame North) (SNP): More than half of councils plan on dipping into their reserves this coming year and three quarters will increase council tax by the maximum amount in 2019-20. Children's services and education is the number 1 financial pressure for the second year running, ahead of adult social care, which is still under severe demand

pressures. Cuts are increasingly visible, with half of authorities feeling that cuts are now “negatively affecting relationships” with local communities. Eight in 10 councils say that they are not confident in the sustainability of local government finance. Indeed, one in 20 councils are concerned that cuts are so deep that they will struggle to deliver the legal minimum level of services, and 80 per cent have no confidence in the current funding model.

Presiding Officer,

“Now more than ever we need a thriving, resilient local government sector to weather the storm of national uncertainty, but years of chronic under-funding has left local government on life support.”

No, those comments are not about Scotland. They refer to English local authorities and were made only last week in *Public Sector Executive* by Local Government Information Unit chief executive Jonathan Carr-West.

Richard Watts, chair of the Local Government Association’s resources board, said that the “State of Local Government Finance Survey 2019” illustrates the “severity of the challenges” after a 40 per cent cut in UK Government funding for English councils, emphasising that the upcoming spending review will be make or break for vital council services.

Speaking for the Convention of Scottish Local Authorities, Tory councillor Gail Macgregor told the Local Government and Communities Committee that, due to funding cuts, local government is

“collapsing in England and Wales.”—[*Official Report, Local Government and Communities Committee*, 9 January 2019; c 15.]

While asking for more resources and fundraising powers, Councillor Macgregor failed to say how much additional funding COSLA sought, or where it would come from. Neither did any Opposition MSP. Today, we have Tory MSPs bleating about alleged cuts in Scotland, while a UK Government, to which they display dog-like devotion, eviscerates local authorities south of the border. The hypocrisy is simply breathtaking.

Meanwhile, Labour MSPs will be disappointed that the budget does not include Labour’s manifesto commitment to introduce workplace parking charges. However, it allows for an amendment to the Transport (Scotland) Bill, which would give local authorities the choice of whether to introduce a parking levy—a power that Labour, Liberal Democrat and Tory councillors asked for, but which their parties now criticise.

Johann Lamont (Glasgow) (Lab): Could the member clarify whether he is saying that the job losses, the public service cuts and the closures across Scotland are all alleged, rather than a reality that far too many communities are going to have to experience?

Kenneth Gibson: Labour’s absence of memory is unbelievable. I was a Glasgow councillor when Labour cut 9 per cent from the city budget and 3,500 jobs in one year. This budget increases local government funding but, as we know, Labour is in truly dire straits. Once, Labour councillors covered the plains like the buffalo. When I was re-elected to Glasgow City Council in 1995, they numbered 77, and I was the sole SNP councillor. These days, sightings of Labour members are becoming increasingly rare, with 4,674 of them in Scotland chucking the party last year, which is an 18.2 per cent fall. The impact of Richard Leonard’s leadership is similar to that of the black death on a medieval town. With eight of Labour’s MPs resigning this week so far—it is only Thursday—project Corbyn has hit the rocks. What to do? Having a credible alternative—any alternative—to the budget would be a good start. However, as they go the way of the dodo, in order to prevent extinction, Jackie Baillie, Neil Findlay, Johann Lamont and James Kelly could perhaps form part of a captive breeding programme. Who will be the silverback though, one wonders? Members of the public could pay to gawp at, but not feed, them.

Jenny Marra (North East Scotland) (Lab): Will the member give way?

Kenneth Gibson: I can hear their mating calls now, Presiding Officer.

A decade ago, Labour set out its conditions for supporting the SNP’s budget of the day. John Swinney met those demands in full, only to be told by—

Jenny Marra rose—

The Deputy Presiding Officer: Ms Marra, sit down, please.

Kenneth Gibson: —Labour’s then finance spokesperson, Andy Kerr, that he could not carry his own group. Ultimately, Labour did, at the second attempt—for fear of an election—back that budget. However, that showed that even negotiating an agreement with Labour is no guarantee that it will deliver. No doubt that is why Labour does not even bother to engage and moans about whatever the SNP proposes, but rarely about a UK Tory Government that has imposed austerity. That has made Labour increasingly marginalised—

Jenny Marra: Will the member give way?

Members: Give way!

Kenneth Gibson: I have taken an intervention; one is enough.

The Deputy Presiding Officer: The member said that he is not taking another intervention. Sit down, please.

Kenneth Gibson: I urge Labour to back this budget and come to the table with an open mind and some positive suggestions next year, although I will not hold my breath. It is funny how Labour members are always deaf to the 28,000 local government jobs that have gone in Wales under Labour's administration. Mr Corbyn says that that is because of UK Government cuts, but ignores the UK Government cuts to this Parliament.

What about the Lib Dems? One is always suspicious of any party or country with the word "democrat" in its title, such as Vladimir Zhirinovskiy's Liberal Democrats in Russia, the People's Democratic Republic of North Korea or Democratic Kampuchea. The famous five, who are led by a leader who is incapable of taking interventions, tell the SNP, which has 62 MSPs—

The Deputy Presiding Officer: Sit down a minute, Mr Gibson. I cannot hear.

Kenneth Gibson: —to take independence off the table. It is a cop out.

The Deputy Presiding Officer: He cannot hear me now. Sit down please, Mr Gibson. I cannot hear what people are saying, but I want to hear what they are saying. [*Interruption.*] I have told you.

Kenneth Gibson: Thank you, Presiding Officer.

Willie Rennie and co need to participate. I know that they fear losing unionist votes to the Tories and Labour, but I am sure that their tactical voters will forgive them.

The budget strengthens Scotland's stability in the face of Brexit uncertainty and takes our economy forward. It fully funds our economic action plan, improves the competitiveness of our business environment and will bolster growth. My constituents will benefit from the 3.6 per cent increase in NHS Ayrshire and Arran's budget, to £720 million. Resource and capital that are available to North Ayrshire Council increase by £26.66 million, from £279.842 million to £306.502 million, which is a 9.5 per cent uplift.

We will introduce Frank's law, which, shockingly, Miles Briggs—who campaigned for it—will now vote against. We continue to support young people to develop a workforce that has a skills base that is fit for the future by investing £600 million in Scotland's colleges, more than £1 billion in our universities and £214 million in apprenticeships and skills.

There are some, of course, who do not want Scotland to have an outward-looking economy and society and who would rather our First Minister stayed at home instead of discussing trade and future relations in France, addressing the Assemblée Nationale to set out Scotland's vision for supporting EU nationals post-Brexit, or

promoting Scottish business in North America. In this budget, this Government rejects an insular and indecisive Scotland that is reluctant to embrace the future for one that is open to talent from around the world, new opportunities and prosperity for all.

