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Scottish Parliament

Thursday 26 September 2019

[The Presiding Officer opened the meeting at 11:41]

General Question Time

Independence Referendums (Two-thirds Majority Requirement)

1. **Sandra White (Glasgow Kelvin) (SNP):** To ask the Scottish Government what its position is on there being a requirement for a two-thirds majority in any future independence referendum. (S5O-03591)

The Cabinet Secretary for Government Business and Constitutional Relations (Michael Russell): The Referendums (Scotland) Bill is intended to provide a legislative framework for the holding of referendums that are within the competence of the Scottish Parliament. The bill does not propose a supermajority for any future referendum in Scotland.

A fundamental tenet of democracy is that one person's vote is worth as much as anyone else's; the suggestion of a supermajority would leave that principle in tatters.

Sandra White: Does the cabinet secretary agree with the Venice commission—an advisory body to the Council of Europe—which advises against the use of vote thresholds? It states quite clearly in its guidance that if a vote threshold was used, it would be in the interests of those opposed to a proposal simply not to vote.

Michael Russell: I have noted the Venice commission's recent "Code of Good Practice on Referendums", which was issued last year. I know that Tory-supporting journalists and indeed Tory members of the Scottish Parliament are actively promoting a variety of issues in relation to holding referendums, including a variety of turnout requirements and quorums.

The Venice commission is entirely clear that having a turnout quorum—a threshold or minimum percentage—is wrong, because it assimilates voters who abstain with those who vote no. An approval quorum, which is approval by a minimum percentage of registered voters, risks creating a difficult political situation if, for example—as happened, of course, in 1979—there is a simple majority but what one might call an artificial cheat applied by other people.

Adam Tomkins (Glasgow) (Con): Yesterday, in evidence to the Finance and Constitution Committee, the cabinet secretary said that he

wanted referendums in Scotland to follow international best practice, and I welcomed that statement. However, he proposes that any second independence referendum should bypass the scrutiny of the Electoral Commission. How on earth would that be following best practice?

Michael Russell: The member is quite wrong. I do not suggest that any question in any referendum bypasses the Electoral Commission. The question in any future independence referendum should be capable of being fully understood, and the question has been approved by the Electoral Commission. Indeed, not only was it approved, but the wording was changed from the wording proposed by the Scottish Government. I quoted the Electoral Commission's report on that question yesterday in evidence to the Finance and Constitution Committee. The question has been tested and it continues to be in use; it has been used virtually every month over the past four or five years. It is a current question, it has been tested, and any other views are indeed an attempt to muddy the waters.

Alex Rowley (Mid Scotland and Fife) (Lab): Although most of the experts in this field have welcomed the bill, they all, without any doubt, have said that any question should be tested, regardless whether there was a referendum three or four years before that used the same question. Has the cabinet secretary heard of a politician called Boris Johnson, who ignores the advice of experts? Will the cabinet secretary listen and will he allow us to work together to introduce a bill that we can have confidence in?

Michael Russell: I am grateful to the member for recognising that the bill has substantial support. That is better than what the Conservatives did: they misrepresented the bill, saying that it does not have that support.

I am not against testing. Every question should be tested. The question in an independence referendum has been tested, has been approved and is in current usage. That is inescapable. It has been used in hundreds of opinion polls. Anybody who is trying to stop that happening is trying to stop the Scottish people having a democratic say about their future.

Patrick Harvie (Glasgow) (Green): If a supermajority procedure had been in place for the past five years, there would have been a mandate neither for independence nor for staying in the United Kingdom, and for neither leaving nor remaining in the European Union. Politics would be in even more of a mess than the Conservatives have managed to make of it. Is all the talk of a two-thirds majority not just a tacit admission by those opposed to independence that they do not think that they can get much more than a third of the votes next time?

Michael Russell: I think the member is entirely right. The louder we hear Conservative MSPs and others talking about this, the more they are realising that they cannot win an independence referendum, which is because they cannot silence the legitimate voice of Scotland.

Mike Rumbles (North East Scotland) (LD): Surely we need to learn from the experience of two divisive referendums in 2014 and 2016 that major constitutional change needs to show an overwhelming support for constitutional decisions. That used to be the view of the First Minister.

Michael Russell: The view of the Venice commission, on which we started this discussion, is entirely clear: there should not be an approval quorum. That is the best practice. If the member does not want best practice, he should say so clearly.

The Liberal Democrats are not in a position to talk about the issue; they are the people who championed a second referendum. Now they just want to ignore that, because they apparently think that Jo Swinson can be Prime Minister. There are many delusions in this place, but that is the worst I have heard.

Jackson Carlaw (Eastwood) (Con): Would it help the cabinet secretary if I confirmed that it is not the policy of Scottish Conservatives to require a supermajority in any future referendum on any subject?

Michael Russell: It would not only help; I am delighted to hear it. It is just a pity that Murdo Fraser is not in the chamber at present.

Sorry—he is here. It is just a pity that the self-effacing Murdo Fraser is not here, I was saying, but he is in fact here, he has heard that and I hope that he will now delete the tweet that demanded that and will go into a situation of accord with his acting leader.

Neil Findlay (Lothian) (Lab): I do not want a referendum, but will the minister ensure that any future referendum has the ability to have a third option on the ballot paper?

Michael Russell: We are always open to discussions about what referendums should look like, but the people of Scotland have to have the right to choose. That is the basic position. I am glad to say that it is one that Jeremy Corbyn accepts. Obviously Neil Findlay accepts it—nearly—but we need to get the rest of the Labour Party round to that, and Labour can then perhaps show an example to the other Opposition parties on listening to what a democratic system demands.

Murdo Fraser (Mid Scotland and Fife) (Con): What a sensitive soul the cabinet secretary is. He clearly cannot take a light-hearted comment on

Twitter with a wink emoji as anything other than that. Is it not true, from the exchanges that we have just heard, that the Scottish Government is running scared of having a fair referendum and running scared of having the Electoral Commission decide on the terms of the question? We do not want another independence referendum and the people of Scotland do not want another independence referendum, but we cannot have the Scottish National Party gerrymander one if there is to be one.

Michael Russell: I heard the Prime Minister last night declaiming in the House of Commons about what the people want. I think he is as out of touch as Murdo Fraser is. What the people of Scotland want is to move forward from the extraordinary, Tory-created chaos of Brexit. The opportunity to do so exists if the people of Scotland choose their own constitutional future. Anybody who stands in the way of that is not a democrat.

The Presiding Officer (Ken Macintosh): We should be moving to question 2, but James Dornan is not in the chamber, so we will move to question 3.

Smart Meter Roll-out

3. **Keith Brown (Clackmannanshire and Dunblane) (SNP):** To ask the Scottish Government how the recently announced four-year delay to and £2 billion cost increase of the United Kingdom Government-led smart meter roll-out will impact on consumers in Scotland. (S50-03593)

The Minister for Energy, Connectivity and the Islands (Paul Wheelhouse): It is important that all consumers, especially those who are struggling to pay their fuel bills, have the opportunity to use smart meters to better understand how to manage their energy usage and to allow them access to the best tariffs.

The smart meter programme is reserved to the UK Government. However, I will consider the implications of last week's announcement and raise my concerns about the impact of the delay on consumers with the UK Government.

Keith Brown: Does the minister agree that this latest delay and the substantial and lengthy line of expensive delays to other UK Government infrastructure projects—including high speed 2, the Airwave communications system, crossrail and aircraft carriers—all have a substantial and direct impact on public services in Scotland, with the collective cost overruns exceeding £40 billion? The situation clearly illustrates the tale of two Governments: a Scottish Government that is delivering for the people of Scotland on time and on budget, and a Westminster Government that is yet again letting them down.

Paul Wheelhouse: Keith Brown is absolutely right to highlight the concerns about the cost overruns. We are talking about a potential £2.5 billion overrun on the smart meter roll-out programme, which will clearly have an impact on consumers. The additional cost of the Hinkley Point C nuclear power station will add significantly to consumers' bills as well.

I will be raising those matters with my UK Government counterparts and will make the point that investing in renewables would be a significantly better way of spending consumers' money. With today's announcement by the UK Government Department for Business, Energy and Industrial Strategy, we have heard that 54.8 per cent of Scotland's electricity needs are now met by wind energy alone, and 76.3 per cent of our overall needs are met by renewables. That is the way to invest. Getting the smart meter programme right and correctly balancing energy needs will save consumers money through investment in technologies that can deliver energy at lower prices. I agree that the smart meter programme is an example of how a contract has been managed terribly by the UK Government.

General Practitioner Contract

4. **Emma Harper (South Scotland) (SNP):** To ask the Scottish Government whether it will provide an update on progress implementing the new GP contract. (S5O-03594)

The Cabinet Secretary for Health and Sport (Jeane Freeman): The new GP contract, which was negotiated with the British Medical Association, introduces multidisciplinary teams to practices to ensure that GPs are able to spend more time with patients.

Contract implementation is gathering pace, with most activity being flagged as being on track or partly on track. A number of challenges to implementation are emerging, including in relation to recruitment and infrastructure. Those challenges are being actively addressed both locally and nationally, including through our commitment to increase GP numbers by at least 800 in the next 10 years.

Pharmacotherapy appears to be the most progressed, with evidence across every GP practice of the positive impact that is being felt by GPs. Sixty per cent of the integration authorities report that their plans for mental health workers are fully on track and 65 per cent report that that is the case for musculoskeletal physiotherapists.

Emma Harper: I met with Dumfries and Galloway GP practice managers to hear their thoughts on the new contract. Although the contract was broadly welcomed, one of the concerns that was raised related to delivery of

round 1 and round 2 premises payments, as outlined in the contract. Are those payments scheduled for delivery as planned, or are any delays anticipated?

Jeane Freeman: We are committed to making payments to all the practices that successfully applied in the first round. I appreciate that it has taken longer to finalise the details of the GP sustainability loan agreement, but both the Scottish Government and the BMA are keen that any implications of the loan are well understood and meet the needs of GPs. The loan scheme is an innovation in Scottish general practice and, along with the BMA, we want to be sure that we have got it right.

We are close to finalising the agreement, and following that, we will be able to begin making payments and scheduling the next round of applications.

Drug Deaths Task Force

5. **Shona Robison (Dundee City East) (SNP):** To ask the Scottish Government what specific issues were discussed at the inaugural meeting of the drug deaths task force. (S5O-03595)

The Minister for Public Health, Sport and Wellbeing (Joe FitzPatrick): The task force discussed a number of areas of work to take forward as a matter of priority. Our commitment to put the voices of lived and living experience, including those of families, at the centre of the task force's work—and the way to best achieve that and to utilise those unique insights—formed a key part of discussions. I also announced that a further three people with lived experience had been added to the group.

The need for immediate action was emphasised to all members, as was the expectation that they should draw on their shared knowledge, expertise and influence to enact changes that will save the lives of those people who are most at risk.

Shona Robison: Will the minister say how the work of the task force will link to the work already undertaken by the Dundee drugs commission and how he will ensure that the people who are directly affected and their families are kept centre stage in that important work as it is taken forward?

Joe FitzPatrick: I thank Shona Robison for that important question. The Dundee drugs commission's work has relevance not just to Dundee but to the whole of Scotland. That is why I asked the commission's chair, Dr Robert Peat, to sit on the task force to ensure that he can feed in experience from the commission's work. That will be key as the drug deaths task force takes its work forward. The task force will be represented at the stakeholder event that is being held in Dundee on 23 October, where there will be discussions about

the commission's recommendations and how they are being taken forward.

Shona Robison also asked how the task force is keeping the voices of people with lived experience to the fore. That is an important point and it was a major part of our discussion. We saw a video of people with living experience, and that experience is important to our thinking about how we can reach out using a number of engagement events. We are also looking at how we can hear about that lived and living experience and learn lessons from elsewhere. The Dundee drugs commission did a piece of work using lived experience and there are also good examples from Glasgow, where the alcohol and drug partnership is using lived and living experience reference groups as part of its commissioning of future work. That approach is absolutely crucial and it will be central to the work of the task force.

Monica Lennon (Central Scotland) (Lab): Will the minister advise the chamber when the drug deaths task force will next meet and what will be discussed?

Joe FitzPatrick: I have written to all the health spokespeople offering to give them a fuller update at a meeting. The next meeting of the task force will be towards the end of October and a number of work streams will be on-going between now and then.

The Presiding Officer: Question 6 has not been lodged.

Doorstep Crime

7. **Neil Bibby (West Scotland) (Lab):** To ask the Scottish Government what action it is taking to protect the public from doorstep crime and bogus callers. (S5O-03597)

The Minister for Community Safety (Ash Denham): The Scottish Government is committed to supporting the work of its partners, including Police Scotland, trading standards offices, neighbourhood watch groups and Crimestoppers, to raise awareness of doorstep crime and to provide practical advice on prevention. Initiatives such as the nominated neighbour scheme help to build the resilience of our communities to doorstep crime. Since 2017, the Scottish Government has also implemented a nuisance calls action plan to tackle the scourge of nuisance and scam telephone calls. That includes funding for call-blocking units for vulnerable consumers.

Neil Bibby: Over the past three years, pensioners across Renfrewshire have lost more than £120,000 in life savings to bogus callers. Local police are treating the situation as a priority, but there is still a great deal of preventative work to be done in the community to tackle doorstep crime. Will the minister therefore join me in

welcoming the *Paisley Daily Express's* protect our pensioners campaign, which aims to raise awareness of the issue, encourage members of the community to come forward to report suspicious activity and stop in their tracks the scammers who prey on older people?

Ash Denham: I will; scams and doorstep crimes can be very serious for the people affected. As it will not be possible to legislate or regulate to address the issue fully, the best defence against scams of any type is prevention through education, as Neil Bibby suggested. To that end, the Government supports a number of initiatives, such as the shut out scammers campaign. I commend the *Paisley Daily Express* for running its campaign and Neil Bibby for raising the issue.

Maurice Corry (West Scotland) (Con): It has been estimated that every year more than a quarter of a million Scots are victims of scams, often through bogus calls. What scrutiny has the minister undertaken of the increasing scale and impact of financial scams in Scotland, and what action will she take to encourage more awareness-raising campaigns to prevent such crimes, in addition to those that she has already mentioned?

Ash Denham: Regulation on scams is reserved to the United Kingdom Government, but the Scottish Government runs a number of awareness-raising campaigns. I offer the member an opportunity to meet me to discuss the issue in more detail, if he would like to do so.

First Minister's Question Time

12:00

Whole-life Custody

1. Jackson Carlaw (Eastwood) (Con): Today, I will ask about Scottish Conservative plans to introduce whole-life custody. In February 2017, Nicola Sturgeon said that she was “open minded” about proposals to guarantee that the most appalling criminals are never released from prison. Is that still her position?

The First Minister (Nicola Sturgeon): I have always been open minded about anything that improves our justice system and ensures that victims get the justice that they require and deserve.

As I have said previously in the chamber, there is nothing to prevent a court from imposing a sentence that would cover the natural life of a prisoner. I think that it is best that sentencing be a matter for courts—not politicians. Although I am absolutely of the view that serious offenders should be sent to prison for long periods, the general challenge in our justice system is not that we send too few people to prison; it is how we make sentencing more effective, so that we continue to reduce reoffending and continue to see a downward trend in crime overall.

Jackson Carlaw: Let me be very clear: judges do not already have that power, otherwise charities such as the Howard League Scotland would not be calling the policy “radical”.

From her answer, we know that Nicola Sturgeon's position has changed since 2017, because she ordered her MSPs to vote against our proposal for whole-life custody in June this year. My colleague Liam Kerr proposed a change in the law, such that “life” would, indeed, mean “life” for the worst offenders. Today, he has published some of the consultation responses that he received from ordinary members of the public. A former police officer said:

“It is an affront to see serious offenders released to re-offend, particularly in cases where the offender has stated their intention to reoffend upon release. For the good of society and to keep the law abiding majority safe, the worst must never be released.”

He is right, so does the First Minister regret voting against whole-life custody?

The First Minister: It is open to a court to impose on a person a sentence that would span their natural life, if the court considers that to be necessary and appropriate. An example that is sometimes used of a case in which that happened is the World's End murders, for which Angus

Sinclair had a sentence imposed on him that would have taken him beyond his natural life.

I do not want to misquote the Scottish Sentencing Council, but I recollect that it has made the point that courts already have that power. The Parole Board for Scotland also has a role to play in deciding when it is safe—and when it is not safe or not in the public interest—for prisoners to be released from prison.

The arrangements are right: it is right for sentencing to be a matter for the courts. Of course, it is right and proper for politicians to put in place the correct legislative framework, which I believe is what has happened. It is absolutely correct for the most serious offenders to go to prison for lengthy periods, but what the correct period should be in an individual case is, rightly and properly, a matter for the independent court system.

Jackson Carlaw: The problem is that many people who should not be released are released. It is all very well to talk academically about risk management, but the Scottish public need a guarantee that, if the crime is serious enough, there will be no parole and no release. That is what our proposal would deliver. One response to the consultation, which must remain anonymous, is very difficult to read—indeed, it is difficult for me to articulate—but I think that members need to hear it. It says:

“I was raped ... Rapists, paedophiles and murderers destroy lives. So long as families of people murdered, or people who have been sexually assaulted know the person who ripped apart their life can be allowed to roam free, how ... do you think we can ever rest easily?”

For the sake of such victims, I urge the First Minister to change her mind again, to support whole-life custody and to give victims the justice that they deserve.

The First Minister: I fully understand the views and opinions that are expressed by people who have been victims of crime—I will not stand here and presume to disagree with opinions that come from deep personal experience.

However, it is incumbent on me—and on all of us—to be very clear, and not to inadvertently mislead people about the law as it stands. The law right now is clear: the punishment part of a life sentence can extend beyond the rest of a person's life. Therefore, it is possible for a court to impose a sentence that extends beyond a person's life.

It is also important to understand that a prisoner is not automatically released when the punishment part of their sentence expires. Release becomes a matter for the independent Parole Board to determine. As part of that determination, it must assess risk to the public. That is the law, and

those are the arrangements as they stand, at the moment.

I absolutely understand that people who have experienced the most serious and heinous crimes will always think that we should look to change the law. We should never close our minds to that, but it is important to be clear about what the law says right now. I hope that, now that I have done that, Jackson Carlaw will reflect on what he is saying.

Jackson Carlaw: It is absolutely correct to say that we must not “inadvertently mislead”. Therefore, it is important not to assert—because it is not true—that it is possible to impose a whole-life sentence. It is not.

This week, most of us were shocked to learn that violent crime in Scotland has risen by 10 per cent in just one year, and is now at its highest level for seven years. I am not sure that the communities across Scotland that are blighted by violent crime will be satisfied by what the First Minister has said.

Linda McDonald was attacked in Dundee by a convicted murderer who had been released on home leave. She has this to say:

“Whole life sentences give justice for victims and families who have suffered at the hands of these violent, sick, dangerous criminals. It gives reassurance that the public are safe. Gives us confidence that life means the whole of their life ... If dangerous killers are not given a second chance, and released, they cannot get the opportunity to kill again.”

Police officers, prison officers and victims have all backed our proposal—but not Nicola Sturgeon and the Scottish National Party. It is a simple choice. Whose rights, ultimately, should be put first? Should it be the rights of the victims of crime or those of the criminal? We choose to put the victims’ rights first. Is it not time that the First Minister and her Government, through the force of their actions, did the same?

The First Minister: I understand why people who are affected in individual cases make the case for changes to the law, and I will never criticise any individual who does so. Indeed, I and the Cabinet Secretary for Justice always stand ready to meet anybody who has been a victim of crime so that we have the deepest possible understanding of the experiences that they have been through.

I recall that in 2015—I will not read out the quotation, because I do not want this to turn into that kind of exchange—Jackson Carlaw warned politicians against using individual cases to make broader points. I would have agreed with him then. I ask him to reflect carefully on how he uses such cases to make his case.

The situation right now is as I have set out: the punishment part of a life sentence can extend

beyond the rest of a person’s life. Over the past 10 years, the punishment part of life sentences has increased from 12 to 13 years to 18 to 19 years. Whether a prisoner is released from prison at the end of a punishment part is down to the decision of the independent Parole Board. Of course, risk to public safety is a key consideration that is taken into account in such decisions. It is important that all of us understand that.

Jackson Carlaw said that experts backed Liam Kerr’s proposed bill. I am sure that some do—I do not challenge that—but many do not.

Jackson Carlaw: I did not say that.

The First Minister: I thought that I had heard Jackson Carlaw say that experts back the proposed bill.

The Scottish Legal Action Group, for example, has said that it thinks that the proposed bill is “unnecessary, unethical and regressive”, and opposes it

“in the strongest possible terms”.

We have to do what is right for victims. That is why we are making a range of changes to ensure that victims’ voices are heard much more loudly in the process. However, it is also incumbent on us to make it clear to victims of crime and the general public what the situation is at present. I fear that Jackson Carlaw has not done that, in some of the comments that he has made today.

Independence Referendum Question

2. Richard Leonard (Central Scotland) (Lab): Who is more expert in setting a “clear, transparent and neutral” referendum question—the Electoral Commission or Mike Russell?

The First Minister (Nicola Sturgeon): The Electoral Commission, because it did that for the question that would be proposed for a future independence referendum. I do not know anybody across Scotland—with the exception of politicians who seem to be running scared of the verdict of the Scottish people when that question is asked again—who thinks that that question is anything other than clear and understandable.

I will take today’s question from Richard Leonard as progress because, in asking me about the question for an independence referendum, he now appears to be accepting that one is inevitable. That is progress.

Richard Leonard: It is not just politicians who are saying this. “Clear, transparent and neutral” is not my expression; it is the considered view of Dame Sue Bruce, the electoral commissioner for Scotland. She told the Finance and Constitution Committee:

“We strongly believe that the Electoral Commission should be asked to test the question.”

She argued that on the grounds of

“the integrity of the process, to establish that the question is clear, transparent and neutral in its setting.”—[*Official Report, Finance and Constitution Committee*, 18 September 2019; c 37.]

Why are you prepared to disregard those principles?

The First Minister: The question was tested by the Electoral Commission. More than that, it was tested in the reality of a referendum. I do not know anyone in Scotland—with the exception of the Tories and their friends in the Labour Party—who says that that question was anything other than clear, understandable, comprehensible and completely transparent.

