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[The Presiding Officer opened the meeting at 13:30]

Business Support Inquiry

The Presiding Officer (Ken Macintosh): Good afternoon. Our first item of business is an Economy, Energy and Fair Work Committee debate on motion S5M-17360, in the name of Gordon Lindhurst, on the committee's business support inquiry. I encourage all members who wish to contribute to the debate to press their request-to-speak buttons as soon as possible.

Gordon Lindhurst (Lothian) (Con): Words, concepts, arguments—are those not the tools of our trade, Presiding Officer? We speak, therefore we are. It was P G Wodehouse who said:

“One of the drawbacks to life is that it contains moments when one is compelled to tell the truth”.

That is a caricature, of course—and yet?

I will focus on the content of the response to our report by the Convention of Scottish Local Authorities and try to overlook the grievous tone. The letter from the Scottish Government was, by contrast, a ray of sunshine; I will focus on the tone and try to overlook the content, which—I am sorry to say—was somewhat scant.

I will address four areas of the committee's report—transparency, accountability, alignment and engagement—with, first, some context. Business gateway was envisaged as a one-stop shop for business start-up and support and the Scottish Government's flagship for small and medium-sized enterprise. A decade has passed since the service transferred to local authority control, so it is a perfect time, perhaps, to assess where we are and where we want to be.

It is also a chance to follow up on a narrower piece of work by our predecessor, the Economy, Energy and Tourism Committee, which advised in 2011 that business gateway should be operating at peak effectiveness and suggested that we might want to take a future look at the performance of business support services, the “future” being now.

This inquiry could have been this committee's first, in 2016, before what members of the House of Lords refer to as “the other matter” came along—is there an election tomorrow? I will say nothing further on that point—so we began with an inquiry into the economic consequences of leaving the European Union.

However, I digress. The remit of the inquiry that we are concerned with today is:

“To understand the range of support services available to new and existing small and medium sized businesses at a local level across Scotland, with a particular focus on Business Gateway.”

To do that, we wanted to engage with businesses directly. We received 355 responses to an online survey and 41 submissions to our call for views; we visited companies in Lanarkshire, Inverness, Aberdeen and Edinburgh; and we studied the Enterprise Ireland approach during a visit to Dublin. We took evidence from support providers, representative bodies, financial lenders, local government and others. We heard that the variety of support, advice and products that is available to businesses is a strength—“no wrong door” is the phrase.

However, opportunities to align local and national economic priorities had been missed. Business gateway was not included in the enterprise and skills review, although it has been involved since. We recommended a number of ways to improve transparency and accountability, including publication of regional budget and performance information.

The inquiry also led us to look at how others provide business support. We found the approach in Ireland to be a mix of tailored local delivery and national strategic direction and recommended a review to see which aspects of that model could work in the Scottish context.

How was our report received? The cabinet secretary wrote to say:

“I recognise that many of the points you raise about Business Gateway do need to be addressed.”

He told us that he and his COSLA counterpart agreed that we can do things better, and that they would work to co-produce solutions as part of a single-system approach. So far, so encouraging, although I suppose that Mr Hepburn could provide us with a few more clues today, particularly on the work with COSLA to improve transparency around performance, and his officials' review of the Irish model.

The Scottish Government's response referenced the “Scotland CAN DO: Boosting Scotland's Innovation Performance” innovation action plan several times. The committee heard little about that initiative during the inquiry. Doubtless, the minister can elaborate later in his usual can-do manner. We do not want to invoke the cynical rebuke of satire but, of course, Jim Hacker's first rule of politics was:

“Never believe anything until it's officially denied.”

The committee was deeply concerned about the lack of transparency around business gateway.

There is no regularly published information on local targets, performance or budget allocation. We were looking not for a league-table approach but for an approach that encouraged more openness. COSLA rejected our findings, citing the availability of economic indicators and a benchmark framework, both of which we had considered during the inquiry and found wanting. The local government benchmarking framework includes only one element for business gateway and provides nothing on business gateway other than spend. The Scottish local authorities economic development group's economic indicators report covers three strands but does not contain enough detail on any strand to enable us to scrutinise performance. There is nothing on performance against targets—in fact, targets are not mentioned at all—and there is no reference to the budget that is allocated across different council areas. COSLA said that it was

“moving towards output and outcome-based measures of performance”.

That sounds encouraging, but the problem is that it did not say how it was going to do that. We recommended that an independent body monitor performance against targets. COSLA rejected that, defending its position on the basis of local democratic accountability. That is an important point of principle but, in this context, I doubt that it will satisfy the Federation of Small Businesses Scotland.

Susan Love pointed out that business gateway is a national service and said that inconsistency in delivery was, for her, “the ultimate question”. She asked:

“Who do I speak to in COSLA? What will it do? What is the Scottish Government going to do? Is the local authority going to do something? The sanctions for failure to meet contract are completely unclear to me.”—[*Official Report, Economy, Energy and Fair Work Committee*, 13 November 2018; c 26.]

The expertise of bodies such as the FSB and Scottish Chambers of Commerce should not be overlooked. They are well placed to provide feedback in the interests of continuous improvement.

The committee called for the business gateway stakeholder group to be re-established in order to encourage collaboration and better alignment with other services. Confusingly, COSLA said that consideration would be given to a forum for public sector partners. It had previously told us that it could see no advantage in a

“formal relationship at the national level”.—[*Official Report, Economy, Energy and Fair Work Committee*, 18 December 2018; c 8.]

I have no wish to be unduly negative. We all know that the relationship between central Government and local government can be

difficult—perilous, even. There are sensitivities and there are balances to be struck, but there are also times when an inadequate response is just that, and we should call it out. As an American Secretary of State once observed,

“A memorandum is written not to inform the reader but to protect the writer.”

Let me be clear: there is a good story to be told with business gateway. Our report welcomed the monitoring of client satisfaction and the systematic way in which that is being done. We heard praise for online services, the level of understanding of local needs and the provision of early stage support. We saw examples of innovation and best practice, and there is cause to be upbeat about how we birth, nurture and grow businesses in Scotland. We should celebrate those areas where the service is seeking to replace vanilla spaces with go-to places. However, there is also ample room for improvement. In the words of Bill Gates,

“Your most unhappy customers are your greatest source of learning.”

We applaud local authorities for what business gateway does well and where they strive to be the best in class. However, COSLA cannot afford to be complacent; Scottish businesses cannot afford for COSLA to be complacent; and, indeed, the Scottish Government, the cabinet secretary and others cannot afford for COSLA to be complacent. Our report recommends where it can do better in balancing local needs with the single-system approach because, to borrow from the Scottish Government's response, we want businesses to have the right support in the right place at the right time.

I move,

That the Parliament notes the conclusions and recommendations in the Economy, Energy and Fair Work Committee's 2nd Report, 2019 (Session 5), *Business Support* (SP Paper 470).

13:41

The Minister for Business, Fair Work and Skills (Jamie Hepburn): I thank the convener, the committee and all those who took part in the inquiry by sharing their views. Their contributions shaped an insightful and highly relevant report on the state of business support in Scotland. As Mr Lindhurst set out in his opening remarks, the committee's report comes 10 years after the passage of business support, through business gateway, into the hands of local authorities. This is therefore a highly appropriate juncture at which to consider these matters.

The report's findings bear open and frank discussion. I am pleased to have the opportunity—along with members from across the chamber—to contribute to that discussion this afternoon.

Supporting businesses effectively in Scotland is an absolute necessity. In particular, I am clear that small and medium-sized businesses are no less than the bedrock of the Scottish economy, given that they make up the overwhelming majority of Scotland's business base. Their needs are in constant flux, changing due to pressures from outwith or within and in response to new conditions in which they find themselves operating.

It is therefore crucial that, in turn, our system of business support adapts to those changes, remaining responsive, appropriate and tailored to the needs of its users. That is essential for businesses to feel empowered to succeed and for our economy to flourish. Business gateway delivers a tremendously important service throughout Scotland. However, it simply cannot, as it operates today, be as responsive as businesses need it to be. I will take a moment to revisit the successes of business gateway and then I will build on that point.

As Gordon Lindhurst rightly said, there is a good story to be told. It is important that we properly acknowledge and reflect on the really effective support that business gateway provides every day.

Late last year, as part of small business Saturday, I visited Indeglås, which is a contractor and distributor of specialist glass products that is based in Cumbernauld in my constituency. It provides

“architects, designers and construction companies with advanced industry knowledge, providing solutions to transfer light to the heart of buildings”.

With support from business gateway, it has delivered award-winning campuses for Glasgow School of Art and the City of Glasgow College, along with a range of other impressive projects.

All the other finance and economy ministers have seen examples first hand, too. The Minister for Public Finance and Digital Economy, Kate Forbes, for example, visited Adventures in Inverness. It builds camper vans for rent that allow people to explore the Scottish Highlands in vehicles that are constructed from as many local and sustainable products as possible. To ensure that as many new customers as possible could reach its new website, it sought help from business gateway and received one-to-one digital boost support.

The Minister for Trade, Investment and Innovation, Ivan McKee, visited B-DACS, which is a family-run air conditioning and ventilation business. It operates throughout Scotland and has grown substantially over the past 15 years. It has won a number of accolades and employs more than 20 people as well as being a living wage employer. It received support from Glasgow City

Council to develop a growth plan and workplace innovation funding to support staff development.

In March of this year, the Cabinet Secretary for Finance, Economy and Fair Work, Derek Mackay, paid a visit to Elevator UK in Aberdeen, which is a business gateway deliverer. I know that members of the committee also visited it, and, like those committee members, the cabinet secretary saw evidence of the collaborations that put Elevator UK and business gateway at the heart of the local business ecosystem.

Those are just some examples of the excellent outcomes that business support can yield for many users.

It is right to acknowledge the diligence, commitment and expertise of the many business gateway staff across Scotland. However, in doing so, we must also acknowledge that things can be improved. The Government's attitude to improvement is embodied in that approach: it is right to recognise and celebrate good work, and there are reasons to be proud of that work, but we should never be so proud that opportunities to make things better are ignored.

We undertook the enterprise and skills review in 2016 on that basis: we acknowledged that there were issues and wished to address them. In the same way, the Economy, Energy and Fair Work Committee's report raises a number of issues, which we readily acknowledge. We are here not to debate whether business support could be improved but how it can be best improved.

Adopting the spirit of collaboration is essential if we are to learn from the report and proceed in the right manner. I am pleased to say that we have already received supportive contributions and opened up productive dialogue with a number of partners on that basis. I cannot comment or respond for COSLA on the committee convener's perspective on its response—I am sure that he will follow that up with COSLA. However, we have engaged with COSLA, and we have engaged, and always will engage, with the Federation of Small Businesses and with Scottish Chambers of Commerce and its local networks. The FSB has been clear and consistent in raising issues relating to transparency and accountability. Like the committee, the Government agrees that we need to address those issues in order for businesses to know where to go if things go wrong and to drive forward improvement.

Throughout the process, we must not lose sight of the pivotal role of local government. It is critical that local authorities remain key partners in the process, as they are close to many of the issues in their areas.

A collaborative approach is central to our existing policies on entrepreneurship and

enterprise support, and that has already generated remarkable results. In that regard, I want to talk about the Scotland can do initiative, which Gordon Lindhurst mentioned. I say to him genuinely that, if the committee wants more details and any more information about that initiative, we will always be happy to provide that. The Scotland can do initiative embodies the principles of the collaborative approach. The platform was developed with our public, private and third sector partners, and it represents our shared ambition to become a world-leading entrepreneurial nation. It emphasises collaboration and champions an approach in which sustainable growth and innovation go hand in hand, bringing wider benefits to society.

The ethos that positive outcomes occur where partners work from common principles towards common goals underpins our work. We are joined by a thriving community of partners that are committed to improving the resources that are available to their peers. We look to that community to help develop and implement policy, and its energy and commitment have allowed us to deliver an enormous collective impact.

Members should make no mistake: that approach is paying off. Since the introduction of the Scotland can do initiative in 2013, the effectiveness of Scotland's business support environment, as measured by the global entrepreneurship and development index, has risen from 13th in the world to fifth—ahead of all other parts of the United Kingdom. I fully believe that we can bring that energy and good will to bear on the committee's recommendations.

Those developments speak to an attitude that is, I believe, shared by all of us in the chamber and by our partners. Identifying areas in which improvements can be made does not mean laying blame at anybody's door. Instead, it is an opportunity to foster constructive and collaborative dialogue, and to explore together how the needs of Scotland's businesses can best be met. Along with our agencies and wider partners, we are already committed to the work that is necessary to make that happen.

I hope that that engagement will continue in the chamber today as we exchange ideas about how best to improve business support. The debate is rightly one of the first steps. I look forward to hearing members' speeches on getting on together with the work at hand.

13:49

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

I add my thanks to the clerks and others for their hard work in preparing a valuable report, and I

acknowledge the hard work of everyone who is involved in the business gateway network.

Three years ago, the Scottish Government embarked on its enterprise and skills review with the objectives of delivering a more coherent enterprise support system, achieving strategic alignment between the various enterprise support bodies, and delivering higher growth to the economy. Three years on—and following the Economy, Energy and Fair Work Committee's report on business support—it is difficult to avoid the conclusion that those objectives are not being met.

Before I turn to the detailed recommendations that the report sets out, it is important that I remind members of the broader context of the Scottish Government's enterprise policy. In Scotland, we spend more than £2 billion a year to support enterprise and skills, which is about £100 more per head of population than the rate in the rest of the UK. However, we still lag behind in many areas, including business formation and research and development. The latest numbers show that economic growth in Scotland continues to trail behind growth in the rest of the UK. That background information highlights the importance of having an enterprise system, including business gateway, that is fit for purpose.

The committee heard evidence from a wide range of witnesses and stakeholders that there is a lot to commend the business gateway network, and the minister quite rightly highlighted a number of successful examples. However, the report highlights real concerns, across a number of areas, that business gateway is not delivering the support that start-ups and SMEs across Scotland require.

The first concern that the report highlights relates to the Scottish Government's cluttered approach to economic policy, which is holding back economic growth. Pamela Stevenson, from the Scottish local authorities economic development group, said:

"we continue to be faced with clutter on a daily basis."—*[Official Report, Economy, Energy and Fair Work Committee, 13 November 2018; c 36.]*

She referred to the Scottish Government launching a number of new initiatives, none of which involved consultation with business gateway. That view was echoed by Andrew Dickson from Business Loans Scotland, who said:

"I am not sure whether we are totally aware of what one another is doing, and that is certainly the case for the understanding by small and medium-sized businesses about what"

support

"is available."—*[Official Report, Economy, Energy and Fair Work Committee, 27 November 2018; c 2.]*

Other witnesses agreed. Scottish Chambers of Commerce said that

“finding the right route to”

business

“support can be frustrating for firms in need of advice.”

The report found that there is a lack of alignment and accountability. In its submission, the FSB called for business support to be

“designed from the user’s perspective”,

in order to take into account the needs of business, but it also highlighted that

“duplication, or failure to join-up with other services make this difficult to achieve.”

Many other witnesses identified that issue, which led to the committee concluding that

“the lack of clarity on the strategic alignment between Business Gateway and the enterprise ... agencies”

is

“disappointing.”

As the convener outlined, another problem that the committee identified is the lack of transparency, particularly in relation to business gateway budgets. To the committee’s surprise, it is not possible to determine how much money is being spent on business gateway services at the local government level. During much of the inquiry, we had to rely on budget information that was obtained by a Scottish Conservative freedom of information request, which found that the business gateway budget has not increased in the past decade and that there is wide variance in spending across local government. Based on that, the committee rightly concluded that it is unacceptable that financial information on business gateway is not recorded and published in a consistent manner across local authorities. The committee recommended that budgets should be published annually in a consistent format to ensure full transparency.

Strongly linked to concerns about transparency and accountability are the challenges that were identified in relation to targets and performance measurement. Local authorities are responsible for setting their own targets, but there is no reporting on what such targets are, on performance against targets or on spend on business gateway services. In response to the committee’s survey, one person noted that

“where there is poor performance, it’s accepted and targets simply get reduced.”

Not surprisingly, the committee found that unacceptable.

We looked at practice in Ireland, where each local enterprise office publishes information about

local targets—and performance against them—priorities and spend, which ensures full transparency. Therefore, the committee calls on the Scottish Government to examine whether such a model can be applied in Scotland.

The final concern that I have time to highlight is the inconsistent quality of service delivery across Scotland, with some businesses calling the delivery of services a “postcode lottery”. The Scottish Council for Development and Industry expressed concerns and said that evidence from its members

“suggests that there is a very mixed bag in terms of the support that they receive.”—[*Official Report, Economy, Energy and Fair Work Committee*, 13 November 2018; c 3.]

That divergence can be seen in the limited data that is available, showing that Elevator, which runs business accelerator services in Aberdeen and Dundee, delivers 25 per cent of all business gateway start-ups in Scotland.

Business gateway was reformed by the Scottish National Party in 2008 to support start-up businesses across Scotland. The report clearly shows that the Scottish Government has neglected that vital part of the enterprise landscape over the past decade. Although there are examples of good practice, which we should highlight and promote, business gateway under the SNP is not delivering the support that Scottish SMEs require.

I have to say that the cabinet secretary’s response to the committee’s recommendations is disappointing. It shows that there is a lack of understanding of how much reform is required in this area, and that the Government is not willing to engage properly in the debate about how we encourage and expand Scotland’s start-up sector.

As the committee’s report makes very clear, business gateway needs to be reformed, and I look forward to hearing the minister’s closing remarks and finding out how that will be done.

13:55

Rhoda Grant (Highlands and Islands) (Lab): I welcome the committee’s report on business gateway.

If we are to grow our own economy, we need to grow our own businesses. Because home-grown businesses are rooted in Scotland, they stay here and are much less likely to move abroad. As a result, they pay their taxes here, employ their workers here and build local economies, and we need an industrial strategy that puts indigenous businesses at the heart of things and seeks to help people to establish and grow them.

Although many people have ideas for what they would want to create a business around and know

what they want to do, they have no knowledge of business regulation or access to finance, and they need to be supported in that respect. Business gateway was set up as a one-stop shop for signposting support, but it does not, from the committee's report, appear that it has integrated with other agencies. In fact, Susan Love of the FSB told the committee:

"I have not seen a commitment from other parts of the public sector to support business gateway as a gateway. Most agencies have been preoccupied with their own brands and programmes ... The Scottish Government has not helped with that by funding a lot of additional programmes".—[*Official Report, Economy, Energy and Fair Work Committee*, 13 November 2018; c 17.]

Although it is always good for the Government to announce new initiatives, it appears from the report that such initiatives are causing rather than solving problems.

As the committee has pointed out, business gateway has not been included in the enterprise and skills review, and I find that incredibly disappointing. After all, if the very vehicle for facilitating entry into the enterprise support system is not included, how can those organisations be expected to work together? The committee is critical of that in its report and has recommended—I believe, rightly—that business gateway be included in the review. Phase 2 of the review recommends a single access point for business assistance to ensure a more coherent and joined-up system, but it appears that if the review itself had covered business gateway, it might have had a better idea of the business support landscape and would have considered what needed to be changed to help the gateway to fulfil a role that it is recognised is required.

I also note that there are around 100 employee-owned businesses in Scotland with a total turnover of £940 million, which averages out at approximately £9.4 million per business. In comparison, the average turnover for other businesses with at least five employees is £5.66 million per business, which shows that the turnover of employee-owned companies is much greater. Surely, given that rate of return and the likelihood of most of that money being retained in our communities, we should be encouraging such enterprises. Of course, the Scottish Government will point to Co-operative Development Scotland and Community Enterprise as two bodies that are able to give help and assistance, but if they cannot be reached through business gateway, they will not be accessible where they are most needed.

Jamie Hepburn: I very much concur with the member's point about employee-owned businesses. Does she therefore welcome the creation of the industry leadership group, which I will co-chair and whose ambition is to rapidly and greatly increase the number of employee-owned

businesses? We already have above-average ownership compared with the rest of the UK, but we want to go much further, and that is what we are going to do.

Rhoda Grant: I do indeed welcome that, but it must be accessible to people who might set up such a business. One way of doing that is to ensure that business gateway can signpost them to the organisations that can help.

Small businesses, which are also rooted in our communities, are critical to our economy, too. We recognise that they require additional support—for example, through a small business strategy—to help them to grow, and they will need access to the proposed Scottish national investment bank and Government procurement. Currently, only around a fifth of Scotland's £12 billion procurement budget goes directly to small businesses, even though they account for 98 per cent of the Scottish business community. Scottish Labour would break procurement contracts into smaller units so that it would be much easier for SMEs to bid for them. We would also tackle the culture of late payments, which are a huge problem for SMEs, by requiring any company bidding for public sector work to ensure that it paid its suppliers within 30 days.

It appears from the committee report that the landscape for support is cluttered, which makes it difficult for organisations to know who to contact. Highlands and Islands Enterprise and Scottish Enterprise have narrowed the range of organisations and sectors that they assist. The committee gave the example of the Bad Girl Bakery in Muir of Ord, which did not receive assistance from HIE to expand to Fort William because it was categorised as retail. When a business is able to expand and grow, surely it qualifies for support.

The committee report is a wake-up call to the Government to create an integrated business support system that helps the start-up and growth of Scottish businesses, and I hope that the Scottish Government takes heed.

14:01

Andy Wightman (Lothian) (Green): As other members of the Economy, Energy and Fair Work Committee have done, I thank the clerks and the Scottish Parliament information centre for all their assistance, as well as everyone who gave evidence to the committee's inquiry into business support. As Gordon Lindhurst said, the inquiry focused on business support to SMEs at a local level, with a particular focus on the business gateway service. The inquiry was timely, given that it is a decade since that service, which was

previously delivered by local enterprise companies, was transferred to local government.