16:00

Colin Smyth (South Scotland) (Lab): When we look back on this parliamentary session and the budgets that were agreed, we will remember them for their shameful attack on local council services. When SNP and Green MSPs rubber stamp the budget today, it will mean that across Scotland, in the days and weeks ahead, councillors of all political persuasions and none will once again have to wrestle with painful choices. Which of their communities' services will they cut, and which of their neighbours' jobs will they axe?

The debates that are taking place just now in council chambers up and down Scotland are not about which services to trim, but about which services to scrap. The undeniable fact about the budget is that local councils face a £230 million real-terms cut this year alone. That is not my figure—it comes from the independent Scottish Parliament information centre. Extra burdens have been landed on councils without the full funding to meet them and to fund existing services. That will mean cuts.

Let us end the myth that the cuts to councils have nothing to do with the Government's decisions, and that it is somehow all someone else's fault. The Scottish Parliament information centre has made it clear that between 2013 and 2018, the Scottish Government cut council revenue budgets by 7.1 per cent, while its own budget fell by 1.3 per cent. Just as austerity was the political choice of the UK Tories, attacking local council services has been the political choice of this SNP Scottish Government.

John Mason: Colin Smyth would like to give more to local government. Would he get it by reducing the money that is going to the NHS?

Colin Smyth: I would start by not going ahead with the tax cut that the SNP is proposing in the budget. The fact that people who earn £124,000 a year will be paying less tax this year than they paid last year is something of which anyone who is interested in progressive taxation should be ashamed.

For SNP members to pretend today that there are no cuts to councils is for them to close their eyes to what is happening in their own communities and to turn their backs on their own constituents. I would have far more respect for the SNP and the Government if they had the guts to

stand up and admit that the choices that they have made will mean that local government will have to make cuts to many existing services. Anyone who denies that the cuts are being made is just not being honest with the people of Scotland.

I asked each council in my South Scotland region to tell me what the budget means for it. When I asked whether there would be cuts, every one of them said yes. SNP and Labour-run Dumfries and Galloway Council told me that it will have to make cuts and raise taxes to fill a funding gap of more than £15 million, and in SNP-run East Ayrshire Council, the gap is £8 million. In South Ayrshire Council it is £10 million, in the Scottish Borders Council it is £9 million, in Midlothian Council it is more than £7 million, in East Lothian Council it is more than £10 million, and South Lanarkshire Council still needs to find £11 million. I have looked behind those figures to see what the cuts will mean for people.

Patrick Harvie: In all seriousness, I understand and respect Mr Smyth's anger and wish that the budget was better—or, even, that it had achieved perfection. However, does he understand my frustration that a group of six of us have worked hard and knocked our pans in for months to find costed proposals to make improvements, while dozens of Labour MSPs have offered nothing in the way of constructive and realistic proposals for change?

Colin Smyth: When Patrick Harvie can be bought off with £90 million out of a £42 billion budget, it is no wonder that the SNP does deals with the Greens. I know that the SNP has no intention of doing a deal with anyone else, because keeping the independence coalition together is more important than keeping council services.

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

Colin Smyth: No. I have given way already, and I will probably not have enough time to give way again.

I have looked behind some of the cuts, and here is the reality. They mean redundancies in council jobs, including cuts to teaching and learning support posts at a time when a third of Scottish children are leaving primary school without the expected literacy and numeracy attainment levels. They mean the axing of leisure facilities, when a third of Scotland's schoolchildren are obese, and they mean the ending of lifeline taxi-card schemes for older people, when we have an ageing population. I could list more and more from the pages and pages of cuts that are set out in the reports that are sitting on the desks of councillors as we speak.

It is heartbreaking and it should shame every single one of us, but it is even more shameful that the SNP is demeaning its own councillors by pretending that the cuts do not exist. Enough is enough: it is time to stop the cuts and be honest enough to say that if we want high-quality public services, we have to use this Parliament's progressive tax powers properly, instead of cutting taxes for the rich, as the budget proposes.

Patrick Harvie: The UK budget did that—and you voted for it.

Colin Smyth: Patrick Harvie says that this budget does not cut taxes, but the UK budget does. The Government could reverse its decisions. It has the power to do it.

At a time when the SNP is savaging local services, it is indefensible that a person who earns £124,000 will pay less income tax this year than they paid last year. Most higher-rate taxpayers, including people who earn more than £100,000, will get a tax cut of £140, while our schools and our care services for the elderly face cuts to their services, which are the very fabric of our communities.

Astonishingly, between the draft budget and the final budget that is before us today, a deal was done and the choice made not to increase progressive taxation measures such as the top rate of income tax, but instead to increase regressive taxes on the poor. Councils face raising council tax by nearly 5 per cent and, of course, there are now plans for a new car parking tax on workers. I accept that fiscal measures have a role to play in protecting our environment, but the car parking levy will be a regressive measure under which the company boss will pay the same as the company cleaner. The exemptions that the Government proposes mean that a chief executive or health board member who is on a salary of £100,000 will not have to pay the levy, but a carer who works for a charity and is paid the minimum wage will. No wonder Unison states:

“This seems to devalue the contribution council workers make, as they too, like their health service colleagues, deliver vital services”.

No wonder GMB calls the tax

“an attack on the take home pay of our members”,

while Unite calls it

“a desperate attempt to absolve the government from the funding crisis they have presided over.”

The budget could have been an opportunity for progressive politics and a chance to stop the cuts to council services. The SNP and the Green Party are good at the rhetoric about ending austerity, but the budget shows that they are all talk—and ordinary workers and services are paying the price.

The Deputy Presiding Officer (Linda Fabiani): We are tight for time. Could members be mindful of that, please?

16:06

Stuart McMillan (Greenock and Inverclyde) (SNP): I will vote for the budget today. I urge members of all parties to do so and to put an end to their oppositionist and ill-thought-out reasoning for voting against it. Every budget is challenging: as Patrick Harvie said, no budget is perfect, whether it is in Parliament or in a local authority. How could it be, when every politician wants more money to spend on a variety of items, but the pot of money is not bottomless?

Given that this is once again a Parliament of minorities, as it was apparently intended to be, it is surely incumbent on all the parties to put forward genuine proposals, to enter genuine dialogue and to try to get some of the wins that they want. Unfortunately, the hapless Tories and the hopeless Labour Party have once again proved themselves to be failures at improving the budget. And then, there are the Lib Dems.

Here are just some of the reasons why I will vote in favour of the budget tonight. Some 55 per cent of income tax payers here will pay less than they would in the rest of the UK, while 99 per cent will pay the same as or less than they paid last year. The budget will deliver a whopping £729 million extra for health and care services. It will provide £180 million for improving attainment, including £120 million to headteachers to close the attainment gap, in respect of which Tom Arthur spoke about the successes of Renfrewshire Council.

The budget will also provide more than £5 billion of capital investment, including more new homes for my constituency of Greenock and Inverclyde, like those in Slaemuir in Port Glasgow, which the Minister for Local Government, Housing and Planning visited only a couple of months ago, or the 200 new homes at the site of the former St Stephen's high school in Port Glasgow that passed through Inverclyde Council's planning process last week.