It seems to me that Labour and the Tories have now realised that they will not be able to block the right of the Scottish people to choose their own future, so they are now wondering how they can rig the whole process. I have got news for Richard Leonard: the people of Scotland will get the chance to choose a better future than Tory Brexit Britain.

Again, I say to Richard Leonard that, if he accepts that it is right to allow the people of Scotland to choose their own future in an independence referendum, I welcome that. Let us have the discussions about the detail and get on to the substance of the argument.

Richard Leonard: The people of Scotland chose their future five years ago. [*Interruption.*]

The Presiding Officer (Ken Macintosh): Order, please.

Richard Leonard: Let me try again with what the Electoral Commission said. It is clear that the question needs to be tested

“regardless of whether the Commission has previously published views on the question proposed.”

You are ignoring the Electoral Commission.

You are also ignoring the Law Society of Scotland. In its written evidence to Parliament, it argued that your approach

“precludes the Commission from scrutinising the question”.

It says that that means that the referendum question would avoid

“the level of scrutiny and accountability which should be applied to important questions which may affect the whole of Scotland.”

This is not just about the integrity of this process. This is about the integrity of your Government.

The Electoral Commission and the Law Society both say that yours is the wrong approach, so why

do you not listen to them? What have you got to hide? Are you simply trying to rig the process?

The First Minister: I have to be honest: I am struggling to keep up with Richard Leonard's twists and turns. If I am understanding him right—bear with me, because I know that this is a bit complicated—Richard Leonard is standing up here today demanding that we test a question, again, for a referendum that he also says should not happen and he will not allow to happen. That is the first inconsistency and contradiction in his position.

Then Richard Leonard says that the people of Scotland do not have the right to have a referendum at all, because we chose our future five years ago. The people of the United Kingdom voted on Brexit three years ago, but he supports a second Brexit referendum for the whole of the UK. He also seems to have missed all that has changed in the five years since the independence referendum, when people like him were telling the people of Scotland that the only way to protect their membership of the European Union was to vote against independence. We now know that those promises were not worth the paper they were written on. It is time for Scotland to have the opportunity to choose its future and to choose independence.

The Presiding Officer: We have a few constituency supplementary questions. However, before I move on to those, I encourage all members not to use the term “you” in the chamber. They should address the First Minister by her title or her name, but they should not use “you”, which applies to the chair.

General Practice Closure (Bridge of Earn)

Liz Smith (Mid Scotland and Fife) (Con): The First Minister will know that, earlier this week, a group of general practitioners in the city of Perth wrote to NHS Tayside officials to intimate their deep concern about the implications for their medical practice following the sudden closure of the GP practice in Bridge of Earn. I have here a copy of the letter, in which they state that it is unacceptable that patient safety has been compromised. Does the First Minister agree with them?

The First Minister (Nicola Sturgeon): The Cabinet Secretary for Health and Sport is aware of the letter to which Liz Smith has referred. I understand that she has also met the chief executive of the board and the integrated joint board. I am more than happy to ask the health secretary to correspond with Liz Smith on the detail of that letter and the actions that will be taken to ensure that those concerns are properly addressed. She is right to point out that patient safety must always be the priority in any decision

that is taken at any level of the national health service.

Lifeline Flights (Orkney and Shetland)

Liam McArthur (Orkney Islands) (LD): Back in April, I raised with the First Minister concerns about the disruption to lifeline flights serving Orkney and communities across the Highlands and islands as a result of industrial action by air traffic controllers. Five months on, that dispute remains unresolved. This week has seen more passengers on flights to Orkney and Shetland left stranded, including many island patients returning from hospital appointments in Aberdeen. Does the First Minister understand the anger and frustration felt by those who are left paying the price for the failure by Highlands and Islands Airports Ltd and the unions to resolve the dispute? Will she ask the Cabinet Secretary for Transport, Infrastructure and Connectivity to step in and help to find a resolution to this long-running and damaging dispute?

The First Minister (Nicola Sturgeon): I understand people's frustrations when any disruption is caused by such an industrial dispute. When I was in Shetland over the summer, I spoke to a number of people who were concerned that the dispute had not yet been resolved. I know that there were then efforts to do so. My message to both HIAL and the unions is that they should get round the table and find a resolution. The transport secretary and the Government will do everything that we can to bring that about but, ultimately, it is for the employer and the trade unions to find resolution, and I hope that they will do so quickly.

Deaths Abroad (Support for Families)

Angela Constance (Almond Valley) (SNP): The First Minister will be well aware of the heartache that Kirsty Maxwell's family face following her death in Benidorm two years ago. This week, they received yet another blow when newspapers reported that the Spanish authorities are now drawing a line under the investigation. Kirsty's family have criticised that investigation as apathetic, inept and inefficient, with some serious errors.

I do not expect the First Minister to comment on a legal case, but I expect both the United Kingdom and Scottish Governments, within the scope of their powers, to do more to support families who are affected by deaths abroad. I appeal to the First Minister to say when we can offer families such as Kirsty's something more than our condolences.

The First Minister (Nicola Sturgeon): My thoughts remain with Kirsty Maxwell's family. I have met them previously and know the anguish that they continue to suffer to this day. The Cabinet Secretary for Justice and I have previously stated that we want to explore the issue

further, and we are committed to identifying where support might be improved. Families face a range of issues when they deal with the deaths of loved ones in suspicious circumstances abroad. On some occasions, such circumstances are also faced by victims in Scotland. Through the victims task force, we are considering how such issues might be better tackled, and that will be informed by the experiences of victims themselves. We also await the report of the United Kingdom all-party parliamentary group on deaths abroad and consular services to inform us on how we might make progress on the issue. We continue to welcome input from Angela Constance, other members and other stakeholders on how we might best do so.

Street Valium

Bob Doris (Glasgow Maryhill and Springburn) (SNP): Posters have been appearing in communities that I serve with the words

"Street Valium is killing our community. It has to stop."

Unfortunately, the posters convey what is a tragic truth for far too many. I acknowledge that identifying and prosecuting those who mass produce such illicit benzodiazepines is crucial. However, will the drug deaths task force consider as a matter of urgency how a credible public health and information campaign can be implemented on the ground as soon as possible and in direct partnership with those who have lived experience of the very real dangers of street Valium? It is claiming the lives of hundreds of people in our communities.

The First Minister (Nicola Sturgeon): I thank Bob Doris for raising what is a very important issue. We know that so-called street Valium has a devastating effect on communities across Scotland. I think that I have said before in the chamber that I have seen in my constituency the effect that it has.

The Minister for Public Health, Sport and Wellbeing will be happy to ask the drug deaths task force to give its advice on the best ways to take forward a public health message to make the dangers clear, and I know that the task force will look to bring forward solutions that work, no matter how challenging some of them might appear to be at first. The task force includes members who have lived experience of drug use, and their views and insight will be crucial to that work.

Climate Emergency (Targets)

3. **Alison Johnstone (Lothian) (Green):** We have every confidence in the Scottish National Party Government's world-leading ability to set targets, but when it comes to meeting them, it is another matter. The targets on class sizes have

been missed. The national health service treatment time guarantee has been missed. The urgent cancer referral targets have been missed. The targets for ending fuel poverty have been missed. The European Union air quality targets have been missed. The United Nations wildlife protection targets have been missed. The Government conceded this week that it will miss its 2021 landfill target. Scotland is also set to miss the Government's targets on the expansion of early years education.

Why are the targets that the Parliament set yesterday on the climate emergency any different?

The First Minister (Nicola Sturgeon): First, in point of fact, what Alison Johnstone has just said about early years education is not the case, but that is another matter.

I am really proud of what this Parliament did yesterday on climate change, and I struggle to understand the Green position on that. Yesterday, this Parliament set the strongest, most ambitious and most stringent climate change targets of any country in the world, and I think that all of us, collectively, should be proud of that. The Green Party in this Parliament sat on its hands while the rest of the Parliament did that.

Of course it will be challenging to meet those targets. They will require action not just from this Government but from businesses, organisations and individuals the length and breadth of the country, but we know that Scotland is already ahead of most of the rest of the world in reducing emissions. We have already almost halved our emissions. That should give us all confidence that we can meet the targets and that we can not only do the right thing here in Scotland, but continue to lead the world and lead by example. I, for one, am proud that this country and this Government are doing exactly that.

Alison Johnstone: Of course, the Greens engaged constructively in the process of setting targets, as we always do, but we cannot back a lack of ambition.

The First Minister has often talked about listening to the young people who strike for the climate and of her ambitions for tackling the climate emergency, but targets are not enough. Scotland missed its latest greenhouse gas target, and emissions from transport actually went up. This Government continues to commit billions to major road expansion such as dualling the A96. Will the First Minister take inspiration from the Welsh Government, which cancelled plans for a new motorway after declaring a climate emergency? Will she invest the funds in public transport instead?

The First Minister: I have already said—we have started doing this; the early evidence of that

was set out in the programme for government—that we will look across all areas of Government responsibility and spend. We will look for good ideas and inspiration anywhere that we can find them, but when I go to countries and talk about climate change, most of them, including Germany last week, are looking to Scotland because they see Scotland as the world leader, not just in the targets that we are setting, but in the action that we are taking to meet those targets. The job for the Government now is to get on and put in place the radical policies that will meet those targets, and that work is under way.

I come back to my earlier point that I genuinely struggle to understand the Green position. I would have understood it had the Greens sought to amend the 2045 target yesterday, but they did not. They did not seek to amend the 2040 target or the 2020 target. Their only disagreement appeared to be around the 2030 target, even though we had increased that from 70 to 75 per cent, taking it beyond what is required to limit temperature warming to 1.5°. I genuinely struggle to understand how, in a Parliament that is taking world-leading action, Green members can decide to sit on their hands, and I think that people across the country will be utterly perplexed by that.

Animal Welfare Commission

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): I declare an interest as convener of the cross-party group on animal welfare. We welcomed this week's announcement on the establishment of a commission on animal welfare and the appointment of Professor Dwyer as chair, but can the First Minister tell us when it will be up and running?

The First Minister (Nicola Sturgeon): I will ask the relevant minister to write to Christine Grahame with precise details of exactly when the commission will be up and running. I am glad that she welcomes it as an important step forward. We take all issues of animal welfare seriously, and the announcement this week will ensure that we continue to take the required action. I will make sure that Christine Grahame gets the further detail that she is looking for as quickly as possible.

Violent Crime

Liam Kerr (North East Scotland) (Con): Violent crime has been rising for four years in a row and is at the highest level since 2012. At what point does an anomaly become a trend?

The First Minister (Nicola Sturgeon): We are never complacent about crime levels. The recent statistics show a 1 per cent increase in overall crime but, if we look at the situation overall, we find that we still have one of the lowest levels of

crime in this country since 1974. Over the period that the Government has been in office, since 2006-07, crime overall is down by 41 per cent and non-sexual violent crime is down by 43 per cent. Clearly, there will be fluctuations year on year, but the overall trend on crime and violent crime is downward. Part of the reason for that—although not the whole reason—is that, unlike the Conservative Government south of the border, we have not slashed police numbers by 20,000. We continue to support our police in doing the excellent job that they do in keeping our communities safe from crime.

Thomas Cook

Gil Paterson (Clydebank and Milngavie) (SNP): Recently, a constituent of mine—a young lady from Clydebank—was on the phone and was rather distraught because she was an employee of Thomas Cook and she now has no wages to take home and no job. Of course, in Germany, a different decision was taken, and employees there are safe. I know that it is a reserved matter, but can the Scottish Government do anything to alleviate the position of the hundreds of people who were employed by Thomas Cook in Glasgow airport and in other parts of Scotland and who were doing exceptionally good work? Can we do something to assist them?

The First Minister (Nicola Sturgeon): I thank Gil Paterson for raising the general issue and the particular case of his constituent. We will do everything that we can to help employees who are affected by the collapse of Thomas Cook. Of course, it is a reserved matter, although Michael Matheson took part in a cross-Government ministerial meeting on the issue on Sunday evening. Obviously, the situation is devastating for the many people who worked for Thomas Cook, and for their families. We will continue to work closely with the United Kingdom Government and with the Civil Aviation Authority as the situation progresses.

On the workers in particular, Unite the union is planning to hold a drop-in session in its offices in Glasgow on Monday from 1 o'clock to 5 o'clock to offer help to former employees. From the Government's perspective, PACE—partnership action for continuing employment—support has been offered to affected employees. In order to reach affected employees, we have also been in contact with the Insolvency Service and the special managers who have been appointed. We have contacted trade unions to offer PACE support for their members. We will continue to provide whatever help we can to all those affected. I am sure that, at this very sad time, the thoughts of all members are with everybody who is affected, whether they are the travelling public or Thomas Cook workers.

Traffic Speed Reduction (Cyclist Safety)

Mark Ruskell (Mid Scotland and Fife) (Green): Figures released this week show an increase in cyclists' deaths and injuries on our streets. Given that speed kills, what new, world-leading action will the Government take to reduce motor vehicle speed and deliver safer streets?

The First Minister (Nicola Sturgeon): We will continue to look carefully at ways in which to improve safety on our roads. I represent an urban constituency and there have been tragic deaths of cyclists in my constituency in recent times. We understand how important the issue is. We are making significant investment in cycle routes in my constituency and many other parts of Scotland. Cycle routes are crucial to helping improve the safety of those who cycle. We will consider any further measures as we invest to make cycling safer and to make our roads as safe as possible. We will continue to listen to any proposals that are practical and deliverable.

ScotRail (Fare Increases)

Alex Rowley (Mid Scotland and Fife) (Lab): The managing director of ScotRail came to the Parliament last week and, in discussion, he confirmed that he could not give us a date for when additional carriages would be added to the Fife circle service. However, he was absolutely sure that a 2.8 per cent increase in rail fares would be introduced in January by the Scottish Government. Given the poor quality services that the people of Fife are having to put up with, can the Government justify a fare increase of 2.8 per cent?

The First Minister (Nicola Sturgeon): Rail fares and rail fare increases have been lower in Scotland than in other parts of the United Kingdom. That is important. It is also important that ScotRail continues to make the improvements to its services in relation to punctuality, reducing cancellations and ensuring that there is adequate capacity for the travelling public. We hold ScotRail to account for that and will continue to do so.

Devolved Powers (Immigration)

Maureen Watt (Aberdeen South and North Kincardine) (SNP): The First Minister will have seen a new report from the David Hume Institute, which recommends that the Scottish Government should be given greater powers over immigration, irrespective of the outcome of Brexit. Does the First Minister agree that the United Kingdom Government should heed the advice of that report and devolve powers over immigration to the Scottish Parliament as a matter of urgency, so that we can tailor our immigration system to meet Scotland's needs and aspirations?

The First Minister (Nicola Sturgeon): I agree with that and I welcome the report from the David Hume Institute. I hope that this is one issue—perhaps the only issue—on which there can be unanimous support across the Parliament. Many members—I hope all members—understand that one size does not fit all when it comes to immigration and that Scotland has particular demographic challenges and needs, which makes it essential that we have the ability to tailor our immigration policy to suit our needs. I hope that all parties will come behind that call and that the UK Government will listen to that and devolve immigration powers to the Scottish Parliament as quickly as possible.

Of course, when Scotland becomes an independent country, immigration powers—and all other powers—will lie in the hands of the Scottish Parliament, where they will be far better used than they are currently by the Tory Government at Westminster.

Public Transport (Accessibility)

Jamie Greene (West Scotland) (Con): The First Minister might be aware of comments made today by the Equality and Human Rights Commission Scotland, which stated that:

“Transport operators must ensure equal access to public transport for all ... Older people and disabled people must be able to access and use public transport just like everybody else.”

Does the First Minister agree that, although that might seem like an obvious statement to make, in reality, adherence to that principle is not universal? Will she assure the Parliament that the Government is doing everything in its power to ensure that there is equity of access to public transport for everyone throughout Scotland?

The First Minister (Nicola Sturgeon): I agree with that. My apologies—I have not seen the comments from the Equality and Human Rights Commission that the member refers to or the context in which they were made. However, I will make a point of looking at them later.

I hope that everyone would agree with the statement. We would all readily acknowledge that, while that is the case for most of the travelling public, it is not the case for everyone. We still have work to do to ensure that we have a truly accessible transport system. The Government is absolutely committed to ensuring that we are taking action to deliver that.

Vaping Products

4. Emma Harper (South Scotland) (SNP): To ask the First Minister, in light of recent deaths and respiratory illness attributed to vaping that have been reported in the US by the Centers for

Disease Control and Prevention, what the Scottish Government’s position is on the sale and use of vaping products. (S5F-03587)

The First Minister (Nicola Sturgeon): We are monitoring developments in the US and elsewhere closely, following the loss of life that has been attributed to vaping. To date, though, we have not seen any cases of deaths that are attributed to vaping being reported in Europe. Our approach has been a precautionary one, which is why in Scotland we have already taken the strictest regulatory approach in Europe to vapour products. The European tobacco products directive restricts the advertising of e-cigarettes and ensures that e-liquids cannot contain ingredients that are known to be harmful. The directive also limits the concentration of nicotine in e-liquids. In Scotland, we have also introduced a retail register and a mandatory age verification scheme and we have funded trading standards departments in all council areas to ensure that retailers comply with the regulations. In the coming months, we will consult on introducing a complete ban on the advertising and promotion of vapour products.

Emma Harper: As this Parliament has just highlighted idiopathic pulmonary fibrosis—or IPF—week, does the First Minister agree that any action to move forward with regard to vaping and e-cigarette products needs to be carried out by listening to experts, following robust evidence-based research and always focusing on what is in the best interests of the public health of the people of Scotland?

The First Minister: Yes, I absolutely agree with that. It is important to stress, and for all of us to remember, that those devices are relatively new and, therefore, their impact continues to be studied. We do not yet fully understand what that impact is, which is why the approach that we have taken has been very cautious. That is perhaps a reason why e-cigarette use remains relatively low in Scotland. We remain committed to following the best evidence to take any steps necessary to ensure that people are protected from potential harm. While we already have among the strictest regimes on those products, if the evidence shows that further action is needed, I assure the member that we will not hesitate to take it.

Brexit (Councils)

5. Graham Simpson (Central Scotland) (Con): To ask the First Minister how the Scottish Government is helping councils to prepare for Brexit. (S5F-03573)

The First Minister (Nicola Sturgeon): The Scottish Government has met the Convention of Scottish Local Authorities’s request to allocate £50,000 to each council to co-ordinate European Union exit preparedness, which is a total of £1.6

million. Local authorities are able to submit further funding requests for EU exit costs through the submission of a business case; that process has been put in place for all public sector bodies and local government is not being treated differently in that respect. We will continue to work closely with local government and COSLA to prioritise and target interventions so that, as far as possible, we can mitigate the effects on our communities of leaving the EU.

Graham Simpson: The Scottish Government has so far received £93 million in Barnett consequential for Brexit preparations. About £8 million of that should have gone to councils, but, as the First Minister said, they have received only £1.6 million so far and are being told by Derek Mackay to submit business cases for the rest of the cash. In England, councils have been given £83 million to date without having to prove anything. With just 35 days to go until Brexit—*[Interruption.]*

The Presiding Officer: Let us hear the question.

Graham Simpson: Is it not time that councils in Scotland were just given the money that they need instead of being made to jump through bureaucratic hoops?

The First Minister: No wonder Jackson Carlaw is staring at his phone right now.

We should not be having to spend a single penny on Brexit preparations. I remind Graham Simpson that Scotland did not vote for Brexit. The member spoke about the £98.7 million of consequential that we have received; so far we have committed £92 million of that, but the cost of Brexit will far exceed any consequential that we have received, or no doubt will be likely to receive, from the United Kingdom Government. For example, we are having to cover up to £17 million for Police Scotland this year as an unavoidable cost of a no-deal Brexit. It is shameful that a Conservative member of this Parliament gets up here and asks about the money that we are spending to prepare for the impact of a policy that his party is imposing on this country against our will. Shame on him.

Sarah Boyack (Lothian) (Lab): Given the uncertainty that has been caused by Brexit, which the First Minister has just acknowledged, and the evidence that we received yesterday at the Local Government and Communities Committee from COSLA, will the First Minister confirm that the Government will honour its budget agreement and commit to a three-year budget settlement for local government?

The First Minister: We will continue to work with COSLA to give local government as much certainty on budgets as we can in the years

ahead. Obviously, we would be better able to do that if we knew what the Scottish Government budget looked like—if all the decisions to be made by Westminster had been taken. We do not even yet know when there will be a Westminster budget this year.

Sarah Boyack raises an important question, but she has to reflect on the fact that the uncertainty that is swirling around the UK Government and the entire country has implications for the decision-making process here in Scotland. However, we will continue to work with councils and other public bodies—and businesses—to provide as much certainty as we possibly can. I think that the certainty that most people in Scotland want is for Brexit not to happen at all.

Mortality Rates

6. **David Stewart (Highlands and Islands) (Lab):** To ask the First Minister what the Scottish Government's response is to a new study, which suggests that young people in the poorest parts of the country are three times more likely to die before their 25th birthday than those in the most affluent areas. (S5F-03581)

The First Minister (Nicola Sturgeon): Findings such as that are shocking and a major cause of concern. Perhaps most of all, they underline the importance of the concrete actions that the Scottish Government is taking to tackle deep-seated poverty and inequality, including health inequalities. For example, our alcohol and drug strategy is backed by new investment and sets out the actions that we are taking to reduce alcohol and drug use. We are investing more than £3 million up to 2021 to support suicide prevention. Our tackling child poverty delivery plan outlines the actions that we are taking to eradicate child poverty, including the introduction by the end of 2022 of the new Scottish child payment for all eligible families, with early introduction by Christmas next year for families with children under six.

In 2018-19, we spent more than £1.4 billion in direct support to low-income households, £100 million of which was to mitigate the worst impact of Tory Government welfare cuts. Tory Government actions continue to push people into poverty and we must unite to fight against those actions

David Stewart: Aberlour Child Care Trust, which sponsored the research, argues that

"A bad start shouldn't mean a bad end."