In the context of some of the remarks that have been made about our inquiry, I commend all those who deliver business gateway on a daily basis. Committee colleagues and I visited a number of businesses and business gateway offices across the country, and we were generally impressed with the level of service that advisers on the ground deliver. Of course, there is always a danger on such committee visits that we get to see all the good stuff but, nevertheless, it was impressive to see the range of work. During the visits, we learned of the different approaches that councils take, which is an issue to which I will return in a minute.

It is important to stress that the inquiry was not an evaluation of the quality or content of business gateway services per se, but an evaluation of and an inquiry into the nature and structure of the service in the context of wider support for business. On one reading, the issue has nothing to do with the Economy, Energy and Fair Work Committee, because the business gateway is a local service that is delivered by local government with local government revenues. However, it is legitimate for Parliament to inquire into how critical services such as business support are delivered.

We know that authorities provide the service in different ways, and we heard good reasons why Glasgow does not do the same as other authorities. However, one reason why we wanted to look at the issue and why we discovered that it is important is set out in one of our key recommendations. We concluded that it is

“regrettable that there has been a drift away from the original intended purpose of Business Gateway”.

COSLA has explained why that has happened, but our point is that it has happened

“without any strategic plan or review”

to inform the change. We went on:

“The policy intention for Business Gateway to act as the entry point for businesses ... has not been fulfilled.”

COSLA does not agree with that, which is fair enough because, of course, our findings are open to challenge. The Government’s response, as well as COSLA’s, provide plenty of challenge.

I welcome the broadly supportive tone of ministers’ response to the committee, although there continues to be confusion over whether and how the enterprise and skills review engaged with the topic. Rhoda Grant made some remarks to that effect a moment ago. In the Cabinet Secretary for Finance, Economy and Fair Work’s letter to the committee, he said:

“The Enterprise and Skills Review did not explicitly involve Business Gateway and that is a matter you note.

That Review was a discussion about improving national systems and as such would not have been the right forum to account for the local nuances of the Business Gateway offering.”

However, the Scottish Government said in its response to the committee’s recommendation 52, on the drift away from the original rationale:

“The Enterprise and Skills Review concluded that the division of responsibilities between national agencies and locally delivered Business Gateway was right.”

I am not sure how a review that explicitly did not look into local service delivery could have concluded that the division of responsibilities is right. There is quite a lot of retrospective fudging of what the enterprise and skills review said.

COSLA provided a robust challenge to some of the committee’s findings. That is welcome. It has to be said, as Dean Lockhart said, that we were frustrated by the difficulties associated with obtaining and collating data on performance. My dear colleague Jackie Baillie will bring light to bear on that concern of the committee.

Contrary to what COSLA asserted in its response, the committee never alleged that

“Local Government is not accountable”,

per se. What we found was that, from the information that was available to us, it was not clear how the service could provide the kind of information that would allow for accountability, not just to councillors and officials but to the wider community, which expects a good service from business gateway.

Likewise, the committee did not argue that business gateway should be subsumed into some wider national programme; rather, we argued that there should be better alignment.

That is why the Irish experience appears to us to be very instructive and why the visit to Dublin was of such keen interest—and that was not only because it was my first trip to Ireland travelling on my new passport, because I travelled directly from Dublin to the European Court of Justice to hear our article 50 case, or because I was in the company of my dear friend Jackie Baillie and Gordon MacDonald and we had a wonderful day in Dublin.

The Irish experience is interesting, because the EU has identified Ireland, Finland and Denmark as three of the top-performing countries for business support. In Ireland, a service has evolved that provides what appears to be a good integration of national programmes, through Enterprise Ireland, with the work of local enterprise offices, which are embedded in local councils. Service-level agreements and funding are agreed with Enterprise Ireland, but—an important point—local councils have substantial discretion and freedom

to develop and pursue their own priorities. A consistent framework of accountability and alignment appears to deliver a good service.

I welcome the commitment from ministers and COSLA to take note of the Irish experience. Business gateway is and should remain a local service that provides locally based business support to those who need it, but our inquiry demonstrated that quite a lot of work could be done to improve delivery and to ensure that there is better integration with national services.

14:07

Angela Constance (Almond Valley) (SNP): A good place to start is the cabinet secretary's response to the committee's report. Derek Mackay said:

"the answer as to how we best support our business base does not come from one voice ... it is through breadth and diversity of opinion that we will ensure the right choices are made."

That is a mature reflection of where we are at, and I am sad that such mature reflection was somewhat lacking in COSLA's response to the committee's report.

I want to be crystal clear in stating my fundamental belief in local democracy and local accountability. I really want the local governance review to herald a new relationship between local and national government and the communities that we seek to serve.

It is fair to say that, in calling out the risks that come with the withdrawal of European structural funds, the committee has been standing up for local government and local business support programmes. Whatever our views on Brexit, the issue has never been far from our thoughts.

The central point, around which members of the committee from across the political divide coalesced, is that business gateway is a nationwide service, which is delivered locally, and that although it is a good service, as the convener said, there is ample room for improvement.

The committee made a number of recommendations on, for example, a review of key performance indicators in collaboration with stakeholders and the business community, external monitoring of performance against targets, better publicly available local information on financial inputs and outcomes, and transparency on budgets. In my view, none of that is rocket science or particularly radical. Is it not the humdrum or normality of everyday life? Yet sadly, we have seen real resistance from COSLA to much of that agenda.

Throughout its response, COSLA persistently stated that business gateway is "a local service",

subject to scrutiny by "democratically elected councillors" who are "accountable" and have to operate within the standing orders of their councils, which are "audited annually" and subject to "best value". That is absolutely true, but it misses the bigger picture of a modern participative civic democracy that rates high on transparency, is inclusive in approach and is able to develop meaningful partnerships with communities of place and interest, so that services are shaped by the needs of users.

In other words accountability and scrutiny of one sphere of government will take place at many levels in many different ways; they do not come from one voice.

That brings me to diversity and the recognised wisdom that supporting more women, rural Scotland, people living with a disability, young people, or people from our black and minority ethnic community into business, is not just the right thing to do but—for the sake of our economy and to reduce the cost of inequality—the smart thing to do. It is absolutely necessary. Therefore, statements such as,

"Business Gateway service is a universal service which is available to all",

do not do enough to recognise and remove the seen and unseen barriers faced by underrepresented groups.

Again, lack of data was an issue, and there was no solid, overarching commitment to find the best ways to reach underrepresented groups and to tap into all of our talents. On that point the committee made a very specific and practical recommendation for a wider range of more tailored and targeted programmes, but COSLA's response was somewhat lacking. It said:

"with limited resources, the partners must focus their efforts on those businesses most likely to achieve a result".

That is simply not good enough, when it implies an inherent bias by omission against businesses from underrepresented groups.

Jamie Hepburn: Will the member take an intervention?

Angela Constance: Yes, briefly.

Jamie Hepburn: Again, I make the point that I cannot speak for COSLA, but I want to underline that through our race equality action plans and the commitment that we made through the women in enterprise action framework and the action group that I chair, the Scottish Government is very clearly determined to see significant and vast improvements in that area.

Angela Constance: I am pleased to hear the minister put his commitment on record.

In fairness, the committee heard some great evidence on proactive outreach to underrepresented groups, for example on Glasgow's tailored programmes for women, work with social enterprises and support for employers to recruit and retain people with disabilities.

I would like to press the Government further in particular on the recommendation to create a national head of women in business to co-ordinate national policy and work towards the establishment of a national women's centre for business. The cabinet secretary's response was that the Minister for Business, Fair Work and Skills was committed to developing

"the concept of a 'women's business centre'".

That was somewhat lacking in specific detail on the if, when and how—to be frank, I found it a bit limp. I would be grateful if, in his closing remarks, the minister could be a bit more rock and roll and fill in some of the blanks. Alternatively, he could just say, "Aye, we're doing it," and make a very clear commitment to creating a post of national head of women in business and establishing a national women's centre for business.

14:14

Alexander Stewart (Mid Scotland and Fife) (Con): I am pleased to take part in today's Economy, Energy and Fair Work Committee debate on support for the business community.

As someone who served on Perth and Kinross Council for 18 years, I have first-hand experience of how local authorities deal with business support services and I admit that I find the conclusions of the report all too unsurprising.

The decision back in 2008 to pass the then still relatively new business gateway services to local councils was the right one, and that is still the case. Although the vast majority of Scottish businesses employ fewer than 50 people, there are significant differences in our local economies around Scotland, particularly in more rural areas, which require local flexibility and discretion to suit their needs. Having more localised services ensures that there is understanding of the local economy, which provides an ability to ensure that areas are supported.

That is not to say that there should not be high expectations nationally for what should be achieved at a local level. Unfortunately, the Scottish Government's current national economic strategy is confused and muddled. The Fraser of Allander institute warned that the "cluttered landscape" of a

"myriad of different strategies, advisory groups and bodies"

has not achieved the Scottish Government's stated aim of a single economic strategy that all public sector initiatives should align behind.

To be fair to the Scottish Government, 10 years after setting out the approach, its enterprise and skills review admitted that the current situation was entirely the opposite of the stated ambition. The review failed to consider business gateway, and the committee report describes that as "a missed opportunity". I call it a glaring omission.

The SNP's muddled approach to supporting the economy is particularly evident when it comes to business gateway, which, as the committee report identified, has been unsuccessful in achieving entry levels that we might have seen in other sectors.

At the start of the report, the committee talks about trying to ensure that Scotland has a good business base. A number of good things are taking place in business communities, but they are not all singing from the same hymn sheet and they do not all get the same support. While the business base around the UK expanded by 26 per cent between 2010 and 2018, the same measure for Scotland was only 16 per cent. The rate of Scottish business growth since 2016 has also slowed significantly to 1.6 per cent, whereas the rate for the rest of the UK was 4.5 per cent.

We are also slipping behind the rest of the UK when it comes to retail sales. Although there are undoubtedly other factors at play, the lack of sufficient support being provided to businesses by business gateway is a factor.

From my experience in Perth and Kinross, I can say that next to no scrutiny of business gateway took place, which is not how we should run that sector.

Andy Wightman: Alexander Stewart just said that he felt that a lack of scrutiny took place in Perth and Kinross Council during his time there. Is that an admission of his own shortcomings?

Alexander Stewart: It is certainly not, by any stretch of the imagination. However, more transparency and accountability were certainly needed. During my final four years there, I had the privilege of being the convener of scrutiny, and we looked into some of those locations and found areas that were lacking. As leader of the opposition during an SNP-led administration, I was quite happy to identify that.

As the committee reported, targets are set by local authorities, which means that there are now opportunities for us to see how we can take things forward. Local government provides significant opportunities in terms of spend and the importance to the local economy, so it is important that we do that.

The committee is absolutely right to demand greater transparency in reporting and for that to be aligned to the targets that are set by the Scottish Government and its economic plan. Local targets are nevertheless still key for business communities, due to their different sizes and complexities.

Local authorities should be required to publish information on targets and performance annually, as suggested in the report. They should also be encouraged to interact better with business support services and, specifically, business gateway in their local areas. Locally elected members must have ownership of strategic direction and more information about the services to improve transparency and accountability.

I note from the committee report that there was discussion about the lack of signposting by business gateway to funding options for small and medium-sized enterprises. Signposting is vitally important. Many of our small businesses, particularly in rural areas, need small amounts of money to allow them to expand their business, perhaps for a specific bit of equipment or a machine. Microcredit solutions are particularly attractive, as such support is given in the form of loans, which tend to have high repayment rates, and the money can be recycled to support other businesses in future.

The Conservative-led administration on Perth and Kinross Council has introduced two initiatives to ensure the funding of small grants and the support of small loans. I welcome that new opportunity. Other councils should be encouraged to take such local initiatives and continue to support them.

In conclusion, Deputy Presiding Officer, we need to ensure that business gateway services are more accountable and more transparent, both in service and delivery. There have been success stories but they have been too few. Targets must be set by local authorities, taking into account national objectives. Elected councillors must take responsibility for setting the direction of and implementing local business support services. By doing that, we will achieve much more, which is what business wants us to do.

Andy Wightman: On a point of order, Presiding Officer, I am sure that Alexander Stewart did not mean any disrespect when he addressed you as the Deputy Presiding Officer.

The Presiding Officer: That is very helpful. I am sure that no slight was intended.

14:21

Jackie Baillie (Dumbarton) (Lab): Thank you, Presiding Officer. As a member of the Economy,

Energy and Fair Work Committee, I thank the clerks, SPICe and all the witnesses for their assistance with this inquiry.

A decade on from the transfer of responsibility from Scottish Enterprise to local authorities, it is right to consider business gateway and the support available for small businesses in our communities. It is a cluttered landscape but, at a local level, there is considerable support for the work of business gateway, which is welcome. However, as with any service, there are areas that require improvement.

If sustainable economic growth is a key priority for the Scottish Government and for the country, we need to make sure that all actors are pulling in the same direction and that there is signposting and collaboration across agencies. We need to ensure that businesses opportunities in every part of the country are supported and developed, but that is not the case everywhere. As we have already heard, some business gateway services are second to none—exemplars in the field—but others are not at the same stage of development. As somebody who worked in local government, I am a believer in localism, but I do not like it when it is used as an excuse to defend unsatisfactory services and deny any need for improvement.

Before I turn to the responses from the Scottish Government and COSLA, I will highlight two of the committee's key recommendations. First, never mind the good outcomes that it has achieved, the governance structure of and approach taken in Enterprise Ireland have much to offer. A national approach and policy framework give a clear direction that is predicated on local delivery. That local delivery in Ireland is undertaken by local government; shared common standards and reporting frameworks mean that there is consistency across the country. There is also local variation and flexibility to take account of local economic circumstances. Because it respects different responsibilities, it is a useful model to follow. I commend it to the Scottish Government.

I will also highlight the specific recommendation about a national women's centre for business. I echo many of the comments that Angela Constance made. The committee received clear evidence that women-led businesses need specific, tailored support. Women set up businesses differently from men. They capitalise them differently from men. We will have more success if we tailor our approach. We know that if women started up businesses at the same rate as men, we would add £7 billion to gross domestic product. What is not to like about that?

Jamie Hepburn: Will the member take an intervention?

Jackie Baillie: I will take an intervention in a second, when I will get the minister to answer a question for me.

I believe that we need a national head of women in business to co-ordinate policy and action and a national centre for women in business to drive forward good practice across all business support services. Angela Constance phrased my question to the minister better than I can, so will he be a bit more rock and roll? Will he agree today to that recommendation?

Jamie Hepburn: I am always rock and roll. I acknowledge the points that have been made. If time had allowed, I would have intervened when Angela Constance made the point about the women in enterprise action group, which has been a matter of discussion. At our next meeting, we will be discussing how to take forward the concept of establishing a women's business centre, informed by research undertaken by Sara Carter, professor of entrepreneurship at the Hunter centre at Strathclyde business school.

Jackie Baillie: I will take that as a yes.

Let me turn to the Scottish Government's response, which is a veritable blancmange of warm words. For example, the Government said that it would

"make progress without prejudice of a predetermined destination".

In real language, that means "We don't have a clue about the destination but we will hurry towards it." I know that the response is broadly positive, but it is little wonder that we cannot work out whether or not the Government is supporting individual recommendations.

Turning to COSLA's response, where shall I start? I associate myself with Andy Wightman's remarks. As I said, I used to work in local government so I am a fan, but it is one of the most negative and defensive responses that I have ever seen. Instead of embracing the committee's recommendations as an opportunity for self-assessment in order to change and develop, COSLA has simply pulled up the drawbridge. It said that we did not understand what it does. Being insulting to the intelligence of the committee is a sure-fire way to win friends and influence people. COSLA might share some of the blame for its perception that we did not understand it, because the committee was supplied with only limited evidence, despite repeated requests.

Let me share some of that with the chamber. The committee asked for information from the business gateway national unit in COSLA on 23 October. There was a discussion in Parliament on 25 October. COSLA was chased on 2 November and we got a little bit of high-level information

back, but not the range or detail of information that was required. On 21 November, the committee took the unusual step of writing formally to COSLA requesting information, because we had run out of patience.

Let me be clear: we were requesting regional data about performance, which should be collected anyway. It is everyday stuff, so it should not have been difficult to do. We were then told that we could have the information only if we kept it private, which was, frankly, ridiculous. It is basic monitoring data. Finally, in mid-December, just in time for Christmas, COSLA agreed to make the information public. The majority of the information that the committee requested on 23 October remains outstanding to this day. That lack of transparency is a real problem.

Growth is a national priority. We cannot have a situation in which some of our agencies are pulling in different directions. It needs to be a joint effort and business gateway should be a critical part of that. That is why I think that it was a missed opportunity not to include business gateway in the review of enterprise and skills. That said, I am glad that it is at the table now, but there needs to be recognition of the challenges ahead and a commitment to embrace change and improvement.

14:27

Gordon MacDonald (Edinburgh Pentlands) (SNP): We should put examination of the performance of business gateway in the context of the growth in new enterprises. Since 2007, the number of registered businesses in Scotland has increased by nearly 17 per cent and, as of March 2018, there were 343,000 SMEs. The latest five-year survival rate of start-ups in Scotland is the same as the UK average, at 44 per cent.

Part of the increase over the past 11 years is a result of our university sector. Scotland's universities are empowering spin-off companies from the inventions and knowledge that are obtained from university research, and universities in Scotland are doing that far more than those in any other part of the UK.

We found that business gateway plays a key role in growing the number of new businesses. The Federation of Small Businesses recognises that, and has said that one of the strengths of the Scottish system is that start-ups have access to a wide range of business support—wider than is available elsewhere in the UK.

The FSB agreed with the committee's finding that business gateway is

"a generally good national advisory service with high satisfaction rates".

That said, it also highlighted that

“there are ... differences in quality around the country.”

That difference in quality is difficult to measure because, as the committee found, there is a lack of transparency. There is no readily available published information on targets, performance against those targets or budget allocations for business gateway at local authority level.

In its submission, the FSB stated:

“Significant improvements are required around governance, transparency and scrutiny of the national service.”

What it has said in respect of transparency is in stark contrast to what committee members found when we visited Ireland. We in Scotland should consider using the Irish model if we want to improve our approach. In Ireland, targets and budgets are published regularly.

I will briefly outline the set-up in Ireland. The country has one overarching agency—Enterprise Ireland, which is the equivalent of Scottish Enterprise—and 10 county enterprise offices that are operated by councils and carry out Enterprise Ireland’s work locally. Each local enterprise office must publish local targets, priorities and spend. The targets are agreed with and monitored by Enterprise Ireland. Each local enterprise office produces a local annual report, which provides an economic baseline and transparent targets.

On top of that, the local enterprise office co-ordination unit, which is run by Enterprise Ireland, publishes an annual impact report that details the key results and initiatives of each of the local enterprise offices. Enterprise Ireland regularly meets local authority managers in order to monitor the work that is being undertaken locally and to offer any support that it can.

While searching online, I found the development plan for the local enterprise office in Donegal, which covers the period from 2017 to 2020. The 60-page document profiles the county, what it wants to achieve and how it intends to do so. There is a set of metrics on how well it is performing in creating jobs, increasing the number of start-ups, offering support for existing businesses and so on.

We can compare that with what the committee found in relation to business gateway, which had published only one benchmark: the number of business gateway start-ups per 10,000 of the population.

John Mason (Glasgow Shettleston) (SNP): Does Gordon MacDonald feel that the Irish model offers enough local accountability and control?

Gordon MacDonald: If John Mason waits for about a minute, he will hear my answer to that.

I do not accept COSLA’s response that

“reporting at the local level is a matter for each council”.

If we are to continue to encourage the establishment of new home-grown enterprises, it should be for all of us to ensure that we have a consistently good service for entrepreneurs and SMEs across Scotland.

Ireland’s mix of local delivery, national strategic direction and national evaluation allows for local authorities to be held accountable, which is an element that we in Scotland are missing. The Irish Government’s Department for Business, Enterprise and Innovation told the committee that central accountability has improved networking and sharing of best practice among local authorities. Scotland could benefit from that.

In answer to John Mason’s question, I say that the committee found that initial concerns in Ireland about lack of autonomy and flexibility in the structure had turned out not to be the reality. One of the local enterprise offices told the committee that it had found that it had the flexibility to do things differently, according to its local needs.

It is clear that the Scottish Government is committed to creating conditions in which businesses are empowered to succeed, and I am glad that its officials are already in contact with their counterparts in Enterprise Ireland. The approach that is being taken in Ireland seems to be more holistic. I look forward to seeing how that could inform future developments of our business support landscape.

I will leave the final word to the FSB, which said that it welcomes the Scottish Government’s commitment to work with local government to make improvements to the service.

14:33

Brian Whittle (South Scotland) (Con): I am grateful for the opportunity to speak in the debate, and I thank the Economy, Energy and Fair Work Committee for its report.

It was interesting to read how other businesses’ experiences compare with mine when I sought help from organisations including business gateway and its predecessor local enterprise companies. Over time, I had dealings with several local business gateway offices and local enterprise companies. My experiences reflect what was said in submissions to the committee’s inquiry and in its findings, which is that the picture is a very mixed one. It can be a very strangled route to finding the service and potential funding stream that relates to the issues that a business might have, either in start-up or expansion.

A wide variety of potential businesses and business experiences present at business gateway, so I recognise that there is disparity in its responses, with business gateway faring better with people who are at the basic beginner level than it does with those who already have business experience.

I have tried on several occasions to use the services of business gateway, but I found navigating the system to be quite frustrating. Although I found that the advisers were willing and able, there was a lack of clarity about what they were supposed to be delivering. I have never really got past the first couple of meetings with business gateway. In my experience, it does not move fast enough to keep up with a business plan. Very often, businesses cannot wait as long as is required to work through the business gateway process.

The whole point of the public bodies that work on business support is to encourage entrepreneurship and ensure that good business ideas get the best opportunities to succeed and add to our economy. Given that the biggest proportion of businesses that do not make it will falter within the first five years, it is crucial that those public bodies get it as right as possible at the inception.

The initial business plan is important, but as any businessperson will tell us, it rarely resembles the actual pathway on which the new business eventually travels. Any help and advice that is offered needs, therefore, to mirror that adaptability and flexibility. That is something that business gateway and other agencies need to consider and improve on.

