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Official Report

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Thursday 6 September 2012

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Scottish Parliament

Thursday 6 September 2012

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

Scottish Government Question Time

General Questions

Paddle Sports

1. Bob Doris (Glasgow) (SNP): To ask the Scottish Government what it is doing to develop the infrastructure for, and encourage greater participation in, paddle sports. (S4O-01216)

The Minister for Public Health (Michael Matheson): I congratulate all our Scottish Olympians and Paralympians on their performances in the London Olympics and the Paralympics, which are still taking place, including our two canoe Olympic medallists, Tim Baillie and David Florence.

Investment in facilities and increasing participation have been key planks of our sports policy since we came into government, and we are now seeing the results. Sportscotland is working closely with the Scottish Canoe Association to support the continuing development of paddle sports in Scotland. Since 2007, over £2.3 million has been invested in the Scottish Canoe Association through sportscotland.

Bob Doris: I have been working with Glasgow Watersports on its ambitious £2.2 million project for a community paddle sports facility at Pinkston. The project will boost local regeneration, provide a major community paddle sports facility for youngsters from some of our most deprived communities and serve the elite youth paddlers who currently have to travel to England for suitable white-water training facilities. I request that the sports minister visit the proposed development and meet me, Glasgow Watersports and others to discuss how we can progress the project. If its vital £300,000 grant application to sportscotland is successful, that will bring the funds raised to more than £1 million and, more important, provide potential leverage for other grant awards and allow the first part of the project to commence.

The Presiding Officer (Tricia Marwick): Minister, could you answer that speech, please?

Michael Matheson: I am aware of the proposed development at Pinkston, in Glasgow. I understand that an application has been received by sportscotland from Glasgow Watersports. I am

a little disappointed that the member has asked for the sports minister to attend rather than me. However, I am more than happy to give a commitment on behalf of my colleague, Shona Robison, that she will be happy to meet the member and other relevant parties to discuss the proposal and, if possible, to visit the site.

Margo MacDonald (Lothian) (Ind): I urge the minister to take a close interest in the project. I spent a considerable amount of time—and went into considerable detail—on having the same sort of facility installed in Leith docks because of shyness on the part of the funders. The Government can and should help Glasgow because the people there are further down the road on planning than we were.

Michael Matheson: I am not aware of the proposal for Leith although I am aware of the proposal for Pinkston, in Glasgow. As I said, an application has been made to sportscotland for assistance with funding for that project. If the sports minister can help to facilitate discussions between Bob Doris and the other relevant interested parties, I have no doubt that Shona Robison will do all that she can to assist that dialogue and that she will visit the site where the facility could be based.

Scottish Development International (Links with Turkey)

2. Angus MacDonald (Falkirk East) (SNP): To ask the Scottish Government what future plans Scottish Development International has to further develop trade links with Turkey. (S4O-01217)

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): Scottish Development International has long appreciated the importance of Turkey as a market for Scottish companies. It will continue to work to strengthen trade links with Turkey in sectors where we can add value to both countries. SDI has been pursuing discussions with Turkey's main oil and gas pipeline contractor and operator, BOTAS, on the possibility of a joint Scottish-Turkish workshop for pipeline-related industries, to be held in Scotland. SDI also plans to lead another energy-focused trade delegation to Turkey in 2013.

Angus MacDonald: I thank the minister for that encouraging reply. I am aware that an SDI mission visited Turkey at the end of June. Turkey is regarded as a European equivalent of the BRIC countries virtually on our doorstep, and foreign investment in Istanbul increased by 110 per cent last year. What can the minister do to ensure that opportunities for Scottish firms, particularly in the energy sector, are properly followed up including through liaison with UK Trade & Industry officials in Turkey?

Fergus Ewing: Angus MacDonald is absolutely right to highlight the opportunities that exist in Turkey for Scottish companies. I am delighted to say that one of SDI's leading officials, Hadi Fawzy—whom I have had the pleasure of meeting—has led delegations to Turkey every year and is doing so once again. I wish to ensure that that engagement deepens as the Turkish economy continues to grow and I will encourage SDI to work closely with UKTI and other relevant bodies to ensure that we maximise the opportunities for Scottish companies that wish to engage with that rapidly growing market.

Royal Commission on the Ancient and Historical Monuments of Scotland and Historic Scotland (Merger)

3. Patricia Ferguson (Glasgow Maryhill and Springburn) (Lab): To ask the Scottish Government what progress it has made with the merger of the Royal Commission on the Ancient and Historical Monuments of Scotland with Historic Scotland. (S4O-01218)

The Cabinet Secretary for Culture and External Affairs (Fiona Hyslop): Good progress has been made since I commissioned the development of a business case for merger in July. The work is being taken forward under the joint leadership of the two chief executives. When I met RCAHMS commissioners recently they were supportive of the process and I have committed to keeping them involved in it.

My aspiration is to create a new body that builds on the recognised strengths of both organisations and is stronger, more resilient and better equipped to celebrate Scotland's heritage. I will base a final decision on how to proceed on the business case, which I expect to receive around the end of 2012.

Patricia Ferguson: I am sure that the cabinet secretary is aware that I am not completely convinced that the proposed merger is the right option for either organisation. Given that funding for Historic Scotland is set to fall by 30 per cent over the budget period, will she assure me that a merger is not simply an expedient measure to save money and that any merger will be carried out with the interests of both organisations and their work to the fore? How will she ensure that there will be no redundancies at either organisation as a result?

Fiona Hyslop: I made that last point quite clear in my correspondence with RCAHMS. Indeed, when I wrote to Patricia Ferguson on 4 July, I was adamant that we needed to provide certainty of employment for RCAHMS staff and that the policy of no compulsory redundancies, which is a positive policy of the Government, would extend to RCAHMS and Historic Scotland staff.

On whether the proposed merger is a cost-saving measure, in most mergers any cost savings do not happen immediately. I know, because I have been involved in a number of them in the Scottish Government. I made it clear in my letter to Patricia Ferguson on 4 July and have made it clear right through the discussions with RCAHMS that the purpose of the merger is to protect and promote the commission's core functions. RCAHMS recognises the importance of that. In advancing that, we can give the commission a stronger status by ensuring that its functions are embedded and respected in legislation, as I suspect will need to be the case.

Naloxone Programme (Benefits)

4. John Finnie (Highlands and Islands) (SNP): To ask the Scottish Government what the benefits are of the naloxone programme. (S4O-01219)

The Minister for Community Safety and Legal Affairs (Roseanna Cunningham): We know from the Scottish drug-related deaths database, which published reports in 2011 and 2012, that around 80 per cent of drug-related deaths registered in Scotland are opiate related; that half of those who die have been in prison before; that the majority of fatal overdoses are witnessed or have others present at them; and that there is ambulance attendance at the majority of fatal overdoses but the patient has already died. That makes a compelling case for a national programme to ensure that those who use opiates, their families and their communities are made aware of, and trained to use, naloxone to save a life.

Scotland's national naloxone programme is described in the *Drugs: Education, Prevention and Policy* journal as

"One of the most important public health interventions to emerge aimed at tackling rising Drug-Related Deaths".

That is an assessment of the global situation so, in carrying out the naloxone programme, we are at the forefront of the struggle against drug addiction in the world.

John Finnie: I understand that naloxone is available in nasal spray form. Will the Scottish Government take the opportunity of that development to ensure that all relevant agencies are actively participating in the programme and that all front-line services, such as the police, are trained and equipped to use naloxone?

Roseanna Cunningham: John Finnie will be aware that, at the moment, naloxone is administered by intramuscular injection, but I am conscious that Highland NHS Board has agreed with local partners to pilot intranasal naloxone. It is one of the first health boards in Scotland to have

developed a take-home naloxone programme, which is why it wants to further develop the programme. However, we are still in the very early stages of the national naloxone programme, so perhaps now is not the right time for all health boards to trial it. We look forward to information from Highland NHS Board, which has agreed to keep the national naloxone advisory group up to speed on the progress of the pilot and evaluate its effectiveness over time.

Duncan McNeil (Greenock and Inverclyde) (Lab): Sadly, the minister will be aware of the increasing number of deaths from drug addiction and, of course, of the high figures in Inverclyde, which we discussed last year. She will also understand that there is a maturing population of drug addicts who live alone and in isolation. How will the naloxone programme help those people who are using on their own?

Roseanna Cunningham: We have to be honest and say that naloxone is not a magic wand that will be available to every person. The group of people that Duncan McNeil described is indeed one of the hardest groups to access for any form of treatment. A significant number of people in the addicted population have now been using for between 20 and 30 years and are exhibiting many difficulties across the health spectrum. Whether a programme such as naloxone would be useful for people in those circumstances would be a reasonable debate. Naloxone is an important tool in our armoury, but there are big issues concerning the group of people that Duncan McNeil spoke about, and we are well aware that there are people we are currently not reaching. Part of what we are trying to do is establish mechanisms to get to those individuals.

Infrastructure Projects (Delays) (North-east Economy)

5. Nanette Milne (North East Scotland) (Con): To ask the Scottish Government what assessment it has made of the impact of any delay in delivering infrastructure projects in the north-east on the region's economy. (S4O-01220)

The Minister for Housing and Transport (Keith Brown): The Scottish Government recognises the importance of sustained capital investment and we are using all the levers at our disposal to maximise infrastructure investment and support economic growth throughout Scotland. We therefore remain absolutely committed to getting the likes of the A90 Aberdeen western peripheral route project up and running as soon as possible, subject to the current legal challenge, given that it is estimated that the project will generate additional income in the north-east of more than £6.33 billion. We have also repeatedly called on Westminster for a capital spending boost in the

interests of jobs and recovery in Scotland. We have provided Westminster with a list of shovel-ready projects that we could take forward if we were given additional funding and we will continue to press for that.

Nanette Milne: I am sure that the minister shares my disappointment that the Union Terrace gardens project was narrowly rejected by Aberdeen City Council. North-east residents are equally disappointed by the delay in delivering the Aberdeen western peripheral route. What further financial impact does the Scottish Government believe the on-going delay to the AWPR is having, both to the cost of the project and to the north-east economy?

Keith Brown: The benefits that are currently being avoided include the construction boost that would come from the employment of people in the project, the onwards multiplier effect and economic boost for the area and, as I mentioned, £6.33 billion of additional income. That is part of the cost of the delay. The member is right to point out that we have a democratic and legal process to follow for the AWPR, which the Government cannot avoid.

It is unfortunate that an anti-democratic decision by the council has stopped another project going forward.

Alison McInnes (North East Scotland) (LD): The Balmedie to Tipperty dualling is in the minister's hands and he could take that forward now. The growing costs of congestion are an unfair burden on local businesses, and I ask again that he build it forthwith. The delay is also having a seriously adverse effect on my constituents, who have compulsory purchase orders hanging over them. Will the minister explain why properties are being purchased on the south side of Aberdeen for the AWPR route but not on the north side for the Balmedie to Tipperty route?

Keith Brown: I am happy to repeat the answer that I have given Alison McInnes a number of times, which is that the Balmedie to Tipperty project will make most sense and be most economically viable if it is undertaken at the same time as the AWPR project. We have been told that by independent assessments that have been carried out to make sure that we do things in the most cost-efficient way possible. I would have thought that somebody from the Liberal Democrats, who are anxious to cut our budgets, would be keen that we do things in the most cost-efficient way. I will be happy to write to Alison McInnes once again to outline that and the reason for the compulsory purchase orders that are taking place.

International Culture Summit 2012 (Benefits)

6. Clare Adamson (Central Scotland) (SNP):

To ask the Scottish Government what benefits it considers the international culture summit 2012 has brought to Scotland. (S4O-01221)

The Cabinet Secretary for Culture and External Affairs (Fiona Hyslop): The Edinburgh international culture summit was attended by 33 delegations from around the globe and by more than 20 Government ministers. It showcased the best of Scottish culture, positioned Scotland as a leader in international cultural debate and enhanced our reputation as a highly creative nation. It delivered a model that could be replicated, and Edinburgh provides a fitting backdrop for future meetings of culture leaders from nations around the world. The summit also provided an opportunity for discussion of future international partnerships.

Clare Adamson: Certainly, people were brought together under the theme of culture as international dialogue from as far afield as Nigeria, New Zealand, Japan and Brazil. As one who attended the conference, I was moved by the hard-hitting contributions from those in poverty and those from theatres of conflict, such as Haris Pašović, who talked about the efforts to bring theatre and film to Sarajevo during its siege. Given the success of the culture summit and the fact that it showcased Scotland as a vibrant centre for international cultural exchange, are there any plans to hold another summit in the future?

Fiona Hyslop: We are very interested in holding the summit again and have had requests to do so. It is likely that we will hold it in Edinburgh again, most likely in 2014.

The Presiding Officer: Question 7, from Humza Yousaf, has been withdrawn.

Hospital Patients' Accommodation (Consultation)

8. Alex Fergusson (Galloway and West Dumfries) (Con): To ask the Scottish Government what consultation was carried out prior to deciding that all refurbished and new-build hospitals would comprise single-room-only accommodation for patients. (S4O-01223)

The Minister for Public Health (Michael Matheson): As part of the work of the steering group that was established in 2006 to consider single-room provision, a number of consultations were undertaken, including a public attitude survey and a nursing staff report based on a survey of senior nurses and midwives from all national health service boards. A further opportunity was provided to all nurse directors to comment and contribute to the process in 2007. The outcome of the consultations was confirmed by the chief

medical officer for Scotland in 2010 and it was stated that there would be a presumption in favour of 100 per cent single-room in-patient provision in new-build hospital accommodation unless there was a clinical reason not to have that. However, any exceptions would require to be approved by the Scottish Government as part of the normal business case approval process.

Alex Fergusson: Is the minister aware of two surveys that were carried out by a senior clinician in Dumfries and Galloway royal infirmary that concluded that 60 per cent of patients in four-bedded wards and, perhaps more interesting, 40 per cent of patients currently in single rooms would prefer to stay in four-bedded wards if they were readmitted to hospital? Given that only patchy evidence seems to exist on the effectiveness of reducing hospital-acquired infections by having single-room-only hospitals, never mind the cost of building them, would it not be wise to listen a little more closely to the views of those who are most affected by the decision on such hospitals, namely the patients themselves?

Michael Matheson: As I said in my previous answer, a considerable level of consideration was given to patients' views, including those who had experienced treatment in a single-bedded unit. It is worth noting, though, that single-bed provision also assists in addressing issues such as infection control and reducing length of stay and the occurrence of medical errors. In addition, patient satisfaction levels are greater among those who have experienced care in a single-bedded unit. However, the business case for the redevelopment of Dumfries and Galloway royal infirmary has still to be submitted to the Scottish Government and it is for Dumfries and Galloway NHS Board to make the case for how it sees the provision of beds in the refurbished establishment.