All those measures, and many others, come in the context of the continuing Tory obsession with austerity, which has caused Scotland's resource block grant to be slashed by £2 billion in real terms since 2010.

Johann Lamont: Can you explain how you justify a disproportionate cut to local government that will mean losses of jobs and public services across Scotland, including, as far as I am aware, in your constituency? How on earth can you describe that as a fair budget that you will be happy to vote for at 5 o'clock?

The Deputy Presiding Officer: Order. Will members remember to speak through the chair, please?

Stuart McMillan: First of all, what Johann Lamont said is not true. Secondly, I will come on to local government in a wee minute.

The fact that the SNP Scottish Government is still managing to introduce the measures speaks volumes for the excellent way in which Derek Mackay is doing his job as finance secretary. Instead of greetin and girnin from the sidelines, the Opposition parties should be thanking Derek Mackay for a budget that will deliver for our country. They should also be asking what more they can do to stop their head offices in London from working against Scotland and our budget.

The Scottish Government will continue to spend almost £100 million mitigating Tory welfare cuts, including the bedroom tax, which, to her shame, Michelle Ballantyne claims does not exist. Murdo Fraser touched on that £100 million in his comments. I say to him that the £100 million that Mr Mackay is putting into mitigation could be put into something more progressive for the nation, but it is needed to mitigate the worst of the Tories' obsession with cuts. I give Michelle Ballantyne the opportunity now to stand up and apologise to the 80,000 Scots who are affected by that callous policy.

Michelle Ballantyne (South Scotland) (Con): People who were in the room know that I said clearly that it is not a bedroom tax, but the removal of a spare-room subsidy. It is not a tax.

Stuart McMillan: Right. Okay—so, it is removal of a subsidy and not a tax. Yet again the Tories prove that they do not understand what is going on in the real world, on our streets and in our communities in Scotland.

The £100 million is additional to the investment in food banks, which has increased from £1.5 million to £3.5 million. Food banks are another consequence of a brutalist Tory regime that has no heart, no compassion and absolutely no clue about the real world. Just think: if the Scottish Government had extra money to spend it could invest it in many ways, rather than having to spend it solely on mitigating Tory cuts.

Only last week, the UK Secretary of State for Work and Pensions, Amber Rudd, admitted for the first time that universal credit has driven people to food banks. If the Tory UK Government can finally admit that its policies are leading people to destitution and food banks, why cannot the Tories in Scotland admit it? I give the Tories another opportunity to apologise to the people of Scotland for their obscene policies and to say whether they agree with Amber Rudd.

The silence says it all.

Time and again, Parliament hears requests and demands that the Scottish Government spend more money on a wide range of issues. Miles Briggs has regularly done so: he has campaigned for Frank's law and increasing the carers allowance. The budget delivers on those requests. Will Miles Briggs vote against that at five o'clock tonight?

In October, the Tories demanded that the Scottish Government ensure that all Barnett consequential that result from increased health spending go direct to the NHS and social care. The budget delivers that, and even exceeds it. Are the Tories seriously going to vote against another one of their own demands?

Miles Briggs: Will the member take an intervention?

The Deputy Presiding Officer: Mr McMillan is just closing his speech.

Stuart McMillan: In October, Monica Lennon claimed credit for Labour when the First Minister announced that there would be access to school counselling services. The budget delivers that. Are Labour members seriously going to vote against one of their own demands?

On Monday 4 February 2002, Labour-led Inverclyde Council and the Labour and Liberal Democrat Scottish Executive cut £4 million from the budget.

The Deputy Presiding Officer: You must close, Mr McMillan.

Stuart McMillan: At that time, Inverclyde Council's leader said:

"This is standard procedure and I am confident that officers will come up with recommendations to address this: we are dealing with it, as we do every year."

16:13

Liz Smith (Mid Scotland and Fife) (Con): When the budget process began in the Parliament on 31 January, my colleague Murdo Fraser set out why the context of the debate was so crucial, particularly in terms of the prognosis for economic growth and employment in Scotland, the gap in income tax rates between Scotland and the rest of the UK, and the responses of business and investors. Since stage 1 of the budget, those issues have been hotly debated in the Parliament, which is only right. However, it is also important to listen to what people outside the Parliament are saying—I will come to that in a minute.

First, let me start with what we heard earlier, which is that one of the Scottish Government's own economic advisers complained that the budget data was presented in a confusing format.

He also said that the narrative around it was designed to sway opinion in favour of the Scottish Government's interpretation of the data, rather than the data being presented on a wholly objective basis. That makes the scrutiny of the budget difficult.

That criticism of the presentation of the budget came hard on the heels of the Cabinet Secretary for Finance, Economy and Fair Work saying, in evidence to the Finance and Constitution Committee, that he had not undertaken any individual analysis of the proposed car parking tax, just as Pauline McNeill pointed out earlier. He suggested that it was something to do with the deal with the Greens.

Andy Wightman: Will the member take an intervention?

Liz Smith: I will not, if Mr Wightman does not mind.

The cabinet secretary will come to regret that, because neither of those signs points to a Scottish Government that is intent on providing the Scottish people with maximum transparency about the implications of major policy announcements.

Derek Mackay: Liz Smith said that she would turn to what the outside world thinks about the Scottish budget. How would she respond to those in the business community who have said, according to media reports, that it is important that the budget passes in order to give Scotland the necessary resources to get on with the job? They did not want to be in a position where the budget could not pass, which would have been the case if I had been left to negotiate only with the Conservatives.

Liz Smith: The cabinet secretary has succeeded in uniting the business community, industry, at least half the public of Scotland and many SNP members against the car parking tax, so I will not take any lectures on that.

We have been accused of being hysterical, and all kinds of other things, about this car parking tax, but, unfortunately for the Scottish Government, this policy is not about the real devolution of powers to local authorities in the way that it thinks it is. The policy is unravelling before the Government's eyes. The tax is a Scottish Government policy. The brokerage of the deal with the Greens, the implementation and the exemption for workers using NHS buildings were decided by the Scottish Government, not by local authorities. Mr Mackay says, "Never mind," because it would be up to local authorities to consider further exemptions. However, it turns out that there are a whole lot of complexities and complications about those other possible exemptions, which have been explained very well by some members this afternoon—complications that have been caused

by central Government. I say to Derek Mackay, please do not tell the Scottish Conservatives that we are being inconsistent; it is the SNP that is being wholly inconsistent over the policy, and I think that most of Scotland agrees with me about that.

It is not just in relation to the budget that we see this issue. In education, we have had the same dilemma about whether policies are taken at central Government level or whether they are devolved to local authorities. We were told in 2017 and in 2018 that the school governance bill was a flagship bill to devolve power to headteachers because they are

“best placed to take decisions”—[*Official Report*, 3 October 2017; c 25.]

in their own schools.

I could not agree more with that, but suddenly the bill was scrapped, and the status quo endures.