The advice and funding landscape is cluttered. Moreover, it can be confusing and frustratingly slow moving, with too many hoops to jump through for what I think can be quite basic advice. Progression on to Scottish Enterprise business support offerings is not always signposted, and if people have not travelled the path before, that can delay progress. Some very good funding and advice avenues are available, but signposting towards them is often not apparent, as is reflected in the committee's report.

The aim, of course, is to encourage entrepreneurs—the risk takers, job creators and wealth creators—in order to feed a prosperous and sustainable economy in as diverse as possible a range of sectors. Scotland has a fantastic legacy on the world stage and we should be very proud of it. We can—as has been proved—punch way above our weight. However, as recent statistics show, and as has been mentioned already, our level of new-start businesses trails behind that of the rest of the UK,

despite the investment through business gateway and Scottish Enterprise.

There are support networks out there. The trouble seems to be lack of visibility of services and lack of continuity between the offers from those services, which leads to confusion when people are seeking the most appropriate support. I note that the committee says in its report that business support agencies need to be more integrated, which would lead to more partnership working. I agree with that. It is not just about initial support for a new-start business; it should also be about support for growth throughout a business's evolution. Again, however, that pathway is not clear.

Good advice is available on how expansion can be funded, on support for marketing and on innovation and technology, but unless a business knows how to navigate the system, it can miss out on that important support.

As has also been noted today, the business support network has not been properly audited. That has to change, too. In fact, the whole system needs to be audited, streamlined and made more fit for purpose.

A person who has the spark of an idea and the bravery to pursue it needs encouragement, and the pathway should allow them a resource that allows them to deliver from that spark right the way through to being a global leader, if that is their ambition. Our number of new-start businesses that are registering is lower than that in the rest of the UK, and the number that are reaching "big business" status is low. We can point to a Scottish economy that is heavily reliant on SMEs, with few big businesses.

Rhoda Grant mentioned that—although I slightly disagree with her in that one of the main stepping stones for an SME that is seeking to become a bigger business is for it to capture projects in the public procurement process. The Scottish Government can definitely do better in that area. Too many public projects end up being awarded to companies from beyond these shores, with our companies not being given opportunities to deliver them and become bigger.

The journey of an entrepreneur is a difficult one. It usually takes several attempts and involves much personal risk and sacrifice along the way. It probably requires an injection of personal equity and loans against property, and it probably means that the entrepreneur is the last person to be paid at the end of the month—if they get paid. It also means inordinately long hours. After all that, if the person succeeds, is still there after five years and has reached the position in which they can begin to reap the rewards of their bravery and effort, we find that the Scottish Government wants to tax

them more than such people are taxed in any other part of the UK.

The system is not entrepreneur friendly and is not best designed for business growth. The truth is that rather than punish businesses for daring to be successful, we need to encourage them to take risks, because in order to support our public services we need to grow the tax base and develop a well-paid workforce—we need to increase the tax take by developing the economy. We need to give businesses the very best start and the chance to succeed on their journey.

The current support system is cluttered and clumsy. It needs to be reviewed and streamlined, with clear definitive objectives. Being a business owner is a hard enough road; the least that we can do is give people the best possible start.

14:40

Colin Beattie (Midlothian North and Musselburgh) (SNP): I am grateful for the opportunity to speak in the debate on the report. I thank the clerks and all concerned for producing it.

The key area of scrutiny was business gateway, which is of huge importance to businesses that are in the early stages of development, particularly those that are in start-up mode. Business gateway was originally intended to be a one-stop shop to service clients, but as time has gone on, that direct focus has been diluted.

The full scope of the committee's review is clearly too extensive to be adequately referenced in the few minutes that I have, so I will touch on some of the aspects that made the greatest impression on me.

It is 10 years since the Scottish Government transferred responsibility for, and control of, business gateway and local regeneration services to local authorities, after a brief period during which Scottish Enterprise had administered that function. At the same time, local enterprise companies were abolished. In 2007, the Scottish Government said of business gateway:

"It is appropriate that it should be delivered by local authorities with whom these businesses already interact on a range of local issues."

Many positive aspects were uncovered. There are 57 business gateway offices across Scotland, employing 356 people. In the past 10 years, nearly 100,000 businesses started up, with the creation of more than 108,000 jobs. Those and other statistics seem to be impressive.

However, it soon became clear that the picture across the country is rather patchy. Not all offices operate to the same standard; there is evidence of differing standards and results. There seems to be an opportunity to identify good practice and to

seek to share it. However, there also seems to be no clear mechanism to allow that to happen.

Rural areas in particular feel that they receive a less effective service and that being distant from areas of high population disadvantages them. Time and financial constraints limit opportunities for rural businesses to access support, which might be geographically remote from them, in cities and towns.

Some people who have used the services feel that they are confusing and time consuming to navigate. The partnership with Scottish Enterprise and other agencies seems at times to be less close than should be the case to allow seamless service to businesses. There seems to be a need for better alignment of those bodies. There is also evidence that some companies have not engaged with business gateway due to frustration at the length of time that it takes to navigate the online information.

There appears to be a general impression that business gateway is a little bit divorced from the big picture because of its delivery through local authorities, and that perception needs to be changed.

Perhaps due to its highly localised model, there seems to be a lack of transparency and accountability within the business gateway network. I know that COSLA rejects that view, but there seems to me to be clear evidence in support of it.

It is unclear how targets are set and how performance is measured. Some of those who gave evidence felt that targets had stagnated, while others felt that if a target could not be met, it was simply reduced in order to accommodate lower performance. Also, the appropriateness of some targets was questioned.

Concern was expressed about local authorities working in isolation and simply choosing their own targets. The committee's recommendation that business gateway's core target should align with the strategic direction of the Scottish Government's national priorities and economic plan seems to be fairly obvious, so I hope that it will be complied with.

Some questions were raised about how accountability works across offices as well as at regional level. Even that seems to be obscure. However true that is, the perception that was presented needs to be addressed.

It was asked why it is not possible to ascertain how much is spent on business gateway in each of its 57 offices. How do the offices perform against budget? Little detailed information on business gateway at regional level is available. The Scottish Parliament information centre

estimates that approximately £15 million is spent annually, which seems not to be a huge sum of money to deliver such a fundamental and key business support. Evidence indicates that some councils have reduced business gateway budgets while others have let them stagnate. The lack of ring fencing of funding seems to be driving service inconsistencies across the regions.

Nonetheless, despite all its apparent shortcomings, business gateway does deliver for many up-and-coming businesses, and many more good stories than bad stories emerged. I welcome the response of the Scottish Government, which appears to offer a positive way forward that might well address the issues that are rightly raised in the committee report.

Business gateway offers a service that is used, valued and appreciated by many: 50,000 existing or new businesses are supported every year, 700,000 people visited its website and read 2.7 million pages and, encouragingly, almost half the new start-ups have been led by women. That is all continuing good news for business gateway.

Perhaps business gateway's role needs to be better defined, which would assist that important service to fill perceived gaps in the support landscape. It is important that the role of stakeholders and partners that offer support services does not duplicate the work that is done by others. We were told consistently by witnesses that the support landscape is cluttered, which has resulted in confusion and difficulty in identifying which agency a client should approach. The evidence suggests that some clients simply gave up. The agencies should not see themselves as competitors, but as collaborators in delivering a seamless service to their end users. It is natural that agencies should be a little preoccupied with promoting and servicing their own brands and products, but that should not happen at the expense of their clients. Perhaps a more formal arrangement is needed to drive that home.

I hope that the committee's report will trigger work on better access to information for new and existing businesses. The enterprise and skills review highlighted the need for a single digital access point to address concerns about businesses being passed back and forth between agencies. I believe that business gateway would benefit from that, as would other agencies and, most important, users of the service.

The importance of getting this right cannot be overemphasised. In its mandate, business gateway should be at the heart of supporting new business, as well as being a preferred partner in business expansion. It is clear that the concerns are mostly around business gateway's structural issues and consistency of service, which should

be relatively straightforward to rectify with some effort from stakeholders.

It is right that business gateway should be nuanced to take into account local priorities, but it is also essential that it take into account our national priorities and policies. It must also demonstrate value for money and measure its performance against acceptable standard key performance indicators. It has to become more transparent and more clearly accountable.

The committee report draws out those important points. I am pleased that the Scottish Government has responded so positively. I commend the report to Parliament.

14:47

Alex Rowley (Mid Scotland and Fife) (Lab): In closing for Labour today, I commend the work of the Economy, Energy and Fair Work committee in producing its very thorough report into business support in Scotland. Gratitude should also be given to the various stakeholders that contributed to the report and the businesses that provided valuable insight into the reality of seeking business support on the front line.

There seems to be agreement in the chamber today that the response from COSLA perhaps leaves more questions than answers and that it is crucial that we get joined-up working at every level of government. I hope that the committee convener and deputy convener can follow up with COSLA and iron out any difficulties that they have perceived.

Another thing on which we can agree is that support for start-ups, local businesses and entrepreneurs across the country should be welcomed, encouraged and strengthened. There is also agreement that, in those areas, we can do better. Taking that to the next stage demonstrates why the committee report is important.

The vast majority of businesses in Scotland are sole traders, which make up 69 per cent of the business base; a further 30 per cent of businesses are classed as small and employ between one and 49 people. Those businesses contribute vastly to our communities, with many of them being the lifeblood of our high streets at a time when high streets across the UK are struggling. We should be doing all that we can to ensure that businesses such as those have clear access to whatever support is available to ensure that they can flourish, helping to employ people in our communities and reversing the decline of our high streets.

It is clear from the committee report that, although there is a lot to be celebrated in the current Scottish landscape for business support,

there is a huge lack of joined-up government in relation to the various support services that are on offer. The report makes it clear that

“signposting and co-ordination between multiple stakeholders and partners remains an ongoing challenge.”

The report notes that, when the committee scrutinised the 2018-19 draft budget, it found

“gaps in business support, despite a cluttered landscape of programmes and services.”

That needs to be addressed.

In 2008, when the Scottish Government transferred business gateway and local regeneration activities to Scotland’s local authorities, the intention was to steer businesses through the multitude of programmes and services that were available, such as enterprise agencies, city deals, private sector programmes, growth deals and other regional partnerships. However, it has been noted that even 10 years later,

“signposting and co-ordination between multiple stakeholders and partners remains an ongoing challenge.”

Indeed, the committee report notes:

“The policy intention for Business Gateway to act as the entry point for businesses seeking business support has not been fulfilled.”

In its written submission to the committee, COSLA highlighted the uneasy mix of national and local priorities. We need to consider that. COSLA said:

“The enterprise agencies are gatekeepers to the additional support available in the Growth Pipeline and Account Management, but the national priorities placed on them by the National Government do not necessarily fit with those relevant to Local Government which has a greater focus on local priorities.”

We need to work together. COSLA paints a picture that is recognisable to many who work in and alongside local government of a lack of a joined-up approach between the Government in Holyrood and local government. There is more that can be done there; we can do better, whether we are talking about house building strategy, planning or—with regard to today’s debate—business support. There clearly needs to be a rethink in the way in which interactions between local and national Government are communicated and planned. I hope that those discussions can follow the publication of the committee’s report.

The Scottish Government’s failure to work closely with local authorities to review, set targets and appropriately fund business gateway has resulted in the business landscape becoming cluttered, misaligned and confusing for businesses to navigate. The Scottish Government spends only £15 million a year on delivering business gateway services. That is not nearly enough to promote the Scottish economy at the local level. A decade of

austerity has meant that local authorities are struggling to deliver essential services, so we need to address the funding crisis that local authorities find themselves in. However, most of all, we can do better with regard to growing our economy and supporting business start-ups and business growth.

14:53

Jamie Halcro Johnston (Highlands and Islands) (Con): I place on record my thanks to the excellent clerking team who supported the committee’s work throughout the inquiry. Our convener, Gordon Lindhurst, eloquently set out many of the main themes that the inquiry covered, as well as our conclusions.

Following the enterprise and skills review and the publication of the Scottish National Investment Bank Bill, which will require close co-operation with the enterprise bodies, our inquiry has been timely. Small and medium-sized businesses are the backbone of the economies of areas such as my region, the Highlands and Islands. That is particularly the case in the most rural and remote parts. Access to services such as business gateway is vital in supporting local businesses that are already established and nurturing the vast pool of untapped entrepreneurial talent across the region.

Although business gateway is, for many, the first port of call for business support, the committee’s report found inconsistencies in its co-ordination with existing agencies, leading to the cluttered landscape that was referred to by the Fraser of Allander institute, as well as by many members today.

During the committee’s evidence taking, I raised questions about the cohesion and collaboration between business gateway and key partners in local economic development, such as Highlands and Islands Enterprise. In many ways, the distinct geography and business environment of the Highlands and Islands is reflected in the institutions that support businesses locally. It is not long since the Parliament had to fight off the threat of HIE’s board being folded into the Scottish Government’s strategic board, which would have led to it losing its own identity and oversight.

The inquiry was an opportunity to meet a range of business support services in different parts of the country. Along with other members of the committee, I visited business gateway, HIE and four SMEs in the Highlands as part of the evidence-gathering process. As the report noted, ease of access to financial support was an ongoing problem for some of those businesses. I met services in Orkney and Shetland, and the divergences and discrepancies were stark. For

example, in both Orkney and Shetland, the services co-locate with Highlands and Islands Enterprise. However, in the Highlands, they do not.

The summary of the committee's business support survey notes:

"In general, too many agencies involved, and the business support landscape is confused."

The Scottish Government's 2017 enterprise and skills review recommended that it should streamline services. The question therefore has to be asked: why has the co-location of services, and the integration of customer relationship management systems, not been made a priority?

More can—and should—be done to improve agency-to-agency referral, and to recognise that it is all too easy for rural firms to suffer from passive officialdom. A proactive approach is the best way forward, along with an appreciation of the challenges, particularly in productivity, that we have to address.

In its written response to the report, the Scottish Government said:

"The Enterprise and Skills Review concluded that the division of responsibilities between national agencies and locally delivered Business Gateway was right".

However, given the lack of co-ordination in some areas, and the different approaches that have been adopted across Scotland, that is a difficult position to hold. It seems that there is no real clarity as to where those responsibilities lie, or ought to lie.

I will touch briefly on equalities. The committee's report asks the Scottish Government and its agencies to review the funding streams that are available to new and existing female entrepreneurs. We know that economic growth simply will not reach its maximum potential until more women are supported to start businesses. Women's Enterprise Scotland published research that showed that our economy would be boosted by millions if the number of female-led businesses matched the number of those that are led by men. Angela Constance and Jackie Baillie called on the minister to be more rock and roll. I think that they hope that he will be like Mick Jagger, but we will probably have to settle for Mick Hucknall. *[Interruption.]* I am sure that the minister will take that comment as he wishes.

I welcome the commitments that the Scottish Government made in its written response, particularly the commitments to encourage entrepreneurship in underrepresented groups, and to work towards a national women's centre for business. I am sure that all members of the committee will be keen to monitor progress in that area over the coming months and years.

There were a number of positive contributions from around the chamber today. My colleague Dean Lockhart identified the key failings of the enterprise and skills review—as well as other aspects of Scottish Government policy—in relation to reducing the cluttered landscape in business support. He also highlighted, as did others, the lack of accountability and measurable performance, which, inevitably, lead to inconsistent delivery and a lack of real impact on many of the Government's economic priorities.

Alexander Stewart highlighted his 18 years of experience as a councillor, as well as the lack of transparency and accountability. He also highlighted the particular needs of rural communities and businesses, which Colin Beattie also mentioned. Brian Whittle spoke about his own experience of engaging with business gateway as well as the frustrations of others with whom he has spoken about the responsiveness of the service and the administrative burden of seeking support.

Entrepreneurship is a fast-paced world and it is important that the support that is offered moves at a similar pace. Rhoda Grant mentioned the Bad Girl Bakery, which I and my committee colleagues very much enjoyed visiting. She also talked about late payments, which are a real issue for many SMEs

Andy Wightman highlighted the Irish model, and the importance of local services and their integration with the national strategy. Gordon MacDonald covered that area, too. Like others, Angela Constance expressed her disappointment with COSLA's response—she is certainly not alone in that among committee members. Jackie Baillie highlighted the need for business gateway to provide a good service across the country and not just in one or two areas.

There is much in the work of enterprise bodies at the national and local levels that is to be commended. I have met many dedicated members of staff in services such as Highlands and Islands Enterprise and the local business gateway, and people have shown great commitment to driving forward our local economies and supporting local businesses that need support. However, the committee found clear structural flaws that cannot be ignored by the Government or COSLA. Practical national solutions with a local reach must be found, and there must be an emphasis on cohesion, decluttering and developing a national strategy that ensures that the business gateway has a clearer remit.

It is crystal clear that there is not a shortage of potential growth and talent in Scotland. The challenge to the Scottish Government is to seize the opportunity and deliver for Scotland's economy.

15:00

The Minister for Trade, Investment and Innovation (Ivan McKee): I thank all members who have taken part in the debate, in which there has been a fruitful exchange of ideas on how we can best support our wonderful businesses across Scotland. I also thank the Economy, Energy and Fair Work Committee for its work and the clerks for supporting it in that work.

The committee's report gives us much food for thought as we look to deliver the right support for businesses in Scotland. The first point that the committee saw was that not including business gateway as part of the enterprise and skills review was potentially a missed opportunity. Although business gateway was not explicitly mentioned in the review, it has been heavily involved in the work to create the new operating model for a single-system approach. The Government very much recognises the crucial role of business gateway in the business support system, and Councillor Steven Heddle and the leadership team at COSLA are committed to working closely with the Scottish Government and wider partners to ensure that business gateway is part of a single-system approach that is responsive to the evolving needs of our business base.

I take on board Alex Rowley's point about alignment. That is very much part of the discussions between the Government and COSLA. We both see the committee's report as an opportunity and as part of a learning curve; it challenges us to develop robust, co-produced solutions that involve wider stakeholders and clearer accountability and transparency. We readily accept that challenge and we are taking steps to act on it.

We are working with COSLA and others to address the structural concerns that the report raised, to reinforce the clear role that business gateway has in the wider support system, and to clarify responsibilities. We cannot have a situation in which our business base is not sure when it should go to business gateway. That will involve working closely with the Federation of Small Businesses and Scottish Chambers of Commerce, and making it clear where accountability for performance lies in local authorities.

Central to that activity is the single portal that we are introducing to identify all the services that are available to businesses. The portal will include everything that is happening across business gateway and all Government agencies. Colin Beattie and other members mentioned that.

The committee highlighted the support systems in Ireland and elsewhere and how Ireland goes about achieving national strategic alignment, accountability and local delivery. That system

evolved from a situation that is similar to that which currently exists in Scotland. We think that it is wise to take a closer look at the structure of enterprise support in Ireland and other global best practice examples to see what lessons we can learn and use to inform our work on what is best for our business base and the unique make-up of our ecosystem approach to enterprise support in Scotland. Gordon MacDonald, Andy Wightman and other members raised points about that. It is important to recognise that we cannot simply cut and paste a solution from Ireland. Their system is tailored to Irish businesses and Scotland has specific needs. For example, some Irish services are fee based, and we might not want to take that approach in Scotland.

Dean Lockhart: Why has it taken a critical report from the Economy, Energy and Fair Work Committee to force the Government to address the issue? It has been clear for years that business gateway has not been functioning as it should.

Ivan McKee: I thank the committee for raising the issues. It is not clear that business gateway has not been functioning; it has been, and many members across the chamber—committee members and others—have highlighted many examples of the great work that business gateway has done. The report, for which I thank the committee, highlights some areas that need to be addressed. Performance can be patchy, and we need to look at some of the frameworks. As I said, we are very clear about taking forward work with COSLA to address those issues.

We are working together on how best to measure the performance of business gateway and on how we assess whether we are providing value for the business base. That means co-developing solutions that create greater transparency in how money is spent; addressing concerns about the consistency of service across different local authorities; ensuring that stakeholders such as the FSB and Scottish Chambers of Commerce play a regular and active role in developing solutions; continuing to develop a stronger team approach in the wider business support system; building on the work of the Scotland can do initiative; and ensuring that service users are dealt with by one single system, rather than being passed from one organisation to another.

Some members mentioned the work of the Scotland can do initiative, which is a framework that has been taken forward by the private sector and entrepreneurial Scotland. It includes, for example, the Scottish EDGE competition, which has supported businesses through £13 million of investment and has leveraged more than £100 million of additional investment. There is also the

can do fest and venture fest, as well as the work of women and youth enterprise. Therefore, a range of support activities are driving an entrepreneurial culture within the Scottish innovation ecosystem.

Together, all that work has lifted Scotland from being the 13th most supportive economy in the world to the fifth most supportive economy, ahead of the economies of other parts of the UK. That is a testament to the work of people who are involved in the Scotland can do movement.

We are working together on mainstreaming best practice and on continuing professional development, building on business gateway's good work and using constructive feedback to drive improvement.

Presiding Officer, can I check whether we are pressed for time? Can I have one or two extra minutes?

The Deputy Presiding Officer (Linda Fabiani): I can give you some extra time.

Ivan McKee: Thank you very much.

The committee rightly raised the issue of engagement with women and other underrepresented groups. We are looking at how business support systems can be more effective in that area. We are building on our work to help more women to start businesses through the women in enterprise action plan and framework, and the collective impact approach of the Scotland can do initiative has helped to increase the proportion of women who actively start businesses. That has reduced the gender gap in that area at a time when it is increasing in the rest of the UK. Scotland's performance is on par with the performance of the best in the world, including that of the US and Canada.

Angela Constance and Jackie Baillie made their points eloquently. Jackie Baillie will be aware of my interest in the area through my former membership of the cross-party group on women in enterprise. Angela Constance asked for more "rock and roll". I will not provide that this afternoon, but I am sure that there will be opportunities in the near future for that to happen—watch this space.

