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Members' Virtual Question Time

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Scottish Parliament

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[The Presiding Officer opened the meeting at 14:01]

Members' Virtual Question Time

Constitution, Europe and External Affairs

Economy, Fair Work and Culture

The Presiding Officer (Ken Macintosh): Hello, and welcome to the Scottish Parliament's virtual question time, which today is on two portfolios—constitution, Europe and external affairs, and economy, fair work and culture—with questions for cabinet secretaries Michael Russell and Fiona Hyslop. I am delighted to see that I have been joined by members from their constituencies around the country.

Business Support

Emma Harper (South Scotland) (SNP): Many businesses across Dumfries and Galloway have been innovative and have diversified to allow them to operate within the Covid-19 lockdown restrictions. However, some have contacted me because they do not meet the criteria for the grants that are currently available. I would be grateful if the cabinet secretary would outline what support is available for businesses that have diversified in order to meet the challenges, and how they can access such support.

The Cabinet Secretary for Economy, Fair Work and Culture (Fiona Hyslop): Clearly, many businesses are facing hardship at this time. We have provided £2.3 billion-worth of support, which will help many companies.

However, many of the criteria for the available support have been tied to applicants' rates liability, and we are very conscious that some businesses' needs are not being met by the United Kingdom Government's job retention scheme, or its scheme for self-employed people. The First Minister therefore announced yesterday a new Scottish Government scheme that will provide £100 million to help newly self-employed people. The question that Emma Harper posed might be answered by the fact that businesses in the hospitality, leisure and creative sectors that do not currently qualify for other schemes can apply to the new one.

We also recognise that in various parts of the country, we need support for pivotal enterprises that are so vital to areas such as South Scotland

and the Highlands and Islands. Therefore, we have also established a pivotal enterprise resilience fund, which forms part of the £100 million that I mentioned. That is available from Scottish Enterprise through the findbusinesssupport.gov.scot website, which I encourage Ms Harper's constituents to visit to find out whether that scheme might help them now.

Business Support

Maurice Golden (West Scotland) (Con): The Scottish National Party promised Scottish businesses a speedy system of support, but half the available money has still not been distributed, and more than a third of applications are still outstanding. Businesses cannot afford to wait. Will the cabinet secretary confirm when all applications will be processed as promised?

The Cabinet Secretary for Economy, Fair Work and Culture (Fiona Hyslop): Our local authorities have put in a considerable amount of effort to ensure that grants can be paid out. I should also say that our processing rate is not dissimilar to that in the rest of the United Kingdom, according to the information that I have had directly from UK Government ministers and the Secretary of State for Work and Pensions.

There is a challenge: some local authorities are able to process applications more quickly than others, but I know that the ones that have more to do are gearing up. However, I also know what a big impact such grants—£10,000 for small businesses and £25,000 for larger ones—are making in getting businesses through this very difficult period.

Maurice Golden: I recognise that the business support scheme has been expanded, but estate agents who are not solicitors and do not meet the rateable value criteria are still excluded. Will the cabinet secretary resolve to address that anomaly?

Fiona Hyslop: That matter would be most effectively addressed by my colleague the Cabinet Secretary for Finance, so I will bring it to her attention. In Scotland, most estate agency activity takes place through solicitors, so there is quite a challenge in terms of definitions.

However, on the reach of our schemes, we are now reaching far more people, and many small businesses are being impacted by that. More than £500 million of funding has been delivered in the past two to three weeks, which is a swift and sharp intervention. It might also be blunt—it might not necessarily include everybody—which is a challenge. However, where there are gaps in provision, we are trying, as per our announcement just yesterday, to ensure that companies can be supported.

Grass-roots Music Venues (Support)

Claire Baker (Mid Scotland and Fife) (Lab):

The Welsh Government and the London mayor have announced targeted support funds for grass-roots music venues. With no performances, our venues are facing an extremely difficult time during the lockdown, and the sector is vulnerable to collapse, which would result in Scotland losing its live music circuit.

So far, the business and culture support packages are not adequately meeting the needs of the sector. Although all small venues across the United Kingdom have access to business rates relief, will the Cabinet Secretary for Economy, Fair Work and Culture match the further support that has been announced for London and Wales and consider providing a lifeline for music venues around Scotland?