We were told that the new regional improvement collaboratives were to be a further devolution of power, yet many of the people involved in them are complaining constantly that they are at the behest of central Government and the education agencies telling them what to do.

When it comes to pupil equity funding—a very good initiative, as Mr Arthur rightly pointed out—it seems that a headteacher is not quite as free to spend the money as he or she originally thought, because his or her ideas have to be considered by a local authority first.

Kate Forbes: I have a genuine question about localism. Does Liz Smith agree with Tory councillors in Edinburgh who believe that local car parking decisions should be made by local authorities?

Liz Smith: I personally do not agree with the tax at all, because of the basis on which the SNP has set it out. I take huge exception to the fact that the SNP is pretending that this policy measure has been devolved to local authorities when no such thing has happened. It is the Scottish Government, at central level, that has been setting the parameters of the policy, and that is what people do not like.

I will finish on two points. I still cannot get into my head why the cabinet secretary believes that he is able to refute the evidence from the chancellor’s announcements in October last year that he has an extra £950 million in the Scottish block grant. He tries to tell us that he has less money. I do not understand that, and I do not think that many other members in the chamber do, either. He has not explained why he thinks that increasing the tax burden in Scotland will deliver the economic growth and investment and all the jobs that we need to have to ensure that Scotland

can flourish in the future. On that basis, I will be voting against the budget.

16:19

John Mason (Glasgow Shettleston) (SNP): I speak in support of the budget. It is a very reasonable budget, given the circumstances. The uncertainty of Brexit is damaging both for businesses and for individuals. Confidence in Scotland and throughout the UK is at a low ebb. The UK is not in a good place economically and we have to do the best we can with what we have.

On Tuesday, we focused on income tax. I am comfortable that we are being more progressive, while trying not to provoke serious behaviour change, such as rich taxpayers leaving the country. I am also comfortable that we are aiming to free up local authorities to introduce more local taxes that might suit them, such as the tourist tax and the parking levy. Longer term, I support a replacement for the council tax, which would be a challenge for us all to agree on but which is achievable.

On the expenditure side, we are trying to be fair to various sectors, but none of us in here or out in the real world can get all the money that we would like. If we give more to local government, that means less for health; if we spend more on preventative healthcare, that means less for hospitals and reactive drugs; and if we spend more on primary schools, that means less for secondary schools. I am disappointed that Conservatives and members of other parties do not seem to understand that simple arithmetic.

A few issues have been mentioned during the debate so far, and certain themes and points have come up a number of times. One of those is the parking levy, and we need to get a few facts about that into the public domain.

Murdo Fraser was the first member to mention it, and he knows, as we all do, that there is a legislative process. The Government will have to consult, the committee—in this case, the Rural Economy and Connectivity Committee—has said that it will definitely consult, the amendment will have to be examined and debated, and we will have stages 1, 2 and 3. We have a long way to go on the issue. The Government and the Greens have put forward a plan, which will be consulted on at committee, but it will be the Parliament that decides the way ahead for it. It is nonsense for members to suggest a lot of details about the levy when it has not even been consulted on.

Jamie Greene (West Scotland) (Con): Will John Mason take an intervention?

John Mason: Let me finish this part of my speech and I will come back to Jamie Greene, if he wants.

It has been suggested that the parking levy is automatically unfair—although we have not even discussed the details—but we must remember that many workplace parking places are for directors and top-paid people in city centres. In Glasgow city centre, for example, it is not the council's cleaners who have parking places; it is the councillors, directors or such people. In the Scottish Parliament, for example, the car park downstairs, as I understand it, is generally used not by the cleaners or the security people but by MSPs and, potentially, top-paid workers.

I agree that we need to consult and that there can be exceptions but, on the whole, the parking levy will hit the highest-paid workers.

Miles Briggs: Will John Mason take an intervention?

John Mason: I said that I will take an intervention when I have finished my point on parking levies.

To Dean Lockhart, I say that the parking levy is not in the budget. Yes, the Government has made an agreement with the Greens, but the Transport (Scotland) Bill will have to be amended and there is no certainty that that will happen.

Liz Smith made the point that the parking levy has not yet been studied in detail, and we are all agreed and open about that. She complained about the way in which the budget facts have been presented in a number of areas. However, would she also complain about some of her colleagues spreading conjecture as fact, for example by using a figure of £500 that has no basis in reality?

Jamie Greene: The committee has not come to any public arrangement as to how it will process the amendment, and it is not public information for the benefit of members in the chamber. If the amendment falls in committee at stage 2 or in Parliament at stage 3, and the deal that has been done between the SNP and the Greens is reneged on because of parliamentary processes, what effect will that have on next year's budget discussions?

John Mason: I will certainly not speculate on what will happen in next year's budget, and the Greens are more than able to speak for themselves. However, as I understand it, they have asked for the Government's agreement to introduce an amendment, and that is as far as it goes. As Mr Greene knows, the REC Committee is a fairly independent committee that will look at things logically and objectively. Both he and I will do that as part of the process and we will see where it takes us.

I fear that I will run out of time to look at the issues. I will mention another issue, which was raised in the debate by Labour.

The only clarity that we have had from Labour members is that they want to raise the 46p rate to 50p. They are taking a big risk in making a 4p jump, which would create a 5p difference between Scotland and the rest of the UK. We know that there can be behavioural change. I suggest that, if we are going to change the figure, we go 1p at a time and do not have a very large jump.

I will say something about manifestos. They give a direction of travel, but they are dependent on a party becoming the majority Government so that it can impose its decisions and directions. Minority Governments cannot impose their manifesto and need to compromise and get agreement with other parties—and that applies to all parties.

Overall, I am more than happy to support the budget.

16:25

Mark McDonald (Aberdeen Donside) (Ind): Much as I accept the mathematical irrelevance of my position, I state at the outset that I will be backing the budget at 5 o'clock this evening. I will, however, offer a few thoughts in the hope that they might be well received—or, at least, received—for consideration in future years.

First, on taxation, I have long held the view that the step from £43,430 to £150,000 is too great, which is a point that I noted James Kelly making in the chamber on Tuesday. I asked SPICe to run some potential scenarios and it concluded that the introduction of a 44p rate at £75,000 and a 48p rate at £150,000 would realise an additional £120 million, which could be spent on priorities. Although that might not seem a huge sum in the global budget, I believe that it would address principles of tax fairness and open up potential revenue streams that could be utilised for various priorities, some of which members have highlighted in the chamber this evening.

I feel that we need to get away from the nonsense narrative that taxation somehow equals theft. Taxation is a means by which the state invests in services and support for communities, from which everyone benefits, regardless of their income. In fact, people who are on generally high incomes have tended to benefit disproportionately as a result of, for example, investment in education services and infrastructure services that support businesses. There is also investment in the workforce, who are educated and supported through taxation.