Jackie Baillie (Dumbarton) (Lab): Given that the presumption to which the minister referred is in practical terms considered a requirement, what more will he do to ensure that the process provides some flexibility where there is a demonstrable clinical and patient benefit in that regard? Further, does he agree that single rooms require more nurses?

Michael Matheson: The present arrangements allow for flexibility where the clinical case can be made.

The Presiding Officer: Before we come to First Minister's questions, members will wish to join me in welcoming to the gallery the High Commissioner of Zambia, His Excellency Bizwayo Nkunika. [Applause.]

First Minister's Question Time

11:59

Engagements

1. Johann Lamont (Glasgow Pollok) (Lab): To ask the First Minister what engagements he has planned for the rest of the day. (S4F-00822)

The First Minister (Alex Salmond): Later today, I will visit Forth Valley College in Stirling to open its new state-of-the-art £20 million campus building. That cutting-edge facility is one of the most advanced college premises in Scotland and demonstrates this Government's unwavering commitment to the college sector.

Johann Lamont: It is astonishing that the Government's definition of "unwavering commitment" is the cutting of colleges' budgets by 20 per cent.

So, Nicola Sturgeon is the new minister for shovel-ready projects and Alex Neil gets a hospital pass. As I look round the chamber, I can see that not everyone is smiling—not Jamie Hepburn, who was passed over for the crime of sticking to party policy on NATO, and not Kenny Gibson, who is never the bridesmaid and is not even invited to the evening reception. The First Minister is not so much rearranging the deckchairs on the Titanic as swapping the mop heads on the Vital Spark.

It is not just the First Minister's back benchers who are unhappy. Anyone in the country who is looking for a full-time job and any business that is looking for opportunities is unhappy. Why has the First Minister reduced the ministerial responsibility for economic recovery to a part-time post? Why is running the national health service less important than running his referendum?

The First Minister: I cannot believe that Johann Lamont is accusing someone else of not smiling.

Let me deal with the college sector first. I have been looking at the massive capital investment programme in the Scottish college sector—in Dundee, Forth Valley, Kilmarnock, Inverness and, of course, Glasgow, where £200 million of capital investment is coming to City of Glasgow College. I have been looking at what that will do to the college budget—current and capital—over the next couple of years. It means that the college budget moves from £574 million to an expected £655 million in 2014-15, which means, for example, a capital programme in that year of £184 million. That is the extent of this Government's commitment to the college sector in Scotland. Ten years ago, the Labour Party's capital programme in our college sector was £21 million. I repeat: £21 million.

On the Government changes, Johann Lamont is in a position in which she has to select her shadow cabinet from outwith the ranks of members of the Scottish Parliament, such is the dearth of talent. I am in the fortunate position in which every single member of this Government is focused on economic recovery and public services in Scotland, and every single member of this Government is looking to secure for this nation the economic and political powers that we need to ensure a prosperous and just future.

Johann Lamont: I will never, ever apologise for drawing on the expertise of ordinary people across this country, including students, who know what the First Minister is doing to them. The reality is that the gap between what the First Minister says is happening and what is actually happening on the ground is growing wider by the day. Ask any college principal, and that is what they will tell you.

Let me get this right. In the morning, Nicola Sturgeon will deal with Scotland's biggest decision for 300 years. In the afternoon, she will deal with the greatest economic crisis since the depression in the 1930s. What on earth will she do over lunch? Will she split the atom?

On Tuesday, the First Minister said:

"There has never been an economic recovery without a recovery in the construction sector"—[*Official Report*, 4 September 2012; c 10899.]

This is the man who cut £86 million from the housing budget. Now he has downgraded the post of minister for construction to a part-time job. How does he explain to someone who is looking for work that the issue is on Nicola Sturgeon's to-do list—that it is for some point when she gets past what she really cares about, which is the constitution?

The First Minister: Let me deal with the consequences of London rule over Scotland, which is supported by Johann Lamont and her friends in the Conservative Party. The capital budget for Scotland that was outlined by Alistair Darling—the capital budget in which cuts were to be "deeper and tougher" than the cuts that were imposed by Margaret Thatcher, as Alistair Darling himself predicted—would reduce by 37 per cent in real terms between 2010-11 and 2013-14. Through the munificence of the Conservative-Liberal Administration and additions through consequentials, that cut has been reduced from the 37 per cent that was planned by Alistair Darling to 33.4 per cent next year.

Can Johann Lamont make a possible connection between a 33 per cent cut in the capital budget and the consequences that that has for people in Scotland? Does she not understand that almost 90 per cent of Scotland's budget is controlled by Westminster? Can she explain to the

Scottish people why she wants to continue with a situation in which Scotland suffers from the cuts that have been ordered by successive Tory and Labour Chancellors of the Exchequer?

Johann Lamont: The First Minister makes my case for me. If the Tories are attacking Scotland in the way that he says they are, why, in the face of that, does he not have a minister actively focus on protecting the people of Scotland, rather than focusing on the referendum?

If the First Minister wants to talk about working with the Tories, perhaps he had better speak to his Westminster colleagues, who I hear are saying that they will back the Tories on cutting the number of Scots MPs we send to Westminster. That will be a case about representation. *[Interruption.]*

The Presiding Officer (Tricia Marwick): Order.

Johann Lamont: The fact of the matter is that the First Minister's problem is that his priorities are not those of the people of Scotland. We know that he is fond of quoting opinion polls. Let me quote from one that was published this morning. When asked what subject they would raise with the First Minister, 68 per cent of young Scots said that they would raise jobs and the economy. Only 5 per cent said that they would raise the constitution, which came behind jobs, crime and the health service, yet the First Minister has downgraded jobs and the economy and has placed less importance on hospital care—all because of his obsession with breaking up the United Kingdom. Does he not see that he is out of touch and that he does not care about jobs, other than his own?

The First Minister: First, I will deal with the health service. Nicola Sturgeon was in post as health secretary for five and a half years. That is more than twice as long as anybody in the history of devolution, and is almost as long as Nye Bevan—who founded the national health service—was in post. That is not a bad comparison since Nicola Sturgeon, as health secretary, restored the principle of health care being free at the point of need to the Scottish people.

Under John Swinney's leadership on the economy, we have jobs in Scotland: a better employment rate, a lower unemployment rate and lower inactivity than the rest of the United Kingdom. That is notable performance when set against the restrictions of the Tory Government at Westminster.

If Johann Lamont does not like Tory rule from Westminster—except of course when she shares platforms with the Tories throughout Scotland—why on earth does she support the continuing Exchequer rule over Scotland, which is forcing the cuts not only in the areas that we control and in which we can try to give protection, but in areas

such as welfare, through which the Westminster Government is putting hundreds of thousands of Scottish people into poverty? Why does Johann Lamont support that kind of policy from Westminster?

The best opinion poll that I saw over the summer was from that Labour Party affiliated organisation, the Fabian Society. Through YouGov, it asked people in Scotland what words they associate with the Labour Party. The top three—remember this is a Fabian Society poll—were “out of touch”, at 35 per cent; “incompetent”, at 29 per cent; and “boring”, at 26 per cent. If that is what the Fabian Society thinks that people think of the Labour Party, what do the rest of the population think?

Johann Lamont: The First Minister might want to reflect on the fact that the people of this country do not think that his obsession—the referendum—is their priority. That is the biggest gap that he has to deal with.

If I was concerned about the health service, I do not think that I would be putting in charge of it a man who, in his previous job in relation to the economy, presided over a slash in the housing budget and exported £700 million to boost the economies of China, Spain and Poland.

Last May, Nicola Sturgeon was in charge of another campaign—a campaign to take over Scotland's biggest city. She made her campaign not about the priorities of the people of Glasgow, but about Glasgow being a stepping-stone to independence, and she got roundly thumped. It is clear that the First Minister has learned nothing from that. The people's priorities are jobs, paying their bills and putting food on the table when, in Salmond's Scotland, thousands of families now need food parcels. The First Minister cannot keep Scotland on pause for the next two years. When will he realise that it is not independence that Scots families care about? It's the economy, stupid.

The First Minister: Given that I am now on my fourth Labour Party leader since 2007, I do not think that Labour should talk about people getting “thumped” in elections in Scotland; Labour has had plenty of that.

As far as Alex Neil is concerned, I think that he epitomises the values of the national health service better than any member of the Labour Party in this Parliament—with the possible exception of Malcolm Chisholm, who was, of course, unfortunately removed as health minister by the Labour Party. The health service is safe in the hands of Alex Neil, rather than in the hands of a Labour Party that has been lying down on privatisation of the health service south of the border.

As regards Johann Lamont's explanation of why people are happy with her alliance with the Tory party, I do not believe that it is universal in the Labour Party ranks. Another former leader of Glasgow City Council and former MSP, Charlie Gordon, said on Twitter:

"Only halfway through recession. Jobless youngsters' benefits threatened. Devolution can't protect them. Better together with the Tories?"

I think that there are questions in the minds of Labour MSPs as well as in the mind of every Labour supporter in Scotland about the alliance that Johann Lamont has made with the Conservative party front bench.

I go back to the Fabian Society's opinion poll. It was not all bad news for the Labour Party. Some people felt that the Labour Party in Scotland has "plenty of ideas". That number was 8 per cent. I think that that 8 per cent is a massive figure, given the desultory and negative performance of the Labour Party in this Parliament since 2007.

Secretary of State for Scotland (Meetings)

2. Ruth Davidson (Glasgow) (Con): To ask the First Minister when he will next meet the Secretary of State for Scotland. (S4F-00818)

The First Minister (Alex Salmond): I have no immediate plans to do so, but this very morning David Mundell accepted the Deputy First Minister's request to meet the secretary of state. I understand that that meeting will take place next week.

Ruth Davidson: That is good to hear. It is also good to see that the cheery bonhomie between the First Minister and the leader of the Labour Party that we left off from in June has resumed.

We now know that the Scottish Government is happy to sacrifice a latter-day Nye Bevan on health in the pursuit of the break-up of Britain. Over the summer, we watched higher education descend into chaos. [*Interruption.*]

The Presiding Officer: Order.

Ruth Davidson: To be frank, justice has been little more than an afterthought for the Scottish National Party. Yesterday, Mike Russell said that the SNP wants to be judged on its record, so I ask the First Minister how many convicted killers and rapists, for example, have been released early under the SNP.

The First Minister: As Ruth Davidson should know, we have the lowest crime rates in Scotland for more than 30 years. The reason why we have the lowest crime rates in Scotland for more than 30 years is that we have 1,000 more police on the streets and in the communities of Scotland, solving crime and making communities safer.

I am not aware of "the cheery bonhomie" to which Ruth Davidson alluded. The cheery bonhomie that I have been complaining about is the cheery bonhomie between Ruth Davidson and the Labour front bench. The people of Scotland watch that cheery bonhomie and wonder whether the Tories are turning themselves into the Labour party or—more likely—the Labour party is turning itself into the Conservatives.

As for the crisis in the university system in Scotland, this year the best-funded universities in the continent of Europe have a record number of Scottish students. In England, under the policies of Ruth Davidson's party, the numbers have collapsed by 25,000. Perhaps Ruth Davidson might inform the chamber how she can possibly interpret a record number of university students from Scotland going to Scottish universities as anything other than an outstanding success for this Administration and a total vindication of the restoration of free education to the Scottish people.

Ruth Davidson: That was a truly stunning lap in the bluster Scolympics, but I asked about rapists and murderers. The First Minister should have those figures—they should be in his book—because they are Government figures: 161 rapists and 277 killers are among the nearly 5,000 of the most violent people in our society who have been released early, back on to Scotland's streets, since he came to power.

We know that the judges do not like early release because Lord Ross has called it "a charade". The First Minister is today keen on opinion polls, but we know that the public do not like early release because 95 per cent of them oppose it. There is a simple remedy; the First Minister has even announced a victims bill for this parliamentary session, but in it is not a single word about automatic early release.

Will the First Minister now act on the manifesto promises that he made in 2007 and in 2011, or is he personally content with these people roaming Scotland's streets?

The First Minister: As the political party that introduced automatic early release in Scotland—yes, the Conservative Party introduced early release in Scotland under, I think, the tutelage of Michael Forsyth and Ian Lang—why on earth does the Conservative Party not realise that it should show some modesty when it comes to its complaints about the criminal justice system in Scotland?

The best thing about criminal justice in Scotland now is that criminals actually get caught. We have the best statistics on solving crime in a generation. We have the lowest levels of recorded crime in a generation. Fear of crime is falling in Scotland,

leading to the situation in which the Home Secretary in England gets booed off the stage by the Police Federation while the Cabinet Secretary for Justice in Scotland gets a standing ovation.

Cabinet (Meetings)

3. Willie Rennie (Mid Scotland and Fife) (LD):

To ask the First Minister what issues will be discussed at the next meeting of the Cabinet. (S4F-00823)

The First Minister (Alex Salmond): It will discuss issues of importance to the people of Scotland.

Willie Rennie: We have just heard from Johann Lamont that the health service and the economy are being deprioritised by the First Minister as he moves his most senior minister from health to independence.

There is also a concern about the cost of focusing the civil service on making the Scottish National Party's case for independence. How many civil servants are working for the new minister for independence and how much is it costing?

The First Minister: Somewhat less than are working in Downing Street trying to argue the case against the Scottish people.

I would say one thing to Willie Rennie. Moving somebody of Alex Neil's formidable talents into the health service indicates and vindicates the strength of feeling of this party in favour of a national health service that is free at the point of need. Would that the Liberals in England would resist the Tory attempts to dismantle the national health service in England.

Every member of this Government is focused on economic recovery, but every member of this Government understands the inevitable conclusion that unless this country of Scotland gets control of our own resources and unless we are able to run the finances of Scotland, the best that we can do is to mitigate the impact of Tory-Liberal cuts from Westminster. There was a time in Scotland when members of the Liberal party actually believed in genuine home rule and controlling the finances of Scotland. Under the leadership of Willie Rennie and his immediate predecessor, that enthusiasm for genuine self-government has disappeared. That is probably why the party is reduced to a rump in this Parliament.

Willie Rennie: The First Minister loves to bluster rather than answer the question. It is surprising that he does not even know how many civil servants are working on that, and how much it is costing.

This summer, we learned that every civil servant had received training—not on boosting the

economy or improving public services, but on how to keep information on independence secret and how to criticise the United Kingdom. [*Laughter.*] SNP members laugh and joke, but that is what is happening. The First Minister's deputy is paid by the taxpayer to run the SNP's independence campaign. With all the problems that are facing our country, can it really be justified for taxpayers to pay her and for so many civil servants to be devoted to the SNP's cause? Come on—tell us.

The First Minister: "I consider"

Willie Rennie's

"allegations preposterous"

and his

"interpretation of the incidents fanciful".

Those are not my words, but the words of Alison Elliot, the former Moderator of the General Assembly of the Church of Scotland, who had to respond to a similar ridiculous and nonsensical attack from Willie Rennie.