The Cabinet Secretary for Economy, Fair Work and Culture (Fiona Hyslop): Claire Baker is correct to identify that we moved swiftly to support artists and freelancers with the Creative Scotland bridging bursary fund, and to help festivals, museums and the heritage sector, for example.

Claire Baker is right to identify venues. Creative Scotland is involved in decisions about which enterprises are pivotal. I use the word "pivotal" because many music venues are pivotal enterprises, as are many of our theatres and other venues more generally in the culture sector. Creative Scotland will be on the panel that will identify pivotal enterprises that will have access to the £45 million fund that is part of the £100 million scheme that was announced yesterday. The process for applications to the various streams of that scheme is now live.

Claire Baker: I seek assurances from the cabinet secretary about the pivotal enterprise money that has been announced. Clearly, Creative Scotland will be influential in helping to make decisions. Does the cabinet secretary recognise that music venues are largely independently owned, and do not traditionally have a strong relationship with Creative Scotland? Can she ensure that they will be considered for that pot of money?

Fiona Hyslop: Claire Baker's point is well made. I will certainly bring it to the attention of Creative Scotland and Scottish Enterprise.

Personal Protective Equipment (Procurement)

Patrick Harvie (Glasgow) (Green): We are all very aware that the supply of PPE has been one of the most persistent challenges throughout this crisis. Members will recall that, back at the beginning of the crisis, the European Union established a joint procurement agreement. The

United Kingdom Government has repeatedly struggled to explain why it chose not to participate in that successful scheme to acquire and distribute PPE throughout EU member states. The UK could have been involved, as well.

There is an underlying suspicion that the UK Government perhaps put its hostility towards the EU ahead of public health. Can the Cabinet Secretary for the Constitution, Europe and External Affairs tell us whether the Scottish Government has made a direct approach to the EU on subsequent procurement rounds? It is expected that there will be future rounds of the joint procurement exercise. Should not Scotland make sure that we have access to that scheme, regardless of what the UK Government's approach will be?

The Cabinet Secretary for the Constitution, Europe and External Affairs (Michael Russell): Of course, such bidding schemes are for EU members and for countries that are—as the UK is—on the way out of the EU but are still eligible because many of the conditions of membership still apply. We wish that the UK would take part in the procurement; that point is absolutely clear.

Scotland's ability to take part directly is, regrettably, limited because we are not an independent state and member of the EU. However, we are able to join existing schemes within these islands, and we are able to look for ourselves at what supplies are available. That twin-track approach has been useful. A number of people—including Ivan McKee, the Minister for Trade, Investment and Innovation—have been working hard to ensure that we continue with that approach. The materials that have been coming into Prestwick airport are proof of that.

If there is a way for us to take part in European schemes, we will do so. We urge the UK Government to consider supply of materials as being much more important than anything else—certainly, much more important than continuing with Brexit negotiations, which would be a complete foolishness.

Restrictions (Island Communities)

Liam McArthur (Orkney Islands) (LD): The Cabinet Secretary for Constitution, Europe and External Affairs, Michael Russell, expressed scepticism at the COVID-19 Committee last week about allowing island communities such as Orkney to pilot the lifting of restrictions based on a robust test, trace and isolate system. However, earlier this week, the chair of NHS Shetland set out how he would expect an extensive test, trace and isolate system to work effectively in the islands.

I appreciate that there is a risk of sending out confusing messages to the public; I also recognise

that any decisions need to be based on the science, and to be rooted in protecting public safety in the islands and more widely across Scotland. In light of the First Minister's statement today on more expansive and extensive testing and Professor Hugh Pennington's evidence to the Health and Sport Committee on Tuesday, can the cabinet secretary reassure my constituents that the Scottish Government will engage actively and constructively in discussing whether the lifting of restrictions might be piloted in island communities and, if so, how that might be done?

The Cabinet Secretary for the Constitution, Europe and External Affairs (Michael Russell):

To be fair to myself, I note that I was not expressing scepticism as much as I was saying that there is an open question that needs to be addressed. I represent a large number of island communities—I represent at least as many island communities as Liam McArthur does, and probably slightly more than he does—so I can say that I am listening very carefully to the case that is being made by island communities in Liam McArthur's area, in Shetland, in the Western Isles, which is Alasdair Allan's area, and in my own area. I am therefore aware of that live debate. It is a debate because there are voices on either side and any pilot would have to be driven by science.