I recognise that the Tories support the concept of a small state, which is a valid philosophical

position, albeit one with which I passionately disagree. However, I think that the Tories spend a bit too much time talking about how taxes should be reduced and not enough time talking about where they would disinvest in order to realise that vision of a smaller state. Perhaps they would benefit from sharing that vision more openly in the chamber, so that we could have a proper discussion about it.

We need to think seriously about how we encourage and promote greater collaboration and co-operation across the public sector and between the public, third and private sectors. There remain too many silo approaches and too many services where owning the spend equals owning the saving, so we should look at how benefits can be achieved across sectors. This Parliament had to legislate to ensure that health and social care integration took place, but legislation should not be needed to encourage greater collaboration. One means to address that could be to look at funding less on a sectoral basis and more on a geographical one and to use, for example, community planning partnerships as a means to encourage local budget setting and planning for priorities. I accept that that would require a radical shift in how we do budgets in Scotland that would involve much earlier starts for the process. However, if we truly want to encourage localism, it would be a good step to consider, not necessarily for next year but for future budget years.

We also need to consider how we best involve the people in our budget process. A number of years ago, I visited Malmö in Sweden as part of a Local Government and Regeneration Committee visit. The local authority there spoke highly of its citizen jury model, in which a selection of citizens chosen through the electoral roll and balanced for representation by gender and ethnicity are consulted on proposals and feed into the budget process. I believe that there is merit in exploring such an approach in Scotland, which could ensure that we hear voices beyond the perennially engaged. As we consider what the priorities of the Parliament should be, we could be informed of the priorities of the people through that process.

I do not necessarily expect those thoughts to go very far, but I hope that by putting them on the record, they might achieve at least some consideration by ministers in future years.

The Deputy Presiding Officer: The last of the open debate contributions is from Emma Harper.

16:28

Emma Harper (South Scotland) (SNP): I am pleased to be able to speak in this important debate as a member of the Parliament's Finance and Constitution Committee. I will focus my

comments on a few key areas: the investment that this Government has made in our NHS, the protection afforded to workers through the rate resolution, and the uncertainty that Brexit has caused and, indeed, is continuing to cause for businesses and our economy.

I welcome that the budget delivers almost three quarters of a billion pounds—£729 million—extra for health and care services in Scotland, with a particular focus on mental health. That investment has allowed the Scottish Government to increase mental health funding to £1.1 billion and to increase mental health funding for young people by £12 million. The £12 million will provide about 350 school counsellors in Scotland's secondary schools, which will provide young people throughout my South Scotland region with the opportunity to speak openly about their mental health with qualified professionals who can provide targeted and faster support for any problems that present themselves. I am also pleased that our higher education institutions will benefit from the provision of 80 additional counsellors over the next four years, and that an additional 250 school nurses will be in place by 2020.

I am pleased that the rate resolution that was agreed by Parliament on Tuesday will protect our middle earners. I spoke in the debate and focused on nurses, allied healthcare professionals, teachers and social workers, whose income tax will remain fair, proportionate and at the lowest levels in the UK.

Colin Smyth: Does Emma Harper accept—

The Deputy Presiding Officer: Your microphone is not on, Mr Smyth. Oh, I see that it is now on—you have lit up as you stand there.

Colin Smyth: Not for the first time, Presiding Officer.

Emma Harper mentioned teachers, but does she accept that the budget means that when the council sets its budget next week, dozens of teachers will be axed in Dumfries and Galloway because of the £16 million-worth of cuts to council services?

Emma Harper: Because of time, I will give a one-word answer: nuh.

When speaking in the rate resolution debate, I pointed out that nurses on a band 5 salary—that is 68 per cent of all nurses—will have their salary protected. They will be on the basic or intermediate rates of income tax, paying 20 or 21 per cent, which is the equivalent of about £4,425.50 per year—the lowest amount that will be paid in the UK.

On Tuesday, I highlighted the Scottish Government's efforts to ensure that Scotland

remains an attractive place for business, families and people. In the budget, the cabinet secretary has committed to freezing the higher-rate tax thresholds for higher earners—such as consultants, radiologists and surgeons—at £43,000 and at £150,000 for top-rate earners. Such professionals are absolutely needed in Scotland. Many of them are our EU citizens, who are welcome in Scotland but are being met with nothing but chaos, hostility and sheer disrespect from an out-of-touch UK Government.

It would be remiss of me not to mention the uncertainty that Brexit has caused for businesses and the Scottish economy. At the Finance and Constitution Committee's meetings, we have taken evidence from numerous experts who have warned of the real risks of Brexit to businesses and our economy. One such example came from the OBR, which told the committee that it

"had a forecast prior to the referendum, assuming that there would be a vote to remain in the EU, that the economy would grow by roughly 4.5 per cent between the time of the referendum and now."—[*Official Report, Finance and Constitution Committee*, 9 January 2019; c 38.]

I always remember that figure, because it shows the extent of the damage that the Tories' infighting on Brexit—this bourach of a Brexit—has had on the country and on our economy. However, I am pleased that we have a Government in Scotland that is working to mitigate the consequences, and I ask the Scottish Government to continue to do all that it can to protect Scotland from the UK Government's Brexit chaos.

I am conscious of time, but I will briefly touch on other steps that the Scottish Government has taken in the budget that will benefit people across Dumfries and Galloway in my South Scotland region. The budget will deliver more than £435 million of direct assistance through social security interventions. Investment of £3.5 million in the fair food transformation fund will assist national projects such as FareShare, which provides communities across Scotland with unused food from the big supermarkets, including Asda, Tesco and Morrisons. The Cabinet Secretary for Communities and Local Government, Aileen Campbell, spoke about such work at portfolio questions earlier today.

The investment will help the staff and volunteers at Summerhill community centre in Dumfries, which I visited last week. Summerhill receives a weekly delivery from FareShare that is distributed to families and people across north-west Dumfries, from Lochside and Lincluden to Sandside, as well as to the Aberlour charity and the Summerhill community. The investment is an important support for the people in my area.

The budget provides record investment in our NHS, our schools, our social security system, our public services and our people and families. Fifty-five per cent of people will pay less in income tax than they would if they lived in other parts of the UK. Most importantly, in a time of Brexit chaos, the budget allows Scotland to remain an attractive place for people and families to come to live, work and study. I urge members across the chamber to vote for the budget at decision time.

The Deputy Presiding Officer: We move to closing speeches. We are really pressed for time.

16:35

Andy Wightman (Lothian) (Green): Greens are pleased with what we have achieved in the budget. We have long argued that local government finance, powers and autonomy need to be substantially reformed and enhanced. We hope that securing a deal that begins the overdue process of strengthening local government's fiscal powers will be seen in the future as an important turning point.

A fiscal framework, a three-year funding deal, the clearest commitment to date to scrapping the regressive council tax, new fiscal powers over tourism and workplace parking, and a budget that provides greater resource and flexibility for councils are achievements that we are proud of.