BBC Scotland (Job Losses and Gaelic News Service Reduction)

4. John Finnie (Highlands and Islands)

(SNP): To ask the First Minister what representations the Scottish Government has made to BBC Scotland following the announcement that there will be job losses at BBC Highlands and Islands and a reduction to its Gaelic news service. (S4F-00816)

The First Minister (Alex Salmond): The job cuts in BBC Scotland are extremely disappointing. This week, the Cabinet Secretary for Culture and External Affairs wrote to the director-general designate of the BBC, George Entwistle, to make representations about the job losses, particularly those in news and current affairs and in Gaelic broadcasting.

I will be speaking personally with Mr Entwistle next week, when I will make clear my concern about the impact on public sector broadcasting in Scotland.

John Finnie: The First Minister will be aware that BBC Alba has been very successful in pulling in viewing figures of more than 0.5 million despite the number of Gaelic speakers being fewer than 100,000. Does he agree that that is clear evidence that the people of Scotland are seeking out programming that is made in Scotland and want more productions to be made and shown here, and that independent public service broadcasting would help to deliver that?

The First Minister: Yes, I agree with that. Members in the chamber should be aware of the contrast between the funding cuts that are affecting the BBC in Scotland—a 16 per cent cut

in funding from £102 million to £86 million—and this Government's decision to protect the funding for BBC Alba.

It would be of enormous concern, not just to me but—I hope—to every member in the chamber, if the reports in *The Herald* newspaper were true and the BBC was intending to use the staff of the publicly funded BBC Alba to cover for the cuts in Gaelic broadcasting that are being made in Inverness. That would, in my estimation, be a very serious position indeed, and I will put that point directly to the director-general designate when I speak to him next week.

David Stewart (Highlands and Islands) (Lab):

Does the First Minister share my concerns that, with the removal of the news editor's job from the proposed Inverness establishment, there would be no direction for those services except from Glasgow? That would mean that the BBC Highland news agenda would be driven from Pacific Quay.

Does the First Minister agree that the BBC's mission must be for the whole of Scotland, including rural and island communities, not just the central belt?

The First Minister: Yes, I agree with that, and I hope that David Stewart shares my concerns about the report in *The Herald* on the idea of taking journalistic expertise from BBC Alba to cover for cutbacks in the BBC's own broadcasting.

The BBC is our national broadcaster in Scotland. I think that all members would believe that it is time that the BBC started to act like a national broadcaster for the whole of the country.

CalMac Ferries (Services)

5. Richard Baker (North East Scotland) (Lab):

To ask the First Minister what discussions the Scottish Government has had with CalMac regarding the future of ferry services. (S4F-00831)

The First Minister (Alex Salmond): Transport Scotland meets regularly with CalMac and other key stakeholders, including trade unions and community representatives, to discuss how we can best deliver ferry services.

Richard Baker: Does the First Minister agree that, in the process that takes place next year to replace the current contract—which CalMac operates—for the Clyde and Hebrides ferry services, the routes should not be debundled but should be tendered as a single contract as they were in the previous tendering process?

The First Minister: We have no plans to unbundle the Clyde and Hebrides ferry services. In our estimation, the case for unbundling has not been made.

I am sure that Richard Baker will be the first to acknowledge and understand that we have no choice but to tender for the services. I know he understands that, because in 2005, as a Government supporter at the time, he supported a Government motion that acknowledged that

“the tendering of the Clyde and Hebrides lifeline ferry services is required to protect these vital services.”

Given that there can be no disagreement that the tendering process is inevitable and that I have just given Richard Baker an indication of the Government's view on unbundling, which should give him and the workers much security, I hope that he can see that the chamber should be united in protecting our lifeline ferry services.

Dave Thompson (Skye, Lochaber and Badenoch) (SNP):

I am sure that the First Minister is aware that the CalMac ferries are predominantly crewed by west coast seafarers. What safeguards will be in place in the next round of tendering to ensure that those excellent staff retain their jobs and conditions of service in the long term should CalMac lose the contract?

The First Minister: Dave Thompson describes the CalMac staff as “excellent”. I reiterate that. The staff employed by CalMac are excellent, and we should recognise the vital importance of those jobs to rural communities.

Even if there were to be a new provider following a tender process, the Transfer of Undertakings (Protection of Employment) Regulations would, of course, apply. I urge all concerns to look at the protection of pensions, terms and conditions that we have managed to ensure has taken place with regard to the NorthLink contract.

Rolls-Royce Group (East Kilbride Plant Proposed Closure)

6. Linda Fabiani (East Kilbride) (SNP): To ask the First Minister what the Scottish Government's response is to the proposed closure of the Rolls-Royce plant in East Kilbride. (S4F-00824)

The First Minister (Alex Salmond): We appreciate the concern that has been expressed about the effect of the closure of the East Kilbride Rolls-Royce plant on the local economy and the upheaval that will be felt by the workers relocating to Inchinnan. However, we are pleased that Rolls-Royce intends to retain all its staff from the East Kilbride plant. That clearly underlines the significant contribution that those staff make to the company. We also welcome its continued commitment to manufacturing in the west of Scotland.

The company has committed to working closely with its employees to ensure that the proposed

transition is managed considerably, and Scottish Enterprise is now working closely with it to ensure that the relocation is managed effectively for all concerned. Scottish Enterprise and Scottish Development International are working with the company and local partners, and that work includes consideration of future options for the East Kilbride site in 2015 and beyond. That work is under way. The most recent meeting took place in Inchinnan on 4 September, and a further meeting is scheduled to take place in East Kilbride on 20 September.

Linda Fabiani: The First Minister will be aware that, back in 2004, the Labour-Lib Dem Administration agreed funding to upgrade the Rolls-Royce plant in Renfrewshire, to where it is now proposed that the East Kilbride jobs will move. Were any conditions imposed on that funding at that time to protect East Kilbride jobs and workers? I ask the First Minister to ensure that the Scottish Government supports efforts to retain Rolls-Royce in East Kilbride and makes every effort, as he has outlined, to secure the suitable reuse of the important industrial site. East Kilbride has been home to some of Scotland's most advanced manufacturing, and there is absolute determination in the town to see that continue.

The First Minister: I will look into the first part of Linda Fabiani's question and reply to her on it in writing.

On an assurance about Skills Development Scotland and Government agencies, we will work with local partners to ensure that all young people can access the services that they need to help them into work. As Linda Fabiani knows, the Minister for Youth Employment is undertaking a series of employment action forums, including in East Kilbride, to engage young people and public, private and third sector employers to drive action at the local level. She can be absolutely certain that the Government and its agencies are fully committed to the East Kilbride economy.

“River City”

The Deputy Presiding Officer (John Scott): The next item of business is a members' business debate on motion S4M-03168, in the name of Annabel Goldie, on “River City”. The debate will be concluded without any question being put.

Motion debated,

That the Parliament notes that BBC Scotland's flagship drama, *River City*, will celebrate its 10th anniversary in September 2012; further notes that the programme, which is filmed in Dumbarton, attracts an average of 500,000 viewers a week and is regarded as an iconic contributor to Scottish drama and entertainment; praises the calibre and commitment of the actors and commends the scriptwriters for entertaining and topical storylines; considers that the programme has an important dimension as a social medium in tackling challenging social and current issues, and congratulates all those involved in the production of *River City* on creating a Scottish soap that has captured the hearts of so many Scottish viewers who tune in weekly to follow the eventful chronicle of life in Shieldinch.

12:30

Annabel Goldie (West Scotland) (Con): It is a great pleasure to open this debate, which is the first Thursday lunch-time members' business debate in our new parliamentary timetable—I am sure that the residents of Shieldinch will be captivated by such change.

I thank everyone who has supported the motion and extend a warm welcome to any visitors in the public gallery who are connected with “River City”, although I rather think that the interest of colleagues has less to do with political inquisitiveness about the cultural genre of soap and more to do with the condition of aspirant luvvies.

I still remember my reaction to the early instalments of “River City” back in 2002. I was so impressed that I thought that it should be abolished. Indeed, I shared my thoughts with the then controller of BBC Scotland, John McCormick, who—quite rightly identifying that he was conversing with someone whose grasp of screen culture was slender—informed me that a soap needed time to bed down and that a second series had been commissioned. After I had recovered from the shock of that unwelcome announcement, I thought, “Well, it's so ghastly it will probably self-destruct, and we shall all be rid of the whole unhappy affair.”

I could not have been more wrong, because I decided to watch the new series and I was hooked, as were a lot of other people. Now, the Tuesday programme has an average audience of 420,000, and, when the Sunday repeat and the BBC iPlayer catch-up are factored in, that figure rises to around 500,000 a week, which is no small

achievement. That all adds up to a significant drama success for BBC Scotland, a positive contribution to Scottish culture, an impressive showcase for our Scottish acting talent and an important economic boost for Dumbarton and the wider Scottish economy. That is why I think that it is important that the Scottish Parliament should acknowledge and celebrate the 10th anniversary of this Scottish success.

I have not constructed this speech along the lines of a “River City” script—that might have held members’ attention, but they would have needed a lie-down afterwards. However, it is worth looking at some of the facts behind the entertainment—I thank the BBC for the provision of this helpful information.

Including dailies and casual labour, the drama, which is filmed in Dumbarton, employs up to 200 people over the course of a year, with a core of 90 crew when in production, 25 main cast, 60 guest cast, four child actors and 150 extras, 90 per cent of whom are local. It films all year round, but the programme is prepared during only two 14-week periods, which enables the crew to work on other productions, encourages a healthy turnover of production talent and enables productions such as “Garrow’s Law”, “The Eagle” and “The Deep” to utilise the facilities at Dumbarton.

That leads me to the economic impact. The programme uses local supporting artists, equipment is hired locally and the crew shop locally. According to a draft report on the economic impact of BBC Scotland’s Dumbarton studios that was prepared by Strathleven Regeneration CIC, the cumulative regional gross value added to Dumbarton is around £140 million, and the cumulative national gross value added is around £45 million. As Shellsuit Bob might say to Deke, “Nae small money that, pal.”

Let us move on to deal with the entertainment component of this much-loved soap. “River City” has gripped the public imagination, pulled the heartstrings and brought tears of sorrow and laughter to the watching eyes of Scotland as we have shared the highs and lows of life in Shieldinch. With 500,000 fans viewing each week, BBC Scotland has found a winning formula that encapsulates urban life and the distinctive grain of Scottish character. However, with hard-hitting and gritty storylines, it has also created a social commentary that many people can identify with. To me, that is a tremendously important part of its success, reassuring people that they are not alone in the challenges that confront communities and individuals and providing useful signposts for help—all of that, of course, brought alive with vibrancy and pace by gifted actors, compelling scripts and the highest professional standards of direction and production.

The BBC is to run an online vote to let the drama’s fans choose their favourite moment from the last 10 years of the programme. There will be no shortage of suggestions. Challenging issues have been taken head on, including drugs abuse, alcoholism, prison, gangland mafia, marriage breakdown, stillbirth, unemployment, homophobia, Alzheimer’s and the embezzling lawyer. Those are just some of the issues, but all the programmes have been skilfully scripted, sensitively acted and superbly directed.

Another important dimension is that “River City” has evolved into a significant social medium. As members of the Scottish Parliament, we know the raw side of human nature—the frightened, the wronged, the lost, the abandoned and the lonely. Sometimes, one of the most difficult decisions for an individual to make is to speak to someone—to anyone. “River City”, by representing those difficult issues in a realistic way and then offering, either within the script or at the end of the programme, signposts towards help, is doing something invaluable. That is not an argument for people to live their lives through a soap; it is recognising that, for some people, vital companionship and communication can be provided by a soap, and there is a world of difference between the two.

Of course, there are lighter moments. Who would want Molly as a mother-in-law or Scarlett as a daughter-in-law? We have to admire that fierce defence of family against all comers, because it strikes a chord with us. Kelly-Marie, Madonna, Shellsuit Bob and Big Bob really have a formidable duo of matriarchs looking out for them. Of course, I have my own views about what Shieldinch might want to embrace in the future. Surely, it cannot remain immune from the constitutional debate. Eileen must have an opinion, because she does on everything else. Will Lenny be part of the yes campaign and, if so, does it want him? Is Liz a confirmed unionist? What does Scarlett think of the curriculum for excellence? I fear for Mike Russell if she ever expresses a view. Who knows what will unfold in the Oyster Cafe and the Tall Ship in the coming months and years?

I thank and congratulate the BBC and everyone who is involved in “River City”, who make the programme the gem that it is, and I send very best wishes to Shieldinch for the future.

12:37

Jackie Baillie (Dumbarton) (Lab): I am delighted to contribute to this debate on the 10th anniversary of “River City”, which is filmed at the BBC’s studios in Dumbarton. I congratulate Annabel Goldie on lodging her motion for a members’ business debate and on changing her mind about the value of “River City”. I offer apologies from my leader Johann Lamont—she

tells me that she is a great fan, but had to leave to attend to other business.

I have discovered that my connection with “River City” extends beyond the fact that filming takes place in my constituency. Those who are regular viewers will know that the current storyline centres on Big Bob having a heart attack. Big Bob is played by Tom Urie, who is the brother of local Hermitage academy headteacher Geoff Urie, although I am not sure that Geoff will appreciate me outing him in that way. There is Liz, played by Eileen McCallum, who is known to many members not simply for her considerable acting ability, but for her passionate support for the campaign to improve services for and treatment of muscular dystrophy. Then, of course, there is my very own Gina, who is played by none other than Libby McArthur, whom I once employed many moons ago to provide drama classes for local communities. She was a punk rocker then, and looks very different now.

Apparently, some 500,000 of us, including Annabel Goldie, tune in to follow the life and times of the people of Shieldinch as they grace our screens each week on a Tuesday evening on BBC Scotland, with, as we have heard, a repeat on a Sunday afternoon. However, Annabel did not tell us that the programme is also screened in Australia. It is also available on the BBC iPlayer, where it is watched by people from across the United Kingdom who look forward to a taste of home.

It is an award-winning programme. It was nominated for best drama programme at the British Academy of Film and Television Arts awards in 2006 and for the audience award for most popular television programme. That is not bad going at all. My constituents have loved it, because a truly phenomenal number of them have appeared as extras and have earned Equity cards on the back of that.

There is a value well beyond entertainment, important though that is, which is the considerable economic value that the programme has brought to my community, which Annabel Goldie touched on. The studios are in a set of former warehouses that were owned by Diageo, which used to employ hundreds of people to bottle J&B whisky before the company closed down and left the area.

At the time, the community was devastated. Local politicians, business leaders and the public sector came together to attempt to regenerate the area and formed Strathleven Regeneration CIC, of which I am a director. I am glad that the company supplied Annabel Goldie with a draft copy of its report on the investment that has been made, because the company commissioned the report knowing that the debate was coming up, and we

felt that it was important to mark the anniversary—not just in the chamber, but in my local community.