Angela Constance: The minister has promised that there will be further action. Will he give us a wee bit more detail on how and when we will be able to make substantive progress towards the establishment of a national women's centre for business and the head of policy role?

Ivan McKee: I promised rock and roll; I did not promise specific actions or measures.

Angela Constance: Seriously.

Ivan McKee: On a serious note, I take those points on board. My colleague Jamie Hepburn has said that the issue will be discussed at the next

meeting of the women in enterprise action group, which he chairs. It is also worth noting that Dr Norin Arshed, from the University of Dundee, has now been appointed as the minister's independent adviser on increasing women's entrepreneurship across Scotland. Jamie Hepburn will take an evidence-based approach to identifying the best concrete steps that we can take to deliver in that regard. Members should rest assured that the Government is very serious about making further improvements in the area.

The committee raised the desire, which I share, to help our minority ethnic and migrant entrepreneurs to realise their full potential. A recent FSB report highlighted the huge potential that exists in that area. We are working with business gateway and COSLA and are taking forward research geared to helping those groups make full use of the public business support that is available.

On the issue of funding, we are working with COSLA and partners to assess whether business gateway can do more to make small businesses aware of the various funding options that are available and to ensure that the options are relevant and that businesses get the right support that will put them in the best position to secure that funding.

Rhoda Grant and Brian Whittle highlighted the issue of public contracts and procurement, and I can tell members that in the past year 59 per cent of public contracts were won by Scottish SMEs—

Brian Whittle: Will the minister give way?

Ivan McKee: Indeed.

The Deputy Presiding Officer: This will have to be a quick intervention, and then the minister will need to wind up.

Brian Whittle: I am interested in the value of those contracts compared with the total value awarded through public procurement.

Ivan McKee: I do not have that data to hand, but we will get back to the member on that matter. However, I can tell him that that figure, too, is increasing and that 11,500 businesses are now working with the supplier development programme, which is a 17 per cent increase on the previous year. It is an issue that we recognise, but we believe that we are making good progress on it.

Dean Lockhart referred to one or two pointers with regard to the economy, and I think that it is worth taking this opportunity to remind the member that, in the last quarter of 2018 for which we have data, the Scottish economy grew faster than the UK economy—

Dean Lockhart: Will the minister give way?

The Deputy Presiding Officer: No—the minister is winding up.

Ivan McKee: Unemployment in Scotland is now at 3.2 per cent, which is a record low; indeed, it is significantly lower than the figure across the UK and has been so for a period of time. Moreover, youth unemployment in Scotland has been significantly lower than in the rest of the UK for a number of years now, and over the past year, productivity growth in Scotland has gone up significantly more than in the rest of the UK.

The Deputy Presiding Officer: Will you come to a close, please?

Ivan McKee: Scotland's economy is delivering, but we recognise that there is room for improvement. We thank the committee for its report. We will work closely with COSLA in taking its recommendations on board and move forward to make Scotland's economy even stronger and to deliver for our small business community.

15:12

John Mason (Glasgow Shettleston) (SNP): A lot of positive things have been said in the debate, and I will start by highlighting some of the positive comments about business gateway. The committee's convener, Gordon Lindhurst, said that it was a good service; Dean Lockhart said that it had a lot to commend it; Jackie Baillie said that some business gateway services were second to none; and Colin Beattie referred to the number of interactions and the positive fact that more women are interacting now than before. Jamie Halcro Johnston specifically mentioned our visit to the Bad Girl Bakery, whose cakes, I remember, were very good—although we decided not to take a photograph of me standing under the “Bad Girl Bakery” sign.

I want to move on to some of the issues that have been raised, specifically the quite strong response from COSLA, which a number of members—I am thinking, in particular, of Jackie Baillie—have touched on. As someone who was a councillor for 10 years, I am very enthusiastic about and want to be very supportive of local decision making, but it is clear that a balance has to be struck when we have a national service—in this case, business gateway—that is controlled locally. The same balance applies in other sectors—for example, it applies to education in schools—but it strikes me that the variation that exists among schools is much less than the apparently huge variation across Scotland with regard to the business gateway model. That is not necessarily a bad thing, but it makes it very difficult for the committee and anyone else who wants to look at the issue even to try to make

comparisons between what is happening in, say, Lanarkshire, Aberdeen, Inverness and Glasgow.

We reflected that view in our report and, as we know, it led to quite a strong response from COSLA. I very much welcome Ivan McKee's statement that he is working with COSLA on all of these issues, and we are looking forward to seeing where that work goes, but as Jackie Baillie has pointed out, COSLA could have been a bit more forthcoming, and that might have better informed our report. I was interested in Alex Rowley's suggestion that the convener and I could meet COSLA representatives to discuss some of the issues; I cannot speak for the convener, but I personally would be open to such a move.

I will move on to a few other points that were made in the committee's report. A number of members have referred to the fact that business gateway is not an entry point for all business support. The fact that the enterprise and skills review did not include business gateway seemed a bit strange to us, although there were reasons for that. There is a lack of clarity on strategic alignment. I am hopeful that the strategic board, which is still relatively new, will not just bring together bodies such as the Scottish Further and Higher Education Funding Council and Scottish Enterprise but will bring in business gateway a bit more.

On our visits, we saw more models than I had expected. For example, in Inverness, we visited a small business that has not had much input from business gateway but has had good input from Highlands and Islands Enterprise. By contrast, in Lanarkshire, we met a much larger business that operates internationally but that is still being supported by business gateway because it is not in a sector that Scottish Enterprise supports. There was obviously a good relationship there.

Gordon Lindhurst talked about targets and performance, so I will not spend too much time on that. The committee found it difficult to get information from the different council areas on who sets the targets and who monitors performance. It appeared to us that even councillors do not get the information on the targets that they need in order to monitor things properly. Andy Wightman made a lot of good points in that regard. Of course local councils are accountable—none of us on the committee questioned that—but the lack of data to enable local councillors to hold business gateway to account concerned us. The word “alignment” is a good one. We do not want business gateway to be subsumed in any way into national activities, but we want better alignment.

In that regard, Gordon MacDonald talked about the Irish model, which is interesting and relevant. I was interested in the minister's response, in which

he said that we cannot cut and paste the Irish model directly into Scotland, with which I agree.

Is it local specialism or is it inconsistency? It is a national programme, but who is it accountable to? Those are some of the questions that we looked at. I agree very much with the committee's recommendation that

"there is scope for ... greater sharing and mainstreaming of best practice",

not just between business gateway and the outside but within the different parts of business gateway. For example, in Glasgow, there is more emphasis on growing businesses than on starting businesses, which is interesting.

Is it complexity or clutter? As Dean Lockhart mentioned, businesses find it difficult to know who to go to. We picked up that point when we met businesses. Some immediately had a good relationship with the right body, but others toiled to get that experience. I expect that Brian Whittle's experience in that regard could have been very different in a different part of the country. In passing, I note that I was interested in Mr Whittle's comment that tax is in some way a punishment on businesses; obviously, I see tax as a contribution to good public services. Colin Beattie mentioned the desire for seamless services, which is what everybody really wants.

The committee broadly accepted that there has been a drift away from the original remit. As Rhoda Grant said, the service was set up to be a one-stop shop, and that is what most of us imagined it was, even though it became apparent that that is not the case and that there are many ways to get business support other than through business gateway. Perhaps the most telling point on that was made by Andy Wightman, who said that there was no strategic plan or review that caused the service to drift in that direction.

We have not touched much on the enterprise culture, but we picked up on that in the report and we have done so in the committee's other work. In speaking to young entrepreneurs, we find that many of them have parents or other family members who are also entrepreneurs, which is how they picked up on that. As a society, we must consider how to get more young people whose parents are employed by big organisations, as was the case for me, to start up their own businesses.

Angela Constance majored on the issue of diversity. I agree with her that we need to get more BME young people to start businesses and that we need to reach out to other underrepresented groups. When we visited Lanarkshire, which has a contracted-out service, I was very taken by the evidence that women who were starting businesses really appreciated getting advice from

a woman officer in business gateway and were positive about the service.

I thank all the witnesses who took part in our inquiry and, in particular, all the people who hosted visits. When we were out driving in the dark near Inverness and could not find the little local business we were going to, the host patiently waited for us and then gave us lots of good information. The committee went to Lanarkshire, Inverness and Aberdeen, and I benefited from all the visits. I also thank the clerks and SPICe for all their input.

I think that the committee gave business gateway, and business support more generally, a thorough inquiry. As other members have said, we found a lot of positives, but we agreed that we have not yet got the balance right so that we have a national service that is—as it should be—under local control, with local democratic accountability.

I am happy to commend the report to Parliament.

Mental Health Services (Quality and Safety)

The Deputy Presiding Officer (Linda Fabiani): The next item of business is a statement by Clare Haughey on mental health: quality and safety of services. The minister will take questions after her statement; there should therefore be no interventions or interruptions.

15:21

The Minister for Mental Health (Clare Haughey): The independent inquiry into mental health services in Tayside, which was commissioned by NHS Tayside, was announced by the Cabinet Secretary for Health and Sport in June 2018, following a debate in the Scottish Parliament.

The inquiry's interim report, which was released this morning, sets out what David Strang, the independent chair of the inquiry, has heard so far from a range of partners. The interim report is an important milestone in the work of the inquiry. The final report will provide further analysis and recommendations.

The inquiry is guided by the five principles that were agreed in the Scottish Parliament debate, which are that the inquiry must be open and transparent; be truly independent; include and involve staff from NHS Tayside, its partners and third sector providers; include and involve patients, families and carers; and include a public call for evidence, to ensure that everyone's voice is heard.

As David Strang said:

"It is important to recognise that this report identifies only the issues which have been raised in the evidence submitted to the Inquiry. Investigation and detailed analysis will be required before any conclusions can be drawn or recommendations made by the Inquiry."

A wide range of individuals and groups have contributed to the work of the inquiry so far. Following the announcement of the inquiry, a group was established to represent patients, families, carers and third sector organisations, to enable stakeholders to engage with the inquiry and to ensure a high level of transparency in its work. The stakeholder participation group is co-ordinated and chaired by Health and Social Care Alliance Scotland.

In addition, an employee participation group was established. The EPG is chaired by a representative from Unison and consists of representatives from all national health service-recognised trade unions, professional bodies and employee relations representatives.

More than 200 submissions of written evidence were received by post or email or in person, and between September and November 2018 the alliance held focus groups across the NHS Tayside area to capture the voices of people with lived experience of mental health services in Tayside. That significant piece of community research produced a range of valuable recommendations.

The EPG conducted an online staff survey during November and December 2018 and held focus group meetings for all those employed to work in NHS Tayside mental health services. 53 per cent of all staff who were surveyed responded: a total of 524 individual returns. The EPG submitted its report as evidence to the inquiry in April 2019.

More than 70 oral evidence sessions were held in Angus, Dundee and Perth and Kinross, with families, patients, carers, NHS employees, other health professionals and third sector organisations. Oral and written evidence was also submitted from other organisations such as Police Scotland, university student welfare teams, the Dundee fairness commission, the Dundee drug commission and third sector organisations. Additional meetings were held with a range of healthcare professionals and clinicians such as consultant psychiatrists, psychologists, general practitioners, allied health professionals, staff at the Carseview centre, student nurses and trainee GPs. The team also met integration joint board representatives and key personnel from local authorities. That enabled the inquiry to gather views on mental health provision in Tayside.

I would like to record my thanks to David Strang and his team for the work that they have done, and my thanks to the range of individuals and organisations that have taken the time to contribute to his considerations. I also thank the staff and families whom I had the privilege to meet in January when I visited the inquiry, for giving me their insights.

The interim report outlines six key themes on which improvement is required: patient access to mental health services, patient sense of safety, quality of care, organisational learning, leadership, and governance. The narrative presented in the report raises significant concern.

David Strang has not sought to provide recommendations at this stage, but I must make it clear to the chamber that the Scottish Government will not wait to receive recommendations before we act.

For that reason, yesterday, along with the chief executive of NHS Scotland, I met the chief executive and chair of NHS Tayside and their senior team, as well as representatives of the

integration joint boards of Perth and Kinross, Dundee and Angus. During that meeting, I set out my clear and specific expectations of them: specifically, that the pace of change needs to be faster and the quality and safety of their services need to improve further. They are in agreement with those expectations and have welcomed the interim findings of the inquiry.

To support them in their efforts to accelerate the pace of change and improvement, the Scottish Government will augment their local team, to ensure that they can deliver on those expectations. In the coming days, my officials will meet the senior leadership team to assess the additional resources that will be required, which is likely to include additional clinical input, programme management support and community and staff engagement resources. That support has been welcomed by the local leadership, who have met it with strong commitment to delivery.

In his interim report, David Strang makes one specific point that refers to halting service redesign until a "comprehensive review" of the mental health service strategy has been undertaken, and I have sought specific assurance about the risks associated with that work. To better assess that point, I have asked the local leadership team to urgently review the risks and impact of the redesign programme, placing it fully in the context of their transformation programme.

I am clear that any redesign of services must consider the needs of all service users, and the Scottish Government is keen to ensure that the voices of people with lived experience are at the forefront.

I am also committed to ensuring that the learning from the inquiry informs our national approach. The interim report raises significant issues about quality and safety. For that reason, I will give further consideration to our national approach to the quality and safety of mental health services. We need to bring coherence to our arrangements for quality planning, quality improvement and quality assurance for mental health. Arrangements are varied, and I am keen to ensure that the issues raised in Tayside are not present elsewhere.

Therefore, I will create and chair a quality and safety board for mental health. The board will consider the arrangements for quality planning, improvement and assurance and will be informed by the work of the independent inquiry. It will focus on issues such as coherent multi-agency planning to ensure that quality and safety is at the heart of our approach to mental health services. It will create the right conditions to develop and spread excellence, as we know that many areas already have high-quality services in place, and we want those approaches to be replicated around the

country, so that people can access high-quality services when they need them, wherever they are.

It will also involve the examination of our quality assurance arrangements. We will bring together all the agencies that are currently involved in providing assurance on mental health services, which will ensure that we have clarity and certainty that the correct arrangements are in place to assess the quality and effectiveness of services.

Issues of safety and patient care will be included, such as the use of restraint, administration of medicines, use of risk assessments and wider-ranging issues as agreed by the group.

We know that work is already under way on many issues of safety. For example, the Scottish patient safety programme for mental health has led to reductions in self-harm, seclusion, violence, aggression and restraint in a number of areas. Collaboration and innovation from staff, service users and carers and the use of quality improvement and improvement science has been essential to achieving those improvements over the past six years. We will build on that work and ensure that it is given greater national profile and prominence.

The Scottish Government has a rights-based approach to mental health services and I will ensure that that ethos is embedded in the new group.

I am clear that alternatives to physical restraint should always be considered first. Alternatives might include nursing interventions, medical, psychological or other treatments, and/or modifications of observation policy, care regimes, the person's activities or even buildings. Appropriate and personalised risk assessments play an important part in identifying alternatives that are suitable for each individual, and assessment should be a dynamic, on-going process by clinicians in collaboration with patients. Only after assessment by fully trained and qualified staff should restraint be used by such staff, and it should be a last resort.

I recently wrote to seek reassurance from all health boards that they have the appropriate policies and training in place for all staff who might be involved in any sort of restrictive practice. I have asked specific questions about the reporting, recording and clinical review of incidences of restrictive practice. I have also made it clear that training records of all staff who are involved in such interventions must be maintained and that training must be kept up to date.

I will provide further information on the membership of the group and the terms of reference in due course. I am absolutely clear that

the safety of our patients and the quality of the services that they receive is paramount.

I welcome the interim report from the independent inquiry in Tayside and restate the commitment of this Government to improving the quality and safety of mental health services for the people of Scotland. It is absolutely vital that people feel safe when they engage with our mental health services, whether they are using them or delivering them. We must ensure that there is a high level of confidence in our mental health services and that people know that they can receive the right help when they need it.

That is why I have given the interim report the serious consideration that it deserves and why I stand fully behind the work of the independent inquiry and alongside the people who deliver those crucial services. Importantly, when the inquiry has concluded its work, I will ensure that the lessons learned and the inquiry's recommendations will be shared widely around Scotland.

The Deputy Presiding Officer: Before we move on, I gently remind members that the timings that are given in the *Business Bulletin* are only indicative and that business runs on. I thank those who sent me notes of apology for being late.

We move on to questions on the issues raised in the minister's statement, for which I will allow around 20 minutes.

Annie Wells (Glasgow) (Con): I thank David Strang and his team for their work, as well as everyone who has informed the inquiry or given evidence.

The basis of the report is to examine end-to-end mental health services, which means from the first point of contact with the health service to the best possible outcome for the patient. For example, in the interim report, GPs raised serious concerns about the referral process. There were also concerns around ambiguous child and adolescent mental health services thresholds. That highlights that we need a whole-system approach to the design and delivery of services. Will all future actions take that into consideration?

The minister has assured us that the Scottish Government will not wait to take action. When will she report back on the meeting with the senior leadership team? When will she report on progress?

The minister has described the interim report as a milestone moment, but the milestone moment will not come until patients in Tayside see better mental health services.

Clare Haughey: I will take Annie Wells's questions in order. I apologise if I miss anything; there were a lot of questions.

Long waits for support and treatment are unacceptable. This Government is investing £54 million to help boards improve their performance against waiting times. The Government expects those who need help to get help at the time that they need it.

NHS Tayside has stated that its policy is that if patients have to wait to be seen, they should be advised of the likely waiting time. The Scottish Government has committed to providing funding for 800 additional mental health workers in key settings, which includes GP practices.

With regard to the meeting with senior leadership, I apologise if I was not clear in my statement; I thought that I had covered the fact that my meeting with the senior leadership of NHS Tayside and the integration joint boards was to set out my plans for a response to the interim report and my expectations of how they will accept that report and respond to it.

Annie Wells raised the difference in the CAMHS thresholds in NHS Tayside. The board assures me that it plans to raise the age threshold for children to 18, to bring it in line with most of the other health boards across the country.

Monica Lennon (Central Scotland) (Lab): I thank the Minister for advance sight of her statement. Scottish Labour welcomes the interim report.

We called for this inquiry and our thoughts are with the patients and families who are affected. I pay tribute to everyone who has taken part in the inquiry.

I am surprised that there are no immediate recommendations. Can the minister provide a further update on the timeline for when she expects David Strang to make his recommendations? As risk to patient safety is an urgent concern, does she agree that NHS Tayside should be moved back up to the highest level of escalation and placed under special measures? Can she confirm whether the quality and safety board for mental health, which she announced moments ago, will report to Parliament? Will it carry out a national review of mental health services? That is what Scottish Labour and campaigners have been calling for.

Clare Haughey: The safety of those who use and deliver our mental health services is paramount. NHS Tayside has outlined to me the work that it is undertaking within its quality improvement programme on a range of activities that are aimed at improving the care and safety of patients. I agree that that is extremely important. Central to that is the on-going feedback from staff, patients and carers. Current improvement activity in NHS Tayside is focused on improving

observation practice, which is a Healthcare Improvement Scotland national priority.

David Strang's inquiry is independent. I have no influence—and nor should I—over when that inquiry will report and what its recommendations will be. Mr Strang will provide us with details of when he will come forward with his final recommendations. This is an interim report.

I echo Monica Lennon's thanks to those who have been involved in the inquiry. I met service users and their families and staff who are involved in the inquiry. Their words have stayed with me. It is important that we thank them for their contribution to the evidence that we have had today from Mr Strang's report.

Ruth Maguire (Cunninghame South) (SNP): How can health services work together more closely to ensure that the support given to people who need it is coherent and effective?

Clare Haughey: There is a need for transformation to a whole-system approach to mental health by all public services including GPs and other primary care workers. That needs to be done in partnership with people who use the services and their families, the mental health workforce, and delivery partners across the public and third sectors. Multidisciplinary and multi-agency working is key to that transformation and will ensure the delivery of a whole-health model of care for individuals who are accessing services. As I announced today, the new quality and safety board for mental health, which I will chair, will look at creating the right conditions to develop and spread excellence across Scotland.

Miles Briggs (Lothian) (Con): The interim report states:

"Patients report telling staff they were suicidal but the risk was not taken seriously until they made a serious attempt to take their own life."

I do not believe that that situation is specific only to NHS Tayside. Therefore, what investigation will take place into the on-going service redesign in other health boards across the country? If the Government is truly going to regain the confidence of families with the establishment of the quality and safety board for mental health, why will the board not be chaired independently?

Clare Haughey: I am disturbed by Mr Briggs's assertion at the start of his question about patients reporting that they feel suicidal that he thinks that it is widespread that mental health and healthcare professionals ignore people when they are in distress. That is certainly not my experience from working in the NHS for many years. Every interaction that mental health professionals, GPs and other healthcare professionals have with people who are presenting in distress or with mental health problems involves risk assessment.

It does not have to be a formal risk assessment. I accept what Mr Strang has put in his report. I am not refuting that, but I refute the assertion that Mr Briggs is making about mental health services across the country.

Gil Paterson (Clydebank and Milngavie) (SNP): How is the Scottish Government working across wider public services to improve access to mental health services and to reduce mental health inequalities?

Clare Haughey: Where people do not feel welcome or represented, it can be hard for them to open up about mental health problems or to believe that they will be listened to. Differences in ethnicity, sexuality or gender identity, for example, should not be barriers to receiving high-quality services to treat mental health problems. Our aim is for mental health services and professionals to be welcoming to all and to respond to the mental health needs of individuals in a person-centred, safe, effective and respectful way.

Up to 2019-20, we are investing £54 million to help boards improve access to mental health services. Our programme for government also sets out a £250 million package of measures to support positive mental health and prevent ill health. That funding aims to ensure that high-quality mental services are accessible to everyone.

Jenny Marra (North East Scotland) (Lab): My thoughts are with every family affected by the issues that are raised in the report. The minister said that safety is paramount. There are huge patient safety issues in the report, but there were no actions in her statement today that will guarantee patient safety over the next weeks and months until the final report is published. I reiterate Monica Lennon's call for the minister to re-escalate NHS Tayside to level 5 so that the board gets the supervision and support that it needs to guarantee patient safety.