I am certainly not in any way opposed to that discussion taking place but, as Liam McArthur indicated, any pilot must be based on the science and the potential risk, which is being weighed up as part of the on-going consultation, which last week's paper from the First Minister opened up. The issue will be a live part of that iterative process, and I am very conscious of it.

M&D (Leisure) Ltd (Job Losses)

Richard Lyle (Uddingston and Bellshill) (SNP): M&D's theme park in my constituency of Uddingston and Bellshill has gone into administration, causing 165 workers to lose their jobs. It seems that firms that are in administration cannot furlough workers. Unfortunately, as a result of coronavirus, some companies have had to go into administration, laying off their workers in the process. This is not an easy time to find a new job, and many people in that position will face hardship. Can the Cabinet Secretary for Economy, Fair Work and Culture advise what engagement the Scottish Government has had with the United Kingdom Government on enhancing the support that is available to people who are unemployed?

The Cabinet Secretary for Economy, Fair Work and Culture (Fiona Hyslop): Clearly, the situation at M&D's is regrettable. The Scottish Government has made contact with the company, and we have ensured that the partnership action for continuing employment initiative, which helps

those who face unemployment due to redundancy, provides support. PACE has made sure that online support is available, given that social and physical distancing rules make it difficult to bring people together to give them advice. That advice and support is available to those made redundant by M&D's.

Mr Lyle's point is really about the UK Government. Clearly, one of the most important things is to try to keep people in work. That is why we welcome the UK Government's job retention scheme. However, a lot of people are concerned that, once that scheme comes to an end, there could be a serious number of companies going into administration and redundancy situations. That has to be addressed. We have already raised the issue of the cliff edge that is the end of the job retention scheme in June.

It is important that we try to keep companies working and productive as we come through this period. That is why furloughing staff is preferable to making staff redundant, and it is good that many companies have done that. Our four-point plan—which involves responding to the crisis; resetting by planning how to come back safely; restarting; and then recovering—is important in that regard, because it provides a plan under which companies can get through this period with support for cash flow, which is essential just now, and emerge on the other side.

I do not underestimate the severity of the economic crisis that we face and which is hard felt in each and every company, whether it is M&D's theme park or any other company, that is making people redundant at this time. Those redundancies will have a big impact on people and their families.

The universal credit payments that are provided by the UK Government have been increased. That should help to support those who are in need. We should bear in mind that the Scottish welfare fund has also had additional investment in order to help people who are in immediate crisis.

Things will be hard, but we need a collective effort, in terms of not only a community response but an economic response. We are doing our part but, clearly, the UK Government holds many of the levers, including the macroeconomic levers and the powers over the fiscal measures that can be used to support, underwrite and guarantee the loan system to try to keep companies afloat, where possible.

Community Events (Support)

Oliver Mundell (Dumfriesshire) (Con): Rightly, there has been a focus on supporting national cultural events at this difficult time, but can the Cabinet Secretary for Economy, Fair Work and

Culture confirm that support will be made available for culturally significant community events, such as the historic riding of the marches and common ridings in the Borders, in order to ensure that they remain economically viable and can return in future years?

The Cabinet Secretary for Economy, Fair Work and Culture (Fiona Hyslop): I and the other Government ministers are keeping in touch with key companies, stakeholders and groups. I have held stakeholder meetings with groups in the culture sector and I am about to have a similar roundtable with those who are involved in the events sector.

We are trying to repurpose the Government money and Government activity that are currently going to events that will not take place, in order to allow the organisations that hold those events to get through this period. Again, the issue is cash flow.

In my constituency, I have the Linlithgow marches, which normally take place in June. The organisers have already set out how they can involve people through an online presence this year. Such historic traditions go back centuries—I think that ours is one of the oldest in Scotland—and we want them to return when it is safe for them to do so. Clearly, however, there needs to be a community response. A third sector resilience fund has been made available, and an important effort must be made to examine events funds, advertising funds and funds for other tourism activities that will not necessarily be used for such activities in the immediate future this year, to see whether they can be used to help promote tourism and events as we go forward.

Scotland is renowned for national events, but the local events that we are discussing are the lifeblood of our communities, so I think that it is important that we find ways—financial and otherwise—of helping to support them.

It is spirit and good will that will let the marches in my town of Linlithgow and in the town that the member represents return—and return well, we hope—next year.