Professor Morag Treanor, who carried out the research, emphasises the impact of poverty across a child's whole life, with links to housing, health inequalities and education, which are all areas in which the Scottish Government has the power to take radical action. Does the First

Minister share my view that a young person's life expectancy should not be dependent on a postcode lottery, and that the solution is a major shift in policy to fight with vigour and fortitude the massive inequality between the rich and the poor in society?

The First Minister: Yes, I agree with that. I point to the radical actions that the Scottish Government is taking with the doubling of the provision of early years education in childcare, using the getting it right for every child approach to ensure that we protect children in their earliest years; our commitment to record numbers of new, affordable housing, outstripping anything that we see elsewhere in the United Kingdom; and the new Scottish child payment, which, in the words of anti-poverty campaigners, is “game-changing” in the fight against child poverty.

I have said this before to Richard Leonard and I say it again now: before we took the decision about the Scottish child payment, we rightly heard a lot from Labour demanding that we introduce it and talking about how transformational it would be. However, since we announced the decision to introduce it, I have not heard a single member on the Labour benches talk about it.

That is the kind of radical action that we are taking, which—interestingly—Labour colleagues in Wales are not taking. We will continue to take action to fight poverty, rather than just talk about it.

Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP): Does the First Minister have any analysis of how Tory welfare cuts—from the benefit freeze to the two-child cap and changes to the work allowance—are impacting on the poorest in our society? How much is being cut a year from social security spend in Scotland by the UK Government?

The First Minister: The Scottish Government's 2019 welfare reform report set out some analysis. It estimated that UK Government cuts could reduce social security spending in Scotland by £500 million a year. Those cuts have already pushed thousands of families in Scotland into poverty, with post-2015 UK Government welfare changes set to reduce spending on social security by that estimated £500 million a year. Due to the two-child limit, 8,500 Scottish families have had their income cut, but that figure will reach 40,000 by the time of full roll-out and 20,000 children will be brought into poverty. The benefit cap is affecting more than 3,000 households, and 91 per cent of those households contain children. They are losing an average of £3,000 a year.

Right now, we have to spend more than £100 million a year in mitigation, and the United Nations special rapporteur described that requirement to mitigate as outrageous. That is the price that we

pay to allow welfare powers to lie in the hands of a Tory Government at Westminster. I know that the Greens are already on board, so I call on Labour and the Liberal Democrats—I even call on some of the Tories—to think about this deeply and make a united call for all welfare powers to come to this Parliament so that we can start to treat people with dignity and respect.

12:45

Meeting suspended.

12:50

On resuming—

Motor Neurone Disease (Blue Badge Scheme)

The Deputy Presiding Officer (Christine Grahame): The next item of business is a members' business debate on motion S5M-18066, in the name of Rachael Hamilton, congratulating Doddie Weir OBE and calling for automatic access to the blue badge scheme for people with motor neurone disease. The debate will be concluded without any question being put.

Motion debated,

That the Parliament congratulates Doddie Weir on receiving his OBE from The Queen at the Palace of Holyroodhouse; recognises that he received his award for services to motor neurone disease (MND) research, rugby and the Borders community; notes calls for the Scottish Government to change the criteria for the Blue Badge scheme to allow people with MND to have automatic access, rather than through the lengthy process of an assessment; further notes the view that automatic access is the most appropriate way due to the nature of the disease, which leads to a rapid deterioration in a person's physical ability; notes that Doddie and The Scotsman back the campaign to give people with MND automatic access to a Blue Badge, and believes that people with the condition, and their families, should be able to live their lives as fully as possible and in a dignified way.

12:51

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): It gives me great pleasure to present the motion to Parliament today. I extend a warm welcome to the members of MND Scotland, if they have made it to the public gallery, and to my constituents Paul and Doreen Cheesmond, who are in the gallery.

Members might have noticed someone else in the gallery—he is hard to miss. Without his great courage and determination, the fight against motor neurone disease would not have gained as much vital support and awareness. Presiding Officer and fellow members, please join me in welcoming Doddie Weir OBE, and his wife Kathy. [*Applause.*]

Doddie Weir began charging around “like a mad giraffe” back in the late 1980s for Stewart's Melville college then Melrose Rugby Football Club. A Borders lad born and bred, he went on to be selected for the Scotland team in 1990, with his first appearance being against Argentina. Doddie is a rugby legend, and during his successful career he racked up a whopping 61 caps. I am delighted that he has pledged his support for my campaign.

Doddie has been instrumental in raising awareness of MND, and his My Name's Doddie Foundation has gone from strength to strength in

raising funds for grant support. The foundation arose from the lack of options for MND sufferers, there being no effective treatment and no access to meaningful clinical trials.

We are here today, debating automatic access to the blue badge scheme, because of the hard work of my constituents, the Cheesmonds. Doreen Cheesmond, who lives with MND, first highlighted the issue to me. The Cheesmonds' letter spurred me into action.

Motor neurone disease is a rapidly progressing terminal illness, which prevents signals from the brain getting to muscles. People living with MND can deteriorate rapidly, and can lose their ability to walk easily or to raise and lower their arms. Currently, there is no cure or effective treatment for MND, and the average life expectancy after diagnosis can be, sadly, just 18 months.

Given the nature of MND and the timeframe in which the person can become immobile, it is important that life is made as easy as possible for them. My campaign seeks to change the criteria for the blue badge scheme to allow people who are living with MND to gain automatic access to the scheme. At the heart of the campaign is the fundamental aim of ensuring that people with MND keep their independence for as long as possible. When it comes to mobility, especially driving, we should consider people's ability to live their normal everyday lives as far as possible. As background, I point out that the blue badge automatic entitlement criteria do not currently include living with MND.

It is estimated that about 230,000 people in Scotland hold a blue badge, which allows them to park on roads without being charged and, normally, without a time limit. Around 75 per cent of blue badge holders say that they would go out less often if they did not have one.

People are eligible only if they are in receipt of the higher rate of the mobility component of the disability living allowance, or if they score 8 or more on the “moving around” descriptor for the mobility component of the personal independence payment.

In 2017, Scotland's blue badge scheme was extended to include carers and relatives of people with conditions including dementia, autism and Down's syndrome, but not MND. Waiting times and application difficulties act as barriers to people with MND obtaining a blue badge under the current circumstances. Because a person with MND cannot automatically access a blue badge, there is often a lengthy waiting time, which is incompatible with the immobility that the disease causes. The waiting time that is associated with processing of blue badge applications varies, and currently takes, on average, 12 weeks. Feedback from MND Scotland advisers has highlighted that,

in some circumstances, the process can take up to two months, which is simply too long for someone with MND to wait, given that their mobility will significantly deteriorate within that timeframe.

Moreover, for people who do not have access to a computer, the paper documents for applying for a blue badge are lengthy and time consuming. MND Scotland notified me that the process also varies from local authority to local authority. Aberdeenshire council's application form, for example, is seven pages long, and Glasgow City Council's is 27 pages long.

Doreen Cheesmond's desk assessment was carried out by an occupational therapist at the what matters initiative hub. That was perhaps the most dignified way to assess her that Scottish Borders Council could offer, since Transport Scotland had dispensed with the previous general practitioner certification system. I know, however, that such is not the case for everyone in Scotland, so there should, I believe, be a simpler process.

I thank members from across the chamber—the Labour Party, the Scottish National Party and the Liberal Democrats—for their support for my motion. I believe that what it suggests is the right action to take in order to give people with MND their independence for longer. I also thank *The Scotsman* for its coverage and for backing my campaign, and I thank MND Scotland for its continued support and its assistance in preparing for the debate.

Finally, I congratulate Doddie Weir on his remarkable achievements to date. The positivity and tenacity that Doddie has displayed throughout the years, in exceptionally difficult circumstances, is a formidable example to us all.

Looking to the future, I hope that we will see action from the Scottish Government to make a simple change to the blue badge scheme criteria—a simple change that would make a huge difference to many people with MND throughout Scotland. It would remove a significant barrier and would allow them to live their lives more freely and independently. The costs would be insignificant; it is all about dignity. I ask members to stay for a photo in the garden lobby after the debate, please, if they can.

The Deputy Presiding Officer: As I always do, I say gently to the people in the public gallery that applause—although I perfectly understand why you are applauding—is not permitted in parliamentary debates. Only members may applaud.

12:57

Miles Briggs (Lothian) (Con): I congratulate my friend and colleague Rachael Hamilton on

securing today's debate, and I pay tribute to her campaigning on this important issue.

I also welcome Doddie Weir and his family to the gallery, and I warmly congratulate him on having received the OBE and commend him for all his campaigning work. It is truly inspirational and will, I know, make a huge difference to people with MND.

I want to take this opportunity to remember my friend, the late Gordon Aikman, whose campaigning a few years ago achieved so much in raising public awareness across Scotland of MND. Gordon's legacy lives on in many ways—not least in the improved provision of MND specialist nurses across the country and in the Gordon Aikman scholarship scheme.

I express my condolences to the family and friends of Fernando Rickson, who died recently and who showed such dignity and determination in his struggle with MND. Again, a significant amount of money for research into MND has been raised by Fernando and his supporters, and by the Rangers supporters family, which offers more hope for finding a cure in the future. We all want priority to be given to achieving that.

I fully support the call for people who are diagnosed with MND—which we know can be a very rapidly progressing condition—to be given automatic access to a blue badge without having to go through a bureaucratic and potentially lengthy application process. Doddie Weir has said:

“Not everyone has six months to wait for the blue badge system to kick in ... I believe everyone who is diagnosed with motor neurone disease should automatically be entitled to a blue badge, this will enable families to live a dignified and as full a life as possible while coping with this terrible disease.”

People who have been diagnosed with MND fear the loss of their independence and their mobility, so providing them with a blue badge has the potential to help significantly by giving them easier parking and greater accessibility.

In recent months, progress has been made, for example, in support for a definition of “terminal illness” that includes people who are in the last two years of life being included in the Social Security (Scotland) Act 2018. There was also a welcome step forward in April this year, when free personal care was extended to people under 65, which is progress for some of the most vulnerable people in our society.

However, there is much more that we can do to improve people's lives and support them, and to provide their loved ones and carers with support. I believe that the Scottish Government should be able to implement a change to make available automatically a blue badge for everyone who is

diagnosed with MND, and that it should make that extension without delay.

I hope that today's debate will demonstrate to ministers the broad and genuine cross-party support that exists for that move. It is a commonsense and practical measure that could make a real difference, so I urge the Minister for Energy, Connectivity and the Islands to set out in his response to the debate how the Scottish Government can take the matter forward.

We all want to make people's lives easier: I hope that, across the parties, we can make that happen today.

13:01

Monica Lennon (Central Scotland) (Lab): I thank Rachael Hamilton for bringing the debate to the chamber and for kicking it off with such clarity of purpose and compassion.

All of us know that MND is a debilitating and devastating illness that has such a sudden impact on those who are diagnosed with it and their families. I have spoken previously in Parliament about the experience of one of my constituents, Frank Lyons, who lived in Hamilton and who very sadly passed away in July 2017, after being diagnosed with MND in 2014. Frank received excellent care at the hands of the amazing staff and volunteers at Kilbryde Hospice in East Kilbride. He did a lot of fundraising, which his family continues. They are very much in my thoughts today.

Much commendable work has been done to raise awareness of MND in recent years—not the least of which was that of the late Gordon Aikman, whose efforts have led to a widespread increase in our understanding of MND, and of what is required to help people who are diagnosed with it.

With colleagues, I am pleased to welcome Rachael Hamilton's constituents, the Cheesmonds, to the chamber. Of course, I also take this opportunity to congratulate Doddie Weir on his OBE, and to commend him for his efforts in furthering MND research. We welcome his wife Kathy here, too. I have had the pleasure of hearing Doddie speak at an event: to say that he is a legend who is courageous, funny, brave and a role model is probably an understatement. It is a real pleasure to have Doddie and Kathy here today.

There are champions of the cause of MND in Parliament. Kezia Dugdale, who is no longer a member, was a very close personal friend of Gordon Aikman and did so much, so it is right to give her a mention today. We are often on opposite sides, but Christina McKelvie, the Minister for Older People and Equalities, has been

courageous and persistent in sharing her family's experience of losing her dad to MND. I am acutely aware that MND does not pick sides. Whether we are talking about football clubs or political affiliations, any one of us or of those whom we love could be affected by MND.

The suggestion is a simple matter, as far as the campaign is concerned. Do we even need to debate it? Anyway, here we are. The campaign to change the criteria for the blue badge scheme aims to ensure that people with MND are given automatic access to a badge, rather than having to go through a lengthy assessment process. It is hard to see how anyone could disagree with a that.

We know that people with MND do not have time on their side, and we know that applying for a blue badge is not straightforward for anyone. I have been doing some research and note that, in some local authorities, the paper application is almost 30 pages long. The time of people with MND is precious, and they cannot afford to waste it.

I am pleased to back the campaign, and I commend Rachael Hamilton for all her efforts. I also pay tribute to *The Scotsman* for pursuing the issue and keeping it in the public eye. I look forward to hearing from the Minister for Energy, Connectivity and the Islands as he makes his closing remarks, and I hope that we can start to work towards addressing the matter as quickly as possible. I know that Christina McKelvie probably has the ear of the minister already, so I remain optimistic for people with MND and, of course, for people with other terminal and life-shortening conditions who need access to a blue badge as a matter of urgency. Let us get on and deliver that.

13:05

Annabelle Ewing (Cowdenbeath) (SNP): I am pleased to speak in today's members' business debate. I, too, congratulate Rachael Hamilton on securing the debate.

I also welcome Doddie Weir and his wife to the gallery—I commend him for all that he has done for Scottish rugby, and I celebrate his 61 caps for his country as part of the Scottish national rugby team. I take the opportunity to express my admiration for what he has achieved through his foundation to raise awareness of motor neurone disease, to raise funding for research and to support those suffering from MND.

MND is a very cruel illness indeed, and I know that many families in Scotland, including many MSPs, have had to watch a loved one suffer so badly. Sadly, my family has not been immune from that. Of course, this week, our hearts go out to the family and friends of Fernando Ricksen, whose

bravery and dignity in facing his MND diagnosis were truly inspirational. May he rest in peace.

The key issue for discussion today is whether to extend the automaticity of the blue badge scheme to those who are diagnosed with MND. In other words, are there grounds for considering that MND is unique in its nature, such that the normal assessment rules of the blue badge scheme should not apply? In that regard, I am aware that, to date and as a general rule, the eligibility criteria are focused not on whether an individual has a particular medical condition but on an assessment of the impact of that condition on a person's mobility—that is, a universal approach is taken rather than there being a focus on specific conditions. I understand the rationale for such an approach in terms of both fairness and administrative simplification, although I think that we need to look at the length of some of the application forms. However, we must ask whether the approach is in fact equitable, given what we now know about MND.

Specifically, we know that MND is a terminal illness. We know, too, that a third of people who are diagnosed with MND die in the first year. We also hear of the lengthy periods that are involved in a blue badge assessment of individuals who do not fall within the current automaticity regime—periods of many months have been cited in relation to individual experiences with the process.

That knowledge then begs the question how the process meets the demonstrable needs of those suffering from MND, who have very little time. For such individuals, a wait of, say, three months to get a blue badge, when they may only have a year to live, deprives them of a quality of life in their last days on what could be viewed as bureaucratic grounds.

It is important to note that in social security legislation the Scottish Government has already recognised the need to remove administrative hurdles to ensure that resources can be accessed by those with a terminal illness. At the same time, the Scottish Government has sought to address how quickly and effectively those with MND receive the care and support that they need. That is all very much to be welcomed.

Given such a commendable track record, I now urge the Scottish Government to proceed to review the blue badge automaticity rules, with a view to including those who have been diagnosed with MND. That could be done in tandem with the Scottish Government's on-going work to complete its first ever national action plan on neurological conditions, which I understand is to be published by the end of this year. The action plan will set out how people with neurological conditions and their carers will be involved in decisions about care and support. It will also set how out the provision of co-

ordinated health and social care will be improved, and how a sustainable neurological workforce for the future will be developed. That excellent initiative would seem to me to afford a very timely opportunity to work across Government portfolios to ensure that the very important practical issue of equitable access to the blue badge scheme for those diagnosed with MND is now addressed.

13:09

Brian Whittle (South Scotland) (Con): I add my congratulations to my colleague Rachael Hamilton on bringing the debate to the chamber.

I first became aware of MND through Gordon Aikman. I did not know him, but I have been in the room when he was speaking. As I have said before, the way that the room was drawn to him indicates what a remarkable individual that gentleman was. That baton has been passed on, and it is great to welcome the indomitable, indefatigable, inimitable, inflatable Doddie Weir to the chamber. When I see him in the quiet suits that he usually wears, I often think that somewhere there are rows of deckchairs without covers. We all recognise that, in so many ways, he is larger than life. He is never backward at coming forward.

I am going to tell the story, Doddie—I am sorry. I will always remember the time when we were golfing at Crammie's golf day at Slaley Hall—given the size of him, when Doddie plays golf it is like a giraffe going for a drink. I do not know whether he remembers this, but we had a heated intellectual conversation with some of our English counterparts in the bar at Slaley Hall at 2 o'clock in the morning. Doddie was trying to convince the ensemble that Scotland is far better at scrummaging than England. To prove that, he recruited me as a prop and—only he could get away with this—looked across at Eve Muirhead in her short skirt and high heels and said, "You'll do as a hooker". He was proved right, and that unlikely front row won the day.

Doddie's personality comes to the fore when we look back to his playing days. I hold his international sports career in high regard, but that pales into insignificance when I consider the journey that he now finds himself on and the way in which he has taken that challenge head on. We have heard about the money that he has raised through his campaign, and the raising of awareness of MND across the world is quite remarkable.

That brings me to the motion and the idea of automatic access to a blue badge for all MND sufferers. I remember Gordon Aikman describing the lack of understanding of MND. When he walked down the street, stumbling sometimes and

not quite able to control his movements, people just thought that he was under the influence of something. The work that Gordon Aikman did and that Doddie Weir is doing is going a huge way towards dispelling those thoughts. As has already been said very eloquently today, it seems to me that this is a shooty in, for want of a better expression. Given the repercussions for those who contract the life-shortening condition of MND—they can have as little as a year—automatic access to a blue badge is an obvious step forward.

As always, it is great to see the big man doing his thing, as he does. My admiration for everything that he has achieved goes without saying. I wish him well in his continuing journey and, with others, I will continue to support his drive to find a cure for MND.

13:14

Finlay Carson (Galloway and West Dumfries) (Con): I, too, thank Rachael Hamilton for bringing the debate to the chamber. I am delighted that the motion allows us parliamentarians to congratulate Doddie Weir on receiving his OBE from the Queen in recognition of his services to motor neurone disease research. I gather from other members' speeches that he must have played a bit of rugby, too.

Like my colleagues, I have watched in admiration as Doddie fights his horrible disease with his legendary wit, spirit and courage. Indeed, I would salute him, but I am too scared to: I know from past experience that any sort of gesticulation has a deep impact on my wallet. Doddie and his partner in crime, Scott Hastings, are masterful at taking movements as bids, as Brian Whittle and I know to our cost. Last year, we somehow ended up buying tickets for the Scottish golf open and a Loch Lomond booze cruise, which we later discovered did not even include booze. That all happened while we were just trying to summon the waiter. People can imagine how difficult it was the next morning, when my partner said, "I can't believe you bought that golf lot at the auction last night—thank goodness you didnae buy the booze cruise!"

Doddie, who is one of the most recognisable sportsmen of our generation—and not only because of his dress sense—revealed in June 2017 that he was suffering from motor neurone disease. From the outset, he has been driven to help fellow sufferers and to seek ways to further research into this, as yet, incurable disease. He established the My Name's Doddie Foundation in response to his frustration at the lack of options that are given to MND sufferers. He reached out to leading neurologists, professors and medical researchers and invited them to become part of an advisory panel, which engaged with the research

community to seek advice and help us to better understand MND and the work that is needed to find a cure.

When high-profile names get the terrible news that they have been diagnosed with a condition such as MND, the publicity is, inevitably, much greater, but that brings positives as well as negatives. As we have heard, only yesterday we witnessed the outpouring of love and respect for Fernando Ricksen, after his brave six-year fight with the disease. The constant media spotlight on him and his wife and young daughter must have been very difficult at times, but Ricksen helped to raise more than £1 million to help scientists find a cure for the disease, and Doddie was among the first to pay tribute to him last week.

We are aware of the high-profile campaigners, but we know that many people are suffering in silence and isolation, and it is those people whom Doddie is fighting for, including those in my region, where the numbers are stark. It is not yet known why Dumfries and Galloway has a higher-than-average rate of diagnosis for conditions such as multiple sclerosis, myalgic encephalomyelitis and MND, but we know that those conditions have a profound impact on people's way of life.

I pay tribute to former SNP MP Richard Arkless for all the work that he has done on the subject, particularly after the tragedy of losing his mother to MND. In 2016, Richard discovered that the equivalent of 15 people per 100,000 in Dumfries and Galloway are diagnosed with the condition, whereas the United Kingdom-wide average is 6 people in 100,000. In Stranraer, in my constituency, the statistics are sadly even bleaker. The stats suggest that a staggering equivalent of 57 people per 100,000 are diagnosed with MND. Dumfries and Galloway is a region where MND continues to have a devastating impact on many lives, and it is vital that today's debate raises awareness.

It is admirable that Dumfries and Galloway Council does not charge for the blue badge scheme as a whole, but, like other local authorities, there is no automatic assumption that those living with MND will be granted a badge. Those living with MND should not have to face the red tape and daunting process of form filling and assessment, which is why I hope that today's debate, and the calls that have already been made by Rachael Hamilton and Doddie, will allow a change in policy and attitude, in order to give MND sufferers as much independence as possible.

I am proud that the debate has taken place. We have heard many emotive and powerful speeches on MND. I sincerely hope that the Scottish Government, working alongside local authorities, will treat the introduction of a policy to extend automatic access as a matter of urgency. That

would be a fitting legacy for all those living with MND.

I could not finish in a more fitting way than by quoting the words of the big man himself. He said:

“My attitude is that you should do what you can today and worry about tomorrow when it comes. This is the card I’ve been dealt so I’ve just got to crack on.”

Mr Weir, we salute you.