During the building phase, £5 million was spent and 41 construction jobs were created. Since 2002, £84 million has been invested and there is an annual programming budget of £8.5 million. There are 221 net additional full-time jobs in the west of Scotland regional economy. Overall—I refer to the figure that Annabel Goldie quoted—the cumulative effect of “River City” and the other productions at BBC Scotland’s Dumbarton studios over the past 10 years is £135 million gross value added to our regional economy. It is a considerable success in economic terms, and I invite the minister to look at how we can build on that, not just on my side of the water, but on Duncan McNeil’s.

I am disturbed by the First Minister’s recent suggestion that we should break up the BBC if Scotland votes for independence. What will that mean for programmes such as “River City”? We know that it will mean a massive reduction in the programming budget across BBC Scotland. Potentially, licence fees will go up—we know that, too. The First Minister suggests that perhaps he would accept a model similar to the RTE model, with commercials being part of any future BBC Scotland. That is not the future that I want for “River City”.

I join Annabel Goldie in congratulating the BBC and “River City” on the programme’s 10th anniversary, and I look forward to at least another 10 very positive years in Shieldinch, despite all the fuss about referendums.

12:42

Sandra White (Glasgow Kelvin) (SNP): I congratulate Annabel Goldie on securing the debate. I concur with most of what she said—I have been a fan of “River City” since its inception. Talking about modern media, I have tweeted about “River City” quite often and someone came back and said that perhaps I would like to go and have a tea in Gina’s cafe. I would love to have a tea in Gina’s cafe, although I am not auditioning at the moment. I have met Gina on many occasions, particularly at Queen’s Cross Housing Association events in Maryhill—I know that Patricia Ferguson knows her well, too—where she does a lot of charity work.

“River City” is fantastic—look at the dedication of those involved and the talent and expertise that it has produced over the years. It has raised issues pertinent to Scotland. It encapsulates all that is good in Scottish broadcasting.

The motion mentions the 10th anniversary of “River City” in September 2012. I remind the chamber—and perhaps Jackie Baillie in

particular—about the fact that in September 2011, the BBC was trying to close down “River City”. I have a copy of a press release about that. Notable figures such as Andy Murray and Lorraine Kelly signed a petition to keep “River City” going. So just last September, the BBC was talking about axing “River City”. It is apt to raise that.

Jackie Baillie touched on certain aspects of BBC Scotland, although perhaps not in the way that I will touch on them, and John Finnie raised the issue of BBC Scotland job losses during First Minister’s questions today. There are various issues around the BBC—issues that I have raised—to do with cuts to programmes and to funding for Scottish broadcasting. The First Minister, in his reply to John Finnie, said that that was absolutely disgraceful—and I think so, too. Unlike Jackie Baillie, I think that we should be pushing for more broadcasting powers to come to Scotland in order to ensure that programmes such as “River City” are not axed and people do not lose their jobs.

A 16 per cent cut in funding from the BBC will have terrible adverse effects. It is not just the people who petitioned last year who are concerned about that. I have a letter from a member of the Scottish committee of Equity, which states:

“Equity is launching a campaign calling for more television drama to be made in Scotland using the talent that lives here.”

It is a very good letter and I will be happy to pass it to the cabinet secretary. It goes on to say that, in recent years, too many jobs have been moved down to London,

“employment prospects of technicians in Scotland”

are being lost and the performers in these fantastic programmes

“have been ignored”.

I would like the cabinet secretary to take that on board.

Annabel Goldie said that the programme is relevant to Scotland’s social issues, and she is absolutely right. Most recently, the obesity situation with Big Bob has touched the hearts of many people—not just men, but women as well—including people who did not realise the adverse effects of obesity, such as diabetes. The issue of trafficking was covered recently as well, and I thought that the way it was handled was fantastic. The programme has also raised the issues of drugs and alcohol, death, marital break-ups, problems within the family—all issues that are pertinent not just to Scottish society, but to society as a whole.

As I said, I have been a fan of “River City” for many years, during which I have watched it

develop. Even in the past nine months, it has changed its tune slightly, if members will pardon the pun, because there is certainly more music in it. In focusing on certain issues, it has really touched the hearts of the Scottish people and reflected what they are going through. We had the situation in which the doctor went over to Liberia to help people there, and the programme showed a pan shot of Glasgow in which poverty was rife. That was very touching. It certainly touched me, and I imagine that it touched many other people. The doctor was going to another country to help people there, but we saw a pan shot of the real poverty in Glasgow.

“River City” is a fantastic programme and a fantastic production. I praise everybody who takes part in it, but I also want to raise the issue of the funding cuts. Let us not forget that, exactly a year ago, in September 2011, the BBC was going to axe the programme. If it was not for the campaign that was run by a newspaper and people such as Andy Murray and Lorraine Kelly and the many others who signed the petition, we might not be having this debate today. I ask people to remember that, and the fact that the forthcoming cuts to the BBC could still lead to the axing of the programme.

12:47

Patricia Ferguson (Glasgow Maryhill and Springburn) (Lab): I, too, offer my congratulations to Annabel Goldie on securing the debate, and I add my congratulations to the BBC and the cast and crew of “River City” on the 10th anniversary of the programme, which we are celebrating in the debate.

Unlike Ms Goldie and Ms Baillie, I cannot claim a local connection with Shieldinch, although I consider myself a relatively near neighbour. As colleagues will know, for many years, Maryhill, which I hail from, was the home of the delightful Jack Jarvis and Victor McDade, residents of Osprey Heights in the fictitious district of Craiglang as featured in the BBC production “Still Game”. Therefore, I can understand the particular pleasure that the citizens of Dumbarton take in “River City”. For residents of Maryhill, part of the joy of watching “Still Game” was in spotting local landmarks—the pub, the cafe and the old graving docks on Maryhill Road, for example. On one occasion I was chuffed to spot my surgery poster on the wall of a community centre that was being used as a location.

However, apart from the fun of spotting local places there is also the value that comes with such productions. As Jackie Baillie said, “River City” is broadcast every week in Australia and the much missed “Still Game”, which was ultimately broadcast throughout the United Kingdom.

Maryhill also benefits from the location of the BBC Comedy Unit there. The production units built to accommodate “River City” in Dumbarton and “Waterloo Road” in Greenock in Duncan McNeil’s constituency continue to bring skills and work to those locations.

I know that the spouse of one of my colleagues—I had better not say which one—has appeared as an extra in “River City”. Colleagues might like to guess who that might be.

The BBC has recognised the need to distribute its productions more proportionately throughout the country—a welcome if overdue development. Success often breeds success in the arts and having these programmes made in Scotland will encourage the emergence of more home-grown talent and will help to boost the local economy and provide a pool of talent for the television, film and theatre sectors.

I concur entirely with the remarks of my colleague Jackie Baillie about the SNP Government wishing to break up the BBC. It is rather ironic that the SNP wants to keep the Queen and the Bank of England but to ditch the BBC.

Often, the mark of a good programme is how it becomes part of our everyday thinking and language. That often happens because of the catchphrases that the characters employ. I remind colleagues of the lighthouse keepers’ catchphrase on “Chewin’ the Fat” as an example that eventually began to drive us all round the bend. For a long time, I could not mention my constituency of Maryhill without some wit impersonating the late Mark McManus and telling me, “There’s been a murder in Maryhill.”

I do not recall “River City” adding to the lexicon in quite that way, but I have always been intrigued by the nickname that was given to the character of Bob Adams, who is played by Stephen Purdon. I have always felt some sympathy for Bob, because it is quite a while since we last saw him wear a shellsuit, but the name has stuck.

I have a particular reason for feeling that way. In 1999, I read a newspaper column, which I recall was appropriately called “Bitching from Bruntsfield” and which appeared in the *Edinburgh Evening News*. For some reason, the column focused on what I wore at the Parliament’s opening ceremony. Apparently, I was not dressed formally enough to meet Her Majesty the Queen. That is fine—I can take criticism, and that was hardly the worst thing that has been said about me in the press. However, the columnist concluded her piece by saying that, as I was from Glasgow, she could only be thankful that I had not gone the whole hog and worn a shellsuit. Colleagues will

therefore understand my fellow feeling for poor Bob Adams.

I thank the cast and crew of “River City” for 10 years of enjoyable, gritty and witty entertainment. I wish them well for a long-running future.

12:51

Duncan McNeil (Greenock and Inverclyde) (Lab): I, too, thank Annabel Goldie for giving us the opportunity to have the debate. I have no doubt that “River City” has gained a place in our hearts. It seems to interest people across the board. My family—from my youngest grandson to his great-grandfather, my father, who is 86—are regular viewers. The programme has a message for everyone.

In addition to the programme’s entertainment value and all that it brings in economic terms to the community of Dumbarton and the lower reaches of the Clyde, I contend that its 10 years of production—in which it saw off the difficult early years—must have positively influenced the BBC’s significant decision to relocate its top award-winning drama to Inverclyde. “Waterloo Road” is a successful drama that has 5 million viewers UK-wide. That gives us undoubted opportunities to market the area. We have seen all the earlier benefits of connections with the community and we expect good economic and cultural benefits from “Waterloo Road”, too.

Jackson Carlaw (West Scotland) (Con): With “River City” in Dumbarton, the Comedy Unit in Maryhill and “Waterloo Road” in Inverclyde, I am beginning to feel that the residents of Newton Mearns are very disadvantaged. I do not know whether we get “River City” in Newton Mearns and Whitecraigs. Would colleagues support encouraging the BBC to bring an appropriate level of programming to Newton Mearns, too?

Duncan McNeil: The BBC has made a good start in Greenock and Inverclyde, including at the old Greenock academy, which Annabel Goldie knows well.

As I said, such programmes present us with tremendous opportunities to market the area. Our shared river location is a great spot for filming. A storyline on “Waterloo Road” was about not Inverclyde but the attraction of the river and had a link to Faslane naval base. We also have the Argyll hills. We have a great marketing opportunity.

For film-makers, we have the other attraction of a varied urban background—of Victorian architecture and the post-industrial, sad areas that excite and attract film-makers, just as they attracted the makers of the beautiful film “Dear Frankie” and the more challenging “Sweet

Sixteen". Such activity needs to be recognised for the opportunity that it presents.

Over the period, our public services have gained the experience to deal with film production, with all the advantages that that can bring. Strathclyde Police works with film production and has a knowledge of its needs, and the local authorities now have greater experience of film crews out on location, which is an advantage.

Whether we like it or not, we are also developing a shared campus for Clydebank, Paisley, James Watt and Greenock colleges. As we develop that shared campus, we have the opportunity to take advantage of and recognise the excellent state-of-the-art facilities for sound and video production at James Watt College. If we add to that the exciting prospect of local television, the opportunities are extensive.

Our new Beacon arts centre in Inverclyde will also provide modern facilities right in the heart of the community for both travelling film crews and the local community. Patricia Ferguson kicked off the project years ago with her announcement of £12 million in funding to support it.

I mention all those advantages because I believe that the assets that we have in the lower Clyde area give us a great and significant opportunity. Can we use the 10th birthday celebration of "River City" and the birth of "Waterloo Road" on the other side of the river to recognise that we have a tremendous opportunity to create a new hub of creative activity and innovation in the lower reaches of the Clyde, with all the economic and cultural benefits that that can bring? I have contacted Creative Scotland and hope to get it into the area so that we can use some of its expertise to help us to do that. I hope that the minister will support that endeavour.

12:57

The Cabinet Secretary for Culture and External Affairs (Fiona Hyslop): I join other members in congratulating Annabel Goldie on securing the debate. I am sure that there are many in the Conservative Party who think that Annabel is one in a million. We certainly know that she is one in half a million, as she is among the regular viewers of "River City". Her profile on the BBC's news website describes her as

"a die-hard fan of BBC Scotland soap River City".

It is interesting that she confessed her early opposition to it—she is obviously now a sinner reformed in that regard.

I also join many others in expressing my admiration for this fine dramatic series on its 10th anniversary. It is filmed in Jackie Baillie's constituency, and she talked about the economic

impact that it has had there. We also heard an impassioned advocacy of the whole area—including across the Clyde—from Duncan McNeil, who talked about the contribution of "Waterloo Road". I hope to visit the area soon and I am very interested in exploring the opportunities that that provides.

It was interesting to hear from Jackie Baillie about Gina as a punk rocker. Could we have "River City—The Early Years"? That is as much fantasy as Jackie Baillie's scaremongering about the BBC in her later comments.

Sandra White pointed out that the BBC currently faces a 16 per cent cut, and she was right to temper her celebration by saying that we must look at what is happening, concerns about which were raised earlier today in questions.

What really matters is not just that "River City" is loved in the Scottish Parliament by all the members who signed the motion, but that it is loved by the Scottish people and its 500,000 viewers. We are only two thirds of the way through the year, but tours of the "River City" studio and set in Dunbartonshire are booked solid until the end of December and beyond.

Indeed, the show has viewers beyond Scotland, through the BBC iPlayer, its availability on Sky and its being shown on the Australian free-to-air digital channel—a fair exchange, I suggest, for "Neighbours".

Not only have audience figures continued to rise, but detailed audience research shows that "River City" has a high level of audience appreciation for any soap opera. It is not only a show that people watch passively but one that engages with their real interests and concerns.

As Annabel Goldie set out, the show tackles some difficult subjects in an involving and thought-provoking way. Recent editions have outlined health problems through a storyline about the character Big Bob O'Hara and his obesity-linked heart attack. It also deals with contemporary issues. A recent episode involved a proposal for a civil partnership, a legal status that was not even enacted when "River City" began in 2002.

The show also reminds us of where we have come from. As the title "River City" suggests, the fictional district of Shieldinch is rooted in the history of Glasgow and the Clyde. To quote from the late Donald Dewar's speech at the opening of this Parliament, it is a place where

"we might hear some echoes from the past: the shout of the welder in the din of the great Clyde shipyards".

I am glad that we can still sometimes hear that shout, whether it is ships or offshore wind and wave energy installations that are being welded. Equally, I am glad that the welders' shouts are

now joined on the Clyde by the clap of the clapperboard and the whisper of the production assistant.

“River City” is emblematic of the success of our television production sector, not least along the River Clyde. It is produced by BBC Scotland, which has its headquarters at Pacific Quay, with Scottish Television on one side and Film City Glasgow on the other. The creative Clyde enterprise area, which started in April, builds on that existing base by offering a streamlined planning regime, reduced local business taxation and support for marketing and development. With that in mind, I look forward to further growth of the creative industries in that enterprise area.

We heard from Duncan McNeil about the relocation of the BBC’s “Waterloo Road” to Greenock. Scottish Enterprise and Scottish Development International supported the production company Shed Productions in making that move, which is expected to generate almost £25 million in direct investment and create 230 job opportunities across all levels of production over the next two years.