Also, David Strang was very clear that the changes in the service redesign should be halted until there is a comprehensive review. Will the minister instruct NHS Tayside to halt those changes until the final report is published?

Clare Haughey: I am aware of Jenny Marra's interest in the issue, certainly during my time in Parliament. I address the issue of Mr Strang's recommendation in my report. I have asked the board to report back to me shortly on the risks of progressing service redesign and on the risks of not progressing it.

Jenny Marra: But Strang said that it should be halted.

Clare Haughey: Jenny Marra has asked me a question, which I have tried to answer.

NHS Tayside has been responding to the recommendations that came out of the HIS report and the inquiry following the BBC programme, and it has been using those to improve the quality of its care. Some improvements have already been made but, as I have said, the pace of change is not as I would expect. That is why we will look to provide additional outside support, in the form of programme management and clinical assistance, to ensure that changes can be made more speedily.

Mark Ruskell (Mid Scotland and Fife) (Green): The inquiry's report revealed that GP referrals to mental health services are frequently rejected on the basis that the patient in question did not meet the required criteria, despite GPs not having been informed of what the criteria are. What steps will the minister take to ensure that clear referral guidelines are communicated to GPs as a matter of urgency?

Clare Haughey: If Mr Ruskell is aware of the response that NHS Tayside has made to the report that was published today, he will know that it has accepted what Mr Strang said. I expect the board to ensure that criteria for referral to services will be made clear to referrers.

Alex Cole-Hamilton (Edinburgh Western) (LD): This morning, Gilly Murray, who is the niece of David Ramsay, who, very sadly, took his own life after being failed by the services at Carseview, tweeted:

"I have been and am going through hell and none of this benefits me or my family. David is still dead."

What support will the minister give to the families who were left behind when patients in Tayside took their lives? Also, given the concerns about the use of restraint, and the disbelief among staff that a crisis situation exists, what comfort will she extend to patients in Tayside who are in crisis today to assure them that they will be taken seriously?

Clare Haughey: My sympathies and my thoughts are with any family in Scotland bereaved through suicide—and especially those in Tayside, for whom today's publication of the report will have stirred up emotion. It is not that they do not feel such pain every day, but I imagine that today will have been especially difficult for them.

I think that Mr Cole-Hamilton also asked me about physical restraint. As I have said, the Scottish Government is absolutely clear that alternatives to that should be considered first. Physical restraint should be used only as a last resort and for the shortest possible time to ensure safety. As I mentioned in my statement, I have written to all health boards to seek assurances that they have in place policies that cover all forms

of restrictive practice, and that staff receive guidance on the appropriate use of such restraint.

Counselling and other support services for bereaved relatives are currently available in Dundee. Part of the suicide prevention leadership group's work looks at support that can be given to all who are touched by bereavement through suicide, which is very important.

The Deputy Presiding Officer: Minister, you were fading away during your response. Please remember always to address your microphone.

David Torrance (Kirkcaldy) (SNP): What action is the Scottish Government taking to improve access to primary care services for people who suffer from both mental and physical ill health?

Clare Haughey: It is important to understand that all health issues are connected. There are clear links between an individual's physical health and their mental health, as well as the quality of their life and the overall quality of their health outcomes. As part of its mental health strategy, the Scottish Government has committed to providing funding for 800 additional mental health workers to improve access in key settings, including GP practices. It is investing significantly in such development work, and funding will rise to £35 million in 2021-22 and beyond.

Brian Whittle (South Scotland) (Con): I think that the minister would agree that, in delivering patient safety, it is important that we look after the needs of our healthcare professionals and ensure that they have support in place in what is a very stressful environment. As part of the final report, will consideration be given to the health of our healthcare professionals?

Clare Haughey: The report by David Strang is an independent report, so I cannot predict or influence what will be in the final report.

The inquiry team has ensured that there is a separate workstream for staff—it has been led by an official from Unison, with representatives from all the major trade unions and professional bodies—so that staff who are employed by NHS Tayside and work in mental health services could be open about their concerns and have their voices heard in such a way that they felt safe and supported.

It is crucial not only that NHS Tayside as an employer ensures that its staff are safe and supported in their work through its duty of care as an employer but that staff-side organisations, trade unions and professional bodies play a pastoral role to ensure that staff are supported and feel safe at work and that, if they do not, staff can raise the matter in such a way that they feel reassured.

Tom Arthur (Renfrewshire South) (SNP): What action is the Scottish Government taking to reduce the stigma of mental ill health and suicide to ensure that people who are at risk of suicide feel able to ask for help?

Clare Haughey: I thank Tom Arthur for asking that extremely important question. We want a Scotland where people can get the right help at the right time, expect recovery and fully enjoy their rights free from discrimination and stigma. Action 3 of the suicide prevention action plan commits the Scottish Government to working with the national suicide prevention leadership group and partners to encourage a co-ordinated approach to public awareness campaigns that maximises impact.

The Scottish Government provides funding to see me, which is Scotland's national programme to end mental health stigma and discrimination, and it has quickly established an international reputation for being groundbreaking in its scope, ambition and delivery. It has put the issue of mental health stigma firmly in the public arena and it is working to challenge stigma and discrimination at their roots, where people experience them at work, in health and social care, in education, at home or in our communities.

David Stewart (Highlands and Islands) (Lab): The minister mentioned patient restraint both in her statement and in reply to an earlier question. Will she outline the training that staff receive on restraint? How confident is she that only fully trained and qualified staff exercise restraint? Is a record kept of each and every time an individual is restrained?

Clare Haughey: I used to train people in physical restraint, so I could give Mr Stewart a demonstration if he likes.

There are accredited training courses that are provided by accredited trainers. When I had my meeting yesterday with NHS Tayside, I was informed that, at that point, the training records of 95 per cent of its staff were up to date. It is vital that staff are appropriately trained so that it is safe for the patient who is being restrained and safe for the staff who are carrying out the restraint. As I said, restraint should be used only as a last resort and after other considerations have been made in trying to manage a very difficult situation.

As I said in my statement, I have written out to all the health boards to set out my expectations of training records and to ensure that they are keeping records as they should.

We have the Datix system in the NHS and all physical restraint should be recorded in that. The Datix records are then approved by management. Any incidence of injury will also be reported to management and there will be an injury review. Any incidence of serious injury will be reported to

the Mental Welfare Commission for Scotland. In addition, any incidence of restraint will be recorded in the patient's clinical notes.

Fulton MacGregor (Coatbridge and Chryston) (SNP): What steps will the Scottish Government and the Convention of Scottish Local Authorities take to implement the work of Dr Dame Denise Coia and the children and young people's mental health task force?

Clare Haughey: I recently met Councillor Stuart Currie, the COSLA health and social care spokesperson, to discuss our joint approach to building on the work that Dr Coia began. We are currently considering the best way to move forward and we will make an announcement shortly.

The Deputy Presiding Officer: That concludes portfolio questions. We will move to the next item of business. Sorry—it was not portfolio questions at all, was it? See what happens when I do not have a script in front of me. That concludes questions on the minister's statement.

General Question Time

15:56

Exports

1. **Gordon Lindhurst (Lothian) (Con):** To ask the Scottish Government what it is doing to help boost Scotland's exports. (S5O-03280)

The Minister for Trade, Investment and Innovation (Ivan McKee): The Scottish Government has embarked on an ambitious course of action to grow Scotland's exports. "A Trading Nation" represents the most comprehensive analysis of Scotland's export performance alongside market opportunity ever undertaken by the Scottish Government. We seek to grow the value of Scotland's exports as a percentage of gross domestic product from 20 per cent to 25 per cent over the next 10 years.

Resources will be directed towards delivering export growth and forcing a step change in performance to deliver a resilient, internationalised and inclusive economy. We are bolstering our existing support with an additional £20 million of investment over three years. That investment will be maximised by focusing on the sectors, markets and businesses where our efforts and those of our delivery partners can have the most impact. We will monitor progress and keep our actions and the evidence under review.

Gordon Lindhurst: Page 73 of the recently published Scottish Government plan, "A Trading Nation", discusses the importance of air routes connecting to Scotland's international markets, including through Edinburgh airport. It accepts that Scotland has fewer direct long-haul flights than similar-sized European nations. Will the minister comment on the effect that his Government's U-turn on air departure tax will have on the ability to attract those routes, which are vital to increasing exports?

Ivan McKee: The Scottish Government recognises the importance of air routes to growing our economy and our exports, as clearly specified in the plan, but we also recognise the fact that there is a climate emergency. The purpose of the work that we are undertaking in the economy portfolio, with our environmental concerns to the fore, is to ensure that we deliver to meet the requirements of the climate change emergency and grow Scotland's economy in a sustainable way, built to a not-insignificant extent on our expertise in renewable energies as exportable commodities.

Fulton MacGregor (Coatbridge and Chryston) (SNP): The minister will be aware of the recent food and drink statistics that put the

value of Scotland's industry exports at more than £6 billion. Does the Scottish Government agree that that progress in growth is put at risk by the Brexit that both the Tories and the Labour Party are pursuing?

Ivan McKee: Indeed I do. Brexit has the capability to impact right across our economy, and particularly on our export sector. As we all know, the food and drink sector is very much dependent on short supply chains to market and rapidly getting product to customers. There is a significant risk to that sector, and many others, from the reckless behaviour of the Conservative Party and the Labour Party with regard to Brexit.

The Presiding Officer (Ken Macintosh): Question 2 was not lodged.

A96 (Dualling)

3. **Lewis Macdonald (North East Scotland) (Lab):** To ask the Scottish Government on what grounds Transport Scotland has failed to reveal which further option or options it has abandoned for dualling the A96. (S5O-03282)

The Cabinet Secretary for Transport, Infrastructure and Connectivity (Michael Matheson): As is the case for all major road projects, it is important that we maintain transparency throughout the route selection process and that we provide everyone with an interest with an equal opportunity to view our plans and discuss them directly with the project team.

The member is fully aware that public engagement events are due to be held from 28 to 31 May, which will give local communities and road users the opportunity to see and comment on the options being taken forward for further assessment.

To ensure that as many people as possible are aware of the events in advance, they have been widely advertised, with approximately 3,500 invites having been issued to everyone who has expressed an interest in our proposals, including the member.

Lewis Macdonald: The cabinet secretary is well aware of the environmental impact and cost of building a modern dual carriageway where no such road exists at the moment, and that most of the options that Transport Scotland has been considering involve a whole new route for the A96 between Huntly and Kintore. Given his prediction that dualling the A96 will cost the taxpayer four times as much as the Aberdeen western peripheral route cost, is it not time for Transport Scotland to look for an alternative approach that would minimise the environmental impact and command public support?

Michael Matheson: I do not know whether the member is tempting me to say that we should abandon the dualling of the A96; I am sure that that is not the case.

The environmental impact assessments are a key part of the route assessment process that is being undertaken, and they will be taken into account before a final decision is made on the preferred route.

With regard to the wider environmental agenda, as the First Minister has already indicated, we are looking at a range of policy areas across Government, including in my portfolio, in considering how we can address some of the wider issues that affect our climate change challenge.

I assure the member that the environmental impact assessments are a key part of the decision making that will inform the decision on the preferred route option.

Gillian Martin (Aberdeenshire East) (SNP): Last month, I asked the Government whether the traffic flow resulting from the completion of the AWPR would be taken into account in the assessment of the best route for the dual part of the A96 from Kintore/Inverurie to Huntly. How long will the assessment take, and what importance will be placed on it as the preferred route decision is reached?

Michael Matheson: Given that the AWPR is now open, traffic surveys will be undertaken in the coming weeks. The data that is collated from that will help to inform the decision when a choice on the preferred route is made by the end of this year.

Peter Chapman (North East Scotland) (Con): The cabinet secretary is well aware that there is a very strong feeling in the Inverurie area that dualling the existing road around Inverurie is the best and the most cost-effective route in upgrading the A96. Why has that option been ruled out, and why has the cabinet secretary refused to meet the group that is pursuing it?

Michael Matheson: I am aware that, when we undertake such major infrastructure projects, different groups of individuals will have different opinions on what the preferred route should be. As part of the engagement process that has been undertaken during May by Transport Scotland officials and their consultants, the details as to why they have rejected some of the proposals will be set out.

One such proposal, in terms of the online upgrade plans, which the member is aware of because he has raised the matter before, was ruled out because of the impact on existing residential premises, which would be affected by the loss of garden areas and, in some cases, the

loss of the property altogether. That is why it was one of the routes that was ruled out.

I assure the member that, as a Government, we are committed to making sure that we improve the infrastructure in the north-east of Scotland, as we did with the AWPR and as we are doing with the upgrading of the rail line between Aberdeen and Inverness with our £300 million railway infrastructure investment and with the upgrading of the A96 to dual the route between Aberdeen and Inverness.

ATMs at Post Offices (Non-domestic Rates)

4. Angus MacDonald (Falkirk East) (SNP): To ask the Scottish Government what discussions it has had with the National Federation of SubPostmasters regarding additional charging of non-domestic rates for external ATMs at post offices. (S5O-03283)

The Minister for Public Finance and Digital Economy (Kate Forbes): I recently spoke to the National Federation of SubPostmasters about non-domestic rates for external ATMs at post offices. In that conversation, it specifically commended Angus MacDonald for his support for the federation. This afternoon, I wrote to the federation regarding the valuation of ATMs in post offices, and I am happy to answer any specific queries that Angus MacDonald may have.

Angus MacDonald: Although I acknowledge that, under the Community Empowerment (Scotland) Act 2015, each local authority has powers to create rates relief to reflect local needs, does the minister agree that the Government should acknowledge the increasing contribution that local post offices are making in the wake of significant local bank branch closures? As post offices become, in effect, the new banking facilities for their communities, does she agree that there should be more cognisance of that and that a start would be to stop classing external ATMs as another business? That puts extra financial pressures on sub-postmasters and increases domestic rates bills when ATMs are already integral to post offices' services.

Kate Forbes: Angus MacDonald is right about the importance of post offices to local communities and economies in Scotland, particularly in light of bank branch closures. That is why we have some reliefs in place already, particularly for ATMs in rural areas, which are exempt from rating. That includes the building in which the ATM is situated, if the building is used only for the purposes of the ATM. There is also relief for post offices in rural areas. If a post office has a rateable value of under £8,500 and is the only post office located in a designated rural area, it is eligible for relief.

I am happy to discuss any specific concerns that Angus MacDonald may have, particularly in relation to his more urban constituency.

Bob Doris (Glasgow Maryhill and Springburn) (SNP): A post office in Possilpark in my constituency required to pay rates on its ATM, which is supplied by the Bank of Ireland. Such ATMs are the only ones that customers with a Post Office card account can use—they cannot use any others. Does the minister agree that the POCA card ATM can be a lifeline for the most vulnerable in society, such as pensioners, the disabled and families on benefits? If she does, will she request an urgent review of the rateable value of such ATMs? The costs that are levied are, effectively, passed on to local businesses that provide a vital service, and if those ATMs are withdrawn, it is my constituents who will suffer.

Kate Forbes: I absolutely understand the importance of those services to Bob Doris's constituents. If the Scottish Government can do more to help, we will certainly consider that, with the caveat that rateable values are set by independent assessors, and the Scottish Government has no remit to interfere in that process. Nevertheless, if Bob Doris and Angus MacDonald would like to meet me to discuss their specific constituency issues, I would be happy to do that.

Lomond Banks Development

5. Maurice Corry (West Scotland) (Con): To ask the Scottish Government, in light of the potential impact on the local natural environment, what its position is on whether the proposed development at Lomond Banks near Balloch is an acceptable proposal for a national park. (S5O-03284)

The Minister for Rural Affairs and the Natural Environment (Mairi Gougeon): As I am sure that the member will understand, ministers cannot comment on the specifics of the proposed development as it is a live planning case.

Maurice Corry: Tourism does not mean that we have to have commercialisation at the expense of local residents' quality of life. Does the minister agree that the Loch Lomond and the Trossachs National Park Authority must put the interests of residents of Balloch and the surrounding area first and foremost, particularly when VisitScotland's "Trends 2018" document states that VisitScotland recognises that friendly locals add to a tourism experience, and that living in a tourist area has an impact on people's lives?

Mairi Gougeon: I simply refer the member to my initial answer. I am sure that the Loch Lomond and the Trossachs National Park Authority will consider all relevant information pertaining to the

case. I emphasise that it is for the national park authority, as the relevant planning authority, to determine the application, and that any development must be in keeping with the statutory aims of the national park and compliant with Scottish planning policy and the development plan.

Jackie Baillie (Dumbarton) (Lab): About 20 years ago, Scottish Enterprise purchased the land for the proposed development for £2 million. I understand that it now intends to sell it for £200,000 to the Lomond Banks developers—a significant difference. Indeed, Lomond Banks is likely to receive a grant, so public funds could be used to pay it to develop the area. Does the minister regard that as an appropriate use of public resources? Will she consider with planning colleagues whether to call in the planning application, which would provide confidence in the decision-making process?

Mairi Gougeon: Again, I refer the member to my initial answer in which I said that this is a live planning case and that I simply cannot comment on it. On her second point, that would be a matter for the Minister for Local Government, Housing and Planning to consider rather than me. If there are any particular issues that Jackie Baillie would like to raise, I urge her to submit a comment to the planning process to highlight them—indeed, I am sure that she has already done so.

ME (Draft Neurological Action Plan)

6. Maureen Watt (Aberdeen South and North Kincardine) (SNP): To ask the Scottish Government how the draft neurological action plan will help people with ME. (S5O-03285)

The Minister for Public Health, Sport and Wellbeing (Joe FitzPatrick): We want to ensure that everyone living with ME in Scotland is able to access the best possible care and support to live well on their own terms. That is why we have made it a priority, through our programme for government, to implement Scotland's first national action plan on neurological conditions, which has been produced in collaboration with the neurological community and will be published in final form later this year.

Maureen Watt: I have a very courageous 17-year-old constituent who, despite having been diagnosed with ME and having missed substantial periods of school, has passed six of their national 5 exams and hopes one day to attend university. They have expressed concern that ME is not included in the action plan. Will the minister take this opportunity to reassure my constituent and others that their opinions will be reflected in the final report?

Joe FitzPatrick: First, I congratulate Maureen Watt's constituent on their exam results and wish them the very best for the future. The national action plan for neurological conditions is not condition specific. It encompasses all conditions—including ME—and takes a broad approach with the aim of making improvements for everyone, regardless of the specific neurological condition that they live with.

We are currently reviewing the responses that were received during the recent public consultation. We want everyone to fully embrace the action plan and to recognise it as representing their condition and circumstances. We will therefore take on board the feedback that we have received and endeavour to ensure that the final plan is clear, throughout its intent and scope, that it is for all neurological conditions, including ME.

Miles Briggs (Lothian) (Con): I agree with the points that Maureen Watt made.

What discussions has the Scottish Government had with ME charities and other stakeholders about how to increase the current levels of funding for research into ME? Will he agree to meet me and the charities to discuss how we take that forward?

Joe FitzPatrick: The Scottish Government frequently meets a range of stakeholders. If Mr Briggs wants to have a discussion about that specific issue, I am sure that we could include it in the next of our regular meetings.

Health Services (Rural Areas)

7. Rhoda Grant (Highlands and Islands) (Lab): To ask the Scottish Government what it is doing to support health services in rural areas. (S5O-03286)

The Cabinet Secretary for Health and Sport (Jeane Freeman): We are supporting rural general practice through a comprehensive package of measures, which include increased investment in recruitment incentives and relocation costs for general practitioners who move to rural posts, investment to support information technology improvements and rural dispensing practices, and investment in GP recruitment and resilience schemes.

In addition, the new GP contract that was negotiated and agreed with the British Medical Association aims to provide a more attractive career in rural and urban practices by enhancing the GP role to one of an expert medical generalist who is supported by multidisciplinary teams and can dedicate more time to patients who are most in need of their skills.

Rhoda Grant: Following the Sturrock report, employees in a number of health boards are

raising similar concerns about bullying. My constituents in the Western Isles are raising worrying concerns with me and are keen for their situation also to be independently investigated.

What steps has the cabinet secretary taken to investigate bullying in the Western Isles health board, and what comfort can she give my constituents about how the allegations will be dealt with in order to create a safe working environment for them?

Jeane Freeman: I, of course, share Ms Grant's commitment to the creation of an increasingly safe working environment for our staff in the health service. I am aware of the recent media reports and have had some discussion with the Western Isles health board about three allegations of bullying. If Ms Grant has other allegations from constituents that she wishes to raise with me, I will, of course, consider them very seriously.

As I said in my statement at the time, although the Sturrock report focused on NHS Highland, it raised important points for us to consider across our national health service. We will consider individual situations as and when they arise. Equally importantly, we are pursuing the work that I outlined in my statement to ensure that—in collaboration with our royal colleges, trade unions, employee organisations and regulatory authorities—we continue to take the necessary steps to promote a positive working culture across our health service.

Secretary of State for International Trade (Meetings)

8. Joan McAlpine (South Scotland) (SNP): To ask the Scottish Government when ministers last met the United Kingdom Secretary of State for International Trade and what was discussed. (S5O-03287)

The Minister for Trade, Investment and Innovation (Ivan McKee): The then Cabinet Secretary for Economy, Jobs and Fair Work, Keith Brown, met the UK Secretary of State for International Trade on 2 November 2017. They discussed the UK Trade Bill and the involvement of the Scottish Government in developing future UK trade arrangements.

In addition, along with the Cabinet Secretary for Finance, Economy and Fair Work, Derek Mackay, I am due to meet the Secretary of State on Friday of this week. We will take the opportunity to impress the importance of Scottish involvement in the negotiation and approval of any future trade deals that may be signed by the UK post-Brexit.