13:19

The Minister for Energy, Connectivity and the Islands (Paul Wheelhouse): I thank all the members who have contributed to today’s important debate. The range of views from across the chamber highlights the emotive nature of the subject and the significant impact that the blue badge scheme can have on those who receive the badge.

I welcome Mr and Mrs Cheesmond, who I understand from Rachael Hamilton’s speech are here today. I thank Rachael Hamilton for securing the members’ business debate.

I am delighted that Doddie and Kath are here to hear the great tributes to the great man and to hear respect being paid for the process that he has been going through. He has handled a very tough situation with great dignity, enthusiasm and wit throughout.

I could probably spend hours telling stories about our time at school—Doddie and I were in the same year at school. Indeed, I had the honour of playing in a team with him—a team less grand than Scotland—and seeing at first hand his extraordinary skills in the line-out. That probably stemmed from the fact that he was already a foot taller than our primary 6 teacher when he arrived in primary 6. That is shown in the school photographs, of which I am sure that Doddie still has copies. As I said, Doddie is a great man and a great leader in many ways. He gave an inspirational speech, which Rachael Hamilton was there to hear, at the Borders College graduation at which he was made a fellow of the college. That speech was an inspiration to everyone who heard it. It was all the more impressive because I know that he made it off the cuff—he was deciding what he was going to say as we were waiting to go into the hall. That is a tremendous tribute to him as a person.

I know that the subject that we are debating is of great personal interest to colleagues across the chamber. Of no one is that more true than Christina McKelvie; I am delighted that she has accompanied me throughout the debate.

I appreciate very much the issues that lie behind the request in the motion, and I would like to begin by explaining the current situation. I hope that we

will get to a good place by the end of my speech, so I ask members to bear with me—I have to go through the motions.

The blue badge scheme originated in the 1970s. There have always been two types of eligibility criteria. The first is automatic eligibility, which is based on passporting from disability benefits. The second category of eligibility is for individuals who do not qualify on that basis, in which case an application can be made to the relevant local authority, which will decide whether the applicant meets specified eligibility criteria. Annabelle Ewing, among others, talked about that. Those criteria are set by the Scottish Government in legislation. As has correctly been said, they have never been based on the medical conditions that people have been diagnosed with. That is consistent with the practice across the UK. Instead, the eligibility criteria look at the impact of medical conditions on a person’s mobility. That means that, in Scotland, an adult is eligible for a blue badge if the local authority considers that they are unable to walk, are virtually unable to walk or have a mental condition that means that they pose a risk to themselves or others in making journeys.

I understand from health colleagues that, in Scotland, 160 people are diagnosed with MND each year and that, at any one time, there are just over 460 people living with the condition. We need to do all that we can to help people to manage this most cruel and debilitating of diseases. I understand from social security colleagues that, at present, there are 226 people in Scotland who receive disability benefits where MND is the main condition and who have the mobility rate that is required to passport them into the blue badge scheme. That represents progress. I hope that those people who are automatically entitled to it are already utilising that benefit. If they not, I hope that today’s debate, which Rachael Hamilton has brought to the chamber, will raise awareness of the existing rules that they can take advantage of.

I highlight the fact that we have a record of listening to calls for legislative change, such as when we responded to the concerns of parents and carers of disabled children by explicitly extending eligibility to those who might be at risk in traffic, such as children with autism. That was in addition to our changes to protect badge holders moving on to PIP from disability living allowance, which mean, we believe, that Scotland has the best set of transitional protections in the UK.

Before I go on to discuss the call for change that is being made, I make it clear that we think that, in general terms, the present approach is the right one for three reasons. First, not everyone who has a particular diagnosed medical condition needs parking concessions at the point of diagnosis.

Secondly, having eligibility criteria that were focused not on functional mobility but on conditions would be unwieldy and could add significant complexity to the system. I note that colleagues have rightly raised the complexity of the application process. Thirdly, issuing blue badges on a needs-based system of eligibility criteria ensures fair allocation of blue badges. In Scotland, the current ratio of badge holders to parking spaces is 1:9; across Great Britain, it is 1:30. There is more access to spaces here. In managing that process, we are making sure that those who need a blue badge can use the spaces when they need to.

I want to move on to discuss how we are listening to the case for change. Although we have not been convinced that a change in legislation is the way forward, I strongly agree that there is always a need to ensure that the scheme continues to improve. Members are right that speed and quality of decision making are extremely important, given the very short period that people sometimes have between diagnosis and needing a blue badge. We must move quickly. Rachael Hamilton set out a number of those arguments, so I will not repeat them.

I reassure Doddie Weir, Mr and Mrs Cheesmond, other campaigners and colleagues across the chamber that Transport Scotland has already been taking steps on the issues in partnership with Scottish local authorities and UK transport departments. For example, earlier this year, a new blue badge digital service was introduced, which provides a better online application form for users. User satisfaction with that UK-wide service stands at 74 per cent for August.

I have mentioned that the improvement work is done in partnership with local authorities. As we know, local authorities run the blue badge scheme day to day. That is important to appreciate, because we have no powers in legislation to intervene in how local authorities administer the scheme operationally, including on specific cases. However, I will come on to talk about how we might make a change without the need for legislation.

Ultimately, these are local decisions to make. However, Transport Scotland publishes guidance to local authorities about how to administer the scheme. Its non-statutory code of practice acts as a benchmark across Scotland against which local practices can be judged. The code says that local authorities should fast-track cases in which someone is terminally ill. As we all too horribly know, that is particularly relevant in the context of today's debate. As Rachael Hamilton has set out—Doddie has made this point, too—tragically, there is no cure for MND. I know that Doddie Weir

is dedicating much of the funding that he is raising through his charity to find a cure for this horrible disease.

The code has not, however, been updated since 2014. We are conscious that society's needs and users' expectations have moved on significantly since then, so I confirm that we will revise and refresh the statutory code of practice in partnership with organisations such as MND Scotland. That might enable us to incorporate an accelerated model along the lines of a prescription approach, as has been called for by members across the chamber.

Without changing legislation, we can commit today to that action for progressive conditions such as MND. That means that MND care teams might be able to authorise a blue badge automatically. I hope that that is helpful. Obviously, we have much work to do in order to make that happen, but we will, of course, take into account the points raised in the debate and look into what guidance can be given on the speed and the quality of assessment decisions.

I reassure members, on behalf of Michael Matheson, who sadly cannot be here for the debate, that I have noted down their key points. Members can expect the new code to underline the importance of things such as local authorities making use of the existing information sources and exercising professional judgment to assess applications instead of unnecessarily calling people in for assessments. As I have said, there is potential for us to work together, to have a more automated process.

Crucially, in revising the code we will support a person-centred approach to the scheme. It is very important that issuing or refusing a blue badge is not seen as an end in itself. Instead, the time and trouble that someone takes to apply—at a very tough time in their life—should result in their local authority considering what extra help they could offer to the user to make more journeys, to maximise the value of the blue badge to them and to make sure that they have the best quality of life that they can manage. That kinder approach to delivering the service will place the disabled person at the centre and is consistent with how we in Scotland want our public services to be delivered.

Looking at the scheme in that way shows the improvements that we can make and reflects the spirit of the motion. We are in agreement about the objective, and I hope that the method that we use can deliver that.

I am grateful to members for participating in this important debate. I am also very grateful to Doddie, Kath and, indeed, to Mr and Mrs Cheesmond for coming here today. I again thank

Rachael Hamilton for raising the subject. As I have said, I hope that we can make sure that we do Doddie and Mr and Mrs Cheesmond proud.

13:28

Meeting suspended.

14:30

On resuming—

Portfolio Question Time

Biodiversity (Edinburgh)

1. **Miles Briggs (Lothian) (Con):** To ask the Scottish Government what action it is taking to increase biodiversity in Edinburgh. (S5O-03583)

The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham): Activity to increase biodiversity at a local level in Edinburgh is primarily led by the City of Edinburgh Council, with support from Scottish Natural Heritage and other partners with whom the council may have arrangements, such as the Edinburgh and Lothians Greenspace Trust.

Edinburgh benefits from the local delivery of national projects, such as our biodiversity challenge fund, which has provided almost £500,000 this year to three local projects: Buglife's B-Lines project, creating a network of special places for nature; the Edinburgh shoreline project, focusing on coastal wildlife; and the Little France park project, which will breathe new life into an unmanaged urban greenspace. We also continue to support the central Scotland green network and grant fund the Royal Botanic Garden Edinburgh.

Miles Briggs: Does the cabinet secretary agree that green spaces in urban areas are a valuable habitat source of biodiversity, and is she aware of the Midmar paddock in the south of Edinburgh, which is home to many important wildflower species? It is now being repeatedly marketed as a development opportunity despite being green belt, a special landscape area and designated as open space and a local natural conservation site. I know that this is not part of her brief, but as the cabinet secretary is responsible for biodiversity, will she speak to her ministerial colleagues to ensure that the wishes of local residents are considered when protections are being put forward?

Roseanna Cunningham: Biodiversity is a key issue that we have to address in Scotland. Climate change is, of course, a key cause of biodiversity loss, but equally a lot of biodiversity projects help with climate change mitigation or adaptation. It is absolutely crucial that we care for our environment in that sense.

A lot of very good work is being done in Edinburgh; I will not test the patience of the Presiding Officer by reading it all out, but I am sure that I can give Miles Briggs a notice of it. He has raised a very specific development issue, with which I am not particularly familiar. I will undertake to check with my officials and the relevant minister about the progress on that, and I presume that the

member has been in direct contact with the council.

Claire Baker (Mid Scotland and Fife) (Lab): Will the cabinet secretary give an update on how the Scottish Government is working to tackle invasive species, which are the biggest driver of biodiversity loss across Scotland?

Roseanna Cunningham: SNH has a programme that allocates funding for that. One of Scotland's biggest problems is the spread of rhododendron—anybody who has been in rural Scotland will have seen that that is a real issue—but that is not the only species that is a problem.

Principally, landowners ought to look very much at what they do on their land to ensure that they take appropriate actions in respect of this issue. If Claire Baker has a particular thing in mind, she might wish to write to me about it.

Lucy's Law

2. Jenny Gilruth (Mid Fife and Glenrothes) (SNP): To ask the Scottish Government whether it will consider the implementation of Lucy's law in Scotland in order to ban the selling of puppies by pet shops and other third-party dealers. (S5O-03584)

The Minister for Rural Affairs and the Natural Environment (Mairi Gougeon): The programme for government that was announced on 3 September included a commitment to implement Lucy's law, as part of new licensing legislation that will ban the sale of puppies and kittens that are under six months old by anyone other than the breeder.

Jenny Gilruth: What other steps is the Scottish Government taking to ensure that animals are protected from exploitation and abuse?

Mairi Gougeon: A whole host of measures are being undertaken to improve animal welfare in general. I will outline just some of those, which I hope will not test the patience of the Presiding Officer too much.

In addition to introducing Lucy's law with a modern licensing system for dog, cat and rabbit breeders, we are committed to ambitious improvements to animal welfare. As I said, a number of strands of work are under way. We will increase the maximum penalties for animal cruelty and wildlife crime in the animal health and welfare bill; protect service animals through Lucy's law; assist permanent rehoming of at-risk animals; rerun our highly effective awareness campaign on the responsible purchase of young animals; introduce compulsory closed-circuit television recording in slaughterhouses; and continue to update guidance on livestock welfare.

This week, I announced the appointment of Professor Cathy Dwyer, who has a wealth of experience in animal welfare, as the first chair of the animal welfare commission. Recruitment for other members of the commission will commence shortly so that Scottish ministers are provided with expert advice.

Moorland Management

3. Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): To ask the Scottish Government what action it is taking to promote effective moorland management. (S5O-03585)

The Minister for Rural Affairs and the Natural Environment (Mairi Gougeon): The Scottish rural development programme 2014 to 2020 supports effective and sustainable management through the agri-environment climate scheme, which promotes land management practices that protect and enhance Scotland's moorlands.

The Scottish Government is providing £14 million in 2019 for peatland restoration, which contributes to effective moorland management and is an important element of our approach to tackling climate change. We have established an independent group to consider how we can ensure that grouse moor management is environmentally sustainable and compliant with the law.

Rachael Hamilton: Lyme disease is on the rise around Scotland, and the bacteria that cause the disease are carried by ticks, which live on deer. The United Kingdom deer population of 1.5 million is already at its highest level for almost 1,000 years. The Moorland Association believes that this points to yet another example of the benefits of effective moor management. What steps are being taken by the Scottish Government to control the deer population? Will it consider granting more licences under the Deer (Scotland) Act 1996?

Mairi Gougeon: The sustainable management of deer that meets the public interest is of the utmost importance to the Scottish Government. Scottish Natural Heritage has a statutory responsibility to further the conservation, control and sustainable management of all wild deer species in Scotland, and SNH works with a range of partners, including the Association of Deer Management Groups and local deer management groups throughout Scotland, to develop effective planning and management.

Through SNH, Scotland's deer sector is supported to produce a range of best-practice guidance on the effective management of wild deer in Scotland, including guidance with a focus on public safety, food safety and deer welfare.

SNH has undertaken a review of the progress of deer management in Scotland, and it is due to publish its findings shortly. The Scottish

Government will consider that report, alongside recommendations from the independent deer working group, which is also due to report later this year. We will of course provide a response to that in due course.

I am happy to meet Rachael Hamilton to discuss and have a further look at the second part of her question.

Deposit Return Scheme (Glass)

4. Finlay Carson (Galloway and West Dumfries) (Con): To ask the Scottish Government what assessment it has made of the impact of including glass in its deposit return scheme on Scotland's glass manufacturers and recycling sector. (S5O-03586)

The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham): By capturing an estimated 294 million glass bottles each year, the deposit return scheme will cut carbon emissions by more than 1.2 million tonnes of CO₂ equivalent over a 25-year period and reduce a common form of litter. It will also make more high-quality glass available for recycling. A high proportion of that is projected to be flint or clear glass, which is in high demand from Scotland's premium drinks industry.

Finlay Carson: In May, Ewan MacDonald-Russell of the Scottish Retail Consortium raised concerns that the inclusion of glass in the scheme would add £50 million a year in costs, which would end up being paid by the consumer. He said:

"Glass is a difficult, bulky, and heavy material to manage and will be an enormous burden, especially for those operating from smaller stores."

What assurances can the cabinet secretary give me that small stores in my constituency will be supported in the roll-out of the DRS?

Roseanna Cunningham: As Finlay Carson is on the relevant committee, he is already actively involved in the process of the Deposit and Return Scheme for Scotland Regulations 2020 going through Parliament. The committee is the right place for many of the questions on the issue.

I am conscious that glass manufacturers and the glass lobby have been active on the subject, but I think that I made it clear from the outset that we understand that there are more issues with glass than with plastic and aluminium.

From our perspective, the issue is that, if we do not include glass in the scheme at this stage, we will not be in a position to include it in the future. Therefore, now is the once-and-for-all decision-making time. I also point to the fact that a number of other countries collect glass in a deposit return system. I hope that, throughout the process of the deposit return scheme regulations going through

Parliament, a lot of the specific issues that have been raised will be teased out and thought through carefully. The positive impact that including glass will have on Scotland will also be taken into account.

In passing, I note that the Scottish Conservatives also wanted glass to be included.

Emma Harper (South Scotland) (SNP): What discussions has the Scottish Government had with the UK Government about its deposit return scheme?

Roseanna Cunningham: I met my counterparts in the UK Government a number of times to discuss deposit return issues, including timing, and officials have continued that engagement.

Unfortunately, the recent reshuffle took out the Department for Environment, Food and Rural Affairs minister; she was promoted into another job. There has therefore been a bit of a continuity disjunct and I am still trying to establish who the new minister will be.

I have been clear that we are open to working with the other nations to ensure compatibility. I have encouraged DEFRA to match our ambitions. It should be noted that the UK Government has yet to commit to introducing the DRS, and our climate change commitments mean that it is not an option for us to wait in the hope that others will follow the example that we are now setting.

Climate Change Initiatives (North East Scotland)

5. Liam Kerr (North East Scotland) (Con): To ask the Scottish Government what support it provides to initiatives in the north-east that aim to tackle climate change. (S5O-03587)

The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham): The Scottish Government is supporting a range of initiatives in the north-east that aim to tackle climate change. Since 2014, we have provided more than £10.4 million to support the roll-out of hydrogen vehicles and infrastructure, and more than £5 million since 2010 to support low-carbon travel across the region, including increasing the network of publicly available charge points across the region. Since 2013, we have provided more than £2.1 million to 39 renewable energy projects in the north-east through the community and renewable energy scheme, and since 2008, we have given more than £9.5 million to 115 projects in the north-east to help tackle climate change at a community level through the climate challenge fund.

Funding has also been provided to support climate change adaptation activities in the north-east, including support for the Aberdeen adapts

framework, which aims to help the city of Aberdeen to become more resilient to the impact of climate change by creating its first climate change adaptation strategy, and support for the dynamic coast project, which is developing mitigation, adaptation and resilience plans at a number of supersites, including Montrose.

Liam Kerr: I note that the cabinet secretary did not mention carbon capture utilisation and storage in her answer. Given the fact that the United Kingdom Government has invested £130 million since 2011 in research, development and innovation to support the development of CCUS, will the cabinet secretary outline what support the Scottish Government has planned to support that technology in the north-east?

Roseanna Cunningham: The member knows perfectly well that that question is for a different minister. However, I point out that it was the UK Government pulling the rug out from under carbon capture in the past that has put us into the position that we are in. We are nowhere near as far on as we should be.

Mossmorran Petrochemical Plant (Flaring)

6. Claire Baker (Mid Scotland and Fife) (Lab): To ask the Scottish Government whether it will provide an update on the action being taken to reduce flaring at the Mossmorran petrochemical plant. (S5O-03588)

The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham): On 23 August, the Scottish Environment Protection Agency varied the permits of both operators at Mossmorran to ensure that there is a clear timetable and detailed plans for implementing improvements to address flaring.

This week, ExxonMobil announced a £140 million investment at the site, in addition to the £20 million that it invests in maintenance each year. Those actions should improve compliance and reduce the negative impacts of flaring.

Claire Baker: This year, more than 1,400 complaints have been made to SEPA about gas flaring at the plant, including from hundreds of people who are raising concerns about health. Although the ExxonMobil investment announced by the cabinet secretary is welcome, improvements will not be seen for a year, and the ground flare is not expected to end until 2024. What discussions is the cabinet secretary having with ExxonMobil to push for more immediate improvements?

Roseanna Cunningham: I do not know whether the member was in the chamber last week when Paul Wheelhouse spoke about the issue. He met ExxonMobil recently, and he indicated that a considerable part of its investment

will go to improving the plant's efficiency, including its energy efficiency, reducing greenhouse gas emissions from flaring, and improving air quality.

The member will also know that there is an on-going SEPA investigation into all this. It would be sensible to allow the environmental regulator to complete that and then we can come back to the issue with a full understanding of what is happening.

The Deputy Presiding Officer (Linda Fabiani): I ask members for short supplementary questions, please.

Mark Ruskell (Mid Scotland and Fife) (Green): The current shutdown at Mossmorran was instigated following the failure of two of the three boilers. Is any of the £140 million going towards replacing those boilers? Is there possibly still legal action to follow from the repeated permit breaches at the plant?

Roseanna Cunningham: I am not commenting on possible legal action. As Paul Wheelhouse did previously, I outlined that a considerable part of ExxonMobil's money will go towards doing what is needed to reduce the frequency and impact of flaring, as well as all the associated issues of noise pollution. As I indicated in my earlier answer, SEPA is looking closely at the issue. It is expected to report in November. When it does, I am sure that we will be back here to discuss that.

Annabelle Ewing (Cowdenbeath) (SNP): In relation to the welcome investment by ExxonMobil that was announced last week, and the 850 jobs attached to that investment, Exxon is to complete its ground flaring design work apace and submit it to SEPA. Perhaps the cabinet secretary could clarify that that is the case, as well as the next step in relation to the best available technique programme. From my recent meeting with Exxon, I also understand that it is likely that the timing of the ground flare programme will be advanced and accelerated.

The Deputy Presiding Officer: That was hardly a short supplementary question. Cabinet secretary, do you have a short answer?

Roseanna Cunningham: Given the pressure that ExxonMobil is under, I am certain that it will now do its utmost to reduce the negative criticism that it is receiving.

As I indicated, a significant portion of the money that it is investing will be directed towards the things that people wish to see fixed. At some point, the company was told that its original timescales were not sufficient, so I hope that we will see real improvements happen apace.

Household Recycling

7. Jenny Marra (North East Scotland) (Lab): To ask the Scottish Government what progress it has made in the last year on increasing household recycling rates. (S5O-03589)

The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham): Recently published statistics show that Scotland's household waste recycling rate has decreased by 1 per cent between 2017 and 2018. More positively, the same statistics show that the amount of household waste generated was at its lowest level since 2011, and fell by 2 per cent, compared with 2017. The figures also highlighted positive longer term progress, with a reduction of 1 million tonnes of CO₂ from waste since the reporting began in 2011 and, for the second year in a row, we recycled or composted more than we threw away to landfill.

Jenny Marra: The reduction in waste is good news, but the recycling being down is bad news. On the figures that the cabinet secretary cites, last year in Dundee, only 36 per cent of household waste was recycled. Dundee City Council is sixth from bottom of all the councils in Scotland. That is a shame, because Dundee used to lead the way in recycling.

What is the Scottish Government doing to assist councils with recycling? Given the constrained local government budgets, has the Government considered asking supermarkets, which produce so much plastic waste, to contribute towards recycling costs?

Roseanna Cunningham: We will look at all opportunities to deal with that. We actively engage with local authorities on recycling. In order to encourage local authorities to think about what they are doing and to bring them all in line with each other, we set up the charter for household recycling in Scotland.

In that respect, some councils have bigger challenges than others. Dundee is one of the councils that has inner city issues to manage. The good work that is being done with the household recycling charter, which we are reviewing over the next year, will pay dividends. The main challenge for Dundee is similar to the main challenge for the centres of Glasgow and Edinburgh: the high proportion of multi-occupancy properties, such as tenanted properties.

The member's suggestion of wrapping in other potential partners is good.

The Deputy Presiding Officer: I ask for a short supplementary question, please.