In a Parliament in which no party has a majority, a coalition must be built to secure support. Parliament has instigated a new approach to budget scrutiny, but how the budget is developed and negotiated is a quite separate matter that is substantially in the gift of ministers. As we have seen this year, there has been no shortage of outrage and opposition and no lack of colourful rhetoric about rescue deals, capitulation and betrayal—all accompanied by a distinct lack of serious engagement in budget negotiations.

In the future, I hope that we will do things better, and I will make a proposal to achieve that. In September 2019, the finance secretary should convene round-table talks to discuss specific proposals from his party and Government and from other parties. Such talks should be followed by further detailed discussion and negotiation after the UK budget.

Such efforts—they would be only efforts—could inform the draft budget that will be published in November or December. To build on whatever progress and trust had been established, detailed negotiations could then take place in Parliament about the budget bill. That might even involve parties publishing their proposals and submitting them to scrutiny by the Finance and Constitution Committee.

Such a process could ease tensions, build trust, allow red lines and aspirations to be properly assessed and tested and ultimately—although there is no guarantee, and parties would be free to rule themselves out of the process—increase the chances of having a budget for Scotland that was built on a shared collaborative endeavour.

The Deputy Presiding Officer: I call Monica Lennon, who has no more than six minutes.

16:37

Monica Lennon (Central Scotland) (Lab): Our communities deserve better than the budget. Scottish Labour cannot support an austerity budget that will inflict cuts on public services while delivering tax cuts to the wealthiest in our society. Instead, Scottish Labour wants a budget that will help to lift people out of poverty and build stronger communities with well-resourced public services.

We asked the Scottish Government to include our anti-poverty policies in the budget, but it declined to do so. The result is a budget that is a total disappointment from a Government that claims to be progressive and ambitious for Scotland.

Derek Mackay: As is fair for a finance secretary, I asked the Labour Party how it would pay for its proposals. I got no answers. Will Monica Lennon tell us here and now what any rate of tax other than the top rate would be under a Labour Government to fund the policies that she refers to? She has a last chance to explain Labour's position.

Monica Lennon: The cabinet secretary is on his last chance, because what has been said is not true. James Kelly and Scottish Labour colleagues entered discussions in good faith but got nothing out of the cabinet secretary. What the cabinet secretary failed to talk about—*[Interruption]*—I will tell him if he cares to listen. He failed to talk at all about child poverty. When we went into discussions, at the front of our minds were the one in four children in Scotland who live in poverty—*[Interruption.]* Front benchers might think that that is funny, but one in four children in Scotland live in poverty—*[Interruption.]*

The Deputy Presiding Officer: Ms Campbell, would you please stop shouting?

Monica Lennon: Perhaps the Cabinet Secretary for Communities and Local Government agrees with Scottish Labour. We asked for a £5 child benefit top-up—there is clear evidence that that would lift 30,000 children out of poverty, and the policy has wide support in Scotland from charities and trade unions alike.

The Cabinet Secretary for Communities and Local Government (Aileen Campbell) rose—

Monica Lennon: I will make progress.

Derek Mackay said no to that. Maybe Aileen Campbell already knows the answer. That proposal could have been part of the budget. Even the SNP's highly respected former special adviser, Kevin Pringle, described it as "a missed opportunity".

Scottish Labour is sick of seeing our public services and workers struggle. We ask for more funding for public services because when they are properly resourced, all our communities are stronger for it. Instead, shamefully, this SNP budget will cut council budgets in real terms by £230 million, taking total cuts—

Derek Mackay: That is wrong.

Monica Lennon: It is not wrong, cabinet secretary. That will take total cuts since 2011 to £1.5 billion. Derek Mackay spins those cuts as efficiencies, but let us make no mistake—they are devastating cuts that put lifeline services at risk. Every MSP in this chamber knows that to be true.

As James Kelly outlined, Scotland's tax bands require progressive and fair brackets. Labour would make the richest pay their fair share, but the SNP tax plans are weak, rewarding higher earners with tax cuts.

On rail, as Colin Smyth said, we propose a fare freeze, because we are listening to the people of Scotland, who have made their voices heard about poor rail services, overcrowded trains and the unaffordable hike in fares. However, again the Scottish Government is not listening. Rail fares have increased, while ScotRail's performance has plummeted. That is another missed opportunity to do something about the cost of living.

If we look at the big picture, and the big challenges that Scotland faces, Audit Scotland warns that the future of our national health service is not sustainable. We are not seeing the transformational change that is needed to reform and integrate health and social care. The Government needs to be transparent about the funding that our NHS actually needs. Chronic underfunding has pushed health boards to crisis. The Cabinet Secretary for Health and Sport's local board, NHS Ayrshire and Arran, has been underfunded for years and faces cuts of more than £40 million next year. Surely the health secretary believes that her constituents deserve better than that.

Derek Mackay: Why, then, will Monica Lennon be voting tonight against an increase in the NHS budget of more than £700 million? If she wants even more money for public services, by how much would tax have to be increased to pay for Labour's demands?

Monica Lennon: The budget is weak and does not tackle the underlying challenges. It is not simply about more money for the NHS. Let us look at the facts. The rise in life expectancy has stalled. The death rate has begun to rise for people who live in our poorest communities. Health inequalities in Scotland are worsening.

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

The Deputy Presiding Officer: Ms Lennon is just closing.

Monica Lennon: Cuts to council services are shutting doors on the most vulnerable people in our community. That is not helping, cabinet secretary. The cabinet secretary has dismissed Labour's progressive policies from the outset. Again, perhaps he should have listened to former adviser Kevin Pringle, who was right when he said:

"Poor people die younger, but the poverty that kills them lives on."

The levels of poverty in Scotland are unacceptable. Our poverty-proofed proposals for the budget would have saved lives. When we have policies that tackle poverty, we tackle the causes of ill health. That is the issue that matters in this budget, or should have mattered to this Government.

16:43

Adam Tomkins (Glasgow) (Con): There is record employment in the United Kingdom. There are more jobs in the British economy now than at any point in our history. Across Britain, the employment rate is up and the unemployment rate is down. At the same time, wages are rising. Youth unemployment is down and more disabled people in Britain are in work than ever before. The OBR forecasts that all of that is set to continue, with 800,000 more jobs across Britain expected to be created by 2023. That is what Conservative Government delivers.

Derek Mackay rose—

Adam Tomkins: Let me make some progress.

Meanwhile, in the SNP's Scotland, we have slower growth, higher taxes and worse public services. That is Derek Mackay's achievement and Nicola Sturgeon's legacy. What Scotland needs is a budget for growth; a budget that attracts jobs to the Scottish economy; and a budget that brings taxpayers to Scotland, not one that drives them away. *[Interruption.]*

The Deputy Presiding Officer: Mr Yousaf—please do not interrupt.

Adam Tomkins: What Scotland needs is a budget for business; a budget for the high street;

and a budget that boosts the Scottish economy, not one that punishes it. *[Interruption.]* Let me make some progress.