Joan McAlpine: The Parliament's Culture, Tourism, Europe and External Affairs Committee recently took evidence from expert trade negotiators, who told us that it is vital that

devolved Administrations are consulted ahead of any negotiating position on future trade deals being reached. They also said that the UK Government ought to be able to exclude Scotland's national health service from any future trade deal with the United States. Has the UK Government engaged with the Scottish Government on those particular matters? Does the minister expect it to?

Ivan McKee: The UK Government has not engaged with us on those specific matters. With regard to Scotland's NHS, I reiterate the Scottish Government's position that we would be strongly opposed to anything that would open up our NHS or any other aspect of our public sector to unwanted interest from businesses that might seek to privatise or otherwise challenge some of those services. That underlines and highlights the critical importance of Scottish engagement in the UK Government's process of negotiating trade arrangements.

First Minister's Question Time

16:16

Referendums

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

In 2013, the First Minister signed the Edinburgh agreement, which made it clear that the referendum would deliver

"a result that everyone will respect."

We know the First Minister's pitch to voters this week: to rerun not just one referendum, but two. I am against that, but just out of interest, is she claiming that she will respect the results of the reruns, given that she failed to do so last time?

The First Minister (Nicola Sturgeon): I am, of course, glad that Ruth Davidson now appears, from that question, to be conceding that the people of Scotland should get the choice on independence. Obviously, the Prime Minister's change of heart on second referendums is catching.

Let us look back to 2013. I seem to recall that, in 2013, one Ruth Davidson, who might be recognised by many people inside and outside the chamber, said to the people of Scotland that we had to vote against independence in order to secure our place in the European Union. What is happening now? The people of Scotland face being taken out of the European Union against our will.

Tomorrow, of course, in the most important European Union election in our country's history, people across Scotland will have the opportunity to send a message. The message that people in Scotland should take the opportunity to send is that Scotland is not for Brexit; Scotland is for Europe.

Ruth Davidson: This is not about respecting democracy or anything of the sort. It is about the First Minister using everything that she can lay her hands on to push for the only thing that she cares about. As she confirmed on "The Andrew Marr Show" at the weekend, even if the United Kingdom votes to stay in the European Union, she will still insist on rerunning the independence referendum. This is about demanding more referendums until people are browbeaten into giving her the result that she wants. Is not it the case that she is interested in democracy only when it goes her way?

The First Minister: Perhaps the difference between Ruth Davidson and me is that I have principles, and I stick to my principles. Ruth Davidson would not recognise a principle. She used passionately to oppose Brexit; now she

supports Brexit. She used to demand that we stay in the single market; now she wants us to be taken out of the single market.

Of course, Ruth Davidson also used to call Boris Johnson names that I cannot repeat in the chamber. Now, she is cosy up to Boris Johnson—the arch-Brexiteer. I cannot help but think that it is a pity that flip-flopping is not an Olympic sport, because if it was, Ruth Davidson would be a guaranteed gold-medal winner.

Ruth Davidson: I have never had a problem standing up to the alpha males in my party. I wonder whether the First Minister has always been able to say the same.

After campaigning in the Brexit referendum campaign UK-wide, the First Minister now refuses to accept the result because she lost it. She mentioned principle, so let us talk about a matter of principle. I believe that when we have asked people to make a decision, and have said that we would enact whatever they decided, democracy will be damaged fundamentally if we then insist, at the first opportunity, that the vote be held again. Does she not see that we should not change the rules after the event?

The First Minister: If Ruth Davidson thinks that the views of the people of Scotland should always be respected, why does she not respect the view of the 62 per cent of people in Scotland who voted to remain in the European Union? Ruth Davidson told the people of Scotland that we had to reject independence in order to stay in the European Union, but we now face being taken out of the EU against our will. Tomorrow, people in Scotland have the opportunity to send the clear message that Scotland does not want Brexit, that Scotland did not vote for Brexit and that Scotland wants to remain in the European Union.

Ruth Davidson: Presiding Officer,

“we have enough common sense to see the contradiction of an SNP seeking to end a UK ... union ... in which we can dismiss the government over us, while taking us into a far larger ... union in which we cannot dismiss”

anyone. Those are not my words, but the view of the former Scottish National Party deputy leader Jim Sillars, writing at the weekend. Is he not right?

The SNP is a party that demands sovereignty for Scotland, but it would trap us in the common fisheries policy and would adopt the euro. It is a party that has not met a referendum that it does not want to overturn, and it is a party that refuses to abide by the democratic decisions that we all agreed we would respect. We have had enough of referendums. Scotland wants to move on. Why can the First Minister not see that?

The First Minister: It is clear that the Prime Minister does not necessarily think that there have

been enough referendums. It must be heartbreaking for Ruth Davidson, as the Prime Minister has just torpedoed her pitch in the European elections, to see none of her grovelling loyalty to the Prime Minister and her Westminster bosses being repaid. From the outset, she has not had anything positive to say in her pitch. Ruth Davidson is so desperate to cosy up to Boris Johnson that her conversion to a hard Brexiteer is complete.

Over the past three years, people have seen the power of small independent countries such as Ireland in the European Union. What a contrast that is to the way in which Westminster has treated Scotland. That is why I believe that when people cast their votes tomorrow they will send Westminster the message loud and clear that they do not want a Tory Brexit but want Scotland to remain in the European Union.

Renewables Industry (Jobs)

2. Richard Leonard (Central Scotland) (Lab): I refer members to my entry in the register of members' interests.

Three weeks ago, I raised with the First Minister a new Scottish Trades Union Congress report entitled “Broken Promises and Offshored Jobs”, which concludes that fewer than a third of the jobs that were promised in Scotland's renewable energy sector have been delivered. Does the First Minister agree that, in the light of that record, it is more essential than ever that the fabrication contract for the EDF Renewables Neart na Gaoithe offshore wind installation be awarded to yards and workers in Scotland?

The First Minister (Nicola Sturgeon): I fully support the trade unions in their campaign to bring contracts and jobs to Scottish yards. However, it would clearly not be appropriate for me to comment in detail on contracts that have not yet been awarded.

My support for Burntisland Fabrications and for the renewables industry in Scotland is well known. Today, we see one of the contrasts between this Government and our counterparts in the UK Government, in that because we intervened, BiFab still exists and is able to compete for contracts.

I want more such work to come to Scotland, which is why, a couple of weeks ago, the Scottish Government convened a very positive summit that was attended by the trade unions. We will continue to work with them to ensure that people in Scotland benefit from the many jobs that will come from Scotland leading the world in the transition to a zero-carbon future.

Richard Leonard: Just last week, EDF boasted that it is creating 60 new office jobs in Edinburgh,

but what we are talking about is a renewable energy contract worth £2 billion just 10 miles off the coast of Fife that would generate more than 1,000 green manufacturing jobs in Fife. However, it has been reported today that EDF might place the contracts in Indonesia. According to the Scottish Trades Union Congress, transportation of the structures from south-east Asia would generate carbon emissions equivalent to an extra 35 million cars on the road—at a time when we are in a climate emergency. What will the First Minister do to send EDF the clear message that if it wishes to be part of Scotland's renewables future it must stand by the promises that were made to the workers and communities of Fife?

The First Minister: The Scottish Government sends a very clear message to all companies that are letting such contracts that we want Scotland to be treated fairly. That message is unequivocal. However, as, I am sure, Richard Leonard appreciates, it would not be helpful to anybody for me to comment further on the detail of on-going negotiations and decisions.

The Scottish Government is acting, and it is acting in partnership with the trade unions. After the summit that I referred to a moment ago, Gary Smith of the GMB and Pat Rafferty of Unite said that they left it

“confident that the Scottish Government shares our determination to make sure we get our share of the renewables manufacturing bonanza, and that they will take all necessary measures within their powers to do this.”

We will continue to work with the unions and others—and, indeed, with the UK Government, because unfortunately not all the levers lie in our hands. The Scottish Government took the action that it took to save BiFab because we want it to have a prosperous and positive future. We are determined to do everything that we can to ensure that that is the case.

Richard Leonard: The time has come to act. When I raised the matter with the First Minister 20 days ago, she responded:

“Meeting the targets will mean that we have to up our ambition and action across the whole range of Government responsibilities. That also puts a responsibility on the shoulders of Opposition parties”.—[*Official Report*, 2 May 2019; c 14.]

Well, this Opposition party is shouldering its responsibility. Next Wednesday in Parliament, we will lead a debate on the future of BiFab and the awarding of renewable energy contracts, and we want to win cross-party support to ensure that Parliament sends out a united message that offshore wind must not mean offshored jobs. Will the First Minister back the Labour motion, support the trade union, stand with the communities of Fife and stand up for the jobs?

The First Minister: Obviously, I have not seen the Labour motion. I will make an open offer to Richard Leonard: if he wants to talk to the Scottish Government about the terms of the motion to see whether we can come together and give it joint backing, I am more than happy for the Scottish Government to have those discussions. I think that we should come together on the matter.

The Scottish Government should be judged on our actions in respect of BiFab. The company would no longer exist, but for the action that the Scottish Government has taken. Of course, the Scottish Government has a financial stake in BiFab on behalf of the taxpayer, so we want it to succeed not only for all the reasons why Richard Leonard and others want it to succeed, but so that there is a return for the taxpayer.

We will do everything in our power on the matter. We are already taking action after discussions at the summit, and we will work with anybody to ensure that BiFab and other businesses in the renewables sector flourish as they have every reason to expect to flourish. I look forward to discussions between now and next Wednesday so that we can, I hope, come together behind a motion that shows the entire Parliament's support for BiFab and its workforce.

The Presiding Officer (Ken Macintosh): We have a couple of constituency questions, the first of which is from Jamie Halcro Johnston.

Places of Worship (Attacks)

Jamie Halcro Johnston (Highlands and Islands) (Con): The First Minister will be aware that, a few nights ago, the outside of Elgin mosque was daubed with a swastika and offensive language. It is not the first time that an attack of that nature has been brought to Parliament's attention, and I fear that it will not be the last. Will the First Minister join me and politicians across all parties in Moray in condemning that attempt to intimidate the Muslim community in Elgin? Will she also give a clear commitment that the Scottish Government will ensure that resources are in place to protect Scotland's places of worship, and that when they are targeted in such a manner, no stone will be left unturned in bringing to justice those who are responsible?

The First Minister (Nicola Sturgeon): I wholeheartedly endorse Jamie Halcro Johnston's comments. I know that Richard Lochhead, as the local MSP for Elgin, has already expressed similar sentiments. I unreservedly condemn every attack on a mosque, or on any other church or place of worship.

I suspect that my constituency has more mosques than any other constituency in the country, so I know the impact that an attack on or

threat to any mosque has on our Muslim community. That, of course, applies to everybody of any faith and at any place of worship.

This morning, I had the honour of addressing the General Assembly of the Church of Scotland. All Scotland's faiths have a proud record of coming together and standing against intolerance, prejudice and bigotry, and we should all stand shoulder to shoulder with them as they do so.

Sexual Crime (Glasgow)

Johann Lamont (Glasgow) (Lab): Does the First Minister share my grave concern at the deeply disturbing report in the Glasgow *Evening Times* revealing Police Scotland figures that show a significant increase in sexual crimes in the city since 2013? Indeed, in some areas, there has been a doubling of sexual offences in five years, with all the suffering that that brings. What reassurance can the First Minister give the people of Glasgow that the city will have the necessary police resources to address that deeply worrying trend, and that there will be sufficient support for survivors of sexual offences?

The First Minister (Nicola Sturgeon): Any increase in sexual crime is of enormous concern. I would echo Johann Lamont's comments on that. Some of the increase in sexual crime in recent years has come through reporting of historical sexual crime; we should all encourage such reporting. I do not, however, suggest that that is the case in relation to the figures that she cites.

There are more police on our streets now than when the Government took office, which is an important part of keeping the people of Glasgow and people across Scotland safe. The police and all of us should take tackling sexual crime extremely seriously. We must also do everything that we can to support survivors of sexual crime. The Scottish Government does that, and will continue to do so, through a range of initiatives.

Cycling Targets (Road Safety)

3. **Alison Johnstone (Lothian) (Green):** I am sure that all members will wish to join me in extending my sincere sympathies to the family and friends of the cyclist who tragically lost her life in Glasgow this morning.

Sustrans research that is out today tells us that children on bikes or on foot in the most deprived areas of Scotland are more than three times as likely to be injured or killed on the roads, simply as a result of their postcode. It is clear that, despite councils' best efforts, a fragmented council by council approach to safer streets simply is not working. Given the obvious concerns about road safety, the Government's own deadline for 10 per cent of journeys to be made by bike by 2020 looks

more unachievable than ever. When will the First Minister take action?

The First Minister (Nicola Sturgeon): I take this opportunity to convey my deepest condolences to the family and friends of the cyclist who tragically lost her life in Glasgow this morning. The tragic incident took place on one of the busiest roads in my constituency and I know that it will have shocked local people. I am sure that all our thoughts are with the woman's loved ones.

On the wider question that Alison Johnstone raised, we have doubled the budget for active travel and we are committed to continuing that. In the cycling action plan for Scotland, we set out the vision that, by 2020, 10 per cent of everyday journeys would be by bike, and there are some signs of progress. For example, in 2017, for commutes of 5 miles or under, 4 per cent of people cycled to work. Over the past 10 years, the proportion of Edinburgh residents cycling as their mode of travel to work increased from 6 per cent to just under 10 per cent. We are determined to build on that progress to encourage cycling as part of a commute, which may also involve public transport. Of course, that is an important part of our ambitions around keeping the population healthier and tackling climate change.

Alison Johnstone: Let us bear it in mind that the budget that was doubled has increased from 1.5 per cent to 3 per cent of the transport budget. It is tokenistic.

Reducing speed limits is one of the cheapest ways to make our roads safer for everyone. They are not safe enough, which is why, currently, 3 per cent of journeys in Scotland take place on a bike. The First Minister of Wales has announced that 20mph will replace 30mph as the default speed limit, mirroring the member's bill on that issue that is currently before the Parliament. Meanwhile, the Cabinet Secretary for Transport, Infrastructure and Connectivity has rejected calls from Scottish National Party-led councils, including those in Glasgow and Edinburgh, to follow suit. Dozens of organisations, including the British Heart Foundation, the Royal College of Paediatrics and Child Health and the Poverty Alliance, back a default 20mph speed limit. With Scotland now lagging behind Wales, will the First Minister give the leadership that is needed to make our streets safer for everyone?

The First Minister: First, I say to Alison Johnstone that I do not think that investment of £80 million a year, which is the active travel budget, is tokenistic—

Alison Johnstone: Out of a £2.4 billion transport budget?

The First Minister: I understand that many people want the active travel budget to increase

and we will continue to work hard to increase it, in light of the other budgetary pressures that we face.

On speed limits, Mark Ruskell's Restricted Roads (20 mph Speed Limit) (Scotland) Bill is currently before the relevant committee for stage 1 scrutiny. I give a commitment today that we will carefully consider the committee's stage 1 report when it is published.

We have always been clear that 20mph speed limits are a good idea when they are implemented in the right environment. The bill raises two different issues, which it is important to ensure are not conflated: the first is whether 20mph speed limits are beneficial, and we certainly recognise that; the second is whether a blanket approach is the best way of achieving the desired benefits, and we will pay close attention to the views of the committee when the stage 1 report is published.

The Presiding Officer (Ken Macintosh): There are a number of constituency questions.

Poverty

Shona Robison (Dundee City East) (SNP): Today, a damning report on United Kingdom Government policy was published by the United Nations special rapporteur on extreme poverty and human rights. On welfare reform, the rapporteur said:

"the Department of Work and Pensions has been tasked with designing a digital and sanitized version of the nineteenth century workhouse, made infamous by Charles Dickens".

I acknowledge that the report has just been published, but will the First Minister give her initial reaction and set out what the Government is doing to tackle poverty?

The First Minister (Nicola Sturgeon): I thank Shona Robison for raising this important issue. The report from the UN rapporteur that was published today is shocking and—frankly—should shame every member of the UK Government. It says, for example, that

"much of the glue that has held British society together since the Second World War has been deliberately removed and replaced with a harsh and uncaring ethos",

and that

"British compassion has been replaced by a punitive, mean-spirited and often callous approach".

Those comments should make every UK minister pause and reflect seriously on their welfare policies and austerity approach and decide to change course immediately.

By contrast, the report talks about the work that is being done by devolved Administrations. It says that Scotland is

"spending some £125 million per year to protect people"

and

"has ... put in place ambitious schemes for addressing poverty".

We will continue to work hard to mitigate the impact of Westminster cuts and to build a system here in Scotland that protects people and is based on dignity and respect.

Attacks on Politicians

Liam Kerr (North East Scotland) (Con): On Monday, Councillor Graeme Campbell was woken up in the middle of the night. His car had been fire bombed. The flames were spreading to his house and could easily have killed him and his family or spread to nearby homes.

I understand that the First Minister cannot comment on live police investigations, but will she condemn that attack in the strongest possible terms? Does she agree that any threat or direct action towards politicians simply for carrying out their duties, at any level and whatever their party, is an attack on our democracy and must be met with robust and decisive action?

The First Minister (Nicola Sturgeon): I condemn that incident very strongly and unreservedly and I take the opportunity to send my best wishes to Councillor Campbell and his family, who I am sure were deeply shocked by what occurred. As the member rightly said, I cannot and will not comment further on the specific incident, because it is a matter for police investigation.

Attacks on politicians of any nature are to be condemned. We live in a society in which we should encourage and embrace robust debate, but we should try to conduct those robust debates in a civilised and respectful way. None of us in this chamber lives up to that on all occasions, but all of us should try harder to do so, because our democracy and the people whom we serve deserve no less.

Undercover Policing

Liam McArthur (Orkney Islands) (LD): In 2011, chaotic filing of documents that related to undercover police operations was followed by officers being sent to buy an incinerator and petrol and then taking documents to wasteland and setting them alight.

After a separate civil action and reporting by the *Sunday Post*, the debacle is now considered serious enough to merit the calling in of the Metropolitan Police for a further review. The chief constable said that that is in recognition of the need for public confidence in the

"vital area of covert policing".

Does the First Minister agree that a Pitchford-type inquiry into other alleged abuses that relate to undercover policing in Scotland is necessary to maintain that confidence?

The First Minister (Nicola Sturgeon): I thank Liam McArthur for raising the issue. As he said, an external police force has been asked to investigate the concerns that have been raised. The chief constable is absolutely right to recognise the seriousness of the matter and to take the action that he has. In the light of that, it would be wrong for me to pre-empt the outcome of that investigation, but when it has concluded, I am sure that if any questions or lessons are raised for the Scottish Government, they will be addressed at that time.

Infrastructure Projects

Keith Brown (Clackmannanshire and Dunblane) (SNP): Has the First Minister read the report on the extensive delays to the replacement system for Airwave for the emergency services, which is currently said to be at least £3 billion over budget and many years past its due date. In addition to the delays and the massive cost overruns of crossrail, does that not prove that we should never let the Tories near infrastructure projects in Scotland?

The First Minister (Nicola Sturgeon): The record of the Conservative Westminster Government in delivering infrastructure projects on time and on budget—or indeed at all—is not a particularly strong one. That is by contrast, of course, with the record of the Scottish Government. Keith Brown is right to raise concerns, particularly about Airwave. There have been and will continue to be discussions between the UK Government and the Scottish Government on that issue. However, the more responsibilities that we hold in this Parliament over those matters, the better it will be for all of us.

Fish Farming

John Finnie (Highlands and Islands) (Green): Does the First Minister share the serious public concerns about Scotland's fish farming industry, as highlighted by the "Panorama" programme the other night? Does she share the Cabinet Secretary for the Rural Economy's view that we

"must be better at recognising and celebrating the good environmental credentials of this industry"?

When it comes to fish farming, is it growth at any cost?

The First Minister (Nicola Sturgeon): I do not think that it should be growth at any cost in any sector of our economy. I recognise the concerns that people have about the environmental sustainability of aquaculture and its impact on wild

salmon in particular. We are committed to sustainable aquaculture and wild fisheries. Both are dependent on the environment. Aquaculture salmon farming is important economically, but we would all agree that it must be delivered and developed sustainably, with appropriate regulatory frameworks that minimise and address environmental impacts. I know that the industry shares that view.

Processed Meats (Schools and Hospitals)

Monica Lennon (Central Scotland) (Lab): On Sunday, all Opposition parties supported a campaign to stop processed meats containing nitrites being served in schools and hospitals. Does the First Minister agree that nitro-meats should no longer be served in Scotland's schools and hospitals and will she commit to a timetable to end that?

The First Minister (Nicola Sturgeon): There are, of course, international standards, with which we will fully comply. We are absolutely committed to supporting the health and wellbeing of children in schools and have a key role to play in the provision of balanced, nutritious food and drink every day, which our regulations help to ensure. Following a review of the regulations, the Scottish Government consulted on proposed changes that include a proposal to introduce a maximum level of red meat and red processed meat that can be served in schools, and we will publish a consultation report by the end of this school year.

Land Value Capture

Graham Simpson (Central Scotland) (Con): Last week, the Scottish Land Commission gave ministers its initial advice on land value capture. Will the First Minister say how the Government plans to take that important work forward?

The First Minister (Nicola Sturgeon): We welcome the report by the Scottish Land Commission. We are interested in more effective ways to capture land value uplifts to pay for enabling infrastructure but, as the commission notes, it is a very complex area, and any attempts to capture land value uplifts must be done in a fair way that does not impact on the availability of land for development or the supply of new homes. We will consider the recommendations in detail and set out our proposals to take forward work in that area following the completion of the planning bill.

Independent Inquiry into Mental Health Services in Tayside (Interim Report)

Jenny Marra (North East Scotland) (Lab): The First Minister will have read the interim report on mental health services in Tayside. My thoughts are with all the families who are affected by the report and its terrible findings. This afternoon, the

Minister for Mental Health announced another board of governance, but no actions to guarantee patients' safety while we await the final report. Will the First Minister escalate NHS Tayside back to stage 5, so that the board has the support and supervision that it needs to guarantee patient safety over the coming weeks? Will she also instruct NHS Tayside to halt mental health service redesign, as David Strang recommended in his interim report, at least until his final report is published?