Maurice Golden (West Scotland) (Con): I refer members to my entry in the register of members' interests.

In the past five years, one third of councils have not received grant funding from Zero Waste Scotland for recycling services. Has that had an impact on recycling rates?

Roseanna Cunningham: I would need to endeavour to discover from Zero Waste Scotland precisely what the decision-making process was in each of those cases. Given Maurice Golden's background, he is probably much more able than I am to establish what some of those issues might be through his informal network of contacts. However, if he wishes, I will undertake to do so on his behalf. I am sure that the decision will have been made for particular reasons; I cannot go through them all at the moment, for obvious reasons. I am happy to engage with Zero Waste Scotland on that question.

Blue Carbon Ecosystems

8. Gail Ross (Caithness, Sutherland and Ross) (SNP): To ask the Scottish Government what role seagrass meadows, and similar blue carbon ecosystems, play in helping Scotland reach its climate change targets. (S5O-03590)

The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham): Last year, the Scottish Government established the blue carbon forum to better understand the role that marine habitats play in mitigating climate change by capturing and storing carbon and how they can contribute to climate adaptation.

The meeting of climate change targets is measured through the greenhouse gas inventory, which is agreed at a United Kingdom level and does not presently include any marine habitats. The Intergovernmental Panel on Climate Change has published guidance on accounting for wetlands and the Scottish Government is currently investigating potential data sources and methodologies for estimating net emissions from saltmarshes in Scotland.

Gail Ross: Has the cabinet secretary seen the seagrass ocean rescue restoration project taking place in Wales and would the Scottish Government welcome such a project in Scotland?

Roseanna Cunningham: I am aware of the project in Wales; I have not physically seen it although I am always happy to visit Wales. I am also pleased to see pioneering habitat restoration projects in Scotland such as the Dornoch environmental enhancement project, which is restoring a native oyster bed in the Dornoch firth. Seagrass Restoration Scotland Ltd hopes to begin restoration of seagrass habitats next summer.

The Scottish Government is keen to learn from the results of those restoration projects because seagrass is a priority marine feature and is already

protected in 26 locations around Scotland by a suite of marine protected areas. The United Nations decade on ecosystem restoration from 2021 to 2030 will also provide a fantastic opportunity for a phase shift in marine restoration.

Scottish National Investment Bank Bill: Stage 1

The Deputy Presiding Officer (Linda Fabiani): The next item of business is a debate on motion S5M-19061, in the name of Derek Mackay, on the Scottish National Investment Bank Bill.

14:53

The Cabinet Secretary for Finance, Economy and Fair Work (Derek Mackay): It is with great pleasure that I open this stage 1 debate on the Scottish National Investment Bank Bill.

The bill being considered today lays the foundation for an institution that will be a cornerstone of Scotland's economic architecture—one with the capability and commitment to reshape our economy, making it more inclusive, innovative and internationally competitive.

As a mission-oriented lender, the bank will contribute to the major societal challenges that are facing us all today. In particular, as the First Minister has set out, the bank will make a significant contribution to our work on tackling the climate emergency. I will come on to that in more detail later.

We want this bank to be a valuable asset to the Scottish economy for generations to come. For that to be the case, the bank will have to protect and grow its portfolio of investments, recycling one decade of success into the next. The bank will therefore make investments that support sustainable and inclusive growth across Scotland and it will be held to account for its delivery against the missions that are set for it. It will also seek to make a sufficient return on its investments to enable it to cover its operating costs and not be reliant in the long term on the Scottish Government and therefore the Scottish taxpayer.

In 2017, the First Minister asked Benny Higgins to provide a blueprint for the Government on how to establish an institution capable of transforming Scotland's economy. The implementation plan that he produced articulates a clear, ambitious vision for the bank and provides a detailed road map for creating an institution that can deliver against that vision. I personally thank Benny and his team for their ambition and rigour in producing the implementation plan.

Our proposals for the bank have been strengthened through extensive stakeholder and public engagement. We have run two public consultations over the past few years, and more than 300 people attended a series of eight stakeholder events held across Scotland over the summer. Throughout that engagement I have been struck by the level of excitement about our

vision for the bank and its potential to transform Scotland's economy. I thank those who engaged with us in creating the bill, thereby helping to lay the foundation for a bank that will deliver for businesses and communities across Scotland. We will continue to engage widely as work to establish the bank progresses.

I thank the Economy, Energy and Fair Work Committee for its thoughtful and constructive scrutiny of the bill. The committee recommended that the Parliament agrees to the general principles of the bill—which is a relief—and it made a number of very helpful suggestions. In recognising that the bank must be

“independent but accountable and permanent but adaptable”,

the committee demonstrated a clear appreciation for the type of institution that we collectively wish to create. The Scottish economy enjoys significant strengths in employment, in our proportion of employees in the United Kingdom who are paid the living wage, and in the growing demand for our exports, which all demonstrate our economic resilience.

However, it is important to acknowledge that there remains significant work to do to release the untapped potential in Scotland's economy. The 2019-20 programme for government sets out ambitious and progressive sets of proposals. The measures include increased investment in skills and in physical and digital infrastructure. Those measures can improve productivity, boost exports and help to make Scotland a globally competitive place to do business.

Business investment levels are low, and their potential for growth has been curbed. Scotland's business expenditure on research and development and innovation performance is behind that of other European nations. Our productivity growth in key sectors, although outperforming that of the UK, remains modest. Those factors point to the need for a new investor in the Scottish economy—one with patience and the strategic oversight to reinforce and enhance Scotland's position as a dynamic and innovative economy.

The case for establishing the bank is even stronger today than it was when it was first announced in our 2017 programme for government. Patient and strategic investment will be vital if we are to mitigate some of the damaging impacts that are forecast as a result of the UK exiting the European Union.

Earlier this year, the First Minister acknowledged that Scotland, like the rest of the world, faces a climate emergency. This year's programme for government set out our response and lays the foundations for a new Scottish green

deal. The Scottish national investment bank will also have a role to play, and the First Minister has confirmed that the bank's primary mission will be securing the transition to a net zero economy.

It is vital that the bank is an institution that complements the existing investment landscape in Scotland—one that crowds in, rather than crowds out, private sector investors. We believe that capitalising the bank to the tune of £2 billion represents an ambitious yet achievable level of funding. It enables the bank to have a transformative impact on the Scottish economy while ensuring that it does not displace the activity of existing private sector lenders.

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

Can the cabinet secretary confirm what percentage of the bank's initial capitalisation will be in the form of financial transactions money from the UK Treasury?

Derek Mackay: It is well understood that a substantial amount of that will be financial transactions in the early years. We will look at expanding the products. I would object to the language of that being the Treasury's money; I would argue that it is Scotland's money—and we will of course be reinvesting it in Scotland. It is true to say that the bank will be largely financed through those financial transactions, which are available to be spent in the private sector, particularly on investments such as those that we have been talking about.

As highlighted by the implementation plan, the £2 billion that is being committed to the bank over the next 10 years equates to 1.3 per cent of Scotland's gross domestic product and is therefore in line with the level of capitalisation that is committed to comparative institutions across the world. Indeed, in its stage 1 report, the committee has acknowledged that our commitment to capitalise the bank with £2 billion over 10 years represents “a good starting point”.

The bill is an enabling piece of legislation. It places a duty on Scottish ministers to establish the bank as a public limited company, and gives ministers the necessary powers to capitalise the bank. The bill also enshrines a role for Parliament by ensuring that parliamentary approval is needed before making any changes to the provisions of the bank's articles of association. I am pleased that the committee has been supportive of the general approach that we have taken.

The recommendations set out in the committee's stage 1 report are welcome and constructive. I have provided a written response to the committee, accepting many of the recommendations. For the benefit of the members who are present, I will briefly set out some key parts of that response.

The Government has accepted the committee's recommendations that the bank's role in achieving social and environmental value alongside financial returns be clarified. Consequently, we are considering potential amendments to the ancillary objects that would give effect to the recommendation, and I want to engage with members on that.

We are also considering the committee's recommendation that the bank not be given a target rate of return for its first years of operation. Although we recognise that the principle behind that recommendation is constructive, its implications need to be fully considered. I have already mentioned the need for the bank to become financially self-sustaining. A commitment to a rate of return may also be necessary to meet the state aid requirements that apply to the bank. However, we will give the matter further consideration.

When giving evidence to the committee on the bill, I committed to engage with the Parliament in the development of the bank's missions and I am pleased that that proposal has been welcomed. I will engage and work collaboratively with members across the chamber in looking at the missions. I engaged on a similar cross-party basis on the national performance framework, which I know was welcomed by members across the chamber.

We have also accepted the committee's recommendation to consider potential stage 2 amendments to provide for a process by which Parliament can be formally consulted on future missions.

The committee made recommendations regarding the role and membership of the advisory group. The Government has accepted the recommendation that the chair of the advisory group should not be a member of the bank's board. I also clarify that the role of the group will be to advise ministers, not the bank itself.

We have, however, concerns about providing for the advisory group in the bill, as doing so may prove overly prescriptive as to the mechanisms by which Scottish ministers seek advice. I am, however, keen to hear members' views on the matter in the light of the proposals for the advisory group that we have now published.

The establishment of the Scottish national investment bank will be a substantial good for the economy and, therefore, the people of Scotland. Today's debate is a key staging post along the way to creating a long-standing institution in the Scottish economy, which is capable of driving the positive changes that we all want to see.

I look forward to the debate.

I move,

That the Parliament agrees to the general principles of the Scottish National Investment Bank Bill.

15:04

Gordon Lindhurst (Lothian) (Con): What's in a name? The Scottish national investment bank certainly has "Scottish" in it, and the intention is that its reach will be national and its purpose will be investment. However, it is not a bank; at least, not a retail bank.

As one witness told us:

"Essentially, SNIB is an example of that great Scottish invention, the investment trust—it is not really a bank."—[*Official Report, Economy, Energy and Fair Work Committee*, 28 May 2019; c 11.]

The bill to enable the bank that is not really a bank is not quite the whole story either. As the cabinet secretary indicated, much of the detail is to be found elsewhere, in the articles of association and various other supporting materials, strategies, plans, frameworks and charts, and some of those documents are still in draft form or will be left for the bank to devise. I shall not try to cover everything that the committee had to say about the bill and those other component parts; instead, I shall focus on some aspects: patience and purpose, inclusive growth, and missions.

What is it that the bill imposes a duty on the Scottish Government to establish? It is both a public limited company and a non-departmental public body. The bank will be an unusual body, expected to act commercially while at the same time seeking economic, societal and environmental returns. Like the British Business Bank, the plan is for it to become a funder of funders and to crowd-in other investment. The emphasis will be on long-term, or what is called "patient", capital, informed by a mission-led approach.

Hopes for what the bank can achieve are vertiginously high, but we must look beyond short termism and the limited perspective of the electoral cycle. As one witness put it,

"We are constantly faced with people trying to rewire the building with the power still switched on."—[*Official Report, Economy, Energy and Fair Work Committee*, 21 May 2019; c 15.]

That might also be applied to Westminster at the minute.

Another witness cautioned against criticism in the first few years, advising that

"Most of the bad news comes early ... The lemons ripen before the plums."—[*Official Report, Economy, Energy and Fair Work Committee*, 28 May 2019; c 13.]

If I may add another metaphor to the mix, we were also told that

“There will be red ink spilled in its annual reports and accounts every year until 2023 ... if you want long-term patient capital, you have to have long-term patient investors.”—[*Official Report, Economy, Energy and Fair Work Committee*, 7 May 2019; c 25.]

The economist Mariana Mazzucato underlined the importance of finding the right partners—those who are able to subscribe to the mission-orientated ethos. Rather than “just handout machines”, she favoured public banks that pick

“the ‘willing’, not ... the ‘winners’”,

and she told us that

“The Bank is a wonderful experiment in Scotland to see precisely what it would be like to transform our imagination of what the public sector is for.”—[*Official Report, Economy, Energy and Fair Work Committee*, 14 May 2019; c 3,13.]

The committee was not convinced the language of the bill matches that aim for the bank to be transformative. We asked the Scottish Government to reflect on the wording of the objects that are set out in section 2—the cabinet secretary has already referred to that. We also invited consideration of how non-financial returns can be anchored in the bill.

How do we measure success? The use of a balanced scorecard was mentioned in an earlier document—the implementation plan—but it does not feature in the bill or anywhere else. The Scottish Government has said that it will lodge amendments at stage 2 to address those points, and the committee welcomes that undertaking.

The bill’s equality impact assessment should also be mentioned, because it was not so well received by some. The Scottish Government has now issued a fully revised assessment—the full detail in the revised assessment can, of course, be read elsewhere.

That brings us to the theme of inclusive growth—a term that is frequently used in policyspeak but is subject to considerable interpretation; the committee has highlighted as much in numerous pieces of work this session.

Research published in June by IPPR Scotland on behalf of the Poverty and Inequality Commission stated:

“The Scottish Government and its agencies could be clearer and more consistent in their definition of inclusive growth and demonstrate how this applied definition translates into practice.”

The Poverty and Inequality Commission concluded that

“inclusive growth appears to be more of a concept than something which results in a tangible outcome.”

It found it “heartening” that inclusive growth was to be built into the bank from the start, but it wanted to ensure that the agenda

“penetrates into the heart of economic policy making”.

The committee recommended that the Scottish Government give careful consideration to those research findings, and, in particular, how it can translate the theory into a clearer vision with tangible delivery. Our concern is that, without clarity, the bank could focus only on financial returns. Therefore, we welcome the positive response in the form of the fairer Scotland duty assessment—yet another document in a crowded field—which recommends that

“the Scottish Government review the ancillary objects contained within the Bill ... utilising its position as a ‘cornerstone in Scotland’s economic architecture’ to shape an economy that is diverse, democratic and which enhances societal wellbeing.”

That is perhaps a slightly long-winded quote, but it is one that is worth sticking with. If one reads the quote carefully, one sees that, in its own circuitous way, the Scottish Government is telling itself that it should listen to the committee—of course, the committee can only heartily agree.

The final issue that I wish to touch on concerns the bank’s vision and the setting of its missions. There will be missions to meet major societal challenges such as carbon reduction and the provision of social care. Such missions will call for multiple solutions from multiple sectors by multiple players. Professor Mazzucato said:

“I encourage the committee to keep provoking on that point.”—[*Official Report, Economy, Energy and Fair Work Committee*, 14 May 2019; c 4.]

Indeed we shall. We called for the Parliament to have an input to the formulation of the missions. There should be not just a round-table approach—useful as that can be—but a formal consultation process that is akin to the mechanisms that have been devised for climate change and planning legislation. The Scottish Government said that it

“will give consideration to bringing forward amendments to this effect”.

I rather hope that that is a non-committal way of committing, but maybe I am misreading the coded language of bureaucracy.

It was Bob Hope who said:

“A bank is a place that will lend you money if you can prove that you don’t need it.”

What is envisaged for the SNIB runs very much counter to that caricature. The bank is intended to be a public bank that drives transformative change. It is intended to be independent but accountable, and permanent but adaptable, with a long-term patient view. To that end, the committee set out 19 recommendations in our report. Our balanced scorecard reads that roughly half have been accepted, a couple have been declined and the rest are under review, which reminds one, in

relation to investment, of the three options that are set out in the parable of the talents.

As I have said, there are several areas in which the Scottish Government has undertaken to lodge stage 2 amendments, and we will study the detail of such amendments in due course. We look forward to further engagement on the Parliament's role in framing the bank's missions. On that basis, we recommend that the general principles of the bill be agreed to. I look forward to listening to other contributors to the debate.

15:13

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

We agree with the objectives underlying the establishment of the bank, and we will support the motion. We agree that Scotland needs more long-term patient capital, that firms that are looking to expand need more support and that we need transformational change in Scotland's economy.

Just last week, we had confirmation that Scotland's economy is contracting—the rate of growth is half that in the rest of the UK economy. Productivity continues to lag in the third division, and wages and tax revenues are falling further behind those in the rest of the UK, which is resulting in Scotland having a record fiscal deficit that is higher than that in any other country in Europe.

The need for transformation to reverse Scotland's decline into a low-growth and low-wage economy is clearer than ever. Development banks can make such transformational change; there are clear examples in Singapore, Germany and elsewhere. However, such change can happen only when the development bank is part of a coherent economic policy framework and when there is absolute clarity on strategy and objectives.

That was recognised in the chamber last year, when we first debated the bank and all members agreed to an all-party motion that said that

“a cluttered policy landscape can lead to confusion, a lack of alignment, duplication and weakened accountability”.

That is our overriding concern with the bill. Rather than being about the bill itself, which is enabling legislation, our concern is about the policy context in which the bank is being introduced and the ongoing confusion, clutter, duplication and lack of alignment that characterise the Scottish Government's approach to the economy and which mean that there is a real risk that the bank will fail to meet its ambitious objectives.

Section 2 of the bill states that the bank must invest in inclusive economic growth but, time and again, evidence that was given to the committee showed that there is fundamental confusion over the policy of inclusive growth. According to

Scottish Enterprise, what the concept means to one person is different from what it means to another. It said:

“There is no single measure of inclusive growth”.—
[*Official Report, Economy, Jobs and Fair Work Committee*, 14 November 2017; c 22.]

A representative of Highlands and Islands Enterprise said:

“I agree that inclusive growth is difficult to measure”,—
[*Official Report, Economy, Energy and Fair Work Committee*, 10 September 2019; c 36.]

and a leading economist made the observation that we do not have “a firm handle” on inclusive growth.

If inclusive growth is to be a central part of the bank's objectives, the Scottish Government must clarify precisely what it means and how it will be measured, not just for the bank, but for other enterprise agencies, so that they are all aligned in their economic targets.

John Mason (Glasgow Shettleston) (SNP): I wonder whether the member overstates the case slightly. There is broad agreement on a lot of things. For example, Scottish Enterprise and HIE have not been very good at bringing women into growing businesses and encouraging them, and I think that everyone across the chamber agrees that that is part of the inclusive growth that we want to see.

Dean Lockhart: When Mr Mason was a member of the committee, he heard evidence from many witnesses that inclusive growth as a concept means different things to different people. I am a great believer that, if we cannot measure something, we cannot manage it. I think that partly explains why there is confusion about the bank's objectives.

The guidance that I am talking about does not need to be in the legislation itself; it can be in the form of public guidance to all enterprise agencies. We look forward to the cabinet secretary clarifying what the centrepiece of his economic strategy actually means.

The committee also heard concerns about the costs involved in setting up and running the bank. In its evidence, the Royal Society of Edinburgh said that the £25 million annual running costs were “very high”. That £25 million is in addition to the £120 million operating costs of the other enterprise agencies, which means that the Scottish taxpayer is spending £150 million a year on running costs for those agencies before a single penny is invested in the economy.

We need to ensure that we see a real return on that investment along the lines of the one that the British Business Bank delivers for the UK Treasury. It has a target rate of return of more

than 2.5 per cent. Again, that target does not need to be part of the formal legislation, but we need to have clear targets to monitor the medium and long-term performance of the bank once it is up and running. I agree with the cabinet secretary that the targets should apply only once the bank is up and running.

Another fundamental question that the Scottish Government has failed to adequately address is whether there will be sufficient demand in the economy for the additional funding that is offered by the bank. It has also failed to adequately address the related question of whether the existing enterprise agencies are fully resourced to identify the new investment opportunities. We saw those problems arise in the context of the Scottish growth scheme, which has invested only a quarter of the money that was promised, because there was not sufficient demand in the underlying economy to pick up the £500 million that was promised.

The committee also heard evidence that the bank will not act as the originator of funding opportunities. That means that it will have to rely on the existing enterprise agencies, which will be operating under their existing budgetary and resource constraints. That raises the question whether the existing enterprise agencies are properly resourced and fully able to deliver the transformational increase in business investment that is required. We are yet to see convincing evidence from the Scottish Government that it has a delivery plan in place, either through the bank or through the enterprise agencies, to identify that transformation in demand in the economy. The cabinet secretary also needs to confirm whether the enterprise agencies' budget will be increased to deal with the extra demands that are placed on them. HIE told the committee that, to prepare for the SNIB coming on stream, it has hired one additional person, which does not strike me as a transformational change.

In later stages, we will seek assurances from the Government that it will avoid calls for a series of restricted areas of investment by the bank. We will also seek assurances that the bank will not be used to prop up failing business or declining sectors; that the bank will avoid duplication with the multitude of enterprise agencies and initiatives, which one witness referred to as a "Venn diagram on steroids"; and that the bank will continue and expand the co-investment programmes that the Scottish Investment Bank has successfully pioneered.

I turn to the bank's strategic missions. The programme for government announced that the bank's

"primary mission will be securing the transition to net zero",

and that

"A key element of the Bank's work will be to help to shape and develop commercially-investable low carbon markets."

We agree with those missions. Again, however, we need to see the detail on how they will be delivered, given that, over the past 12 years, the Scottish National Party has failed to deliver economic benefits and jobs from low-carbon markets.

The Scottish Trades Union Congress made that point clearly earlier this year when it highlighted Scotland's negative trade balance in the low-carbon sector. We import £230 million more in the low-carbon economy than we export. I look forward to hearing from the cabinet secretary about how the Government will avoid repeating past mistakes in relation to the development of low-carbon markets.

We will lodge amendments to bring the bill into line with best practice and with the way in which the British Business Bank operates. That will include adding in a requirement in section 12 for the Government to consult and seek agreement with the bank's board of directors before any change is made to the strategic missions. We believe that the Scottish national investment bank should operate independently and that any change to the missions should be made only following such steps.

We will support the bill to establish the bank at stage 1, but we call on the Government to provide assurances, in the bill and otherwise, to address the concerns that we are outlining today.

15:21

Richard Leonard (Central Scotland) (Lab): In this afternoon's debate, the Scottish Labour Party is making the case for the active state, the innovative state and the developmental state. That is our guiding principle; that is our call to action in considering the bill.

We and the people of this country do not simply want a residual state that is reactive and steps in only at the point of market failure. We need a different allocation of resources than would simply be delivered by the market. That is what the establishment of a Scottish national investment bank should be about.

The purpose of the bank that we must create with this legislation cannot simply be about the best rate of financial return alone. It must be ethical; it must take account of the strategic interests of the wider economy, such as the urgent need to tackle climate change; it must be empowered to help build a more equal and a more democratic economy; and it must be on the side of the people.