The Presiding Officer: A couple of members want in—I suspect that they want to plead for their local events. I ask them to be brief.

Liam McArthur (Orkney Islands) (LD): You read my mind, Presiding Officer.

The cabinet secretary will be aware from her culture brief how important festivals are to the Orkney community. The folk festival and the St Magnus Festival are two that have been impacted by the current restrictions. Is there any advice that she can offer in terms of the support—not necessarily just financial—and guidance that those

festivals and others might be able to access in the coming weeks and months?

The Presiding Officer: Before the cabinet secretary answers, Stuart McMillan will ask his question.

Stuart McMillan (Greenock and Inverclyde) (SNP): I have a brief question regarding the Royal Scottish Pipe Band Association and all the pipe band competitions that take place throughout the summer period. Can the RSPBA engage in that set of negotiations? It organises competitions across Scotland, including in Greenock and Inverclyde.

Fiona Hyslop: Those events are important, so we have tried to ensure that, where they have received public funding, that funding can be repurposed—not necessarily to deliver the original festival event but to help secure the resilience that is required. With EventScotland and the stakeholder group that will meet shortly, I will ensure that we set up best practice teams to support people.

As Liam McArthur said, it is not always about finance; it is also about how we can re-present, reposition and help with advertising and marketing. With regard to the pipe band associations, there is also a clear issue for the businesses that make bagpipes and drums—that is an important sector. I hope that those businesses will also access the new fund that we have established. That fund will help pivotal organisations that are needed to ensure that we can come through this. It will be a damaging period, but we want to put out hope that that community and national endeavour will return with the spirit of Scotland, and the events that have been mentioned are very much part of that work.

Lockdown (Guidance for Businesses)

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): Scottish Government guidance for businesses states that, if a business is not “essential or material” regarding the virus or “the wellbeing of society” and its staff cannot work from home, but the business wants to open, the test is that it can do so if it can

“practise safe social distancing and comply with all other standard health and safety requirements”.

Businesses that contact me are confused. Can the Cabinet Secretary for Economy, Fair Work and Culture clarify the position?

The Cabinet Secretary for Economy, Fair Work and Culture (Fiona Hyslop): There are three groups of businesses. The first group contains those that the Parliament agreed in legislation should be closed, which includes pubs

and restaurants. The second group contains businesses that are part of the critical national infrastructure of the country—they are essential. Not everybody who works in the essential sector needs physically to go to work, and many are working from home. We are calling the third group of businesses non-essential. In relation to the criteria for that group, we want to ensure that any business within it that is open is open because it is servicing and supporting the fight against Covid. Our guidance is clear that that is the requirement. In addition, the business must be able to operate social distancing measures. The guidance is constantly under review, because we have to adapt and improve it. The latest guidance on construction will also be issued shortly.

We need to give businesses that are working at present and those that will restart confidence that they are operating safely for their staff and customers. When it is possible to do so, we will establish a phased return. That will happen when we know from the health and scientific analysis that more activity—whether in the workplace or socially—can happen in a way that does not compromise our suppression of the virus. The First Minister will set out our position after the key period of reflection that is required before May 7, which is the next date by which, legally, we must consider the legislation that we passed.

Christine Grahame: It is important to clarify the point, because the guidance is ambiguous. Is the cabinet secretary telling me that, unless a business is essential or material to people's wellbeing or is in the chain to do with the virus, it cannot open? Is that correct?

Fiona Hyslop: The latest version of the workplace and business guidance will give the member the clarity that she needs. The earlier guidance was not as precise as the revised guidance, which is where she should look for her reference.

Guidance (Enforcement)

The Presiding Officer: Colin Smyth, I am going to redirect your question to Michael Russell as he wants to come in.

Colin Smyth (South Scotland) (Lab): My question might well be relevant to Michael Russell. It is clear that there is a gap in the legislation when it comes to the enforcement of the Government's guidance in relation to essential work. There is clear guidance and law on the list of businesses that can close and on social distancing in the workplace. However, lots of companies are staying open and not following the Government's guidance on essential work by claiming that they are doing essential work when they are not, and there is no enforcement of the law to stop them doing that. That needs to be tackled.