That welcome development reflects the great strides that the TV production sector has made over the past five years. In 2007, only 2.6 per cent of network production by United Kingdom public service broadcasters came from Scotland. By 2011, that had risen to 4.9 per cent, with the BBC attaining a population share at 8.6 per cent—up from 3.3 per cent in 2007, so there has been progress. In 2010-11, the total estimated value of the television production sector as a whole in Scotland was £131.2 million, which is a 42 per cent increase since 2009-10.

The energy in that sector, which many members mentioned, is evident in the figures that are being generated. That sort of success depends on having a base of dependable, long-standing television series that are produced here in Scotland. Therefore, I salute “River City” for the way in which it has been an anchor for television production in Scotland for a whole decade, in good times and in bad.

Moreover, like many members, I salute “River City”, its cast, its crew and everybody who is involved in it for all that it has meant to the Scottish viewing public for the past 10 years, and I look forward to it having many more successful years ahead.

13:03

Meeting suspended.

14:30

On resuming—

Local Government Finance (Unoccupied Properties etc) (Scotland) Bill: Stage 1

The Deputy Presiding Officer (Elaine Smith): The first item of business this afternoon is a debate on motion S4M-03924, in the name of Derek Mackay, on the Local Government Finance (Unoccupied Properties etc) (Scotland) Bill.

The Minister for Local Government and Planning (Derek Mackay): I am pleased to open today’s debate on the Local Government Finance (Unoccupied Properties etc) (Scotland) Bill. First, I welcome Margaret Burgess as minister designate for welfare and housing and commend Keith Brown on his contribution to the housing portfolio.

The bill will contribute to measures to reduce the number of empty properties—whether they be homes or shops or other commercial properties—so that we can make best use of existing buildings and minimise the number of properties that fall into disrepair and become a blight on our communities.

I thank the Local Government and Regeneration Committee, the Finance Committee and the Subordinate Legislation Committee for their scrutiny of the bill so far.

I was pleased to see in the stage 1 report of the Local Government and Regeneration Committee that there is much common ground between the Scottish Government and the Parliament on the importance of tackling empty properties. I am grateful to the committee for supporting the general principles of the bill.

Keith Brown—then Minister for Housing and Transport—and I have looked carefully at the recommendations that were made in the stage 1 report. I will outline a number of actions that are proposed to respond to the issues that were raised. Of course, I will write to the committee to respond to all its recommendations. Indeed, this debate will further contribute to the on-going engagement that I have committed to within and outwith this chamber.

I have met various organisations to hear their issues and consider how our proposals can be refined and improved. The Scottish Government has carefully listened to the experience of stakeholders, MSPs and councils.

We welcome the Local Government and Regeneration Committee’s support for our commitment to tackling empty homes. We want there to be a reduction in the 25,000 homes that are sitting empty long-term, while around 140,000

families are on waiting lists for a social rented home. We agree that giving councils the flexibility to increase council tax charges for certain long-term empty homes is a useful additional discretionary measure for the toolbox of functions that councils can deploy to help, encourage or, where needed, push owners not to leave their homes lying empty while there is such need.

We also agree that council tax is not the only answer. We have been funding the empty homes partnership to provide support to councils in tackling empty homes. We are also now part-funding three empty homes officers on a pilot basis, shared across seven councils. We are pleased to say that that is now starting to pay off as the number of councils that are actively working to tackle empty homes is increasing each year.

Although advice and support from a council can be enough in many cases, we also recognise that some owners need financial help to bring their homes up to standard. That is why we have doubled the amount that is available through the empty homes loan fund to £4 million. We will help make at least 160 extra empty homes available as affordable housing in addition to the existing £1.75 million of innovative empty homes projects that we are already supporting.

In relation to the increase, we have also taken on board comments about the need for clarity and the avoidance of complexity in relation to the types of empty home owners who deserve special treatment so that they are excluded from any council tax increase. That is why we propose to focus the exceptions on only those who are actively trying to bring their homes back into use, either for sale or for let.

We are consulting on that, and on other aspects of the draft regulations, which flesh out the details of how any council tax increase would operate.

We plan to amend the bill at stage 2 in response to the stage 1 recommendations as they relate to unoccupied homes. We intend to lodge an amendment that will increase from £200 to £500 the maximum level of penalty charge that a council can charge an owner who fails to provide information on whether their home is unoccupied. As the committee suggested, that should help to deter owners from deliberately avoiding providing information or from providing false information. We will also lodge an amendment that will limit in the bill the maximum amount of council tax increase to 100 per cent of the applicable standard rate, rather than just place that restriction in regulations. That is a response to the concerns that the Subordinate Legislation Committee raised about the potential for future regulations to allow for higher increases.

We welcome the committee's general support for the proposals on business rates that will allow

us to introduce regulations to reduce the level of empty property relief for commercial properties that have been empty for more than three months. I continue to talk to stakeholders about the provisions and again state that we will return to the Parliament with the details of the regulations should the bill be passed.

An important point is that the bill makes no change to empty property relief as it stands; rather, the bill creates an enabling power to decrease or, indeed, increase the rates discounts through regulations. That is no different from the ability that the Government already has to change through regulations many rates reliefs, such as the small business bonus scheme or the United Kingdom's first and only renewable energy relief. I emphasise again that we remain flexible in our considerations. Yes, we must make savings, as a consequence of deep United Kingdom's Government cuts, but we aim to ensure that the measure acts as an incentive to bring empty properties back into use. The policy will therefore be supported by our efforts on regeneration and our imminent town centre review.

Opposition for its own sake is no substitute for constructive suggestions to make the bill more effective. That is why the stakeholder engagement has been so important. I welcome the encouragement from Mark McDonald MSP to look at the incentivisation scheme in Northern Ireland, which provides relief to ratepayers after they fill empty properties. That could potentially be a further incentivisation as part of the package. I can confirm that we are considering how such a scheme could operate in Scotland and, if it is supported, how it could form a stage 2 amendment.

Our stated intention is to vary, from April 2013, the discount that empty properties receive after the first three months from 50 to 10 per cent. I reiterate that, as a result of our learning from experiences elsewhere, industrial and listed properties will continue to receive 100 per cent discount for the duration for which they are empty. In comparison to the council tax provisions, which could affect about 25,000 home owners and under which, for good reason, rates across the country will be potentially variable, the changes to empty property relief will affect a much smaller number of property owners and will be consistent across Scotland. Therefore, in view of that and of the scale of the savings that are involved, it was decided that it would be disproportionate to conduct a business and regulatory impact assessment. Modest but necessary savings will come from the policy—it will be £18 million a year from 2013-14 compared to a forecast business rates income of nearly £2.5 billion.

The package of rates relief will remain the most generous in the United Kingdom. Indeed, the current cost of empty property rates relief is £757 million over the five-year revaluation period. That is more than the sum involved in the popular and effective small business bonus scheme, which has made such a difference in these difficult times. Overall rates relief per year now exceeds £0.5 billion. To ensure that the relief is properly focused on supporting sustainable economic growth, we will shortly launch a consultation on the rates relief system.

The Finance Committee queried the impact on the public sector. By providing estimates, we have shown that the cost to the public sector is relatively minor. The benefit to local government services is that all non-domestic rates are of course passed back to local government for the funding of local public services.

We welcome the support in the Local Government and Regeneration Committee's stage 1 report for our plans to abolish the housing support grant. The grant has become an anomaly since the introduction of the prudential borrowing regime, which requires councils to ensure that they borrow funds only if they are confident that they can pay them back. Therefore it must be councils' responsibility to ensure that they can balance their housing revenue accounts each year. That will allow us to make better use of our housing funding by focusing on only key priorities in an equitable way, rather than simply servicing councils' interest on historical debts.

Despite that, we recognise that Shetland Islands Council has continuing high levels of housing debt due to having borrowed significant amounts over many years from the council's harbour fund. Keith Brown, as Minister for Housing and Transport, met the new leader of the council back in July and explained that the £15 million in funding being requested by the council was not a realistic scenario. We expect the council, as recommended, to take a hard look at its housing service to ensure sustainability, just as all other local authorities are required to do.

I too have met Shetland Islands Council, and officials are in discussion about easing the affordable housing situation on the islands. I believe that there is a desire to tackle the challenges that were inherited by the new council administration.

I commit to further engagement. I hope that the Parliament considers our amendments at stage 2 and in essence supports these key measures to bring back into use the empty properties that blight our communities—domestic and non-domestic.

I move,

That the Parliament agrees to the general principles of

the Local Government Finance (Unoccupied Properties etc.) (Scotland) Bill.

The Deputy Presiding Officer: I call Kevin Stewart, who is speaking on behalf of the Local Government and Regeneration Committee. Mr Stewart, you have around 10 minutes.

14:41

Kevin Stewart (Aberdeen Central) (SNP): I thank all those who gave evidence—either written or oral—to the Local Government and Regeneration Committee, which helped us in our deliberations. I also thank the committee's clerking team, which, as usual, was excellent in the tasks that it had to deal with.

It is fair to say that on a number of issues the committee was unanimous and that on other issues there was some controversy. I am sure that other members will bring some of that controversy into play during the debate.

I should perhaps begin with the non-controversial part of the bill—the housing support grant element. A cross-party group from the committee had the pleasure of visiting Shetland. As usual, the population of Shetland provided us with a warm welcome. Shetlanders are extremely canny people and they lobbied hard for the retention of the grant. However, it has to be recognised that Shetland Islands Council is the last council to be in receipt of that grant and the circumstances of the borrowing that it has made are somewhat strange.

As the minister pointed out, unlike most other authorities it has not borrowed money from the public works loan board—instead, it has borrowed money from its own harbour fund. Canny as the Shetlanders are, the harbour fund has been charging them interest and, in some regard, the housing support grant has been helping to pay that interest to increase the harbour fund. The committee unanimously agreed that that could not go on and recognised that the £15 million transitional fund that was asked for was not really a goer either. However, hats off to the Shetlanders for their lobbying efforts.

In moving from the area of complete agreement to the areas with some controversial aspects, I will deal with the housing element first. In terms of what the minister has just said, the committee would welcome the £200 fine for not registering an empty property going up to £500—the committee would see that as going in the right direction. The committee will look at that again at stage 2 but, quite frankly, the committee felt that a £200 fine for not registering was not that much.

The committee welcomes the fact that there is local input to setting rates. Coming from a local government background, I always welcome the

flexibility of allowing our local councils to do such things.

There was a huge debate about whether those moneys should be ring-fenced to be put back into housing. Again, coming from a local government background, I am not really in favour of ring fencing, but the committee fully endorsed the proposal to get the accounts after implementation to show where the money has been spent.

The longest part of my speech will probably be on the non-domestic rates proposals, because that is the area in which there was some disagreement in the committee. We certainly welcome the fact that industrial and listed buildings will be exempt from the plan. I welcome the minister's comment that there might be a look at a relief element if a property is filled, because that was a topic of discussion in the committee. A number of organisations that appeared before the committee argued that the proposal was a bad thing, but no one likes new taxes—let us be honest about that. If it is possible to try to stop a tax, people will do everything that they can to do so.

There were also elements of discussion in the debates that were held at committee about different things happening in different areas of the country. It would be beneficial if the minister could have a look at that.

The minister rightly pointed out that the power is an enabling power only, that there are no plans at the moment to introduce it, and that if there were such plans, the matter would come back to the committee for a further look-see during consideration of the instrument that would need to be passed. That is one reason that the minister has given for there being no business and regulatory impact assessment, or BRIA. There was some debate about whether a BRIA should have taken place beforehand, and I am sure that other members will pick up on that point as the debate progresses.

There was a robust debate on that part of the bill dealing with the cost to the public sector if this measure is implemented. The minister has stated that the costs to the public sector will be £1.8 million. According to the Scottish Property Federation it may be up to £3.6 million. However, costs of £1.8 million or £3.6 million should be compared to the complete rates bill of £2.3 billion or so—we need to take account of that.

I have not referred to many of the other elements of the bill, but the Local Government and Regeneration Committee will discuss a number of those elements during its stage 2 scrutiny. I am pleased that the minister continues to consult stakeholders because some members of the committee were critical of a lack of consultation. I am pleased that he has said he will look at the fine

for non-registration of an empty property as that was a major element in discussion. I hope that, when amendments are lodged, he will look at some form of relief for filling properties.

I look forward to the debate in committee at stage 2, which I am sure will be as robust as that which we had during stage 1. I look at colleagues as I say that. I enjoy Local Government and Regeneration Committee meetings because people are frank, but we all come out still speaking to one another—99 per cent of the time, at least. I hope that we can do exactly the same thing at stage 2.

14:50

Sarah Boyack (Lothian) (Lab): I welcome Margaret Burgess to her new post and wish her all the best for the future. We look forward to debating with her a number of major issues in relation to providing new housing for Scotland. I thank the three committees that have scrutinised the bill, I thank the clerks for their work and I thank consultees for their evidence. In a draft of my speech, I thanked the Minister for Local Government and Planning for his work—he might not be aware that rumours flew round Holyrood yesterday that he would be promoted, so we are interested to see him back at his desk.

I come to the heart of the issue. We agree with the objective of reducing the number of empty business properties and empty houses, but we still have serious concerns about the lack of rigour that underpins the SNP Government's proposals.

I will come back to the announcement of the non-domestic rates proposals without a formal consultation exercise. We can tell from reading the representations how critical that was to people's view of the bill. The bill is so short and its three and a half pages contain so little detail that it is understandable that people are concerned.

The minister mentioned the criticism of the lack of a BRIA. The Local Government and Regeneration Committee was not given credible answers to its questions. In the context of a huge budget, the amount of money involved might not look huge to the minister and John Swinney—who I see has left the chamber—but it is a life-or-death issue for the individual businesses that are deeply concerned that they will be affected. The matter is important and we remain convinced that a consultation and a BRIA should have been conducted on the proposals. Our view remains that not undertaking them was unacceptable, because many unanswered questions remain.

Derek Mackay: I thank the member for taking an intervention; I understand that we have some time in hand.

Rather than do a few weeks' short-term work on a consultation about what the bill and regulations could look like, was it not better to take time over the past months to consult stakeholders, as we have? Is that not exactly the consultation and engagement that she expects?

Sarah Boyack: My problem is that the minister has not formally reported those conversations to us. He has given us a selection of the changes that he intends to make at stage 2, but I still have not seen a written response to the committee's recommendations, which is a fundamental part of the process in the Parliament. If what he has said this afternoon had been in a statement, we would have had an hour's notice in which we could look over and reflect on his comments and decide to welcome some of them in detail and have a go at kicking him around the park on others. In a stage 1 debate on the bill's principles, when the details of the short bill are fundamental, it is difficult for us to deal with the issues without a formal written response to the committee's recommendations.

That issue is fundamental because, once the bill's principles are agreed to tonight—as I imagine that they will be—we will open the amendment stage. From tonight, we will be able to lodge amendments, but we still do not have a record of the Scottish Government's views on the committee's detailed recommendations. I ask the minister, in summing up or immediately after the debate, to give us a date for producing written recommendations and a response to the committee's recommendations. That is fundamental.