We live in an economy that is too often unjust and is in too many areas inefficient—with long hours and low wages, with inequalities and, all too often, discrimination in the labour market and with low rates of capital investment and low rates of productivity.

We will tackle the productivity gap in our economy only if we tackle the production gap in our economy, and we will do that only if we tackle the investment gap. A properly resourced national investment bank is the right way to begin to address that gap.

The Scottish Labour Party wants intervention that is developmental, not defensive, and that is industrially radical, not industrially conservative. We want to lock in the public ownership status of the bank so that there can be no repeat of the Green Investment Bank sell off. This Parliament must learn the lessons of that initiative.

In the bill's accompanying financial memorandum, the Government claims the bank's level of capitalisation to be "both ambitious and achievable." There is little doubt that it is achievable—of course it is—but it lacks ambition. Some £2 billion to capitalise the bank over 10 years might seem like a lot, but it would represent a rise of less than 1.4 per cent per year in overall Scottish business investment. In its plans for a UK-wide national investment bank, Scottish Labour proposes that £20 billion should be made available over 10 years for industrial investment in Scotland. That would make the kind of transformative step change that the Scottish economy needs.

In recent weeks, I have argued that the restrictions on Scottish Government borrowing powers should be lifted. I believe that that rule should also apply to the Scottish national investment bank, as the Scottish Trades Union Congress has called for in its submission.

Scottish Labour welcomes object (c) in the bank's articles of association as listed in the bill, which is

"promoting and developing the activities of small and medium-sized enterprises".

However, unless the Government amends its economic policy objectives, object (e), which sets the bank the goal of

"contributing to the achievement of the Scottish Government's economic policy objectives"

will mean that the bank's investments will be in pursuit not simply of small and medium-sized enterprise development and the nourishment of indigenous industrial growth, but of mobile foreign direct investment. The inevitable result would be that the Scottish economy would be not less, but even more of a branch plant economy as a result

of the new bank's creation. We must guard against that.

On governance, of course the bank should be answerable to ministers. However, it should be answerable and fully accountable to the Parliament, too. Its strategic framework, the setting of its goals and performance objectives and their monitoring must be subject to parliamentary scrutiny and therefore public as well as ministerial scrutiny.

The main board and the advisory board should be gender balanced and should reflect the diversity of our society. Both boards should contain trade union and industrial voices in significant measure. Those should not be token seats; they should involve meaningful representation.

We need to set clear guidance on maximum salary ratios in the new bank, so that the ratio of the chief executive's remuneration—not just their salary but their overall remuneration—should be limited, perhaps to no greater than 20 times that of the lowest-paid worker, and arguably significantly less.

In "The General Theory of Employment, Interest and Money", John Maynard Keynes rightly said:

"When the capital development of a country becomes a by-product of the activities of a casino, the job is likely to be ill-done."

Scottish Labour therefore welcomes an alternative to the model of dispersed ownership and share listings, and an alternative to the model based on financial institutions looking for a quick return and the ever-constant threat of takeover. Everyone is agreed that we need longer time horizons and more patient capital. We need industrial interests to predominate—not the commercial interests of the City of London. We need to rebalance our economy and tackle the highly centralised UK economy.

We will not solve every problem in the Scottish economy with this bill and the establishment of a national investment bank for Scotland. We need to make sure that the bank is not another Government proposal that overflows with spin but underwhelms on substance. Nonetheless, the bill represents a starting point on which we can improve. We can establish a bank that is accountable and that has clear objects, the overarching aim of which is to build the economy from the bottom up. We can establish one that is financing the just transition from a carbon-based economy to a non-carbon based one. Such a bank would promote democratic forms of ownership, including co-operatives and employee ownership. We can establish a bank where the right voices and values sit at the heart of it—not just at the

start, but in the long term—by building that into the legislation.

I ask the cabinet secretary to hear those views and to respond to them positively. Listening to Parliament and agreeing to radical reforms and constructive suggestions would be a sign not of weakness, but of strength. I hope that the Government is listening and that it is prepared to act.

15:29

Andy Wightman (Lothian) (Green): Greens support the establishment of a Scottish national investment bank. We have an economy that has, over the past 40 years, been run in the interests of private capital rather than in the public interest; an economy where the return to labour over the past 20 years has declined in relation to the return to capital; and an economy where the public sector at a local level has been in retreat and has lost the means, the will and the courage to take its proper role in the economy to advance the public interest. It has therefore been refreshing in recent years to see an increasingly positive case being made for an economy where the public interest is placed more at the heart of economic policy.

I pay tribute to a range of thinkers who have advocated the creation of such a bank. They include the New Economics Foundation, Friends of the Earth Scotland, Common Weal and the move your money campaign, whose 2016 report “Banking for the Common Good” outlined a vision of what a state investment institution could do and the role that it could play in Scotland. In the context of the bill, such thinkers include Mariana Mazzucato, whose 2013 book “The Entrepreneurial State: Debunking Public vs Private Sector Myths” debunked many of the myths around the role that the state can play in the economy. Her evidence to the committee was both refreshing and encouraging.

We know that public investment banks can work. In the debate that we had on the subject in May 2018, the then cabinet secretary Keith Brown noted that countries including China and Germany are confronting key social and environmental challenges in that way. He cited the example of the German KfW bank, which supports small and medium-sized enterprises, export promotion, environmental protection, innovation and international development.

In this context, other countries provide examples of far more sustainable models of banking in general, such as the German Sparkassen, which are 431 locally owned savings banks that own the eight Landesbanken and work with the German state investment bank KfW, which the cabinet secretary mentioned, to make loans. In 2012, the

Sparkassen provided 45 per cent of all long-term business lending in Germany, which was more than double what was provided by German commercial banks.

There is a lesson here that we need to learn as a matter of urgency because, as Professor Mazzucato said in *The Spectator* last year:

“many of the businesses we are told are value creators are actually value extractors”.

In an interview in *New Statesman* in the same week, she pointed out that the financial services industry was never even included in GDP until the early 1970s because many such services are no more than transactional and they add nothing to economic activity.

In recent weeks, Greens have set out the broad parameters of a Scottish green new deal, and central to that is the need for investment in a new green economy. The role of the Scottish national investment bank should be central to delivering that. With that in mind, we would like to see some changes to the bill, including the following.

We would like a clearer articulation of the bank’s purpose. The Economy, Energy and Fair Work Committee remains to be persuaded that the language of the bill fully matches the ambitions for the bank to be transformative. The original vision for the bank in the implementation plan was a bank that would be responsible for

“a step change in growth for the Scottish economy by powering innovation and accelerating the move to a low carbon, high-tech, connected, globally competitive and inclusive economy.”

Personally, I do not agree with those words, but the point is that no vision is set out in the bill, and that needs to be addressed.

Derek Mackay: Does the member accept that the enabling legislation takes us so far in ensuring that the foundations of the bank are provided for in law, but that there is far more scope for that transformative language, vision and purpose to feature in all the other documentation that will drive the bank? Arguably, its absence from the legislation is due to the nature of legislation, but it must be there in the other associated documents to drive the transformation that Andy Wightman and others seek.

Andy Wightman: There is an important debate, which we can have at stage 2, about how much of that language might be included in the bill. I take the point. The bill is very much a framework bill—it just tells ministers to set up a public limited company—but I think that we can do more in the bill to reflect some of the ambition that, as has been noted, it will deliver.

On climate, as the cabinet secretary noted, the First Minister stated in the programme for government:

“Securing the transition to net zero will be the Bank’s primary mission.”

We agree with that, and it is therefore vital, in our view, that that objective is set out clearly in the bill, both in section 2, on the bank’s articles of association, and in section 11, on missions. I would be grateful if the cabinet secretary or the minister could comment on that in winding up.

Another area in which we would like to discuss some changes is section 1. The bill provides that the sole member of the bank shall be the Scottish ministers. The cabinet secretary will be aware that the German public development bank KfW is 80 per cent owned by the federal Government and 20 per cent owned by the states. Given the vital role that local government plays and will continue to play in tackling climate change and promoting economic development, there is a good argument for local authorities to have a stake in the bank. I would welcome the cabinet secretary’s view on that.

On missions, we of course agree that the transition to net zero should be incorporated, but we also believe that it should be a statutory mission that is in the bill. More generally, it is notable that, although any changes to the bank’s articles of association, which are set out in the bill, can be made only with parliamentary approval, the missions are to be set solely by the Scottish ministers with no parliamentary involvement. The cabinet secretary said that he intends to lodge amendments that would allow Parliament to be consulted on those missions. However, we think that any mission should be subject to parliamentary approval and a vote, just as changes to the memorandum and articles of association will be.

On ethics and equalities, the committee highlighted the poor quality of the equality impact assessment and pointed out that, although an ethical basis for investment was recommended in the implementation plan, there is no such provision in the bill. We suggest that that could be overcome by the incorporation of an ethics and equalities committee in section 9.

Greens support the bank and the bill. There is more work to be done, but we will vote for the motion at decision time.

15:36

Willie Rennie (North East Fife) (LD): The impact of Brexit is hitting investment, jobs and living standards. We saw that in the woeful Scottish GDP figures that were released last week, which mirrored the figures for the rest of the

United Kingdom—and Brexit has not even happened yet. That shows why, for the sake of our economy, jobs, livelihoods and public services, we need to stop Brexit.

In Scotland, opportunities to invest in the talents of our people through education and mental health services have been missed. Government initiative after Government initiative has failed to deliver a kick-start to the economy. The Scottish national investment bank must be different—not least, for the sake of the planet.

The programme for government rightly committed to putting the transition to net zero emissions at the heart of the bank’s work, but that primary mission must be properly reflected in the legislation that underpins the bank, and in the breadth and depth of its work. As we have heard, the committee concluded that the language of the bill leaves something to be desired. The committee was not persuaded that the bill

“matches the ambitions for SNIB to be transformative.”

As Friends of the Earth Scotland has pointed out, the bill does not mention climate change once. The bank is to focus not just on fixing market failures but on creating and shaping new markets and tackling societal challenges, and there is no bigger challenge than the climate emergency. The bank needs to help to drive the transition away from carbon-dependent industries. It should be able to take a distinct approach to risk management, with an appetite for absorbing some of the risk to which developing green industries are vulnerable.

The promise to begin investing in 2020 needs to be kept. The Scottish growth scheme took forever to pay out a penny, but the climate cannot wait. We know how important it is that we turn the situation round in the next few years. We know that the Scottish Government is going to have to step up a gear after Parliament yesterday agreed to Liam McArthur’s and Claudia Beamish’s bid to strengthen the interim emissions targets.

Other countries are already investing accordingly. We have heard about KfW, the national investment bank in Germany, which once focused on post-war reconstruction and which now includes addressing climate change and environmental issues among its central missions.

Under my party’s plans, the Scottish bank would be complemented by a new UK-wide green investment bank. We set one up before, only for the Conservatives to sell it off. The replacement would channel investment into zero-carbon infrastructure for power, heat, transport and afforestation. I want the UK to be the green finance capital of the world.

The principles of the Scottish national investment bank have been outlined. The bank is expected to pay the living wage. However, I would be grateful if the cabinet secretary could provide reassurance that the bank will not provide finance to companies that do not pay the living wage. I do not want to see a repeat of what happened with Amazon, which was given millions of pounds of public money while a blind eye was turned to the needs of its workers. It is expected that the bank will develop a code of ethics that goes beyond regulatory requirements and adopts a best-practice approach. Will payment of the living wage be incorporated into that code—and not just for the bank’s own workers? Could that be included in the bill? Healthy employment practices lead to a healthier economy.

Derek Mackay: In aiming to be helpful, it is right to propose many things that might not necessarily fit in the primary legislation. Definition of the living wage might be one such matter. However, we should consider including it in other places in order to achieve the desirable outcome of payment of the living wage, although it might not be appropriate to put it in primary legislation.

Willie Rennie: I know that we are due to have a discussion about the bank, during which we can perhaps go into the detail of why it would not be appropriate to put that requirement in the bill. I am grateful to the minister for giving us that guarantee—such as it is.

In the course of promoting inclusive growth, the bank, like the rest of us, will be faced with the challenge of automation and what it means for jobs in the future. The issue has been brought into focus again this week, when Dame Deirdre Hutton, the head of the Civil Aviation Authority, said that Thomas Cook Group was

“operating on brochures whereas everyone else has moved on to barcodes”.

The demise of Thomas Cook will lead to a fresh focus on the future of our high streets. More customer-facing jobs will go and there will be more empty units.

FSB Scotland has suggested that the bank should, under its inclusive growth mission, support efforts to protect the vibrancy of our local communities for the long term. It could focus on areas where there are low levels of entrepreneurship, low economic activity and high unemployment—areas that the FSB says struggle to attract the private investment that could transform their fortunes because it is less certain that they will generate returns. We cannot halt the march of technological progress, but we can take steps to ensure that everyone benefits from it.

We will support the bill at decision time.

The Presiding Officer (Ken Macintosh): We move to the open debate.

15:42

Annabelle Ewing (Cowdenbeath) (SNP): I am pleased to have been called to speak in the stage 1 debate on the Scottish National Investment Bank Bill. It is a landmark bill, because it will see Scotland join the growing number of countries that have set up their own national investment banks. It has been recognised that the drive to do that has, in part, been led by the need, following the financial crash of 2007 and 2008, to re-evaluate how best to fund projects that will be transformative and which will support innovation, given the retreat of many commercial banks from capital investment.

At the same time, there is also a demonstrable need to secure long-term investment in small and medium-sized enterprises in order to promote growth in areas that fall within the mission that has been set forth, given the general disinclination of commercial banks to lend to what are deemed to be less-attractive prospects from a short-term commercial perspective—that is to say, the commercial banks are not prepared to provide so-called patient finance.

The bill will provide for the setting up of a Scottish national investment bank as a public limited company to be established in 2020. It is an enabling bill and hence—as has been said—it will be required that much of the detail be developed outwith the bill. Although I understand that that is frustrating for some of those who have made submissions, as with any enabling framework bill, a balance must nonetheless be struck.

However, it would be helpful if the cabinet secretary could provide some more detail on exactly how the provisions of the articles of association—the key document—are to be developed from here on in, and on how they can be subjected to appropriate scrutiny. Although I understand that the articles of association represent a legal agreement between the bank and the Scottish Government, an appropriate mechanism to ensure meaningful engagement must be found. That should also apply to the general principles that underpin the investment policy.

On the proposed objects of the bank, concerns have been raised that the vision that was set out clearly in the implementation plan is not elaborated on in the bill. I am pleased to note that the cabinet secretary has undertaken to lodge amendments at stage 2 that will ensure alignment between the objects of the bank, the vision that is set out in the implementation plan and the anchoring of non-financial returns in the bill. It

must be recognised that although there must be a financial return because it will be a bank, there must also be a so-called balanced scorecard that factors in wider economic, social and environmental returns.

It has been stated that the proposed capitalisation of the bank is £2 billion over 10 years. Again, there are differing views on that, with some people arguing that it is not enough. However, as has been said, it is worth noting that the sum represents about 1.3 per cent of GDP and therefore falls well within the parameters of international practice in that regard, in which there is a range from about 0.5 per cent to 1.5 per cent of GDP. Benny Higgins, who developed the implementation plan, has said that

“£2 billion strikes a decent balance between aspiration and impact.”

Of course, it cannot be overstated that in the current devolved set-up, in which Scotland does not have access to all her resources and we have limits on our borrowing powers, any initiative such as setting up the national investment bank must be affordable within the devolved settlement.

As far as the estimated running costs of the bank are concerned, the Royal Society of Edinburgh has queried whether running costs of about £25 million, in the context of administering an annual fund of £200 million, are of the right order. Perhaps the cabinet secretary could reflect further on that in his summing up.

The debate that has taken place thus far on governance issues has focused to a considerable degree on the make-up and role of the advisory committee. Although the membership of the committee should be drawn widely, it is important that it be clear that the advisory committee is to advise Scottish Government ministers, and not the bank directly. It will not be a bank by committee. Rather, for the bank to be successful, it must have the operational independence that is necessary to ensure that it can function successfully and do the great job that we all hope it will do.

As I said at the outset, the new Scottish national investment bank will be pivotal in securing a transformative impact on Scotland's economy. It is clearly intended to provide additionality and not to duplicate the existing landscape of enterprise bodies, the Scottish Futures Trust and local government. Although many key issues remain to be developed, it is heartening to note that the Government has engaged widely and is committed to continuing such wide engagement, as the issues are worked through. I very much welcome that approach and I look forward to further detailed information from the finance secretary over the coming weeks and months.

As the finance secretary has said, the new Scottish national investment bank will allow things to happen in our country that otherwise would not happen—for example, the transition to a low-carbon economy; our seeking to tackle the demographic challenges that we face from an ageing workforce and health inequalities; and reflection on Scotland's challenges that result from our geography and our regional diversity. I find that to be a very exciting prospect, indeed. I am happy to support the bill at stage 1.

15:48

Tom Mason (North East Scotland) (Con): A new investment bank, such as that proposed today, has the potential to grow our economy and provide for the economic development of our towns and cities. With that in mind, I am supportive of the bill. I do not just look forward to the opportunities it can provide, but will try to keep one eye on the challenges that should be addressed during its latter stages in order to make the bank as successful as possible.

Since the bill's introduction earlier this year, the Scottish Government has changed the bank's remit to focus on environmental issues and, given the salience of such issues, it is easy to understand its reasoning. It is right that we continue to increase our efforts to ensure the highest standards of environmental protection, so the move can be welcomed. However, it is vital that business sectors that invest in renewables, for example, are able to work with the bank even if their original area of practice does not fit within the model.

I am thinking of a number of companies in my region that are involved in the fossil fuel industry but are expanding their investment into greener energy solutions. Such firms, which are not all multinational giants, should not be excluded from working with the bank if they could contribute to reducing emissions over the long term.

Another issue lies in where overall control of the bank's mission sits. It is currently proposed that ministers can dictate to the bank its objectives, and there is no requirement for any consultation on those with the Economy, Energy and Fair Work Committee, Parliament as a whole or the directors of the bank. It is important to include in the bill the need for such discussions, as it would be unfortunate if, at any point, the bank was obliged to follow the political instruction of ministers rather than economic best practice. I note that the Economy, Energy and Fair Work Committee highlighted that in its stage 1 report on the bill, and I hope that ministers will respond in a constructive fashion.

Another vital consideration is the nature of the current stated mission of the bank. Ministers have indicated that they want the bank to be quite interventionist in certain areas of the economy. That is a valid viewpoint, but I am concerned that it is trying to be all things to all people. Although it is important to consider how we deal with climate change or our ageing population, preferential treatment for certain sectors over others could undermine the fundamentals of the economy. I hope that the minister will give that further thought.

Concerns have been raised about the expectation for the bank to be self-sustaining within five years. The committee has taken a significant amount of evidence on that and it appears that ministers are being quite generous with their predictions. The idea of the cost of a project spiralling out of control will be entirely unfamiliar to the Scottish Government, but I urge ministers to think carefully about how to manage expectations over the next few years.

I worry about a landscape that has been described by Jim McColl as “too cluttered”. In the past few years, there have been a number of arm’s-length organisations trying to provide investment for businesses. Whether through Scottish Enterprise and its Scottish Investment Bank or the Scottish growth scheme, which was the previous idea for a business investment bank, the Scottish Government has taken a number of swings at it, but it has not worked out yet—I hope that it will this time. The growth scheme has not even managed to get close to investing half of the £500 million that was promised in 2017. There is a serious question here and ministers need to have a good answer: what will be different this time around?

The Scottish national investment bank is an idea with merit, but a number of challenges need to be resolved before the bill is passed if the bank is to fulfil its potential to grow our economy, create jobs and boost living standards. I do not doubt ministers’ intentions, but more work is clearly required.

In that spirit, I look forward to seeing amendments lodged at further stages of the bill to address the issues that the SNIB faces. I hope that ministers will be receptive to such changes and I look forward to working together to make them happen.

15:53

Alex Neil (Airdrie and Shotts) (SNP): The civilised debate in this Parliament is a great contrast to the pantomime down the road in Westminster.

The success of the Scottish national investment bank will be judged on how it tackles the central

challenges of the Scottish economy. We rely far too heavily on a small number of sectors for our entire national wealth, as the food and drink, oil and gas and service industries account for about two thirds of everything that we produce in Scotland. We need to expand our product, service and company base. In many sectors, we rely too heavily on a small number of companies for a high proportion of what is produced.

We now almost have a situation in which we can count on the fingers of two hands how many companies are headquartered in Scotland. As we know, if more companies were headquartered here, that would produce a far bigger spin-out than if we relied on branch activities. All those things are extremely important.

We rely heavily on a small number of products, services and companies for most of our exports from Scotland. The key central challenge is to diversify our economic base. We need more companies, more SMEs and bigger companies, more companies headquartered in Scotland, more companies exporting, and more companies involved in research and development.

It is interesting to compare ourselves with countries such as Finland and Norway, as well as bigger economies such as Germany. They have all had successful national and regional investment banks almost since the war. In Finland, more money is given in the form of credit guarantees and other facilities to their exporters than there is given in the whole of the United Kingdom by the UK Government. That shows the scale of where we have to get to in order to be as competitive as Finnish industry.

A good example is shipbuilding, which we gave up far too easily many years ago, apart from what is left on the Clyde and at Rosyth. Through their national investment bank, the Finns have a vibrant shipbuilding industry and many other such industries. Through their innovation agency, the Norwegians are building up to diversify over time from oil and gas into a range of new, high-tech industries.

Scotland’s record on research and development is appalling. The UK’s record is appalling. The average level of business research and development in the UK is less than 50 per cent, as a percentage of GDP, of what it is in Europe. The level of research and development in the private sector in Scotland is less than half the UK average because of the heavy concentration of industry in London and the south-east.

A key challenge for the national investment bank will be to increase finance to exporters as well as increasing the level of research and development to help us diversify into new jobs and

industries. On top of that, there are many other opportunities that we need to pursue.