However, what we are getting from the SNP-Green alliance is the very opposite of what Scotland needs. We are getting higher taxes on workers; higher taxes on families; new taxes on jobs; and tax hikes that the SNP promised in the election campaign that it would not inflict on hard-working Scots. However, nationalist campaign pledges are not worth the paper that they are printed on.

These are not tax rises for the rich; everyone in Scotland who earns more than £27,000 will pay more tax than they would in England. In effect, it is a tax rise for teachers, senior nurses, police officers and firefighters. It is a tax rise for middle-income earners—a tax rise for ordinary, hard-working families. If someone earns £49,000, they will be paying a whopping £1,300 more every year in income tax in the SNP's Scotland than they would be if they lived south of the border.

Is it any wonder that the FSB has said that the SNP's latest tax rises will "erode the trust" of the small business community? Is it any wonder that the life sciences sector has warned that income tax differences between Scotland and England will hurt its ability to recruit the skilled workers that the Scottish economy so badly needs? Is it any wonder that the CBI has warned that

"income tax could become a major issue for companies keen to attract the best talent"?

Derek Mackay: Will the member give way?

Adam Tomkins: I will give way to the cabinet secretary in a minute.

Is it any wonder that the Scottish Chambers of Commerce has warned that it

"could take years to repair"

the damage of Derek Mackay's higher taxes? If he wants to respond to any of those points, I will happily give way to him.

Derek Mackay: I would like Mr Tomkins to say exactly where in Scotland's public sector the £0.5 billion cut should come from to pay for the Tory tax cuts that they want us to implement to mirror the chancellor's Tory tax cuts for the highest earners in this country.

Adam Tomkins: The tragedy is that none of these tax rises is necessary, because the Scottish Government's budget is already increasing by £0.5 billion in real terms this year.

None of those warnings is remotely surprising. However, what is shameful is that Nicola Sturgeon's SNP is deaf to all of them. It does not care about growing the Scottish economy. All it

cares about is pandering to the hard-left tax policies of Patrick Harvie's Green Party. It is not that the Greens do not believe in growth—they are positively opposed to it. They are so vehemently anti-car that they probably think the invention of the wheel was a retrograde step and yet this small collective of unpopular politicians is the group that Derek Mackay chooses to do his budget business with. Where has this ill-fated alliance of nationalists and Greens led him? To the genius idea of the car park tax—so genius that it has been in several Labour Party manifestos.

John Swinney, Bruce Crawford and Fergus Ewing have all spoken against the proposal in the past. SNP member Richard Lyle recently said this—

Neil Findlay rose—

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

Adam Tomkins: Richard Lyle said:

"I am not for your parking charge levy, and I speak on behalf of thousands of motorists who have been taxed enough."—[*Official Report, Environment, Climate Change and Land Reform Committee*, 13 November 2018; c 59.]

Well, quite—yet each of those great heavyweights of the SNP will be voting for that tax tonight. John Swinney, Bruce Crawford and Fergus Ewing will all be voting for something that they do not believe in and which they know is wrong. Why? Because appeasing the Greens is more important to them than sound public policy.

It has been claimed that this is not really a tax rise, but some sort of welcome empowerment of local authorities. However, this is not about localism at all. The Parliament's devolved tax powers mean that we can vote to either raise or lower tax rates. If the SNP was serious about localism, it would grant the same powers—the same freedom of choice—to local authorities. However, the only power that is being given to councils under this proposal is a power to impose new taxes. We can choose to put taxes up or down, but under this proposal, councils can choose only to put up the tax. That is not localism.

To quote Unite the union's Scottish secretary, Pat Rafferty, the car park tax is

"a desperate attempt to absolve the government from the funding crisis they have presided over."

He goes on to say that

"if implemented, we would have the ludicrous situation where we would have local authorities taxing workers for turning up to work."

However, we should not worry, because Mr Harvie thinks that an additional £500 per year in tax on low-paid workers is "trivial"—that is the word that he used this afternoon.

In a few moments, we will have the unbridled joy of listening to another budget speech from the cabinet secretary. Since he announced his hare-brained car park tax, a number of questions have emerged about it. We know that he did precisely no economic modelling of the tax before announcing it. We know that there was no impact assessment. We know that he did not think it through.

However, in the three weeks since the cabinet secretary announced the tax, he has had time to address the concerns that have been brought to his attention. So, will he answer any of the following questions about the tax in his summing-up speech? First, where employers pay the tax on behalf of their employees, will that count as a benefit in kind for the purposes of income tax? Secondly, does he agree that it is a regressive tax that will hit lowest-paid workers hardest? Thirdly, if NHS properties are to be exempt from the new tax—a decision that was taken centrally, by the way, which reinforces the point that this has nothing to do with localism—will GP surgeries also be exempt and, if not, why not? Fourthly, will teachers be expected to pay the tax for driving to work? Fifthly, if the tax is passed on to employees, will it be subject to VAT, further putting up the costs for workers?

Keith Brown: Will the member take an intervention?

The Deputy Presiding Officer: Mr Tomkins is just closing.

Adam Tomkins: Sixthly, and finally, if firms do not comply with this unwanted and ill-conceived tax, will they be fined, landing businesses in Scotland with even more costs, even more bureaucracy and even more expense? Those are six unanswered questions about just one aspect of Derek Mackay's shambles of a budget.

The Deputy Presiding Officer: Close, please.

Adam Tomkins: Let us see whether he can answer any of them.

16:52

Derek Mackay: That contribution from Adam Tomkins did a disservice to both Adam Tomkins and to the Parliament. The reason why I say that is that as parliamentarians we are being asked to vote on a budget of £42.5 billion for our public services, our economy and our people. That speech was about the workplace parking levy; it was a diversion from the reality that we are facing right now. This is the budget that we are being asked to approve, and that is where people should have focused their minds.

Among his references to economic indicators in the UK, it was remarkable that Adam Tomkins did

not tell us that unemployment in Scotland is right now at a record low of 3.5 per cent, outperforming the rest of the UK. If the SNP Government is responsible, we will take responsibility for record low unemployment in Scotland right now. Our economic credentials are strong.

The fiscal commission that informs the budget and the debate was not mentioned by the Opposition at all. That commission told us what the real threat to Scotland's economy is. It told us the reason for the subdued nature of economic performance, after the economy having outperformed last year. It told us that the greatest threat to Scotland's economy is not the workplace parking levy but Brexit, which was not mentioned by Conservative members in their contributions today.

That brings me to the second paper that I want to speak about. I have to say that I am disappointed in the Labour Party, too. The chief economist has published a report that says that if there is a no-deal Brexit—which most of us agree is increasingly likely because of the actions of the Prime Minister and her red lines—the Conservatives will be taking this country towards a recession with their eyes wide open. What does a recession mean for people? It means 100,000 people unemployed, a contracting economy, business failure and that those who are most vulnerable will be hardest hit. That is what the Conservatives are taking us towards and they should be ashamed of themselves for that catastrophe.