I welcome the discussions with stakeholders, but we are getting a partial representation of them. We cannot see which stakeholders were and were not included. Business organisations are deeply concerned about the bill's negative impact on businesses, given the economic downturn.

Kevin Stewart: Will Ms Boyack give way?

Sarah Boyack: No—I want to get on.

The Welsh Assembly Government looked at the evidence on the impact of the non-domestic rates provisions that came into play in England and it did not go there—it took a different approach with the business community. I regret that the bill will enable the minister to go full steam ahead after today's debate.

We will attempt to ensure that the detailed concerns that were raised in relation to both the financial memorandum and the implementation of the bill are properly addressed at stage 2. Today, we have had a partial explanation of some of the changes that the minister wants to make, but that does not cover all the amendments that the minister will lodge. He will be assisting the democratic process greatly—not just for us in

making representations and drafting our amendments but, crucially, for the business community, which is external to the Parliament—if he ensures that we have the maximum discussion at stage 2. As Kevin Stewart said, that is crucial. We all look forward to that debate, but we need to be properly equipped to take part in it.

Businesses argue that properties are empty because of a lack of demand and that commercial properties are rarely left empty on purpose. Since the introduction of similar proposals in England, we have seen older buildings being demolished rather than regenerated and businesses have gone under. There is concern that the proposals could further destabilise economic recovery. Bank finance is still an issue, with potential pressure on property owners if they have to pay higher non-domestic rates without new rental income. At the same time, new tenants are still struggling to get finance. How will ministers avoid increased levels of demolition? In the current economic climate, 14 per cent of retail units are already lying empty and many shops are teetering on the brink. Scottish Chambers of Commerce has suggested that the proposals could lead to up to 40 per cent of units lying empty over the next two years.

John Mason (Glasgow Shettleston) (SNP): Will the member give way?

Sarah Boyack: I need to make progress.

The committee found it surprising that there had been no attempt to estimate the number of commercial properties that will be brought back into use as a result of the bill's empty property relief proposals. Furthermore, no evidence was presented that reoccupation rates had increased in England as a result of increases in non-domestic rates. There are issues about the detail and about the financial impact of the bill on not just the public sector, but, crucially, the business communities.

I will make clear some of the problems that have been raised by local government, because the proposals will affect not just the business communities. Falkirk Council expressed the concern that, in the current adverse economic climate, the NDR proposals could further constrain redevelopment and regeneration. It is worried about potentially unattractive gap sites emerging in retail locations and having a negative impact on rental values as landlords seek to offload their liability by slashing rents.

Kevin Stewart: Will Ms Boyack give way?

Sarah Boyack: No, I need to make progress.

Highland Council expressed concerns about absentee landlords, the volatility of the commercial property market and the poor condition of many empty commercial properties. It is important that

local authorities' concerns are brought to the chamber today, because nobody has yet raised those concerns.

There are also issues relating to the empty homes provisions, on which we think that more detail is needed. We support the ambition of the proposals but, as Shelter has commented, we need wider support for owners of empty properties to bring properties back into use—that is critical. Some of the measures to which the minister has referred this afternoon will be helpful and we will look at them in detail.

A key issue is the cost of implementing the bill and, if the bill is to be effective in relation to empty houses, ministerial guidance will be crucial. It is not just a question of the statutory instrument. Will the minister bring draft guidance before the Parliament? Will we see it before we debate the bill in detail at stage 2? Will we see the detail of the statutory instruments before stage 2? Without that, the debate at stage 2 will be difficult to conduct because we will not have the detail that the minister will bring forward thereafter.

Waverley Housing suggested some key measures that would help to deliver the objectives of the bill. The minister has not mentioned housing association grant funding today, which we know has been slashed in the past year. Registered social landlords will need additional support if they are to buy empty houses so that they can refurbish them and rent them out. Glasgow City Council expressed concerns about the administrative costs of implementing the empty homes proposals and argued for enforced sale procedures to enable it to buy empty properties and bring them back into use. Fife Council argued that real consideration is needed of the administration and the ability to collect the charges that will be levied. It is concerned that the charges will be difficult to collect from some owners of empty properties. Those issues will need to be addressed at stage 2.

Some questions remain outstanding even after the new comments that the minister has put on the record this afternoon.

If the Parliament is to be effective, we need more information from the minister before we launch into stage 2. There are a couple of weeks left and I hope that we will get a detailed written response to the recommendations that were made.

I reread the evidence last night and it is clear that there is support for the ambition of bringing empty properties back into use, but also that there is no agreement. In fact, there are deep worries that some of the elements of the bill will make matters worse. The lack of a BRIA has added to that concern.

At stage 2, we will attempt to amend the bill and to be constructive, as the minister has encouraged us to be. However, without detailed knowledge of the Government's position in advance of stage 2, it is difficult for Opposition parties to come up with detailed proposals on such a short enabling bill.

Many respondents expressed their support for the principles of the bill, but the detail will be crucial. The fact that, two months after the committee reported, we do not have a response from the Government is a problem. We want to see the details. I hope that the minister will publish his response before stage 2. That would mean that we would have a meaningful debate.

This debate is an opportunity for the minister to answer more of the questions that were raised during the Conservative Party debate in June and by the three committees that have reported on the bill. I hope that he will take that opportunity in his closing speech.

The Deputy Presiding Officer: I clarify that we have time for interventions if members wish to take them, but whether they do is entirely up to them.

15:01

Margaret Mitchell (Central Scotland) (Con): I welcome the opportunity to debate the Local Government Finance (Unoccupied Properties etc) (Scotland) Bill at stage 1. The bill's provisions fall into three distinct categories: the reduction of rates relief on empty commercial properties; the change in local authorities' discretionary powers to vary the council tax on unoccupied homes from the current minimum of 10 per cent discount; and the abolition of the housing support grant.

I thank all the witnesses who gave evidence to the Local Government and Regeneration Committee and pay tribute to the committee's clerks for their work in producing the report. As the deputy convener indicated, it was not an easy report to complete by virtue of the fact that the committee was divided on the proposals for empty properties and non-domestic rates relief, with Scottish National Party members on one side and the rest of the committee on the other. That was the major, most contentious part of the bill, and it is the one on which I will focus the majority of my comments. My colleague Alex Johnstone will cover the other parts of the bill.

In its evidence taking, the committee heard the Confederation of British Industry, the Federation of Small Businesses, the Scottish Chambers of Commerce and a host of others express legitimate concerns on the proposals for empty properties and non-domestic rates relief. They were exactly the same concerns that the Finance Committee heard as the secondary committee that scrutinised

the financial implications of the bill. However, although the Finance Committee as a whole, including the SNP members, took that evidence on board and documented its concerns about those aspects of the bill's provisions—such as the failure to take into account the cost of the policy on the public sector and its agencies—the SNP members on the Local Government and Regeneration Committee voiced no corresponding dissent. That may explain why the convener of the Local Government and Regeneration Committee, Joe FitzPatrick, is now to be a minister and the convener of the Finance Committee, Kenny Gibson, is sadly not.

Derek Mackay: It is a fair comment to say that some information on the projections of the costs to the public sector was not provided to the Finance Committee, but that was then provided to the Local Government and Regeneration Committee, where those facts and figures were accepted and the debate was able to move on. Margaret Mitchell also needs to move on.

Margaret Mitchell: That is simply indicative of what a sloppy piece of work it was. In the financial memorandum, there was mention of only 12 Government buildings and the fact that everything was fine. You seemed to forget—or did not realise—that the bill would impact on the rest of the public sector.

The Deputy Presiding Officer: Speak through the chair, please.

Margaret Mitchell: The minister did not seem to realise that it would impact on the rest of the public sector, Presiding Officer.

The Government has a majority on all committees and the SNP Local Government and Regeneration Committee members used their majority to win the vote on each of the decisions on which the committee was split. In forcing through these proposals, the SNP members won the day, but the question is at what cost to the veracity and credibility of the committee system that once aspired to be the jewel in the crown of devolution.

Kevin Stewart: Will Ms Mitchell give way?

Margaret Mitchell: If the member does not mind, I will make some progress, because I am already almost halfway through my time.

There was no formal consultation on the non-domestic rates relief reform proposals, which will cost Scottish businesses millions of pounds each year and affect thousands of properties and every public sector organisation. The minister asserted that that was due to

“the scale of the issue.”—[*Official Report, Local Government and Regeneration Committee*, 30 May 2012; c 1058.]

Bizarrely, however, other parts of the bill were subject to formal consultation, including one aspect that will cost only £750,000 and affect only one council. That is not only inconsistent; it defies logic.

The Scottish Government also did not undertake a business and regulatory impact assessment. By not doing so, it defied its own guidelines, which state categorically that a BRIA is required if a proposal imposes “additional cost ... on businesses” and that proportionality applies only to the size of the BRIA and has no bearing on the decision to undertake one in the first place.

Chic Brodie (South Scotland) (SNP): Will the member take an intervention?

Margaret Mitchell: I am almost five minutes in, so it depends on how long the Presiding Officer is willing to give me. There will be ample opportunity for the minister to come back on that point—I am short of time and still have a bit to go.

The Deputy Presiding Officer: I can give you the time back if you wish to take interventions, but it is entirely up to you.

Margaret Mitchell: I will wait until there is an intervention on a more substantial point.

Furthermore, the financial memorandum projected an £18 million saving, which is totally unrealistic as it anticipates a 100 per cent collection rate and no attempt was made to assess how key assumptions may vary.

This is a fundamentally flawed bill based on a false premise, namely that commercial property is empty through choice.

Chic Brodie: Will the member give way?

Margaret Mitchell: Not just now, thank you.

The underlying reason for empty commercial properties is the lack of demand and the current economic climate, as those witnesses who gave evidence clearly and unambiguously stated. By increasing the potential liabilities for those considering taking on unoccupied properties, the SNP is, in effect, smothering any prospect of attracting speculative development and tenancies.

Mark McDonald (North East Scotland) (SNP): Will the member give way?

Margaret Mitchell: That approach adversely impacts on regeneration, inward investment and economic growth.

Mark McDonald: Will the member give way?

Margaret Mitchell: The bill will place additional burdens on already hard-pressed businesses, and the CBI's description of it as a “tax on distress” is accurate. It does precisely the opposite to its

stated objective and will not get empty properties back into use.

Mark McDonald: Will the member take an intervention?

Margaret Mitchell: If you must.

Mark McDonald: Third time lucky.

If the member considers that the scheme will be so damaging, why are her colleagues south of the border continuing with a less generous scheme in England?

Margaret Mitchell: It always amazes me how the SNP looks at England and immediately wants to copy what is done there. In fact, George Osborne is currently looking at empty property rates relief, and we opposed it in the UK Parliament for good reason—purely and simply, it is not an incentive.

As the measure will not bring empty properties back into use, I lodged my formal dissent to the committee report, which was supportive of the council tax and non-domestic rates provisions. That is also why the Scottish Conservatives will be voting against the bill at stage 1 this evening. Sadly, it is a foregone conclusion that the bill will pass stage 1 at decision time, due to the SNP majority.

Quite simply, this is the wrong proposal at the wrong time, and it should be abandoned before any lasting damage is done.

The Deputy Presiding Officer: We now move to open debate. Members have a generous six minutes for speeches.

15:09

Angus MacDonald (Falkirk East) (SNP): I am not a member of the Local Government and Regeneration Committee so I am pleased to be able to contribute to the debate.

I am sure that every member hears alarm bells ringing when they see the number of empty commercial premises in their local town centres and district centres. I believe that, contrary to what we have heard from Labour and the Tories, the bill will help to address falling occupancy rates in all constituencies in Scotland, revitalise town centres and bring up to 5,500 commercial properties and up to 25,000 long-term empty homes back into use. Effectively, the bill will tick the box that we all want to see ticked, which is to have revitalised town centres with increasing footfall.

Margaret Mitchell: Will the member take an intervention?

Angus MacDonald: I will get on for the time being, but I may take one later.

The main town in my constituency is Falkirk, which has faced a number of commercial challenges over the past three or four years, not least that of falling footfall, as have other towns in my constituency, including Grangemouth and Bo'ness. The bill will go some way towards addressing the falling footfall in all our town centres, which is a concern to every retailer to whom I have spoken in my constituency over the past three to four years. I am sure that through the bill we will see a reversal of fortune for our local retailers.

It is therefore disappointing that my local council made a submission, to which Sarah Boyack referred earlier, to the Local Government and Regeneration Committee objecting to the Scottish Government's proposal, despite the fact that the council acknowledges that in

"the current economic climate, the key reason for the proliferation of empty retail premises is more likely to be the fundamental lack of occupier/tenant demand as a result of the continuing weakness of consumer confidence."

While that is accurate to a degree, it is not what I hear locally. I regularly hear of young entrepreneurs with sound business ideas who cannot move forward because they cannot afford to pay the rents on town centre or district centre shops. While they acknowledge the benefit of the small business bonus, the excessive rents put them off moving their project forward at an early stage. We should surely encourage budding entrepreneurs with a flair for business, not discourage them. The bill goes some way, albeit indirectly, towards doing that.

It is clear that rents remain stubbornly high under the current system. The bill will incentivise property owners to bring properties back into use, which will in turn assist budding entrepreneurs, many of whom will—I hope—expand their enterprises over the years.

In the town of Grangemouth in my constituency there are currently 13 vacant retail premises. That represents a 15 per cent vacancy rate, and in Bo'ness there is an 8.5 per cent vacancy rate, although footfall in both those towns has fallen over the past three to four years. In my view, that is not solely down to the economic downturn: the introduction of supermarkets locally has not exactly helped.

I am sure that my colleague Michael Matheson will forgive me for straying into his territory of Falkirk, which is the main town in the district but in the neighbouring constituency to mine. There are currently some 60 ground-floor retail properties vacant in Falkirk town centre, which as a percentage of the overall number of properties in the town equates to a 13 per cent vacancy rate. We cannot allow further increases in the vacancy

figures and must do all that we can to reverse the current trend.

It is heartening to note that, in its submission to the Local Government and Regeneration Committee, the Association of Town Centre Management in Scotland stated its support for the principle of the legislation by agreeing that long-term vacant units detract from town centres visually and have an especially acute effect on smaller centres, as can be seen in my constituency towns of Bo'ness and Grangemouth.

The Association of Town Centre Management also said that it believes that action to address the issue is necessary and that changing the liability of property owners by decreasing the rates relief could be part of the solution. We must ensure that such action galvanises stakeholders to work together to deliver occupancy by high-quality, long-term tenants.

Of course, some concerns have also been raised. The Association of Town Centre Management has highlighted that some institutional investors do not see vacancies as a priority. That attitude needs to change. For example, it was particularly frustrating for me in my previous position as a Grangemouth councillor to see the regeneration of Grangemouth town centre stalled while two major property owners disputed the value of retail premises, resulting in delay after delay.