Let me just say a word about the money. On first looking at the idea, I thought that, although £200 million is not to be scoffed at, against the scale of the challenge, it looks to be fairly modest. However, a key role of a national investment bank is to leverage in funding from elsewhere. The worst thing that can happen is that the investment bank takes on all the risk while other people benefit. We will be able to leverage in many investments from the pension funds and other funds. The whole point is not the £200 million a year. If we manage to at least double that in the early years, and increase that ratio further in the later years, we are talking about an additional £400 million to £500 million a year. Once the bank gets a track record, people will come to it with new ideas and demands for funding. It will grow in the second half of the 10-year period into spending and requiring much more than the original capitalisation plans because there will be opportunities. The return to the Scottish economy could be very high indeed.

I come to the opportunities and looking to the future. Many mentions have been made in the debate so far of the fantastic global opportunities. We should not narrow ourselves down to the European Union, which is the slowest growing part of the global economy. We should go out there and be global and international. That is where the big markets and the market growth are.

Let us look at artificial intelligence, some of which resides in the chamber.

Let us take the health sector. If we develop an expertise and invest heavily in the application of artificial intelligence in diagnostics in the health service, we can be a world leader in that field and, at the same time, help our health service.

If we look at life sciences, particularly animal life sciences, we see that Scotland's opportunities are transformational.

If we look at information technology, we see that one of the massive, growing industries is the provision of cybersecurity for Governments and businesses. We do not need to be physically in Australia in order to provide cybersecurity services to somebody in Sydney or Melbourne. We can do it from Glasgow or any remote part of Scotland; we can serve a worldwide market. The opportunities are endless.

It is a great pity and tragedy that this Parliament did not do that earlier, because, 20 years down the line, we could have had a booming Scottish economy, which would have topped the European and global leagues. For our country and people, that is what we should aim for.

16:01

Jackie Baillie (Dumbarton) (Lab): Tempting as it is to note that Alex Neil was looking in the mirror when he was talking about artificial intelligence, I will, of course, resist.

As an idea, a Scottish national investment bank is not all that new. The Scottish Investment Bank already exists in Scottish Enterprise, and investment in business has existed in different forms for years.

Time after time, intent on a bit of nation building, of which the SNP is so fond, successive ministers and First Ministers have announced the Scottish national investment bank. It has probably been announced at least nine times over the past nine years: first, by John Swinney, then Alex Salmond; Keith Brown had a look in; Nicola Sturgeon followed; and now even Derek Mackay is in on the act. However, it could not be legislated for earlier because, until now, the SNP Government did not have the capital to make it fly.

Now, it is all hail the financial transactions money from the UK Government. At first, the SNP denounced it. Keith Brown talked about it as just "loan funding" and "funny money". Of course, it is just loan funding, but now it is the welcome money that will capitalise the bank.

However, all £500 million needs to be paid back. Therefore, I want the cabinet secretary to tell us how the repayments are profiled, how much they will be and what their timeframe will be. We need to understand in totality what it will mean to the Scottish budget.

Make no mistake—I am in favour of a national investment bank. As we heard from Richard Leonard, Labour proposes to capitalise the bank with 10 times the resources that the SNP promised. However, I want to know that we are doing it in the most efficient manner possible—getting the biggest bang for the taxpayer's buck.

The economy committee, of which I am a member, looked at the bill proposal, but the Finance and Constitution Committee considered the financial memorandum. First, I want to follow the money, as my mother always taught me to do. The bank will be capitalised up to 2021 by £500 million of financial transactions money from the UK Government, and £1.5 billion of Scottish Government money will be provided from 2021 to 2028. That is the investment part of the equation, which is straightforward.

Now, let us look at the cost. Here is the headline figure that we have not properly understood. By 2023-24, which is when the Government expects the bank to cover its costs, the taxpayer will have borne a cumulative loss of at least £80 million. Dean Lockhart uses the figure of £150 million.

Whichever it is, it is a significant sum. That £80 million is to cover new staff, a chief executive, a chair, the Scottish Government sponsor unit and estate costs, and that is before the bank starts to cover its operating costs. In a time of continuing austerity, that is a sizeable sum of money to lose. Let us think about what that money could buy—almost 3,000 nurses or almost 2,000 teachers. We must think carefully about what we are doing.

The Royal Society of Edinburgh, in a very thoughtful submission, noted that the projected annual running cost of £25 million to oversee an investment fund of £200 million is “very high” and needs to be reviewed.

Let me ask a fundamental question of the cabinet secretary. Money is already distributed through the Scottish Investment Bank, the Scottish Futures Trust and other Government-controlled agencies. What review has taken place of the experience, efficacy and impact of those existing arrangements? Are those arrangements any good? I know that Derek Mackay is dying to answer but I will just finish. Does the cabinet secretary know whether they are any good? That will inform whether what he is about to do with this bill is the right thing. Can he tell us why this approach has been taken in the bill and what additionality the new bank will provide? That information is important for us to know as we go forward.

Derek Mackay: I thank Jackie Baillie for the question. I will make a brief intervention at this stage; I may say more in summing up. I think that there will be a requirement for that on-going review, especially to work out what the final legislation should look like. I have said that I will engage with Parliament, so it is right to have an on-going review of what is provided by other parts of the public sector and by banks elsewhere in Scotland. We need to keep that under review and, to address the point about clutter that colleagues have made, we need to look at what financial products are available and which other parts of the system come together. We will then return with a comprehensive plan on how that will look in a whole-system approach. However, that is a fair challenge.

Jackie Baillie: Although I welcome that recognition from the cabinet secretary, my concern is that we have not done that review in advance of passing legislation and spending taxpayers’ money, and we are not quite sure whether this bill will do the trick. I am happy that he will do the review, but I want it done now rather than some years down the line, because it is important for us to understand whether the bank’s additionality will compensate for the cumulative multimillion-pound loss in the first five years.

A key issue is stimulating demand. Is the cabinet secretary confident that there will be sufficient demand, given that the Scottish growth scheme, which was announced to considerable fanfare, has distributed a fraction of the money intended? These questions all need answers from the cabinet secretary—

Alex Neil: Will the member give way?

Jackie Baillie: No, I do not have enough time.

If there is another more cost-effective way of achieving the same end, we should consider it. I am with Alex Neil when he speaks about the potential return, but we need to be convinced of that rather than just hoping that it will happen.

To turn to some of the other issues that have been raised, I particularly want to focus on the views expressed by Engender and Close the Gap. Both organisations said that the equality impact assessment was limited in scope, lacked analysis and was quite poor. Although the cabinet secretary has revised that equality impact assessment, which is welcome, it is still difficult to retrofit equality into policy that has already been developed.

There is a wealth of international evidence that gender equality is a necessary precursor to economic growth. If we want the bank to deliver for women and women-led businesses in Scotland, that needs to be a core part of the strategy and implementation. It should be on the face of the bill—that view is shared by many—as should the vision and the objectives of equality and non-discrimination, along with socioeconomic and environmental outcomes, so that we influence the bank’s lending policies and governance right from the very start.

There will undoubtedly be many amendments to come and I look forward to challenging the cabinet secretary further during stage 2.

16:08

John Mason (Glasgow Shettleston) (SNP): Once again, I find myself speaking in a debate on an issue that came from the economy committee, of which I was a member when the report was prepared. Sadly, I am no longer on the committee, but I am happy to take part in the debate. There was clearly broad agreement on the subject among committee members, which perhaps there was not in last Thursday’s economy committee debate on pre-release access to statistics.

As has been said, this is very much an enabling or framework bill and the question has arisen whether there should be more detail in it. We have faced the question previously with legislation such as the Land Reform (Scotland) Bill and the Islands (Scotland) Bill.

Too much detail in a bill can be difficult to update as circumstances change. On the other hand, too little detail could give ministers or, in this case, the bank itself too much freedom to drift away from the intentions of Parliament. We need to get the balance right as we move to stages 2 and 3.

I think that having a bank such as this is a great opportunity. We heard clear evidence at committee from a number of countries, including Wales, about how it could be a real asset to the economy.

As we noted at paragraph 48 of the report,

“The Bank ... will not take deposits”,

nor will it borrow from anyone other than the Scottish ministers. However, we might wish to revisit that in the longer term. I believe that there are a number of individuals, and possibly also organisations, who would be keen to invest in Scotland’s economic development through a bank such as the national investment bank. In fact, I have had individuals asking me personally whether it will be possible for them to invest in it.

The bank is intended to provide patient finance. That could be by way of loans or equity, but it would not be through grants, and it would not be to bail out struggling companies. I realise that the concept of patience is not always well known to politicians, who usually want to see the whole health or education system turned around between one First Minister’s question time and the next. As in business, there are likely to be failures as well as successes, as the convener has said and as the committee heard—bad news may well come sooner than good news. I hope that we can all commit at this stage to being patient and not jumping to criticise the Government of the day if the first investment were to go belly up.

I will move on to some specific topics that have aroused interest, starting with the matter of setting a target rate of return. The committee said in its report, in paragraphs 201 to 203, that the rate of return should not be the be-all and end-all, and that evaluation of the bank should be wider and include social and environmental impact. We suggested that we should be particularly careful in the early years—say, the first two to three years—and we recommended that a target should not be set or applied in the short term. I was therefore particularly interested in what the Government said about that in paragraph 40 of its response of 26 August.

I think that there is agreement that, as paragraph 43 of that response says, the bank needs

“to cover its operating costs”.

There have to be

“sufficient financial returns”

to repay the Treasury, and there must be

“sufficient returns to grow its asset base ... enabling future rounds of investment in Scottish companies and communities”.

As paragraph 45 of the Government response says, we do not want an unintended consequence involving decision making focused on the short term.

Paragraph 46 of the response makes the extremely important point that if the bank does not have a target rate of return, it might be more susceptible to political pressure to be a lender of last resort to distressed companies. There might also be issues with state aid rules, whether those are decided by the European Commission or by the Competition and Markets Authority.

Moving on to ethics, the economy committee asked the Government to consider including an ethics committee in the bill. In paragraph 61 of its response, the Government says that ethics might be best considered

“as a main Board duty”.

I get the point that ethics should be central to the whole organisation. However, on balance, I would like to see a committee that specifically focused on that topic, which could then take a considered position to the main board. It would not be a particularly bad thing for the respective chairs of, say, the ethics committee and the investment committee to put slightly different arguments before the main board for a decision to be made. However, I am more relaxed about whether that needs to be set out in the bill.

On sustainable growth and the environment, there have been a number of briefings for today’s debate, including from Friends of the Earth, the Scottish Council for Voluntary Organisations and Social Enterprise Scotland, emphasising the importance of the environment and other issues. It seems to me that there is broad agreement on the need for environmental issues to be included, although, as we saw yesterday during the debate on the Climate Change (Emissions Reduction Targets) (Scotland) Bill, there are differences as to how far people want us to go and how quickly.

There are clear concerns about what the term

“inclusive and sustainable economic growth”

might mean. I do not think that many of us want unlimited economic growth with no strings attached. Perhaps the more difficult question is where all of that should be written down. Should it be in the bill itself, as some people suggest? Unlike normal legislation, the bill deals with a company, and there need to be articles of association, which gives us the option of having

more detail. Articles of association can be changed only by agreement of Parliament, so they seem to be a good place for laying out what we want.

However, as far as I can see, the wording in the draft articles on the objects of the company is exactly the same as the wording in the bill. I would have thought that there might be an opportunity for the articles to be expanded beyond what the bill states and for them to give more of the detail that many people are seeking. I wonder if the Government is open to that.

Derek Mackay: Will the member take an intervention?

The Deputy Presiding Officer (Christine Grahame): The member is in the very last few moments of his speech, so probably not. You had better just do a last sentence, Mr Mason.

John Mason: My last few lines are as follows.

I hope that we can all support the bill today and the creation of the bank. I am sure that there will be much more debate over the detail later on.

The Deputy Presiding Officer: Cabinet secretary, I am sure that you will have time to comment in your summing up.

16:14

Jamie Greene (West Scotland) (Con): I am very pleased to speak in today's debate, which has been interesting.

The old adage is that you wait ages for a bus to turn up, then three come along at once. The same has to be said for the Scottish Government's strategy on supporting business: we have been waiting for something such as the national investment bank since Derek Mackay's party took office. Going back as far as 2009, John Swinney talked about

"creating a vehicle that would enable us to provide the necessary long-term support and investment in the Scottish economy."—[*Official Report, European and External Relations Committee*, 28 April 2009; c 1128.]

That was very admirable of him. In 2014, he said that he had not shelved the proposition of a business development bank but was still searching for a way to develop one.

Five years later, here we are in the chamber debating stage 1 of the Scottish National Investment Bank Bill. I am supportive of the concept of national investment banks, because I think that they have a place in modern economies. We have talked about Germany and some of the successes that other countries have had with such financial vehicles.

To be fair to the Government, this vehicle is probably the right one for the purpose. However, the devil will very much be in the detail. A bank such as the proposed Scottish national investment bank goes against what banks normally do and, probably, what Governments do. Governments are generally asked to step in when markets are failing. I hope that the aim of the new bank will be entirely different, and I hope that it will genuinely shape and steer the markets, rather than simply correct failures.

Derek Mackay: A number of members have raised the point, so I will make the position clear, if that is helpful. The intention is that the bank will be based on an economy-shaping model, as opposed to having the aim of—as it has been described by others—supporting failing businesses. The bank should help businesses that have viable futures, and it should help to shape our future economy. That will be the spirit of the bank.

Jamie Greene: I am pleased to hear that. It is a very positive move.

There is certainly a theme coming through in the stage 1 process about protection of the environment, social inclusion and sustainable development, which we hope will sit at the heart of the bank's investments.

However, ultimately, we are talking about taxpayers' money, so the money must still be invested in viable opportunities that will offer some return, even if it is not a direct and obvious pound-for-pound return. There is nothing wrong with the concept, but it is still unclear from the papers that we have how the bank will achieve that. We have seen other schemes: the Scottish growth scheme aimed to provide £500 million in loans by 2020. We are not in 2020 yet, but we know that the amount that the scheme has invested to date is substantially below that figure.

It is true that an investment vehicle such as the investment bank cannot be measured by the conventional tools that are used by Governments or investors. It will be challenging to put a number on the success or otherwise of the bank. As John Mason said, we might need to be patient.

Availability of credit, although it is a tool, is not the only tool. Finance cannot overcome poor market conditions, skills deficits and factors that are way outside our control. We might argue that the Government could already have played a more vital role over the past decade in fostering innovation, growth and skills.

After First Minister's question time today, I held a timely meeting with members of the Ayrshire Chamber of Commerce. Some of the people whom I met at that round-table meeting are entrepreneurs who run small businesses. They are the sort of people whom the bank should help. I

met entrepreneurs including Alix, who runs her own make-up company; Ruth from Ardrossan, who runs a photography business; and Gemma, who runs a wedding and events company.

I was really buoyed up by the enthusiasm in the room for promoting small businesses, taking on people and growing the economy of Ayrshire. I told them that I would be speaking in today's debate about a new national bank that would promote SMEs, create and shape markets and develop enterprise when clearly commercial models are failing them. They said that that is all very well and good, but asked me to ask the Government where it has been for the past decade, and how much longer they will need to wait for support to be made available to them. I hope that we can work through the process swiftly and get the bank established.

I turn to technical aspects of the bill, in the short time that I have left. I say, meaning no disrespect to the people who have drafted it, that I am pleased that it is just stage 1, because there are many holes in the bill. I hope that members from across the chamber will work constructively to get it to a good place when it comes back.

On page 1 of the bill, the bank's main object—something that Andy Wightman alluded to—is stated as

“giving financial assistance to commercial activities for the purpose of promoting or sustaining economic development”,

which is okay if we can decipher what that actually means.

The bill also says that

“the Bank may do anything for the purpose of its objects”.

It says that it can borrow only from the Scottish ministers, that the Scottish ministers will appoint the executive and non-executive directors, and that the directors will determine their salaries while the Scottish ministers give direction on all of the above.

The Scottish ministers will set the mission through the ingenious method of sending a document to the bank. The bill goes into great detail about how they might do that. The bill also says that

“The Scottish ministers may capitalise the bank”.

It is only when we get to the very end of the bill that we find the only activity that will require parliamentary approval. That is the

“Procedure for modifying entrenched provisions”—

so it is already looking like a marvellously non-political and independent organisation, is it not? I raise that issue because I think that it is important for the bank to have independence, which it

requires in order to make decisions that are right for it as a bank, and that it is not simply under the political will of ministers.

I conclude by saying that there is potential to create, with the bill, something that is very interesting and worth while. However, the ministers who are responsible for it must ensure that it is not just a box-ticking exercise or a half-cooked plan. I support the setting up of the bank and I hope that it succeeds, but my reaction is the same as that of many folk: I will believe it when it delivers.

16:21

Pauline McNeill (Glasgow) (Lab): I welcome the proposed new Scottish national investment bank and this stage 1 debate. The bank will not be focused on profit-seeking and will be able to respond quickly to Scotland's investment needs.

There could, however, be a missed opportunity, as many commentators have said, because it does not have nearly enough capital. Jackie Baillie was right to say that we need to get the equality commitments put up front in the bill.

The Scottish Council for Development and Industry has said that the level of capitalisation—£2 billion over 10 years—does not match the scale of the ambition that is proposed, and that meeting that ambition could be challenging.

I want to talk about why housing should be a key mission for the Scottish national investment bank. I will reference an interesting forthcoming report from the think tank called Common Weal. Let us not forget that it was housing finance that led to the sharp practices in the mortgage market, which led to the crash that deprived many people of their housing options. It is my opinion that we have to steer away from seeing housing purely as a profit-driven and commodity-based part of the economy, and instead look to its primary purpose of creating homes. One of the key missions of the bank should be to build high-quality social housing.

Dr Craig Dalzell from Common Weal has written in his forthcoming report:

“The current approach to housebuilding is deeply flawed and largely revolves around the private housebuilding market whilst the politics of social housebuilding is limited to setting arbitrary targets of houses to build without much thought to quality, location or other infrastructure.”

I agree that one of the bank's missions should be to build sufficient high-quality publicly owned rented homes—not just as a safety-net for people in need, but to exceed the baseline ambition and to provide homes that are desirable and cheaper than those in the private sector.

I am sure that people who follow the housing debate do not need to be convinced that housing is an important part of the economy because of the skills that it requires and the infrastructure that it brings. By guaranteeing security of supply and legislating to fund only the highest-quality housing, the approach could act to stabilise the private rented sector and raise the quality of housing overall.

In Labour, we want to see a strategic plan for the housing sector that is focused on improvement of quality. It seems obvious to me that, given yesterday's debate on climate change and emissions reduction, a key infrastructure project for quality homes would be to aim to introduce carbon-neutral housing as standard.

Another reason why I believe that housing should be a key mission of the bank is that the majority of people who are not able, or do not want, to buy a house are almost wholly reliant on the private sector. More families with children are living in the private sector, and they are experiencing dramatic rent increases in many parts of the country, which causes them hardship. In turn, that increases the risk of an increase in the number of adults and children who live in poverty.

There is therefore an excellent case for a mission relating to housing. According to Homes for Scotland, Scotland is building at only 80 per cent of the level that is required to meet housing need and demand. I am sure that we all agree that good housing is central to a healthy population and a vibrant economy. It makes sense that the investment bank's funding could be used to construct the highest-quality housing in order to ensure that we drive up the quality of housing in the private market as a whole.

We support the Government's plans to retrofit all buildings, so that they have a C-rated energy performance certificate by 2040. However, retrofitting existing buildings is often extremely costly, so we need to ensure that new buildings are built to the highest standards.

Scottish Labour's housing commission was tasked with considering whether a national housing agency could be an asset to the economy. The agency could be tasked with, among other things, taking a strategic approach to identifying gaps in provision, having powers to make compulsory purchase orders to create new communities, and co-ordinating provision of the skills that are needed in the sector. We will say more about that when our report is published.

Overall, there is a very strong case for saying that a national approach to house building could identify gaps in the housing sector. Many organisations, including Common Weal, support a form of national agency. More than a year ago,

Homes for Scotland identified that such an agency could play a strategic role in ensuring that we retain the necessary skills for infrastructure building, which includes housing.

A move towards high quality and passive carbon-neutral homes, will allow us to tackle several problems—not least, the scourge of fuel poverty. At the same time, that would make serious inroads into decarbonising Scotland and meeting our climate change targets. Making social housing a viable option for more people through investment by the Scottish national investment bank will mean that factors such as high heating costs could be practically eliminated. Although we might not think of housing as part of a national investment bank's strategic plan, there is a strong case for one of the bank's missions being about housing.

Derek Mackay: Will the member take an intervention?

The Deputy Presiding Officer: No. The cabinet secretary is always picking the wrong moment; he will just need to deal with the point in his closing speech.

Continue, Ms McNeill—you are in your final minute.

Pauline McNeill: I apologise to the cabinet secretary.

Building high-quality social homes should be part of the mission of the investment bank. I hope that the cabinet secretary would have agreed with that idea, had he been able to intervene. Decisions on where homes are built must be guided by a demand-led strategy.

16:27

Joan McAlpine (South Scotland) (SNP): We need not look far for evidence of systemic inequality across the UK. A wealth gap is increasing due to a toxic partnership of discredited economics and Westminster ineptitude. There is geographic inequality as well as social inequality. I will concentrate on the regional divide, on which I hope the Scottish national investment bank will focus in the future.

Southern Scotland has one of the lowest recorded levels of regional economic wealth among comparator regions across northern Europe. Citizens in the inner London west region, where Westminster is situated, are on average 10 times better off than my constituents. Inner London is, of course, the richest region in northern Europe.

Such disparity is not found only in Scotland. Regions across the UK have been starved of investment by a metrocentric financial system that

does not work in their interests. Across the world, growth is focused on cities, which, in turn, attract more investment and talent. That is great for people who live in a city, but I represent a region that does not have a city and I feel strongly that no part of Scotland should be left behind.

That is why I welcome the Scottish Government's attempts to address geographical disparities, particularly through the south of Scotland enterprise agency, which is being set up, and the adoption of place-based inclusive growth as part of Scotland's economic strategy. My ambition for a national investment bank is that it complements such initiatives.