The First Minister (Nicola Sturgeon): The Healthcare Improvement Scotland report also addressed patient safety issues and NHS Tayside is of course undertaking work in the light of that report.

I thank David Strang for his interim report. It is an interim report, but it highlights a number of areas in which issues must be addressed. My thoughts, too, are with all the families that have been affected. NHS Tayside, which commissioned the inquiry, has committed to learning from the interim report and we look forward to David Strang publishing his final recommendations.

Yesterday, the mental health minister met the chair and chief executive of the board and representatives of the integration joint board to seek assurances about progress in relation to the required improvement work. She has been clear in her expectations to the board and the IJB that work must be undertaken in Tayside to ensure the appropriate quality and standards of mental health services that this Government expects. I reiterate those expectations today.

Brexit

Maureen Watt (Aberdeen South and North Kincardine) (SNP): Just over a month ago, the First Minister wrote to the Prime Minister to call for the greater involvement of devolved Administrations in the article 50 negotiations. Will the First Minister confirm whether her call has been reflected in the Prime Minister's new and improved Brexit deal?

The First Minister (Nicola Sturgeon): As far as I am aware—although I am happy to be corrected if I am mistaken—there was no substantive response from the Prime Minister to that letter. Scotland has not been meaningfully consulted at any stage of the process, and we were certainly not consulted in advance of the Prime Minister making her speech yesterday. Scotland—the Scottish Government, the Scottish Parliament and the people of Scotland—has been completely ignored in the whole sorry saga. That is why I hope that the people of Scotland take the opportunity tomorrow to send Westminster and the Prime Minister, whoever he or she might be by next week, a strong message that Scotland does

not want Brexit and wants to remain at the heart of Europe.

Shipbuilding (Armed Service Veterans)

Maurice Corry (West Scotland) (Con): I was recently privileged to visit our new aircraft carrier, HMS Prince of Wales, in Rosyth and was impressed by that fine example of British shipbuilding and assembly skills in Scotland. It is a project on which many of our armed services veterans are working. What will the First Minister do to keep our veterans skilled and working in that sector?

The First Minister (Nicola Sturgeon): The Scottish Government is doing a great amount of work to support our veterans. I thank all those who serve or have served in our armed services.

I am a strong supporter of shipbuilding in Scotland. In the days when Govan shipyard was in my constituency—it is now represented by Humza Yousaf—I learned a lot about that proud industry. One of the many things that I regret about the independence referendum in 2014 is that the commitments that were made to the shipbuilding industry by the Conservatives were reneged on, as were so many of the other commitments that they made back then.

Lloyds Banking Group (Jobs in Edinburgh)

4. Gordon MacDonald (Edinburgh Pentlands) (SNP): To ask the First Minister what the Scottish Government's position is on the creation of 500 highly-skilled tech jobs in Edinburgh by Lloyds Banking Group. (S5F-03362)

The First Minister (Nicola Sturgeon): I warmly welcome the announcement of the new tech hub, which is yet another vote of confidence in the quality of the Scottish workforce and the strength of our financial sector. With the announcement, Edinburgh is fast becoming one of Europe's most competitive tech hubs, which we see in the growth of its start-up offerings and through its world-leading universities and new digital academies such as CodeClan, which provide greater choice for careers in the industry. The announcement marks a significant step forward in the Government's work to position Scotland as a vibrant and innovative digital economy.

Gordon MacDonald: As an Edinburgh MSP, I am delighted that our capital is becoming one of the most competitive tech hubs in the European Union. Those industries, especially those that provide online financial services, benefit greatly from access to the EU single market. How will the First Minister capitalise on the growth in those sectors to create more jobs here in Edinburgh?

The First Minister: There is no doubt that Brexit is a threat. Being taken out of the single

market is a grave threat to jobs in the tech sector, as it is to jobs in many sectors of our economy.

We are working in partnership with the financial services sector through, for example, the financial services advisory board, which I co-chair, to support its continued growth not just here in Edinburgh but around Scotland. Our development and skills agencies are actively engaging with the sector and professional bodies to support that growth. Our support for FinTech Scotland is a good example of the Scottish Government working with the sector, our agencies and our universities to drive growth and innovation in financial services and to attract investment and talent to Scotland.

Jamie Halcro Johnston (Highlands and Islands) (Con): The announcement of potential new tech jobs is welcome. It is important that there is a pipeline of skilled employees entering the sector. Will the First Minister comment on why a foundation apprenticeship in financial services remains available in only five of Scotland's 13 college regions, excluding my constituents in the Highlands and Islands?

Given that reskilling into a technology career can cost more than £6,000 per course—a prohibitive amount for many people—will she advise on what additional support the Scottish Government can provide to those who are looking to move into the sector?

The First Minister: We continue to provide a range of support. I mentioned the financial services advisory board in my earlier answer; its last meeting took place just a couple of weeks ago. As has been the case at many of its meetings, the board discussed skills and how we build the skills base in the sector. There is a lot of work between Government, our agencies and the sector to make sure that we do exactly that.

I say gently to Jamie Halcro Johnston that the biggest concern for the recruitment and attraction of skills that is raised in that sector and in many others is the ending of freedom of movement that comes with both Brexit and the Conservative Government's obsession with a hostile environment and cutting immigration. We must make sure that we have an immigration system in Scotland that continues to allow us to attract the best people, not just from within Scotland, but from countries across Europe and further afield.

Active Travel

5. Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): To ask the First Minister what action the Scottish Government is taking to promote active travel. (S5F-03351)

The First Minister (Nicola Sturgeon): The Scottish Government doubled the active travel budget to £80 million in 2018-19. The majority of

that funding is allocated to local authorities to deliver high-quality walking and cycling infrastructure. Funding also includes more than £10 million to support local authorities and communities to deliver behavioural change programmes, including cycle training and increased access to bikes and e-bikes, to encourage more people to walk and cycle.

Last year, we appointed Scotland's first active nation commissioner, Lee Craigie, as the national advocate for the benefits of walking and cycling, including for everyday short journeys.

Rachael Hamilton: The First Minister will be aware that this is walk to school week. However, less than half of Scottish children walk to school and one in four parents is concerned about the impact of pollution near schools. The Scottish National Party Government has fallen behind on reducing transport emissions and its target for increasing cycle journeys will not be achieved for an astonishing 239 years. Will the First Minister agree with the Scottish Conservatives and consider investigating the use of air quality monitors to reassure parents that their children are breathing clean air when walking to school?

The First Minister: We will continue to take action to improve air quality by supporting councils with low-emission zones, encouraging people to walk or cycle instead of using their cars, investing in the technology that supports cleaner vehicles—buses and cars—and investing in active travel in the way that I have set out.

That is not helped by the knee-jerk opposition that we get from the Conservatives to some of the policies that give councils more powers to deal with such things. I hope that Rachael Hamilton will prevail on her party colleagues to work with the Scottish Government to make the real progress that is now within our grasp.

ATMs (Charges)

6. Pauline McNeill (Glasgow) (Lab): To ask the First Minister what the Scottish Government's response is to reports that around one in five of Scotland's free-to-use ATMs are expected to introduce charges to customers in the next 12 months. (S5F-03352)

The First Minister (Nicola Sturgeon): The ability to freely and easily access cash is essential, particularly for small businesses and for those in our most vulnerable communities. That is why the Minister for Public Finance and Digital Economy has repeatedly urged the Economic Secretary to the Treasury to appoint a regulator with sole responsibility for cash infrastructure. We will continue to urge Link and ATM operators to protect the ATM network to ensure that cash remains accessible to all.

Pauline McNeill: The First Minister will be aware that the ATM industry body has warned that one in five ATMs could charge for withdrawals in Scotland within the next year.

In the United Kingdom, 2.7 million people rely wholly on cash for their daily lives and 78 per cent of consumers in the two lowest household income groups rely on cash two to three times a week, so we can see what the impact would be on the poorest communities.

Does the First Minister agree that we should work across the parties to support a consumer guarantee of free access to cash and get behind the crucial work that Ged Killen MP is doing to legislate for that?

The First Minister: I am very happy to co-operate across parties on the issue. It is the case that cash payments remain an essential part of day-to-day life for many people, especially vulnerable consumers, smaller businesses and those who live in our rural communities. Many of the levers lie with the UK Government, of course, which is why the Scottish Government minister has pressed the Economic Secretary to the Treasury, supporting the Which? campaign to ensure that cash remains accessible to all. We will continue to press the UK Government and we look forward to having the support of parties across the chamber as we do so.

John Mason (Glasgow Shettleston) (SNP): Does the First Minister agree that, as bad as charging for ATM use is, it is even worse when the ATM is removed altogether? In my constituency, two of the eight branches are about to be closed by Santander and Clydesdale and the risk is that we will also lose ATMs completely from the area. Will the First Minister and the Government continue to press the UK Government as far as possible in order to try to put pressure on the banks?

The First Minister: We have an on-going dialogue with the banks. They will say that the pattern of custom is changing but we point out that in many communities, including those that John Mason represents, people rely on having access to banks and ATMs. I know that John Mason and his MP colleague David Linden are campaigning against those bank closures and I wish them well with that. We will continue to have those conversations with banks and to press the UK Government to use the powers and levers at its disposal to get the fairest possible deal for consumers.

Dean Lockhart (Mid Scotland and Fife) (Con): The First Minister said that she is concerned about the declining free-to-use ATM network in Scotland. If that is the case, why is her Government the only one in the UK to charge business rates on Post

Office ATMs, forcing many of them to close or introduce charges?

The First Minister: That issue was raised by the Post Office when representatives were in Parliament just last week and I have given them an undertaking that we will look into it. As anybody will point out, there are a multitude of reasons behind the closures and it is important that we address the issue in its widest sense. Where responsibilities of the Scottish Government are involved, we will not shy away from them, but we will continue to press the UK Government to take the action that it can take to ensure a fairer deal for people who rely on banks and ATMs.

Bob Doris (Glasgow Maryhill and Springburn) (SNP): Cardtronics has imposed charges on two previously free-to-use ATMs in my constituency. It appears that a dispute between Cardtronics and Link explains the charges, which disproportionately impact people on the lowest incomes. Will the First Minister offer her support to me and Patrick Grady MP as we seek to secure a meeting with the Payment Systems Regulator in an attempt to eliminate those unfair charges?

The First Minister: The Minister for Public Finance and Digital Economy met the Payment Systems Regulator in December last year to urge it to use its regulatory powers, so I certainly wish Bob Doris and Patrick Grady well in seeking a meeting to press that case. The Scottish Government has asked the regulator to ensure that no ATM in a vulnerable community closes until a new operator is found and that communities are not left without free access to cash as a result of Link's changes to interchange fees. I welcome the support of members from across the chamber in ensuring that the regulator is fully aware of the continued impact of ATM closures and charges on communities across Scotland.

Business Motion

16:58

The Presiding Officer (Ken Macintosh): The next item of business is consideration of business motion S5M-17371, in the name of Graeme Dey, on behalf of the Parliamentary Bureau, setting out a business programme.

Motion moved,

That the Parliament agrees—

(a) the following programme of business—

Tuesday 28 May 2019

2.00 pm Time for Reflection
followed by Parliamentary Bureau Motions
followed by Topical Questions (if selected)
followed by Stage 1 Debate: Children (Equal Protection from Assault) (Scotland) Bill
followed by Committee Announcements
followed by Business Motions
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Wednesday 29 May 2019

2.00 pm Parliamentary Bureau Motions
 2.00 pm Portfolio Questions: Health and Sport; Communities and Local Government
followed by Scottish Labour Party Business
followed by Business Motions
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Thursday 30 May 2019

11.40 am Parliamentary Bureau Motions
 11.40 am General Questions
 12.00 pm First Minister's Questions
followed by Members' Business
 2.30 pm Parliamentary Bureau Motions
 2.30 pm Portfolio Questions: Social Security and Older People
followed by Scottish Government Debate: A Trading Nation
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time

Tuesday 4 June 2019

2.00 pm Time for Reflection
followed by Parliamentary Bureau Motions

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

Wednesday 5 June 2019

2.00 pm Parliamentary Bureau Motions
 2.00 pm Portfolio Questions: Finance, Economy and Fair Work; Environment, Climate Change and Land Reform
followed by Stage 3 Proceedings: South of Scotland Enterprise Bill
followed by Business Motions
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Thursday 6 June 2019

11.40 am Parliamentary Bureau Motions
 11.40 am General Questions
 12.00 pm First Minister's Questions
followed by Members' Business
 2.30 pm Parliamentary Bureau Motions
 2.30 pm Portfolio Questions: Rural Economy
followed by Stage 3 Proceedings: Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time

(b) that, in relation to any debate on a business motion setting out a business programme taken on Wednesday 29 May 2019, the second sentence of rule 8.11.3 is suspended and replaced with "Any Member may speak on the motion at the discretion of the Presiding Officer";

(c) that, in relation to First Minister's Questions on Wednesday 30 May 2019, in rule 13.6.2, insert at end "and may provide an opportunity for Party Leaders or their representatives to question the First Minister"; and

(d) that, for the purposes of Portfolio Questions in the week beginning 27 May 2019, in rule 13.7.3, after the word "except" the words "to the extent to which the Presiding Officer considers that the questions are on the same or similar subject matter or" are inserted.—[Graeme Dey]

Motion agreed to.

Parliamentary Bureau Motion

16:58

The Presiding Officer (Ken Macintosh): The next item of business is consideration of Parliamentary Bureau motion S5M-17402, on a variation to standing orders.

Motion moved,

That the Parliament agrees that for the purposes of consideration of the South of Scotland Enterprise Bill at stage 3, in Rule 9.10.2A of Standing Orders—

in the first sentence the word “fifth” is substituted for the word “fourth”.—[*Graeme Dey*]

The Presiding Officer: The question will be put at decision time and, if no member objects, I will move to decision time a minute early.

Decision Time

16:59

The Presiding Officer (Ken Macintosh): The first question is, that motion S5M-17360, in the name of Gordon Lindhurst, on the business support inquiry, be agreed to.

Motion agreed to,

That the Parliament notes the conclusions and recommendations in the Economy, Energy and Fair Work Committee's 2nd Report, 2019 (Session 5), *Business Support* (SP Paper 470).

The Presiding Officer: The final question is, that motion S5M-17402, in the name of Graeme Dey, on a variation to standing orders, be agreed to.

Motion agreed to,

That the Parliament agrees that for the purposes of consideration of the South of Scotland Enterprise Bill at stage 3, in Rule 9.10.2A of Standing Orders—

in the first sentence the word “fifth” is substituted for the word “fourth”.

Local Radio

The Deputy Presiding Officer (Linda Fabiani): The final item of business is a members' business debate on motion S5M-16105, in the name of George Adam, on concern for local radio content. The debate will be concluded without any question being put.

Motion debated,

That the Parliament expresses its concern at the changes being made within the commercial radio industry; believes that these changes in format being allowed by OFCOM will put pressure on local radio station content and news; notes reports that the remit of OFCOM in allowing these changes has been questioned, and, in light of the potential impact on people in Paisley and across the country, further notes the view that the decision should be subject to review.

17:01

George Adam (Paisley) (SNP): The debate is about how important local commercial radio stations are to our communities in Scotland. I am not a member of the Culture, Tourism, Europe and External Affairs Committee, but I thank Joan McAlpine and her colleagues on the committee, who have afforded me quite a bit of time at their meetings to ask questions of witnesses who represent the radio industry.

My concern is that Ofcom, which is the regulator for the radio industry, is attacking Scottish commercial radio as I speak. It is sleeping on the job and forgetting that it represents the public with regards to the spectrum of decisions that it dishes out to radio stations on our behalf. Its recent actions have effectively created a duopoly with Global Radio and Bauer Radio, which are the two largest commercial radio operators in the United Kingdom. Using local radio licences, those operators have created a virtual national network. That has led to local news being squeezed and local music not being played; most important, presenters of shows do not come from the local areas that they serve.

It seems to me that Ofcom lacks ambition. In all the time that that trend has been happening, I have been talking to various organisations and to people who are involved in the industry, who have told me that the United Kingdom Government has tried to promote digital audio broadcasting—DAB—as the future of radio. In the main, people still access commercial radio via FM. When I spoke to Ofcom's representatives at last week's committee meeting, I told them that, by investing in DAB, they were backing the radio broadcasting equivalent of Betamax, given how quickly technology in the industry moves forward.

One thing that is quite strange—and concerning—about how Ofcom has dealt with the

DAB licences is the fact that the multiplexes in our cities are run by the operators. For example, in my area in the west of Scotland, Bauer—effectively, Clyde 1 and Clyde 2—decides how much it costs a radio operator to buy space on the local multiplex. To me, that seems too cosy. It also goes against the idea of competition and moving the industry forward. If I was trying to start a new radio company, I would be quite concerned if one of my competitors was able to decide how much that would cost.

Over the past 10 years, only one FM licence has been given out by Ofcom. That was for 96.3 FM, which was ironically—I am not segueing into this deliberately—based in Paisley. Eventually, the licence went to various companies. It was always a problem. It was given back by one of Global's companies, and it was put up for auction again. Nation Radio Scotland took it up, and new figures show that it has 50,000 listeners. That was its first target and shows that it can move forward and compete with the market leaders that were already there, which are, in our area, Bauer's Clyde 1 and Clyde 2. That shows that there is a market and there are listeners who want to listen to something new.

We also have Adam Findlay, who comes from a famous commercial radio family—his father set up Radio Forth way back in the 1970s. Adam Findlay had his own company, New Wave Media Group, which had Wave 102 in Dundee, Central FM in central Scotland and Original 106 in Aberdeen. However, his problem was that he could not expand and set up more radio stations in other cities and other areas. Eventually, he had to sell his business to D C Thomson, which now operates two of the stations, and it is keeping it very local. His model was the polar opposite of the Bauer and Global model.

A couple of months ago, Global announced that its breakfast show on Capital would now be broadcast from London. That does not help us in any shape or form. It just takes away from having a Scottish voice on the radio and from Scottish people, or local people, being able to do the production and form the back-room team. It goes against the very idea of what commercial radio was originally all about.

The first commercial radio station that was set up in Scotland was Radio Clyde, which began broadcasting at 10.30 pm on Monday 31 December 1973—it is a couple of years younger than me. It made a big difference in Scotland, because that was the first time that we had heard our accents and our voices on commercial radio.

When we start to centralise commercial radio broadcasting, it also has an effect on another industry that we are important players in, which is the music industry. In the old days, with Radio

Clyde, as it was, the DJ Billy Sloan went to all the gigs and would try to promote the new bands that he saw. The likes of Wet Wet Wet were massive in Glasgow before they went anywhere else in the world, and that was because they were played on Radio Clyde.

The problem for any young band now is that playlists are centralised. Bauer, which owns Clyde 1 and Forth 1, centralises its playlists in Manchester, so someone in Manchester decides what the music is going to be. Since I found out how the system works, my respect for presenters has gone through the roof, because they basically have windows of two or three minutes between the music on their playlists, which are automated, to try to make the listener feel entertained and give them a bit of local content.

We must also think about how news is affected. Heart was previously Real Radio. Ten or 15 years ago, there was 30 per cent more news on Real Radio than Heart has now, and it broadcast local news that dealt with local issues. That is not happening any more. There is 30 per cent less news on Heart. If we do not draw a line under the situation now, it is going to get worse.

I am not a romantic who wants to hark back to the old days and say that it was so much better then. People have been saying that radio is going to die for decades, but it just evolves. The technology changes and people listen differently. However, for us, the most important thing is that we must still have our voices coming through whatever bits of technology we use to listen.

We need to make sure that Ofcom does its job and ensures that we still get local messages. Radio Clyde used to have a 24/7 newsroom, but it no longer has that. It has its own news up until 9.30 pm and then it buys it in from Sky, and there is no local news at the weekend. If a major incident happened in Glasgow, like the Glasgow airport terrorist attack, there would be nothing about it on our airwaves.

That is wrong. In a world in which, ironically, we have our own BBC TV channel, we have to make sure that we still have our voice on radio. Members will hear from my colleagues about the various commercial radio stations throughout Scotland. We must ensure that we do not lose this very important part of Scotland's broadcasting history. We need to make sure that commercial radio continues.

17:10

Jamie Greene (West Scotland) (Con): I thank George Adam for bringing this very important debate to the chamber. He managed to get Paisley in a couple of times, so that is one of his records.

I know that he has played a very active part in the committee's deliberations on this issue. I also know that he is probably George Bowie's greatest fan, so I hope that he has a signed photograph on his office wall.

There is a lot to say about local and community radio. It has played a huge part in my life. As members probably know, I spent many years in the media industry, and I started off my career in radio. Indeed, I started off in hospital radio, community radio and local radio, including short-term radio events, so I really get it in that respect. I also get the fact that the media landscape has changed so much over the past decade.

Like many, I progressed from radio into television. I worked on the technical side but also the commercial side of the business and I understood the commercial models and the difficulties facing small, medium and large media companies, including those that operate many services.

What is happening to local radio is really sad, but where I perhaps disagree with Mr Adam is that I do not point the finger squarely at Ofcom for that. Unfortunately, the reality of this is the direction of travel that the radio industry has been facing for a number of years, if not decades. I refer back to the days of UKRD and the consolidation of the companies that owned and operated radio stations. That is a trend that has been continuing for a number of years.

Alongside that, we have the additional problem of the fact that tech has been changing. I said problem, but it is not a problem—it has brought innovation and access to a plethora of new services for consumers. However, it has also brought challenges to the traditional model, by which I mean the traditional linear broadcast model. That is the case for both free-to-view television and free-to-listen-to radio. Live streaming and IP-delivered services are competing in this market and appealing to new and younger audiences, so commercial radio has been facing a tough time for a long time.

Indeed, the financial models that support commercial radio have been changing for many years. The consolidation of the advertising sales market—the way in which companies sell advertising, to whom they sell it and how much they can charge for it—means that things have been getting tougher as the market fragments and advertising revenues go online.