Kevin Stewart: Mr MacDonald has highlighted the fact that some large business owners have stymied growth in some regards. Does he agree with the FSB's view on rates relief? It has said that only 2 per cent of its members have benefited from small business rates relief and that only 19 per cent believe that it had a positive effect on small businesses. I wonder how many of the owners of large businesses would think that it had a positive effect for them. It would probably be the ones who are keeping property empty in Mr MacDonald's constituency.

Angus MacDonald: Indeed. In Grangemouth, the regeneration project has had to go back out to tender. Meanwhile, the property owners seem content to see their shops lying vacant.

The Government must avoid a situation in which existing property owners choose safe bets that will produce long-term income streams, regardless of the impact on the wider town centre. There must also be protection to ensure that there is no more of the erosion of independent retail stores in our high streets and town centres that we have witnessed in recent years. The bill could encourage more independent retailers on to our high streets and into our district centres.

Given the concerns that have been raised, it was encouraging to hear that the Scottish

Government is still consulting and listening to stakeholders. I am sure that many concerns will be addressed in the coming months, as the bill proceeds to stages 2 and 3. It was also encouraging to hear that councils will have discretionary powers over empty property relief and that the bill will ensure that every penny raised goes back to local government.

The bill will allow local authorities to increase council tax charges on certain long-term empty homes, which will help to concentrate the minds of landlords and property owners who have paid little or no heed to the crying need to make additional housing available throughout Scotland, not least in my area, where Labour-controlled Falkirk Council has 9,500 households waiting for a council home.

I look forward to the bill's progression through Parliament, with the goal of bringing more properties back into use in future.

15:16

John Pentland (Motherwell and Wishaw (Lab): Communication with the Parliament is not the Scottish Government's strong point. The minister mentioned the Local Government and Regeneration Committee report, but it would have been useful to have had the Government's response to the committee's report before the stage 1 debate, especially because the detail in the bill is so skimpy. The bill opens doors to the expansion of ministerial power, without making it clear how the new powers will be used.

More powers are proposed for ministers, but criticism of the Government's approach is easily curtailed in committees that are packed with loyal Government supporters. Now the Government has failed to respond to the committee before the debate on the principles of the bill. We could be forgiven for thinking that the Scottish Government is intent on circumventing the Scottish Parliament, but we must be mindful that in such a situation conspiracy is not the only possibility.

We were promised a response before stage 2, but stage 2 amendments can be lodged when the debate is finished. Is the Government hoping to delay Opposition amendments?

Derek Mackay: When I said that we would listen to stakeholders and the Parliament, I meant it. We are also listening to this debate, which will inform consideration and amendments at stage 2. If the member is asking for clarity on when responses will be provided to committees, I can tell him that we will ensure that committees have our response and recommendations by early next week, to inform stage 2.

John Pentland: As Sarah Boyack said, we should have had the information in time for the

stage 1 debate, so that we could make a judgment on it. We needed the information today—not tomorrow or next week.

The Scottish Government should give assurances and commitments, as well as information that sheds light on the darker recesses of the bill, thereby facilitating the lodging of amendments. Issues that the committee raised deserve a response, including the issues that were knocked back by the firewall of loyal back benchers, whose reluctance to be critical meant that we could not be critical about the lack of clarity in the policy memorandum and could say only that clarity might be lacking.

Kevin Stewart: Will the member take an intervention?

John Pentland: I will not take an intervention from Mr Stewart, because I am here to represent my constituents and not to help people who have aspirations or ambitions to become a minister.

Despite the acknowledgement that assumptions were based on unknown quantities or potential variations, we could not describe assumptions as “speculative”—that was not acceptable. Likewise, noting that several witnesses had dared to question whether the bill would generate the resources that ministers claimed it would was regarded as going too far.

On the plus side, ministerial assurances that local authorities will have discretion about using the new powers is welcome, tacitly acknowledging that they will not be to everybody’s benefit, albeit that it is not acknowledged in the revenue calculations.

The shoddiness of the financial assertions is matched by the scantiness of the business consultation. Both could have been addressed through a BRIA.

Chic Brodie: Will Mr Pentland take an intervention?

John Pentland: No, because you have ministerial aspirations, too.

The Deputy Presiding Officer: I would be grateful if Mr Pentland could speak through the chair, please.

John Pentland: I am sorry, Presiding Officer—*[Interruption.]*

The Deputy Presiding Officer: Mr Pentland, please continue.

Richard Lyle (Central Scotland) (SNP): Will the member take an intervention? I have no ministerial aspirations.

John Pentland: No. I need to make progress.

The cost and extent of carrying out a BRIA would be proportionate—and small compared to the anticipated revenues from the scheme.

If the Scottish Government is confident that its calculations and guesstimates are sound, it should have no fear of undertaking a BRIA. Conversely, its refusal to do so can be taken as an indication of a lack of confidence in its own case for the bill.

The criticisms in the Finance Committee report were grudgingly noted by the Local Government and Regeneration Committee rather than accepted, and the lack of clarity and margins of uncertainty in the financial memorandum were judged unfortunate rather than unsatisfactory. Unfortunately, I do not find such failings satisfactory.

The financial assertions behind the bill show great imagination. They have been defended as potential maximum amounts, but they are based on factors that are unlikely to deliver anything approaching those amounts. Does that matter? It matters if the money has been spent before it is raised and therefore must be raised elsewhere, if the costs of raising money outweigh the good that is done with it, or if people go out of business or properties are demolished. Those are not the intended consequences of the bill, and I accept that the Government introduced the bill in “good faith”—as the Local Government and Regeneration Committee report unnecessarily asserts.

Is the bill fit for purpose? Although it is flawed, it can be amended to address the blight of unoccupied properties without inflicting greater harm elsewhere. If the bill brings people and businesses into unoccupied properties, making money should surely be secondary and not the driver for change—it may even be counterproductive, which is a point that was made in much of the evidence to the committee.

I would be much happier about allowing the bill to go forward if the lack of consultation, highlighted by the committee, was addressed through a BRIA. That should happen as soon as possible, and I invite the minister to reconsider.

Initially, I had a level of enthusiasm for and optimism about the bill, and it is difficult to argue against its intentions to address unoccupied properties. As the bill stands, it could do more harm than good, but I am prepared to consider improvements and, on that basis, I am supporting it.

15:23

John Mason (Glasgow Shettleston) (SNP): Clearly, the starting point is that we have empty houses and business premises that are sitting

unused, while at the same time we have individuals and families going homeless and businesses unable to get hold of affordable properties. Something is inherently wrong. The market is not working and the challenge is how to get more empty properties into use.

No one is saying that there is an easy answer to the problem. The Government is taking on board the suggestions that have been made, but if some members oppose the proposals I hope that they will tell us their alternatives.

I will touch on council tax relief. On the housing front we have a clear shortage of several types of housing in the east end of Glasgow. Over the years I have twice seen flats in the close where I live sitting empty for more than a year. There can be a variety of reasons for that and it has been suggested that we need to do more studies on the subject. However, the fact remains that some owners may let matters drift and the lack of an incentive of escaping council tax might encourage them to sell.

I like the fact that the proposed measure empowers local government. Under the previous Administration at Holyrood, there was a repeated tendency to centralise, whereas under our Administration ring fencing has been largely ended and moves such as the proposal on council tax strengthen the power of local government. I particularly like the idea that different areas can be treated differently by one council. Despite what some members may think, Glasgow is a very varied city. The east and the west of the city are quite different, face different challenges and require different solutions.

Non-domestic rates on commercial and retail properties are likely to be more of an issue of debate. The nature of that issue when property prices are rising is different from its nature when property prices are falling. An example of the issue that exists when prices are rising was the old Post Office building in George Square, which members may be familiar with. While I was a councillor, it sat empty for several years and was used, basically, as an advertising hoarding. Members may remember the huge advert that appeared facing George Square. When Glasgow City Council got totally fed up with the owner, the only real power that it had was the ability to stop the advertising. A power such as the one that is proposed in the bill is exactly what is needed to bring properties such as that one, which blighted the city centre for so long, back into use. Any move to encourage property owners to bring properties into use is to be welcomed, especially before property prices start rising again, as we hope they will.

The Finance Committee spent a fair bit of time on the financial memorandum to the bill, and its

report runs to some 45 pages. It is worth saying that the work was carried out in May, and some of the points that were raised then have already been dealt with by the lead committee or by the Government. I note that in paragraph 187 of its report the Local Government and Regeneration Committee noted that the Finance Committee had to do a fair bit of digging to get the detail, but I think that the points that were made have now largely been resolved.

The Finance Committee's report was robust, as Margaret Mitchell agreed. It represents a good example of a parliamentary committee being prepared to question and challenge Government in the areas in which it is not satisfied. We took evidence from a number of bodies, including the Business Centre Association and the Scottish Property Federation. Comparisons were made with the experience in England in recent years, but the evidence tended to be rather weak. For example, it was noted that retail vacancy rates in England rose from 3 per cent in 2007 to 14 per cent in 2011, but it was not possible to say to what extent that was a result of the recession and to what extent it was linked to the empty property relief changes. No evidence was produced on that. It is possible that vacancy rates would have been even higher than 14 per cent but for the changes that were introduced. In that regard, our proposed system is much more generous to businesses than the one in England. Despite what Margaret Mitchell said, I believe that the Conservative Government has no plans to change the system there.

Michael McMahon (Uddingston and Bellshill) (Lab): Does the member still agree with the Finance Committee's finding that some of the evidence that he and I sought could have been produced had we had a business and regulatory impact assessment?

John Mason: I am about to move on to that; I stand by the Finance Committee's report, which has been widely accepted to be robust.

On consultation, the committee struggled to understand why there was more detailed consultation on the council tax proposals than on the non-domestic rates provisions. We accepted that some consultation on the issue was included as part of the budget process consultation, but it was somewhat swamped by other budget issues and might have benefited from being highlighted more in its own right. I am glad to see that that point was taken on board by the lead committee in paragraphs 114 to 120 of its report. I certainly accept that the non-domestic rates proposals have since been debated robustly by the lead committee and the Finance Committee, so we are probably now in the same position that we would

have been in had there been consultation at an earlier stage.

Mr McMahon raised the issue of the failure to carry out a BRIA. We spent a fair bit of time considering whether a BRIA was required. The committee accepted that £18 million was not a huge amount in the bigger scheme of things, but our understanding was that, according to Government guidance, a BRIA is required even for a measure that has a small impact, in which case the scale of the BRIA is reduced accordingly.

I am grateful to the lead committee for taking that point seriously. I reread its report this morning, and it is clear from paragraphs 121 to 130 that it pressed the minister on it. The committee reaches a fair conclusion in paragraph 130:

“The Committee welcomes the Minister’s commitment stated above to explore and refine the policy and to listen to the Committee and to stakeholders. ... The Committee therefore urges the Scottish Government to continue the dialogue with business organisations and other stakeholders as the policy develops.”

That seems fair to me.

Hanzala Malik (Glasgow) (Lab): Angus MacDonald made an excellent point about the need to protect small businesses throughout Scotland. That particularly applies to Glasgow, given the type of city that it is.

Has anyone consulted the small independent businesses as opposed to the larger ones?

John Mason: I think that the Finance Committee had comments from organisations representing both small and large businesses. The point that we are making here is that, although a lot of us would have liked more consultation at an earlier stage, consultation has now effectively happened because there has been so much coverage of the issue. I am convinced that the minister is still listening as we move forward.

Kevin Stewart: I remarked earlier about small businesses and the FSB. Only 2 per cent of FSB members said that they benefited from empty property relief and only 19 per cent of its members believed that the relief had a positive effect on small businesses. Small business—certainly in my area, and probably in Glasgow, too—does not see a huge benefit from the relief. What it sees is a huge benefit going to the bigger boys.

John Mason: I take on board absolutely what Kevin Stewart says.

We are still at an early stage with the bill. The Government has made it very clear that it has listened and is listening to business and other stakeholders. I am therefore happy to support the bill.

15:31

Anne McTaggart (Glasgow) (Lab): I welcome Margaret Burgess to the front bench and to her new role, in which I know that she will be a huge asset. I declare that I am a member of the Local Government and Regeneration Committee, which reported on the Local Government Finance (Unoccupied Properties etc) (Scotland) Bill.

There are more than 100,000 empty buildings and homes in Scotland, contributing to our housing crisis and marred our town centres. We all want empty properties to be brought back into use, but there are flaws in the bill, which the Scottish Government must address before the legislation is passed. The principles displayed by the Government in its introduction of the bill are of merit. Good work is being undertaken by the Scottish Government, in partnership with Shelter Scotland, through the introduction of the Scottish empty homes partnership, which we have heard about from other members.

However, it is the legislation regarding non-domestic rates that is problematic and which the Scottish Government must reconsider urgently. I wish to focus on that part of the legislation.

As the bill stands, the Government has failed in its duty to look at the financial and economic implications of the legislation. Although no one wants to see unoccupied properties scarring our high streets and town centres, the bill is being introduced at the wrong time. In evidence to the Local Government and Regeneration Committee, Glasgow City Council stated that under the legislation, it would be forced to demolish buildings that it would otherwise have held on to as part of its long-term regeneration strategy

The Scottish Government asserts that the introduction of the legislation will lead to savings of £18 million. I would dispute that figure, though, as the Scottish Government has not taken into account the cost of collecting rates on its own empty properties, a figure that could total as much as £1.8 million. The Scottish Property Federation estimates that at least 20 per cent of the forecasted savings will be met from the public purse, with hospitals and Government offices footing the bill.

Chic Brodie: It is not for me, after all the years of Labour financial mismanagement, to afford the party an oasis in that desert of incompetence. However, in 2007 Labour undertook fairly intensive analysis and consultation on the issue through the Barker review, the Lyons inquiry et cetera. Indeed, that master of economics, Gordon Brown, said:

“commercial property lying empty should not continue to be given such generous business rate relief, particularly because that leads to higher rents in the areas with highest

demand.”—[*Official Report, House of Commons, 21 March 2007; Vol 458, c 822.*]

Does Anne McTaggart agree with his statement?

Anne McTaggart: That was before the recession—Mr Brodie forgot to add that part in. Unlike the Scottish ministers, Labour ministers exercised financial due diligence.

The Government has not thought about the impact of such legislation on local government. It is estimated that the legislation will cost Glasgow City Council alone as much as £1 million—an extra levy at a time when local government is struggling to meet the financial demands that are placed on it.

As an Opposition, we have been vocal about the changes that need to be made to the legislation. Only three months ago, I, along with CBI Scotland, called on the minister to complete a BRIA to strengthen the bill's financial competency. However, the Government still refuses to take those steps.

As we know, the Scottish Government has been aware of financial question marks hanging over the bill for some time. Before the bill was brought to the attention of the Local Government and Regeneration Committee, it was slated by the Finance Committee for its poor attention to detail, and the committee could not support the bill's financial memorandum.