Oliver Mundell: Despite the cabinet secretary's amateur dramatics, does he not think that the best thing that the SNP could do to protect the Scottish economy would be to get behind the deal that the Prime Minister is trying to secure for the whole of the United Kingdom?

Derek Mackay: I might appear dramatic; that is because I believe every word that I am saying. I am not that sure that the Conservatives feel the same way.

The alternative to a no-deal Brexit is no Brexit. We have set out compromises, but the UK Government has steadfastly refused to listen. It is willing destruction and negative impact on the Scottish economy. Even the Prime Minister's deal would damage the economy.

If there is tax divergence coming, it is coming partly as a result of the actions of a right-wing, extremist Tory Government, which chooses, as an act of fiscal irresponsibility, to give—at this time, when our public services need support—tax cuts to the richest in society. We all know who the Tories really want to tax—they want new taxes for the poor. They want taxes on ill health in the form of prescription charges and on education in the

form of tuition fees. People should not dare to be poor and to have more than two children in Tory-run Britain. What a disgrace the Tory party has become! If I followed the Tory tax plans, we would cut £0.5 billion from our public services instead of growing them, which is what our budget supports.

Kezia Dugdale (Lothian) (Lab): I am grateful to the cabinet secretary for bringing us back to reality. I say to him that

“care provision in Edinburgh is not good enough.”

Those are not my words; they are the words of Jeane Freeman in a letter that I received this morning. Before 5 o'clock, can Derek Mackay tell me how cutting £14 million from Edinburgh's health and social care budget and £9 million from NHS Lothian will help my constituents who are desperately waiting for a care package?

Derek Mackay: The budget offers a substantial increase to social care, a record amount in health spending and a substantial real-terms increase in resource to local government. By opposing the budget, the Labour Party is opposing additional expenditure for those services in Scotland. That is what we are voting on tonight.

I want briefly to return to the Conservatives, whose many positions we have heard about. They want to raise less and spend more. I am finding out about council tax decisions at this point in time. Despite everything that we have heard from the Conservatives about council tax and other taxes, I understand that Tory-led Perth and Kinross Council is to increase council tax by 4 per cent. That is not what the Tories promised the electorate, and we have increased local government budgets. That just goes to show that, on so many matters, members of the Conservative Party can take as many positions as they like. There is no need for Conservative members to defect—they can take any position they like and stay in the party.

In all seriousness, I say to the Labour Party that it knows that it brought no credible budget alternative to my office. When he was asked to name councils whose budgets were going down, James Kelly ran away from his own question. It is no wonder that he did so. Let us take the example of Glasgow City Council. It is getting more resources from the Scottish Government. Of course, we are clearing up the mess that was left by the Labour Party when it denied justice to women regarding equal pay. Rather than taking the women to court, the Scottish Government and the SNP administration in Glasgow took them to justice, and those payments will be made.

I turn to Willie Rennie. The only thing that I am left with from his contribution on the budget is that he wants me to show him my flagpole. I do not have a flagpole; I have a patio. I will show him the

patio, because it is on that that I stand: the budget is about firm foundations.

Mike Rumbles (North East Scotland) (LD): Will the cabinet secretary take an intervention?

Derek Mackay: No, I will not take an intervention from Mr Rumbles. *[Interruption.]*

I might reflect on the language that I used in relation to Willie Rennie. It is a very interesting offer.

When it comes to the budget, we are proposing a £733 million increase in NHS resources—*[Interruption.]* I am winding up.

That will increase the total spending in the NHS to £13.9 billion. There will be a real-terms increase for local government of £300 million. There will be £2.4 billion for education, enterprise and skills, and enhancing social security; and £5 billion on capital investment, supporting our infrastructure for now and the future. We are expanding the childcare of our country; providing real-terms protection for police resource budgets; and investing in the economy through the national investment bank. We are proposing a national infrastructure mission for Scotland; the most competitive package of non-domestic rates relief; more support for and investment in transport; a record investment in housing; and a £50 million fund for the town centres of Scotland.

Murdo Fraser spoke about a parliamentary shambles and he speaks from authority when he talks about the shambles that is the Westminster Government. However, tonight in Scotland, we have an opportunity. Scotland expects us to deliver. This budget delivers for Scotland, and I encourage all members of the Scottish Parliament to deliver tonight and vote for the Scottish budget.

Decision Time

17:01

The Presiding Officer (Ken Macintosh): There is one question to be put as a result of today's business. The question is, that motion S5M-15907, in the name of Derek Mackay, on the Budget (Scotland) (No 3) Bill, be agreed to. Because this is stage 3 of the bill, we will move straight to a division. Members may cast their votes now.

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)
 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)
 Gougeon, Mairi (Angus North and Mearns) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Greer, Ross (West Scotland) (Green)
 Harper, Emma (South Scotland) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Haughey, Clare (Rutherglen) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Uddingston and Bellshill) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKay, Rona (Strathkelvin and Bearsden) (SNP)
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)
 Maguire, Ruth (Cunninghame South) (SNP)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (Aberdeen Donside) (Ind)
 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)
 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)
 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)
 Dugdale, Kezia (Lothian) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Golden, Maurice (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Greene, Jamie (West Scotland) (Con)
 Griffin, Mark (Central Scotland) (Lab)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Harris, Alison (Central Scotland) (Con)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Kelly, James (Glasgow) (Lab)
 Kerr, Liam (North East Scotland) (Con)
 Lamont, Johann (Glasgow) (Lab)
 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)
 McArthur, Liam (Orkney Islands) (LD)
 McNeill, Pauline (Glasgow) (Lab)
 Mitchell, Margaret (Central Scotland) (Con)
 Mountain, Edward (Highlands and Islands) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Rennie, Willie (North East Fife) (LD)
 Rowley, Alex (Mid Scotland and Fife) (Lab)
 Rumbles, Mike (North East Scotland) (LD)
 Sarwar, Anas (Glasgow) (Lab)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Elaine (Central Scotland) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Smyth, Colin (South Scotland) (Lab)
 Stewart, Alexander (Mid Scotland and Fife) (Con)

Stewart, David (Highlands and Islands) (Lab)
 Tomkins, Adam (Glasgow) (Con)
 Wells, Annie (Glasgow) (Con)
 Whittle, Brian (South Scotland) (Con)

The Presiding Officer: The result of the division is: For 66, Against 58, Abstentions 0.

Motion agreed to,

That the Parliament agrees that the Budget (Scotland) (No.3) Bill be passed.

Meeting closed at 17:02.

Correction

The First Minister has identified an error in her contribution and provided the following correction.

The First Minister (Nicola Sturgeon):

At col 16, paragraph 3—

Original text—

My understanding is that any payments that were made to the company were for services that were delivered before the company went into administration, and therefore health boards were contractually and legally obliged to make those payments.

Corrected text—

My understanding is that any payments that were made to the company were for services that were delivered before the company ceased trading, and therefore health boards were contractually and legally obliged to make those payments.

This is the final edition of the *Official Report* for this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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