The Cabinet Secretary for the Constitution, Europe and External Affairs (Michael Russell): We continue to look at legislation and regulation. I will take that issue away with me—I have heard it from a number of other people—but it is not easy to draw up a definitive list. When you do so, one thing is excluded when another is included and it might not be the right way to go.

I want to answer the specific question about the regulations. The amending regulations that the COVID-19 Committee considered on Wednesday and which Parliament will shortly consider, because they have to be passed under the affirmative procedure, are clear about what social distancing is and how it has to be observed, the process by which it is inspected—local authorities are key to that—and the penalties for not doing so.

I was asked a simple question at the committee and I am happy to repeat what I said here. If businesses cannot socially distance, they cannot open. That is absolute, and people need to recognise that. The regulations are there to help with the primary purpose of ensuring that the virus is permanently suppressed. That is the objective that we should bear in mind, and it should be at the forefront of our minds. The regulations are there to make sure that that happens.

Test, Trace and Isolate Strategy

Anas Sarwar (Glasgow) (Lab): My question is about the framework for the next stage of this emergency. The Government has repeatedly said that the strategy for the next phase is test, trace and isolate, a principle that I support, but we have a lot of work to do to deliver it in practice.

[*Temporary loss of sound.*] 10 per cent of our capacity was being used in testing, so how many specific tests are required? What infrastructure has been built for tracing? What workforce and skills do we have to do the tracing adequately? What consideration has been given to public messaging to make sure that we get isolation right as part of the test, trace and isolate strategy?

The Cabinet Secretary for the Constitution, Europe and External Affairs (Michael Russell): It is important to recognise that we are talking about a test, trace and isolate strategy, and Anas Sarwar is absolutely right to raise that point. It is not an easy option of any sort to isolate those people who test as positive and those who have come into contact with the virus.

In her briefing today, which Anas Sarwar might not have had the chance to see, the First Minister was quite clear that the capacity for testing is tied to this issue. The First Minister dealt comprehensively with our capacity for testing, and Jeane Freeman talked about antibody testing and how that has to be taken forward. The First

Minister said, however, that she would address next some of the detail of test, trace and isolate as part of our discussions about what happens next with the lockdown. She is not anticipating any changes to that but, as discussion continues about that process, it will become much more important.

As Anas Sarwar has identified, we have to have the capacity for tracing as well as testing. There has been discussion about how it will be done. I noticed that there was also a voice from the medical profession about that this morning. Increasing the capacity for testing is on-going and going well. Test, trace and isolate is a key part of the process of moving forward, and we will be looking at that, talking about it, and inviting views on it next week.

Islands (Travel Restrictions)

Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP): My constituency is, I think, in the unique position of having had no confirmed deaths from Covid-19. However, given that coronavirus infections have been recorded on the islands, there is clearly no room for complacency. Having responded to Mr McArthur, the Cabinet Secretary for the Constitution, Europe and External Affairs will be aware that there is some debate about the possibility of lifting lockdown measures on Scotland's islands at a different stage than for the rest of the country, if the evidence points to good reasons for doing so. Can the cabinet secretary confirm that travel restrictions to and from the islands will be dropped only when the scientific advice says that it is also safe to do that?

The Cabinet Secretary for the Constitution, Europe and External Affairs (Michael Russell): Absolutely—that has to be the case. The travel restrictions to all the islands have been exceptionally important, and they must remain in place. I pay tribute to the staff, particularly the CalMac Ferries staff, who have been instrumental in helping that to happen with good grace, dignity and persuasion. That has worked well and continues to work well, but the restrictions must continue to be in place.

As I said to Liam McArthur, as someone who represents a large number of inhabited islands, I am familiar with the debate. There are different voices in the debate, because some people are concerned about the possibility of lifting the restrictions. I am also conscious of what the chief constable said at yesterday's Scottish Police Authority meeting. He was concerned about there being different messages and different enforcement regimes for different places.

There is a lot of discussion to be had on the issue. It is not a panacea for moving forward. However, the discussion needs to happen, and there have been very important contributions to it.

I have heard those contributions from islands in my area, and they will be a serious part of our debate and discussions.

Business Grant Applications

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): I register my interest as a shareholder in a small business in the Borders.

I hope that the Cabinet Secretary for Economy, Fair Work and Culture will pay tribute to the local authority in my area, Scottish Borders Council, which has worked relentlessly to give businesses plenty of support. Indeed, it has processed 96 per cent of the business fund applications. That can be compared with the performance of other local authorities, such as Glasgow City Council, which has been able to process only 25 per cent of grant applications.