All those factors have come together to create the perfect storm of where local radio is at the moment. That is not to say that Ofcom does not have a role to play in this or that it could not have addressed it very differently, but I do not buy the argument that this consolidation has been

constructed or construed through any regulatory environment. It is in fact a natural, organic direction of travel for the industry to go in.

The point now is what Ofcom can do to make life easier and better for small operators. Some of the great work that D C Thomson is doing in trying to really localise radio again should be noted. It had some concerns about the allocation of new FM licences. It is fair to say that there is still spectrum and bandwidth available. That needs to be released—the licences need to be released. FM is affordable and technically much simpler than DAB. As we heard, DAB is an extremely expensive game to play in.

Despite that, I am buoyed and positive, because when Ofcom asked for expressions of interest for small-scale DAB it got more than 700. That is a sign to me that there is still an appetite out there for people to set up and operate radio stations.

However, regulation needs to keep up. I am afraid to say that the regulatory environment that operates in the traditional old world of broadcast media has not kept up with how people consume content. The fact that I can set up a radio station right now and broadcast in a matter of minutes in an entirely unregulated market while competing against high-budget and high-end radio stations that are extremely highly regulated does not seem like a fair playing field to me.

We need to support local radio, but we need to help it to evolve, to change its financial models and to take advantage of the technical changes that make it easier to reach new younger and different audiences. We also need to help all those poor radio presenters who have just lost their jobs as a result of those changes—where they will go, I do not know.

I thank George Adam for bringing this brief but important debate to the chamber. I hope that the committee, which I sit on, will continue this discussion, and I look forward to hearing what the cabinet secretary has to say in response.

17:15

Gillian Martin (Aberdeenshire East) (SNP): I thank George Adam for securing this debate on an issue that impacts on the development of Scotland's broadcasting talent. For many young aspiring broadcasters and technicians, local radio is the way into a career that is already a challenge to enter in Scotland, with media jobs disproportionately based in London and Manchester.

The further erosion of locally produced content that will result from Ofcom's proposals on radio deregulation, which George Adam highlighted in his motion, will put another barrier in the way of

young people who want to enter the broadcasting sector. The changes will allow more centrally produced syndicated content and a reduction in locally produced programmes.

I must declare a historical interest in local radio. I was the film reviewer for Original 106 when it launched in 2007, but I did it for fun rather than any career move. Many of the graduates of the higher national certificate radio course at North East Scotland College found their first paid work on the station, which initially had 100 per cent local content and nurtured a hotbed of local talent. With Original being bought by D C Thomson and moving into the centre of Aberdeen, right across from Aberdeen Journals Ltd, I hope that that will continue.

Over the years, the station has also provided students with a great deal of work experience, which is crucial for their CVs if they ever want to get a foot in the door of this competitive sector. Before Original moved, just along the road was Northsound Radio, which has given many Aberdonians their springboard to a successful broadcasting career since it started in the early 1980s.

I will namecheck just a few. The now household name Nicky Campbell had his first radio gig there; the new BBC Scotland channel's Fiona Stalker was head of news at Northsound in the 1990s; and Rebecca Curran, the presenter of the new channel's flagship news programme "The Nine", started her career there. Bryan Burnett, who broadcasts to the whole of Scotland every weeknight on BBC Radio Scotland and has had a decades-long TV and radio career, is a Northsound alumnus. My old school friend Gary Stein started at Northsound as a 17-year-old instead of going to university. That upset his parents at the time, but I am sure that they are now very proud of him, because he is the group programme director at Bauer Radio. Parliamentarians will be familiar with the BBC's parliamentary and corporate affairs manager Luke McCullough; when I first met Luke, he was presenting one of the best local current affairs and music shows on Northsound in the early years of the millennium. Unfortunately, that kind of format seems to have dropped out of Northsound's programming. Members will have got my point: local radio is a nursery for talent and a springboard to lifelong careers in broadcasting.

It should be mentioned that Ofcom's proposed changes will keep the North Scotland boundaries as they are, but the general trend of a reduction in the requirement for locally produced content is hugely damaging for the talent base in Scotland as a whole. Today, the approved areas in Scotland go from three to two, but how long before Scotland has only one?

With fewer opportunities to get that first entry experience in local radio, we will continue to see young talent having to move elsewhere for those opportunities—if they even exist elsewhere. Let us not forget that the proposals may precipitate a reduction in locally produced content across the whole UK, but worse than that, talented young broadcasters may not be able to enter the industry at all. As someone who trained broadcasting students at North East Scotland College, I know that that would be bad news for the college sector, too. If there are no jobs locally in the creative industries, those colleges may have to lose those specialisms.

George Adam has talked in depth about the effect of the changes on the listener, and I agree with his many reasons why local content is important for listeners. However, Scotland also needs to nurture and keep its broadcasting talent. We need broadcasters who understand Scotland to stay in Scotland, to keep our creative industries alive and provide quality content that speaks to local people. These proposals put that in further jeopardy.

17:19

Kezia Dugdale (Lothian) (Lab): I congratulate George Adam on securing this debate. I did not intend to speak today, but I am speaking on behalf of Claire Baker, who, like a number of MSP colleagues, failed to make a flight this morning as they were returning home as part of a parliamentary delegation. I know that she was very much looking forward to contributing to the debate and talking specifically about Kingdom FM, which broadcasts in her region.

I am afraid that everything that I know about the subject I have learned this afternoon, so I cannot speak with the same authority that George Adam can on these issues. However, one of the things that I have learned this afternoon is that George Adam is, indeed, a radio enthusiast and that there is very little about Clyde FM in particular that he does not know. I wonder whether, in his post-MSP life, we might see him featuring on Radio Paisley or Buddie FM. I am grateful to him for sharing his expertise in this area.

I want to make three points. One is about deregulation, one is about the charitable impact of radio and one is about radio's community impact.

George Adam's motion is quite negative. The concerns that he set out are quite legitimate, but I am not as pessimistic as he is, because I think that the things that he is concerned about are not going to happen. Look at, for example, the changes at Heart FM, with Robin Galloway's breakfast show being replaced by a network show presented by Amanda Holden and Jamie

Theakston. Robin Galloway has been a part of my life since he presented the birthday spot on Grampian Television in the 1980s. I find baffling the idea that people want to tune into Jamie Theakston instead. The idea of local content is not just about the news that is presented on the hour; it involves the news that is woven into everything that is heard throughout the radio day. For example, the news is part of everything that the presenters talk about on "Boogie in the Morning" on Radio Forth. That is what makes it as popular as it is. Indeed, its listenership is growing, and it is only when listenership is growing that a radio station makes the money that it needs to.

George Adam makes legitimate points about how new music and new bands break through. In the 1990s, the Hazy Janes were the school band in my school. They went on to huge success, and I remember that sense of excitement when they got their first tune played on Tay FM, and then on what became Wave 102. Now, bands have new opportunities to break through, whether that is putting their videos online or being featured on internet radio stations, which, as George Adam pointed out, remain unregulated.

On the positive side, I point to the work that journalists do on Radio Forth, in particular—that is the station that I am most familiar with. The station regularly champions charitable causes. The cabinet secretary might be aware that, on 10 May, it hosted a superhero day. From its listenership area, it raised £202,000 simply by encouraging people to go to their place of work on that day dressed as superheroes. All of that money is spent in the Lothian region, trying to advance initiatives that tackle poverty and inequality. We need to recognise the huge role that local radio stations play in communities in terms of their charitable impact.

I also want to mention that Radio Forth requires all its journalists to have a campaigning aspect to their work. I notice that most significantly in the work that Alan Smith does in this building. I have done a lot of work with the Woodburn family, who lost their son Shaun on 1 January 2017. That was a national story for a day, but it was a daily story for weeks and months on Radio Forth, because it happened on the streets that listeners walk on and outside a pub that listeners drink in. The story is part of the fabric of Edinburgh life, and it had such a strong connection to the local football club that it went on and on. As a consequence of what happened, Alan Smith has championed the rights of victims and is a leading light in the campaign for a victims commissioner, as is the station at large. I know from speaking to colleagues that Bauer journalists across the country have done similar campaigning work, not least those in Clyde FM, whose local journalists are championing the

reform of dog warden and dog welfare legislation, which is important.

I again congratulate George Adam on securing this debate. I recognise and share some of his concerns, but I think that it is also important to recognise some of the wonderful radio that we already have, and some of the great local stations that we can all continue to appreciate.

17:23

Rona Mackay (Strathkelvin and Bearsden) (SNP): I congratulate my colleague George Adam on bringing this important debate to the chamber. I am pleased to have the chance to speak in it.

When I left school many moons ago, my first job was at Radio Clyde. At that time, it was an exciting new broadcaster that was new to the airwaves. I think that I might have just given my age away, but never mind. At last—as George Adam said—the west of Scotland had a voice. We could listen to presenters talk about entertainment venues that we knew, about new local bands and about experiences that we had all had in and around Glasgow. Having grown up listening to London-centric Radio 1, that was a breakthrough—and we did not even mind the adverts. I have fond memories of my time as an office junior at Radio Clyde. I guess that I was, as a teenager, a bit overawed by the DJs—as they were called then—who became my colleagues.

While I was putting this speech together, I realised that I have the same affinity for local radio that I have for local newspapers, for which I also worked in the early days of my journalism career. They, too, are on their knees, thanks to centralisation. The key word is “local”—the stations are so important, whether in relation to local news, traffic or just general chat and knowledge about the area. People feel part of things when they listen to a local radio station or read a local newspaper. They feel a connection that they can never feel with a remote medium that is not based close to home.

That is why the recent decision by Ofcom to deregulate the conditions for local FM licences is baffling and—frankly—seems to be wrong. Of course, commercial radio stations are businesses, but that is what makes the decision all the more baffling, because local radio is thriving and running wonderful campaigns, as Kezia outlined. It has growing audience figures and healthy advertising revenues.

As I understand it, deregulation will mean a planned reduction in local programming from seven hours a day to just three, with a move to produce content centrally from London. That will take the broadcasting industry back decades and will have a hugely detrimental effect on media

industries across the UK. As Gillian Martin said, it could reduce the number of opportunities for media students in an age when communication is key, and is evolving at mind-blowing speed.

According to the Federation of Entertainment Unions, the decision to reduce the number of locally produced programmes will result in the loss of hundreds of jobs, and the closure of 11 local studios. It said:

“In the context of cuts to journalists’ jobs and closures of local newspapers, this will add to the serious decline in local news for UK citizens.

These ill-considered changes have taken place without adequate Parliamentary scrutiny of their potential effect on local jobs”.

It is calling for

“an urgent review of the decision by Ofcom.”

I am pleased that George Adam’s motion received cross-party support, and I am grateful to him for his articulation of the business models that are involved. Labour’s shadow culture secretary, Tom Watson MP, called the move “a travesty”, and his colleague has called for a Commons debate.

The ill thought out and reckless decision by Ofcom should be reversed immediately. Let us keep our radio local, give listeners what they want, and give security to the many people who are employed in that important industry. Let us give no airtime to faceless bureaucrats with a centralising agenda, who are intent on running down our broadcast media. If we all make enough noise, they might just listen.

17:27

Ruth Maguire (Cunninghame South) (SNP): I thank George Adam for securing the debate and bringing the important topic of concerns about local radio content to the chamber. I am happy to make a short contribution.

Centralised playlists of banging tunes are not enough—local content and news are really important. As George Adam said in his opening speech, we have to hear our own voices on the radio. It is therefore right that we are getting the opportunity to discuss those concerns here in our Scottish Parliament.

Due to new licensing regulations that have been approved by Ofcom, it is now acceptable to broadcast just three hours of content per day from within the new areas, which is not the local radio that we formerly knew. It means that 21 hours of radio a day, Monday to Friday, will be broadcast from a hub. There is no longer any requirement to broadcast at weekends from within the approved areas. Essentially, all 48 hours of programming—the entire weekend—will now come from the hub.

The first programme to be launched was the new “Capital Breakfast” show. Airing from London, it has replaced 14 breakfast programmes on the Capital network in England, Scotland and Wales. Capital is also planning to cut the number of drive-time shows from 14 to nine. I strongly believe that those cuts will have a damaging effect on local radio news and content.

Radio newsrooms are a thing of the past, with only worldwide news that is bought in from Sky being broadcast after a particular time, which leaves—as George said—no way of reporting local news. The cuts have also meant the loss of more than 100 radio jobs, with local producers and presenters being replaced by big names from elsewhere.

There is also a risk that small businesses that once relied on radio advertising to bring in business can no longer do so. Scottish communities that use radio advertising to let locals know about events—including charity events—that are taking place might have to find new ways to communicate about them. In every corner of the UK, communities are being left with no local radio station and no local voice.

However, at this point, I mention the wonderful community radio stations that still provide a great service to my community on FM—Irvine Beat FM and 3TFM—do a really good job for the folk in my area.

Although the potential loss of opportunity for our talented local musicians has already been mentioned, it bears repeating. It is really difficult for up-and-coming talents who hope to make it in the music industry to be discovered. I acknowledge that many other platforms such as Youtube and Instagram are used these days, but they are pretty saturated, and radio is still a really important way in which hopeful stars can promote themselves. Furthermore, even people who succeed have little chance of making it on to their local radio station, because—this has been mentioned before—generic centralised playlists are now used and blasted out on all radio stations. That means that the same music is broadcast all over the UK. We are losing a bit of diversity.

I acknowledge that how we consume entertainment is changing, but we still need local content and news on FM, and that content needs to reflect the diversity of all our islands.

The Deputy Presiding Officer: I remind members to use colleagues’ full names for the *Official Report* and anyone who is listening in, please.

17:30

Alexander Stewart (Mid Scotland and Fife) (Con): I am pleased to take part in this members’ business debate, and I congratulate George Adam on bringing it to the chamber.

I, too, am highly concerned about the changes that are currently being made in the commercial radio industry and sector. Those changes, which are being waved through by Ofcom, have put further pressure on local radio stations’ content and news bulletins.

In a recent Culture, Tourism, Europe and External Affairs Committee meeting, I had the opportunity to ask Ofcom why it was making the changes, and about its remit. Ofcom says that the changes are due to increased competition and changed listening habits across the radio sector, but I questioned whether its action has been proportionate. I said about local radio:

“most of the industry believes that you are ripping the heart out of it”.—[*Official Report, Culture, Tourism, Europe and External Affairs Committee*, 16 May 2019; c 9.]

However, Ofcom still believes that the alterations are proportionate. It says that it is doing a huge amount of work to ensure that the radio workforce is diverse and better reflects the make-up of the UK. Ofcom believes that the changes will enhance diversity and reflect the make-up of the United Kingdom; I suggest that its actions will achieve exactly the opposite.

Local radio does a fantastic job. We have already heard that from members who understand its local power and what is happening. Local radio highlights local talent and gives it a platform and the opportunity to get exposure. Removing some of that provision constrains opportunities and does not give local talent the same chances that others have. As hours and opportunities are squeezed, so will the content be.

When Radio Caroline was founded in 1964, it was seen as trying to get round control of popular music in broadcasting throughout the United Kingdom as well as the monopoly of the BBC. It is difficult to imagine where many of Radio Caroline’s broadcasters, DJs and artists would be now without the opportunity of having had that exposure. We need to think long and hard about what we are achieving and what we are trying to achieve.

We have heard about the Scottish playlist that is being removed and eroded, and about the news content that will no longer exist. We all know what that local content can mean to individuals in our local regions or constituencies. It reassures them about what is taking place in and around their local area.

We have seen changes. Many members have mentioned that. Jamie Greene talked about how things have evolved in the industry. We know that six million people listen to podcasts each week in the UK. There is an argument about whether things will be shrunk or moved forward that may well mean that people will change their minds and do different things.

Localism works at every level. Whether we are talking about local knowledge, local artists or local entrepreneurs, we have to think about how things are managed.

The committee took evidence from D C Thomson, which gave us a huge insight into what it is trying to do in the industry. Today, we have heard about the commercial side of things, and about advertisers and community events that will now not be given the opportunity to broadcast.

In conclusion, I firmly believe that the further stifling of local radio content will erode many opportunities for individuals. The shrinking of the market might well mean an acceleration of precisely the trends that Ofcom and others are trying their best to avoid. We must protect local radio stations. They are a lifeline for individuals and our communities, and they deserve our respect and support.

17:34

The Cabinet Secretary for Culture, Tourism and External Affairs (Fiona Hyslop): I, too, thank George Adam for securing this important debate.

As we have heard from members, local commercial radio makes a valuable contribution to Scotland and remains an important part of our lives. That is clear, given that Ofcom's figures show that, in early 2018, more Scots listened to local commercial radio than to BBC stations. Therefore, it is surprising that the characteristics of local commercial radio that people value, such as its local voice and the way in which it connects communities, are now at risk following Ofcom's recent decisions.

The Scottish Government is disappointed with Ofcom's decisions to permit a reduction in the amount of locally made radio programming in Scotland, and to fail to protect the distinct character of Scotland's east and west by creating a single area for production across our central belt. As Ofcom's localness guidelines set out, content on our local radio stations should give listeners

"a feel for an area ... and ... confidence that matters of local importance, relevance or interest ... will be broadcast".

The Scottish Government does not believe that having one area covering the central belt delivers on those requirements for listeners.

Ofcom has said that its decisions on localness will

"strengthen the ability of local commercial radio stations to deliver the locally-relevant services that listeners expect".

However, that reasoning does not fit with the expectations of listeners to hear local voices and issues or, as Kezia Dugdale pointed out, local charity and campaigning initiatives.

By making such decisions, Ofcom is opening the door to change but not change that we welcome. The likely result will be that our commercial radio stations will gradually lose their distinctive identities, including the familiar sounds of Glasgow patter or Edinburgh chatter about the things that happen around us. Things that really matter to communities and to people in their daily lives will be lost. George Adam rightly identified the effect of local music talent being unable to access the airwaves. We risk losing that local identity because Ofcom is not putting the interests of audiences at the centre of its decisions.

The Scottish Government is concerned because it seems that Ofcom did not fully take into account the interests of the Scottish listeners who responded to its consultation. Most responses from audiences wanted to protect distinctiveness, and we simply do not think that the audience research in Scotland was as complete as it should have been to reflect—as Ofcom's advisory committee in Scotland pointed out—our nation's unique circumstances. Alexander Stewart questioned whether Ofcom's decisions have been "proportionate".

Worryingly, it seems that Ofcom's decisions are already having a detrimental effect on Scottish listeners. Global Radio has announced that it will launch UK-wide breakfast shows, so distinct local breakfast programmes across Scotland will be lost, which will take some Scotland-based presenters off air. I am concerned that other operators might follow suit by reducing the amount of locally made programming in Scotland, which will mean that we will lose more local voices and jobs, as Rona Mackay pointed out. Ruth Maguire also referred to the cuts at Capital. The concern is that the loosening of localness requirements might lead to a greater concentration of production activity in major centres, which could diminish career opportunities in the regions. Gillian Martin talked about the talent pipeline for broadcasting being lost.

We believe that Ofcom should seek to establish a sustainable system that provides greater opportunities for people across Scotland. Although the Scottish Government recognises that listeners

have more choice than ever, community radio and digital streaming services are by no means substitutes for local commercial radio. There are a number of opportunities for the radio sector, and we want the interests of Scotland and our distinct local communities to be taken fully into account. Although we understand, as set out by Jamie Greene, the genuine challenges in the local commercial radio sector, particularly in an increasingly competitive market, it is clear that many people in Scotland consider the loss of localness to be a key concern.

Within public service broadcasting, it is difficult to correlate the regulator's position on local commercial radio with the very different direction that is taken in television. In TV broadcasting, it seems that a much greater value is placed on encouraging distinct local creative identities and industries and on the representation and portrayal of communities across the nations.

Ofcom is reconsidering its out-of-London guidance. We have seen the launch of the new BBC Scotland channel, and Channel Four has taken steps to establish a creative hub in Glasgow and has committed to moving a far greater share of production to the nations and regions.

We have made our views known to Ofcom throughout the consultation, and I will continue to press our case and take every opportunity to work with broadcasters and with the regulator, Ofcom, to ensure that they recognise Scotland's national needs.

When I met Bob Downes, Ofcom board member for Scotland, earlier this month, I expressed my disappointment with the decisions, and I have also written to Ofcom's chief executive Sharon White to outline our concerns about the decisions and the potential impact on Scotland. At the very least, Ofcom should monitor performance very closely to ensure that the public value offered by localness is not reduced in Scotland.

Jamie Greene: Is it not the reality, though, that audiences will vote with their fingers on this issue? If they are not happy with the new network content or with the voices and playlist coming from London or elsewhere, they will simply switch. These stations need the advertising revenue that comes with audiences and, as they told the Culture, Tourism, Europe and External Affairs Committee last week, they will reverse some of these decisions if they find that they need to make changes. I was quite buoyed by that. They need the audiences, because they need the advertising revenue.

Fiona Hyslop: That is the argument that is being made: the market is king and, with deregulation, the audience will vote with their feet. The problem is this: who will they switch to, if we

have lost that alternative? At that point, we will have lost the talent and the pipeline. That is why I think that there is a genuine opportunity for Ofcom to pause and consider the different options.

Of course, regulation of broadcasting is reserved to Westminster. If we had greater responsibilities for broadcasting, proportionate decisions could be taken that recognise the local requirements and wishes of viewers and listeners in Scotland. That would ensure that both public service and commercial broadcasting would be equipped to deliver the best possible output for the people of Scotland.

This constructive and engaging debate has rightly brought the concerns and challenges in the sector to the fore, and it has also highlighted the valuable role that radio continues to have in our communities, our constituencies and our lives. Listening to the contributions, I think that there is clearly broad agreement on the importance of localness in our local commercial radio and the need to protect public interests. However, I also think that everybody has been quite realistic about the challenges that are being faced, and there is certainly a wider and continuing debate to be had on the matter.

In closing, I also undertake to send the *Official Report* of the debate to Ofcom for its consideration.

Meeting closed at 17:42.

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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