I do not sit on the Economy, Energy and Fair Work Committee, but I sat on the Economy, Energy and Tourism Committee in session 4. I remember being struck by figures that showed how difficult it is for SMEs in the rural south of Scotland to access capital, either from the private banking sector or through public agencies. I am extremely pleased that the Government is responding to that in a number of ways. It is vital that the bank, like the new agency, helps to dismantle all barriers to sustainable growth in the south of Scotland, which is a region with so much potential and talent. Although the bank has both a national and a regional remit, I am gratified that there is specific recognition that variations in productivity across Scotland must be addressed.

We have heard that the bank has an unusual nature and departs from the status quo, which is a good thing. It will be underpinned by statute and the detail will be contained in articles of association. It will be a uniquely Scottish institution. We already know that greater long-term or patient capital is needed for small and medium-sized enterprises to grow, and that is certainly the case in my region.

I was struck by the wide and thematic approach that the committee took to scrutiny of the bill, reflecting the bank's mission-orientated approach, which is to not just fix market failures but, in the words of the economic adviser Mariana Mazzucato,

"create and shape new markets aimed at tackling modern societal challenges."

I note that the bank has gained widespread support among stakeholders. CBI Scotland said:

"The development of the SNIB could be a leap forward for the Scottish economy that boosts global competitiveness, supporting ... innovation and growth."

Social Enterprise Scotland said that it has "huge potential" to transform our economy.

I am particularly pleased to note that the bank will be open for business in 2020. It cannot come quickly enough.

Scotland has a rich, almost unparalleled history of groundbreaking invention and innovation, and it is currently home to several world-class universities and centres of excellence. There is no shortage of home-grown talent and it is time for Scotland to punch above its weight in developing that talent.

Because so much could be achieved, much is at stake, so it is extremely important that careful scrutiny is given to any weaknesses or deficiencies in the bill or the proposed structure of the bank. I echo the comments that were made earlier about the inadequacy of the equality impact assessment.

The committee has reported on ethical investment and other matters, on some of which we have had further detail today. All of that bears further reflection and consideration.

To critics of a uniquely Scottish solution to address inequality and stimulate growth—of whom there do not seem to have been many in today's debate—I say that I agree with others that it is extremely important that we work through local knowledge. I very much welcome the establishment of the bank.

The Deputy Presiding Officer: We move to the closing speeches.

16:32

Rhoda Grant (Highlands and Islands) (Lab): Scottish Labour welcomes the Scottish National Investment Bank Bill, but it does not go far enough. It lacks a strong objective for the bank and it lacks ambition on the part of the Government.

The bank will not be adequately capitalised: £2 billion over 10 years is not enough to create a step change in our economy. It is a level that is achievable, but not one that is ambitious, as Richard Leonard said. The Scottish Labour Party would look to finance the bank to the tune of £20 billion over the same timeframe, which would bring about a step change in the economy. A sum of £2 billion amounts to only £200 million a year. Given that, as Jackie Baillie pointed out, the set-up costs are likely to be around £80 million, that would leave very little for investment.

The Scottish Council for Development and Industry welcomed the sum but contrasted that level of capitalisation with the scale of ambition that is set out in the vision to transform Scotland's economy. Unite was not convinced that £2 billion represented a sufficient level of capital investment to deliver significant economic change and cited several examples of projects that would have taken up almost the whole of the bank's budget.

The Royal Society of Edinburgh was also concerned that the level of capitalisation could restrict the number of potential missions that the bank could have. It suggested that the scale of investment of £200 million a year over the first decade was

“not enough to provide investment across three or four missions—such as demographic issues and/or transition to low carbon economy”.

Pauline McNeill mentioned the need to build more housing for social rent. It would cost more than £3 billion to build 50,000 such homes. That is more than the entire proposed budget for the bank.

Derek Mackay: Does that not speak to the point that all the other figures are excluded when the bank is taken in isolation? In fact, £3 billion has been committed to build 50,000 homes, which target the Government is on track to meet. When considering the totality of the investment in our infrastructure, we must look at the global figures and not just at what is allocated through financial transactions or elsewhere for the purposes of the Scottish national investment bank.

Rhoda Grant: Indeed, but if the investment bank is to fulfil the ambitions set out for it, it requires more capitalisation than that already put forward by the Government. Take the example of climate change and the move to a carbon-neutral economy, which almost all speakers mentioned. That new and growing sector needs to be supported, yet the bill is silent on that, as many speakers pointed out. Currently, too many jobs in the low-carbon sector are going to overseas competitors. In order to make a just transition to a net zero economy, we need to grow the number of jobs in the sector and compete with overseas companies. We also need to innovate and develop new low-carbon industries.

Reaching net zero will mean that traditional high-carbon industries will decline—that will happen—but our economic wellbeing and the wellbeing of the workforce in those sectors depends on workers being retrained and securing jobs in zero carbon sectors, especially where skills are transferable. No one should be left behind if we are to meet the ambitions that the Parliament agreed to yesterday.

Many speakers talked about lending criteria and who the bank should lend to. It must work for all our economic generators, but it will specifically not lend to the public sector. It must, however, include other sectors, such as the third sector, co-ops and community bodies, because those are different businesses, which, it could be argued, provide a much greater economic impact in their local communities. If the bank is not to lend to public institutions, how will it be able to make an impact

on areas such as housing, which Pauline McNeill emphasised in her speech?

The challenges of the 21st century cannot be met by the private sector alone. If we are to address climate change, digitisation and the like, we need new models of public ownership and finance. We must support our home-grown industries—Richard Leonard cautioned against chasing foreign investment. Alex Neil made that point, too. Our economy depends on a few large companies and very few of them are headquartered here. They could move away at any time.

The lending criteria must embrace fair work principles. The Scottish national investment bank should ask ethical questions of companies and customers to determine whether they are appropriate to lend to. Willie Rennie talked about the living wage and whether it would be appropriate to include that in the bill. I believe that it would be. The living wage will not change—it will keep step with the times and increase as required. There is no reason why high-level ambitions, such as our climate change targets and the like, cannot be in the bill.

Dean Lockhart talked about inclusive growth. It is important to include that in the bill. He said that inclusive growth cannot be measured, but we can measure what it is not. This week, the Government published a report called “Longitudinal Educational Outcomes (LEO) from Modern Apprenticeships”. It showed that “males earned more than” women “across all occupational groupings”, and that that difference in earnings ranged “from £300 to £9,700”. In addition, people “from the 20% least deprived areas earned £4,500 more than those from the 20% most deprived areas.”

That is what measures of exclusion look at, so we should be able to identify inclusive growth and do it. As Richard Leonard said, gender balance on boards is a positive step towards addressing that. Gender balance on boards will be reflected in the workforce.

Scottish Labour supports the development of a national investment bank, but work is needed in order to ensure that it is built on a solid foundation, which the bill certainly is not. We will use the amendment stages of the bill to create a Scottish national investment bank worthy of that name.

The Deputy Presiding Officer: Before I call Mr Halcro Johnston, I welcome back to the chamber Mr Rennie and Mr Neil, who were not present for the beginning of the closing speeches. They are old hands, so they should know that that is required.

Jamie Halcro Johnston *rose*—

The Deputy Presiding Officer: Please sit down just now, Mr Halcro Johnston.

No matter how senior members in here might be, they should note that the rules apply to everybody. I do not see any notes of explanation from Mr Rennie and Mr Neil for why you both came in late. No doubt they will appear later and will corroborate each other. I look forward to reading those and, in particular, your apologies to Ms Grant for failing to hear the beginning of her speech.

I will call you now, Mr Halcro Johnston.

16:40

Jamie Halcro Johnston (Highlands and Islands) (Con): Thank you very much, Presiding Officer. I am sure that members in the chamber are united in their disappointment in those scamps. [*Laughter.*]

The legislation on the Scottish national investment bank has been long awaited. As Jackie Baillie suggested, and as Graeme Roy of the Fraser of Allander institute pointed out, the bill represents about the eighth time that the Scottish Government has tried to establish something of this nature in the past 12 years.

Scottish Conservatives have been consistent in calling for more action to grow the Scottish economy, which has lagged behind the rest of the United Kingdom, so attempting to improve business support in this regard is to be welcomed. Ministers will be aware that there is a good deal of support for many of the bill's aims. However, much of the detail on the delivery of the bank falls outwith the direct scope of the legislation, so we can only hope that the Scottish Government will continue to consult and engage as we move forward.

The Economy, Energy and Fair Work Committee's convener, Gordon Lindhurst, highlighted the body of work that it has conducted in the area and, as I am a member of that lead committee, I also feel obliged to do so. In addition to our direct work on the bank, which has led to the stage 1 report, we have touched on many elements of business finance in the course of several inquiries. As part of our current budget scrutiny we have produced work on topics from business support to the role of business gateway, the enterprise bodies and regional selective assistance, a great deal of which I commend to the chamber.

It is vital that any consideration of the Scottish national investment bank looks at our current framework of business support. We know that there are significant issues around the growth scheme, and the committee's reports have

suggested a number of ways in which Scotland's business support landscape should be improved.

We might also look at the examples—both positive and negative—provided by the Scottish Investment Bank, which was established with similar aims of providing long-term support and investment in the Scottish economy. We do not expect the new bank to be a panacea but, with the right organisation and support, it can be a positive actor in our economy.

In my region of the Highlands and Islands, which has varying local economies and priorities, having the right approach and the right institutions focused on regional development is vital. Organisations such as Highlands and Islands Enterprise have long experience of navigating the business environment there. It would be a loss if such local institutional knowledge were to be diluted by the new bank's engagement in the area. We have seen examples of a regional focus in the Development Bank of Wales, which has a number of offices around the country. The Scottish Government has rejected that model, and the cabinet secretary gave his reasons in his evidence to the committee. Derek Mackay said:

"the bank can reach the parts that other banks cannot."—[*Official Report, Economy, Energy and Fair Work Committee*, 11 June 2019; c 27.]

Despite his appallingly plagiarised slogan, I accept that there are differences between how the two banks will operate.

Derek Mackay: I could come up with another one.

Jamie Halcro Johnston: I am glad that the cabinet secretary has not intervened with a new slogan. However, I ask him to remain open minded to ensuring that the Scottish national investment bank is accessible to and engages with all parts of Scotland—even the more remote parts, as are found in my region.

We will work to get the bill right. In committee, the cabinet secretary indicated his hope that the parliamentary process would lead to further improvements to the Government's proposals. I welcome that approach and hope that he will honour it.

That leads me to consider some of the other speeches and ideas that we have heard from around the chamber. My colleague Tom Mason set out both the opportunities and the challenges of creating a new institution. He also spoke about the remit, objectives and the mission of the bank, which are areas that will be crucial not only to its success but to its wider role in Scottish society. He echoed points that have been made on the changing remit of the bank and questioned how it would treat businesses that are moving towards more environmentally conscious models. He also

covered many of the financial elements that we have explored in committee.

Richard Leonard spoke about the mission of the bank and its make-up—its board and the like. Although I respect his opinion, I think that he is looking to create an idealised bank, which would be unworkable in future.

Jamie Greene pointed to the difference that long-term investment priorities will make to the Government, and to the need to look at what success means in the context of the wider economy. He also explored the lessons of previous development funding models, particularly the Scottish growth scheme, and he made the important point that availability of credit alone cannot make businesses thrive while significant gaps remain in growth and innovation in Scotland. As we have seen, any real progress will depend on the wider business environment, and the Scottish Government has much work to do in that regard.

Alex Neil made a barnstorming speech, promoting global Britain, global Scotland and opportunities outside the EU. He certainly garnered a lot of support from members on the Conservative benches. “The opportunities are endless,” he said, and of course he is right.

Jackie Baillie was also right. She highlighted the important role that financial transactions from the UK Treasury will play in helping to finance the bank. Dean Lockhart also raised that in an intervention, and he outlined the need to manage expectations around the bank. As he said, it must not go too far in yielding to competing ambitions the original objective of providing patient capital into the Scottish economy. We have heard that there needs to be a clear focus as well as work across agencies and other bodies at both the Scottish and UK levels. The risk is that the bank will serve to duplicate work that is currently carried out by other organisations.

As Dean Lockhart noted, none of those concerns is new. They were all raised in the debate in May last year. However, the problem of managing expectations has grown since that time, with the list of ills that the bank is supposed to address getting ever longer.

In committee, we have heard evidence on costs. Time and time again, witnesses questioned the assertion that the bank can be self-financing from 2023-24. There seems to be some tension between the desire for patient capital and the hope of quick and easy returns. There are also real concerns about how the bill’s provisions on the bank’s mission will impact on its operational independence and the timescales that are involved in reporting. With amendments being

expected at stage 2, it will be interesting to hear ministers’ responses.

As has been highlighted today on the *Herald* website, this is a vital time for the bank to be created. I think that £135 million of Scottish Government money, which is taxpayers’ money, has been written off to prop up failing companies, so it is vital that we get this right.

We can all agree on the importance of the organisation that exists behind public sector financial support. I hope that, as the bill moves forward, the Scottish Government will maintain a clear vision around its core objectives. The concept of the bank has potential, and in that regard the bill is welcome. We have raised a number of real and valid concerns this afternoon and the bill will undoubtedly benefit from further scrutiny. It will have our support today, but a willingness to consult must continue beyond the process around the bill. The Scottish Government must ensure that it works with the committee and other members to make the bank a body that can have a real and positive impact in driving forward investment and improvement in those areas where the Scottish economy is underperforming.

The Deputy Presiding Officer: I call Derek Mackay to close for the Government. Cabinet secretary—you have until 5 o’clock.

16:48

Derek Mackay: Thank you, Presiding Officer—including for that very generous allocation of time, which might be explained by my having not been allowed to intervene on some members earlier. I note that you have rebuked some members about their attendance, although it was a wee bit less of a rebuke than those that we have seen at Westminster of late. The debate that we have had here in the Scottish Parliament is a useful contrast with debates at Westminster. It shows how we are getting on with the day job and trying to deliver the transformational interventions that will support our economy.

It has been a consensual debate, although members were quite right to go through their issues with the bill, of course. I want to respond in a spirit of collaboration and co-operation, as we move on to stages 2 and 3. I will respond to and reflect on as many comments as I can.

It is important to say that many of the considerations that members mentioned might not be for the bill or primary legislation, but can be covered in a range of documents that will be important to the bank. The documents include those on its missions, its articles of association and its mission reports, which will be the bank’s response on the missions that have been set for it. There will also be the shareholder framework

document, the business plan, the investment strategy, the ethics statement—many members have commented on its content—the annual report on investment performance and the independent review of performance. I reassure members that there will be many appropriate places in which to set the direction that Parliament wants.

We need to consider fully the appropriate balance between addressing points that many members have made about accountability, direction and transparency and the need for operational independence to ensure that the bank is a success.

Gordon Lindhurst: I trust that the cabinet secretary enjoyed Alex Neil's pantomime, and that he shares my scepticism about John Mason's crocodile tears as he said that he is "sadly" no longer a member of the committee when, just last week, he said that he had been "promoted" to another committee.

On a serious point, both those members referred to better organisation in economic terms in relation to national investment banks in European countries. Does the cabinet secretary agree that, although the SNIB is a good start, we will need to do a lot more, because in Scotland—and more widely in the UK—we are not so good at planning for and working on such things as other countries appear to be?

The Deputy Presiding Officer: That was a lengthy intervention, but you have time, cabinet secretary.

Derek Mackay: I will certainly reflect on that point. We are looking around the world at best practice on investment strategies and national investment banks in terms of scale and intervention. As the Economy, Energy and Fair Work Committee's convener knows well, we have leaned heavily on the work of Professor Mazzucato.

Mention has been made of potential investment in artificial intelligence, and of the intelligence in the chamber. I suggest that, on occasion, some members of the Opposition engage in artificial objections. I am not referring to Jackie Baillie in particular, but I will come back to her comments on the investment bank.

Jamie Greene rightly spoke about current business support. We should not lose sight of the important point that many businesses do not need to wait for the bank's support and that we should signpost them to the support and products that are available. Right now, the Government's enterprise family is still attracting investment and new jobs, and is encouraging scale-ups and start-ups in Scotland. Many of those interventions are to be welcomed. The Scottish Investment Bank has been working successfully. However, with the new

bank, we want something that is transformational and at scale. As a number of members have said, it is about an all-Scotland approach. We have a supportive business environment that is bearing fruit, but we want to accelerate that through the Scottish national investment bank.

I do not want to get into the debate about one committee being more important than another, because I have to attend both the Economy, Energy and Fair Work Committee and the Finance and Constitution Committee to give evidence. However, points by the economy committee's convener were well made. I hope that he appreciates the response to the committee: more is to follow. Let us not lose sight of the fact that we are dealing with the legislation to create the bank, and that other operational matters will be dealt with in the fullness of time.

Alex Neil: I will help the cabinet secretary to use up his time. When the Scottish Development Agency was formed, back in 1975, it was given a function that was very similar to that of the proposed national investment bank. However, a number of the agency's early investments, which were high-risk investments, ended up in failure. As a result of the media and political reaction to that, the agency basically closed in on itself and gave up taking risks. I stress that the bank will not add the value that it can and should add if it is not prepared to take reasonable risks because, if there is no risk, other people will invest anyway.

Derek Mackay: I agree with those comments. Of course, we want every investment to be a success, but with risk, some will not succeed. However, it is right to set out the missions to transform our economy in a way that responds to the agenda that we have set in relation to the economy, the environment and our desire to have a highly skilled workforce.

We will focus on more than just the financial returns—a key point that was made by Gordon Lindhurst. The bank will have the mission focus that several members have emphasised.

Dean Lockhart touched on running costs, as did other members. There will be more to that than what is in the financial memorandum. We will refine the operating costs and ensure that Parliament is made aware of them.

We will also look at the entirety of the enterprise landscape to ensure that it is structured to address concerns about duplication. The bank should provide additional rather than substitute finance. We will ensure that traditional banks in Scotland continue to do their job, too.

Questions were asked about expanding successful programmes. We will also try to look at that. Richard Leonard talked about the scale of ambition for the bank. We have to think about

what is affordable as well as what we want the bank to achieve.

Roseanna Cunningham has just joined me on the front bench: I note that the just transition commission will be very helpful in advising us on what the new economy will look like when we are setting out the bank's missions.

Several members asked whether I intend to engage fully and to refer to Parliament in relation to the missions. Yes—I will. John Mason asked me whether I will engage on the articles of association. Yes—I will engage on that, too. Will I listen to Parliament? Of course I will.

Andy Wightman asked about the sustainable model and how we will grow the green economy. There is much in that respect that we should pursue through the national investment bank.

We have an optimal model to deliver the vision for the bank. I will engage further on the question of parliamentary consultation. I look forward to the cross-party work in which I have committed to participating.

Willie Rennie raised Brexit. We have tried to focus on what we can do here, but Brexit is—of course—the main threat to the economy in Scotland right now. Willie Rennie spoke about the transformational nature of the bank and the scale and pace of delivery, and asked questions about social conditions, such as the living wage, to which I will give further thought.

Annabelle Ewing made a very thoughtful speech that emphasised the strength of patient finance and investment, and the importance of the fact that the bill is enabling legislation. She also raised the importance of the composition and purpose of the advisory group. She quoted my slogan—Jamie Halcro Johnston was worried about me plagiarising other people's slogans, but this was mine—that success will be allowing things to happen that would not otherwise have happened if this financial institution were not there. Annabelle Ewing was very kind to recall my words on that.

Tom Mason made a very helpful point on diversification and transition to support sectors that want to move to a low-carbon agenda. We should support them using the functions and products of the bank. The bank can make a difference in combining funds and addressing particular needs and demands.

Alex Neil gave a very powerful speech on the ability to transform the economy if we get the bank right. He also spoke about the benefits of bringing more companies to Scotland—their headquarters, domestic bases, skills and talent. There have already been some such success stories and announcements made through our economic strategy.

Jackie Baillie raised legitimate questions on the repayment profile of financial transactions: I will be happy to get back to her with further detail on that. Reviewing the tools that we have is an on-going process in order that we can respond to what business and industry need, as we lead up to operational delivery of the bank. I would not describe the operating costs of the organisation as money lost. If the bank gets it right, it will have a transformational impact on the economy, and that operational cost will be money well spent.

Jackie Baillie: Will the cabinet secretary take an intervention?

Derek Mackay: I have only one minute left, so I have to decline Jackie Baillie's request, on this occasion.

John Mason spoke about not being overprescriptive in matters such as the committee structure of the bank. I will look for reassurance in relation to matters that members are interested in. To reinforce the point that I made to Jamie Greene, if there are companies that want financial support right now, there are many products that can currently be deployed to support our business community to thrive and succeed.

Pauline McNeill covered housing, which will be absolutely critical. I hope that she welcomes the fact that the precursor funds have been used to support housing. I hope that that will continue.

Joan McAlpine spoke about the widespread support for the bill and the bank, which is appreciated. That support is why we want to take it further.

Many members also spoke about the opportunity that we have to invest resources to achieve our climate change ambitions, which have been discussed recently in Parliament.

We have an ambitious programme: the enabling legislation will allow us to build the bank in the ways that members have described. It is a major intervention, so I look forward to support from across the chamber as we continue to progress it in this cross-party and collaborative fashion, in order to make a success of the Scottish national investment bank.

Scottish National Investment Bank Bill: Financial Resolution

17:00

The Presiding Officer (Ken Macintosh): The next item is consideration of motion S5M-18780, on a financial resolution for the Scottish National Investment Bank Bill.

Motion moved,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Scottish National Investment Bank Bill, agrees to any expenditure of a kind referred to in Rule 9.12.3(b) of the Parliament's Standing Orders arising in consequence of the Act.—[*Derek Mackay*]

Decision Time

17:00

The Presiding Officer (Ken Macintosh): There are two questions to be put as a result of today's business. The first question is, that motion S5M-19061, in the name of Derek Mackay, on the Scottish National Investment Bank Bill, be agreed to.

Motion agreed to,

That the Parliament agrees to the general principles of the Scottish National Investment Bank Bill.

The Presiding Officer: The final question is, that motion S5M-18780, in the name of Derek Mackay, on a financial resolution for the Scottish National Investment Bank Bill, be agreed to.

Motion agreed to,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Scottish National Investment Bank Bill, agrees to any expenditure of a kind referred to in Rule 9.12.3(b) of the Parliament's Standing Orders arising in consequence of the Act.

Meeting closed at 17:00.

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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