Yesterday, the online service for new funding applications was opened at 2 o'clock, but many applicants had incredible difficulties making their applications. Indeed, some people sat at their computers all afternoon and into the evening, until the system crashed.

I have two questions for the cabinet secretary. What reassurance can she give people who are still struggling to deal with the glitches and online difficulties that they are having in making their applications? What support will the Scottish Government give to local authorities that are struggling to process the grants?

Fiona Hyslop: I pay tribute to all the council workers who have been processing the new grants at pace. As is the case in the rest of the country, many of them are working from home and are reliant on technology that can sometimes be effective and, in some cases, less effective.

I know that there are some issues in Glasgow in relation to the technology side of things, but I have been reassured that the pace at which applications are serviced is increasing daily. Of course, Glasgow City Council had the biggest number of applications, and it is working well to ensure that the remaining applications get processed at a far faster rate than has happened to date.

All systems that are put together at short notice can be vulnerable. The First Minister's statements are watched by hundreds of thousands of people as a way of getting direct information about the Scottish Government's latest developments. She announced the new scheme yesterday, at half past 12, and it went live at 2 o'clock. There were problems because, within a few moments of the website opening, it was deluged with so many people. Why did that happen? People and businesses are in need. However welcome the systems and grants that are in place from the

Scottish Government are, and however welcome the United Kingdom Government's job retention, loans and self-employed schemes are, they will not service everybody.

The new scheme that launched yesterday went down because the volume of applications caused stress to the system. It was taken offline later last night in order to make it more effective. I checked this morning to ensure that it was operating satisfactorily and that applications could take place.

A signal and communications have been sent out by Scottish Enterprise—I reiterate that message now—to say that applications will be processed from Monday. That means that people can take their time and apply when the site is less busy than it was immediately after the scheme opened yesterday, to ensure that their application can be processed.

I hope that that gives both the member and those who are applying some reassurance that those issues are being addressed. However, everywhere is operating differently. As the Presiding Officer knows, we have had our own issues with technology in this meeting.

We have to have a bit of patience, and thank those who are working hard from home. Many of those people are also looking after children and home schooling as they do so. We should pay tribute to all of those council workers.

The Presiding Officer: Thank you, cabinet secretary. There are only three more questions to go so—hopefully—our technology will hold up.

Brexit Transition Period (Extension)

Stuart McMillan (Greenock and Inverclyde) (SNP): Has Michael Russell, the Cabinet Secretary for Government Business and Constitutional Relations, received any indication from the United Kingdom Government as to whether it intends to seek an extension to the Brexit transition period? What damage will be caused to Scotland—both socially and economically—if the transition period is not extended, given the current Covid-19 crisis?

The Cabinet Secretary for the Constitution, Europe and External Affairs (Michael Russell): It is clear that the majority of people, whether or not they supported Brexit, will find the idea of the negotiations coming to a conclusion by the end of December to be increasingly bizarre.

A whole range of meetings have had to be cancelled, and even the United States has withdrawn from negotiating a new trade arrangement at present, because there simply is not enough bandwidth in any Government to deal with that issue.

There is a way through, and that is for the UK Government to seek an extension of up to two years. The withdrawal agreement allows it to do that. Almost everybody believed that that would happen. [*Temporary loss of sound.*]

If it did not do that, it would be very bad news for business. It would also be bad news for the economy more generally, because projections from economists say that the Covid-19 crisis will hit the economy and cause gross domestic product to decline by 35 per cent. There is also increasing scepticism that there will be a rapid bounce back. Both those things are very bad news indeed, and if the effect of Brexit were added to that, it would be disastrous. That is not only my view and the view of a number of businesses, but the view of a range of organisations—up to and including the International Monetary Fund.

The UK Government now has to step back and realise that [*Temporary loss of sound*]. It must recognise that seeking a pause—a period of time for reflection—is what the circumstances demand. An ideological obsession that insists on this matter going forward will add damage to enormous damage, which will affect us all very badly indeed.

Business Support

Colin Smyth (South Scotland) (Lab): The cabinet secretary for the economy will be aware that even with the new schemes that went live yesterday, a number of gaps remain in the financial support that is being provided for businesses. For example, a business can get non-domestic rates relief through the small business bonus scheme in Scotland only if the rateable value of its premises is £18,000 or less, compared with £15,000 or less in England.

Those businesses will also get a large grant. However, businesses get only a 75 per cent grant, rather than 100 per cent, on subsequent properties. There is also a cliff edge that means that no grant is available for properties with a rateable value of more than £51,000.

Does the Government have any plans to close the remaining gaps, and will the cabinet secretary support businesses by putting pressure on insurance firms who try to shirk their responsibility by not paying out on business interruption policies?

The Cabinet Secretary for Economy, Fair Work and Culture (Fiona Hyslop): Colin Smyth has asked a number of questions.

We are engaging with the insurance industry to ensure that companies process cases that have insurance cover for a pandemic and, therefore, for this situation. I suspect that some cases might be taken to the ombudsman to ensure that there will

be prompt payment of claims and to address some of the outstanding issues with insurance.

The member mentioned a cliff edge for businesses that will not receive a grant because they have a rateable value of £51,000 or more. That issue should be addressed primarily by the United Kingdom Government providing more resources.

The coronavirus business interruption loan scheme does not seem to be servicing small businesses very well, although the latest bounce-back loans are to be welcomed. I have directly suggested to the Chancellor of the Exchequer that if the UK Government is not using as much resource in underwriting those loans because there are fewer of them, it should transfer that resource so that additional grants can be made instead, particularly for those businesses whose properties have a rateable value of more than £51,000.

On the issue of those businesses with more than one property, one company in particular has championed the call to get not just one grant of £25,000, but several such grants. That company—which is operating publicly on broadcast television at 65 per cent of activity—will now be receiving more than £420,000 from the Scottish taxpayer.

We have tried very hard to ensure that more than just a few companies can get resources. We are working towards supporting the many, not just a few. Some 77 per cent of Scottish small businesses are getting grants; the figure is lower in the rest of the UK. We have more companies that we must support.

We will continue to try to help everywhere that we can. However, to be brutal, it will be difficult. There are limited resources. All the UK Government and Scottish Government schemes have had to be blunt because we had to act swiftly to tackle the cash-flow issue.

Bed and Breakfasts (Support)

Edward Mountain (Highlands and Islands) (Con): Across the Highlands and Islands, there are hundreds of small bed and breakfasts, which are vital to our economy. To be frank, if they cannot access the hospitality hardship fund, they will struggle. Can the Cabinet Secretary for Economy, Fair Work and Culture confirm whether B and Bs that have paid council tax can apply for the fund? What level of funding and help might they receive?

The Cabinet Secretary for Economy, Fair Work and Culture (Fiona Hyslop): That question reveals precisely why we are not doing exactly the same things as the rest of the United Kingdom.

We have replicated the UK scheme as well as we can, but we have also tried to make sure that we reach more businesses. The issue of bed and breakfasts that do not pay non-domestic rates but pay council tax is a key example of why we have to be more adaptable in Scotland, because we have to meet that demand from those businesses.

Bed and breakfasts that pay council tax but not domestic rates—and therefore have not been able to access grants—can now access the £20 million fund for the hospitality, leisure and tourism sector that was announced yesterday. Fergus Ewing, the Cabinet Secretary for Rural Economy and Tourism, has been clear that we have to address that issue as part of our additional support for businesses. Through the Scottish Tourism Alliance and other representative organisations, we are encouraging such bed and breakfasts to apply to the new fund.

Edward Mountain: The Cabinet Secretary for Finance tweeted about the issue on 5 April. I specifically asked what level of help bed and breakfasts can expect to receive. Can the cabinet secretary for the economy tell me what that level is?

Fiona Hyslop: The new £20 million fund can provide support through grants starting from £2,000 up to £25,000, depending on the level of hardship and whether the individual can access other sources of financial support, which would clearly have an impact. I remind the member that these are hardship funds. That is the information that I can provide to Edward Mountain, which he can relay to his constituents.

The Presiding Officer: On that note, I end today's session. I thank all the members and ministers for their participation.

Parliament will resume in Holyrood—observing social distancing, of course—at 2 o'clock on Tuesday 5 May. Until then, thank you very much.

Meeting closed at 14:44.



The Scottish Parliament
Pàrlamaid na h-Alba