The bill is salvageable but, before stage 2 is complete, I urge the Government to look again at the issue of non-domestic rates to ensure that it is not penalising small businesses or hindering the economic recovery.

15:37

Mark McDonald (North East Scotland) (SNP): The American satirist Stephen Colbert once said of President George W Bush that he was a man who believed the same thing on Wednesday as he did on Monday, irrespective of what had happened on the Tuesday. When we listen to the speeches from the Opposition parties on this legislation, that maxim seems to apply. The legislation is a very different beast from that which appeared, along with its financial memorandum, before the Finance Committee. The minister has—as he has made quite clear today—been in listening mode throughout that period.

In the past two days, Opposition members have stood up in the chamber during the announcement of the legislative programme and told us that the Government does not listen but simply uses its majority to steamroller things through. However, the minister has come to the chamber today and told Parliament that he has been listening to

stakeholders and that he is open to listening to constructive suggestions.

I was interested to hear Sarah Boyack's contribution. From what I could gather, she was simultaneously arguing against the measures to achieve savings via the non-domestic rates proposals that the legislation contains while suggesting that Government should increase funding for things such as the HAG. She simply cannot argue for the Government to spend more money without indicating where that money would come from. We had the same discussion yesterday afternoon with her colleague, Ken Macintosh. It was suggested that perhaps Mr Macintosh had found a magical money tree in East Renfrewshire and that he could take us there.

Sarah Boyack: Will the member give way?

Mark McDonald: Perhaps Mr Macintosh has revealed the tree to Sarah Boyack and told her where it is. Perhaps she will take the opportunity now to tell us the location of the tree that the Government could harvest to spend on the priorities on which Labour wants to spend more money.

Sarah Boyack: I have two points for Mr McDonald. First, our problem is with the lack of rigour and the lack of confidence that we have in the figures that underpin the bill, and that is exactly the same as it was on the day it was introduced. It is the minister's intentions that are changing; the page that we have before us has not changed.

Secondly, I was quoting Waverley Housing Association and asking the minister to address the points that it has made. The minister needs to respond to the points that have been made throughout the process.

Mark McDonald: It is interesting that whenever Labour members are challenged on their wish to spend more money, they say, “It is not us; it is other people who are asking to spend more money. We are simply bringing those points to the chamber.” They are de facto arguing for more money to be spent in certain areas while giving no indication of where they would make reductions in order to meet the consequential increase in funding. That is not constructive opposition.

I say to Margaret Mitchell that Conservative members are the last people from whom I will take any lectures on housing issues. If the Tories had their way, they would have carried on selling off council homes and squeezing low-income families out of the housing market and out of the possibility of accessing social housing.

If we look at the lists, we see that 9,500 households in Falkirk and 8,000 households in Aberdeen are waiting for a council home. Some

6,297 households are classed as homeless in Glasgow, and 16,714 households in Fife are waiting for a council home. That is the legacy of Thatcherism and shows what the Conservatives would do with council and social housing in Scotland. It is fantastic that we are able to protect Scottish social housing from the Conservatives. If only we could protect other areas of Scotland from them.

Margaret Mitchell: Will the member take an intervention?

Mark McDonald: Margaret Mitchell made me wait, so I will make her wait slightly longer before she gets to intervene in my speech.

There are claims that we are looking to England—at what the Labour Party implemented and the Tories are continuing—and simply copying it. That is simply not true. The measures that have been put forward are an improvement on the measures that are being implemented down south. The Scottish Government has looked at the lessons that were learned from down south and excluded industrial units, for example, because of the impact that the measures there had on them. We will continue to offer the most generous relief package in the United Kingdom because we have looked at examples from elsewhere and considered refinements and improvements.

Margaret Mitchell: Is the member aware of the Lambert Smith Hampton report published by the Royal Institution of Chartered Surveyors? That report made it quite clear that it was not just industrial properties that were demolished—all types were. Where is the reason for merely exempting industrial properties?

Mark McDonald: I freely admit that I have not read that report, but organisations that came before the committee with their concerns gave evidence that industrial properties were the big question.

We are told that the Tory UK Government does not think that the idea is good and that it does not want to continue with it. Margaret Mitchell's perspective is interesting. Robert Neill, Parliamentary Under-Secretary of State for Communities and Local Government—at least he was when I found the quotation; I do not know what happened to him in the reshuffle—has stated that the coalition

“have no immediate plans to reverse the reforms”.—*[Official Report, House of Commons, 13 December 2010; Vol 520, c 62WS.]*

Therefore, the Tory Government is continuing with the policy south of the border.

I am pleased that the minister responded constructively to my suggestion that he look to the Northern Ireland incentive package. There, relief is

given at the point of a property being filled. It is important that there is some form of incentivisation in the package, and I am pleased that the minister has taken that on board and is proactively looking to see whether that can be incorporated at stage 2. I will be interested to see that coming forward. I hope that it will form part of the Government's amendment package at stage 2.

It is interesting what happens when one tries to be constructive and to offer alternative proposals. Perhaps Opposition members might wish to reflect on that, as we have heard scant little from them about how they would see the bill being reformed or made to work better. We heard Anne McTaggart telling us that she believes that the bill is “salvageable”, but she has not told us what she sees as the key changes that need to be made. She told us what her concerns are—I understand that—but she has not told us what changes need to be made in order to satisfy her concerns, and she needs to do that in order that the minister can take them on board. I look forward to the amendments that Labour members lodge at stage 2.

Some Opposition members have moaned that life was better in the previous session because, apparently, the Government listened more. We have a minister who has stated clearly that he is listening. It is up to the Opposition parties to start to say things that are occasionally constructive and worth listening to.

15:44

Joan McAlpine (South Scotland) (SNP): I am not a member of a committee that has scrutinised the bill and have not had the privilege of listening to witnesses. I intend to confine my comments to evidence that I have gathered myself from the area that I represent from stakeholders who have an interest in urban regeneration.

I represent South Scotland. As we know, the problem of empty properties is worse in rural areas. It is nothing short of tragic to see otherwise handsome market towns spoiled by the fronts of abandoned shops that ooze a sense of neglect. I hope that all members agree on that.

In Dumfries and Galloway, the number of long-term empty properties has risen from 695 in 2008 to 823 last year. The percentage of long-term empty properties in the region is above the Scottish average.

I have gathered the views of officials who work in economic development, regeneration, housing and planning and I have to say that they all welcomed the proposal. Of course, nobody is pretending that the bill will eradicate the blight on its own. Rather, it is viewed by the stakeholders I spoke to as a welcome addition to the

regeneration toolbox, which includes other Scottish Government initiatives such as the Shelter-run Scottish empty homes partnership, the small business bonus scheme, which benefits many small shop owners and the town centre regeneration fund.

In Dumfries and Galloway, the local authority has already used existing powers to reduce the council tax discount on empty properties and second homes. As a result, it has generated £900,000 a year to invest in affordable housing. The bill increases such powers and is therefore an extension of something that has been proven to work. In terms of town centre regeneration, I am told that improvements such as streetscaping and community involvement are hampered in the area that is being improved if it is marred by empty properties.

Without the levers that the bill will provide, the main power that is available to authorities, according to the people I have spoken to, is enforcement. For example, if a number of properties are lying empty and neglected, legal intervention is an option. However, I have been told that that is a costly and time-consuming option, which is why the measures in the bill are being welcomed.

The proposal is, of course, designed to incentivise owners to return those properties to positive use. As one senior economic development professional pointed out to me, that might encourage some lateral thinking on the part of landowners, who might have to consider a change of use for their property. For example, a retail unit that is no longer viable may be suitable for community use.

The same official also hoped that the change in legislation might encourage rental charges to be lowered, thus incentivising new business start-ups, as Mark McDonald has said.

The bill seeks to take into consideration the concerns of local property owners and small business owners who are simply struggling to cope with the recession. The minister has already indicated some of the measures that he plans to implement in that regard, and my colleague, Mr Stewart, has pointed out that only 2 per cent of the members of the FSB have benefited from the empty property relief. However, the stakeholders I spoke to were keen to point out that the biggest issue for them was absentee ownership, where properties are part of a wider investment portfolio.

That is a particular issue with larger properties that may once have been rented by retail chains—the former Woolworth's chain springs to mind. I am told that, often, local authorities find it difficult to have any meaningful dialogue with such faceless owners, other than through property

agents. The harsh truth is that those agents are primarily interested in financial return and spend little or no time considering their wider responsibilities to communities in which they have very little stake. Affecting their bottom line is the only way to make them sit up and listen. That is why I welcome the bill.

The Deputy Presiding Officer (John Scott): I draw members' attention to the fact that we have a considerable amount of time in hand, so anyone who wishes to speak a little longer than usual is welcome to do so.

I call Mr Hume. You have a generous six minutes.

15:48

Jim Hume (South Scotland) (LD): I welcome Margaret Burgess to her new ministerial position. I look forward to working with her to help the housing position in Scotland.

There is little doubt that we need to address the problem of homelessness, with 335,000 households on housing association and co-operative waiting lists and a further substantial number of households—we have heard numbers from 20,000 to 100,000, but the figure that I have is 120,000—that have been on council waiting lists for some time. There is also little doubt that we need to help businesses grow in Scotland and get more commercial properties back into full use.

However, is hitting them with higher business rates the right thing to do when landlords are unable to let out their commercial properties? I do not think so, and neither does the Scottish Chambers of Commerce, which stated that the measure could lead to businesses that let commercial properties pulling down the properties that they might be having difficulty letting. Let us face it: it is in their interests to let out vacant properties and not at all in their interests to let them lie vacant, as they are then liable for the running costs. We need commercial property to be developed in Scotland to help with regeneration; we do not need barriers to that. I believe that hammering empty commercial properties is a barrier.

Derek Mackay: We have heard from the Conservatives that they are willing to continue the policy in England. Is the same true of the Liberal Democrats?

Jim Hume: I will come to that point in just a second—it is in the next paragraph in my speech.

The Parliament's Finance Committee had concerns, too. It reckons that up to 870 council properties could be affected, which as we have heard could have a negative impact of £1.8 million to £3.6 million a year on the public purse. The

Government needs to balance its decision making and consider the effect on revenue raising and regeneration. I would have thought that, in the current times, the focus would be on maximising regeneration, not hindering it.

It is not only the Scottish Chambers of Commerce and our Parliament's committees that have concerns. In England, Labour introduced a similar measure during its last years in power. That was obviously a last desperate act to grab money from businesses to plug the hole in Labour's wall of debt, but the measure has been counterproductive. Vince Cable has called it economically damaging and not productive. The number of empty commercial properties south of the border has risen by nearly 15 per cent since the change, which Labour introduced.

Mark McDonald: Will the member give way?

Jim Hume: I will do so only if the member has no aspirations and it is a substantive intervention.

Mark McDonald: I aspire only to extract the truth from Mr Hume.

If the UK Government views the measure simply as revenue raising by the Labour Government, will he explain why it has reduced the threshold of rateable value at which exemptions kick in?

Jim Hume: That is a fair point, but I will carry on if the member does not mind.

Evidence north of the border is less than scarce, and we have heard no evidence from the minister. To date, the Government has shown no proof that hitting businesses with higher taxes on empty properties will bring any commercial properties back into use. As the convener of the Finance Committee pointed out, the financial memorandum even uses the word "hope". How can a Government propose legislation that is based on the hope that it will help? That is not only unfair on businesses, but a waste of time if it is unsuccessful.

The Government says that its changes to empty commercial property relief will discourage property owners from leaving their businesses empty. Why on earth would owners leave properties empty when it is in their financial interests to let them out so that another business can pay the rates and necessary costs of maintenance, heating, lighting and often security, and so that those owners can make money from the rental income? The proposal is purely an attempt to raise money from the business sector, which can ill afford it at this time. Along with the FSB and the CBI, I implore the Government to carry out a serious review of the empty properties rates relief scheme before we even consider passing the bill.

I turn to the proposal to abolish the housing support grant, which we have not heard too much

about from members. The proposal affects only Shetland, but there is an historical reason for that. Shetland's housing debt arose from the need to build houses following the construction of the Sullom Voe oil terminal in the 1970s. At that time, the population of the islands increased by 40 per cent, which meant that, over about 20 years, that small council had to build 200 to 300 houses. That resulted in debts of about £50 million.

There is no way that such a small council could balance its housing revenue account without the serious and real, albeit perhaps unintended, knock-on effects of increased rents and cuts in maintenance. Shetland Islands Council is adamant that if the housing support grant has to go, transitional arrangements need to be in place, and the Parliament's Local Government and Regeneration Committee has agreed. To date, there has been no sign of any such arrangement from the Government and we have had no words from the minister today on that.

Jean Urquhart (Highlands and Islands) (SNP): Does the member acknowledge that, at the time of the development at Sullom Voe and the need for houses in Shetland, an arrangement was made with the Westminster Government, which only recently stopped paying the support grant to the Scottish Government?

Jim Hume: Shetland is an anomaly as regards housing support. We are not talking about a massive amount—some £0.75 million in the next year—although all public money must be totally scrutinised for effective use. However, it is a huge amount for a small council. We should not forget the reason for that support. It is due to the success of the oil industry in Shetland and the north, an industry that this Government often looks at with green eyes.

The Liberal Democrats have too many concerns to support the bill at this stage and shall be voting so at decision time today. In these times, we need to support businesses and communities—not hinder and hammer them.

15:55

David Torrance (Kirkcaldy) (SNP): The bill addresses some critical issues. Reviving town centres is crucial, as they lie at the heart of many communities and reflect economic growth. Bringing up to 5,500 properties back into use in Scotland's town centres will generate a greater feeling of optimism. It will make town centres more attractive again and more readily accessible to those people who do not have the means to get to out-of-town shopping hubs. It will also create new jobs. That resurgence will benefit towns and communities.

Margaret Mitchell: Does the member realise that the 5,500 properties figure that he cited is the total number of empty properties, not the number that will come back into use? That 5,500 figure assumes that 100 per cent of the empty properties will come back into use. Could the member give us the estimated figure—as the minister has not been able to do so—of the number of empty properties that will be brought back into use as a result of the incentive?

David Torrance: We can all hope that all the empty properties will be brought back into use.

Developers and property owners are there to use those properties if we can bring incentives to make all the empty properties go. In Kirkcaldy, we have a number of properties that have been vacant for 10 to 15 years and there has been no incentive for the developers or the property owners to bring properties back into use on our high street.

Scotland is in urgent need of more housing. At the same time 25,000 houses in Scotland are empty long term. There are undoubtedly many different reasons for those vacancies. Nevertheless, we need to bring those homes back to the market to help alleviate the shortage in housing.

At a time when the UK Government is cutting Scotland's budget year by year, subsidising vacant commercial properties by more than £150 million a year does not seem like a responsible use of taxpayers' money. Owners do not need to be scared though, as—despite the limited resources—empty property relief here will still be more advantageous than in England and Wales.

The Government needs to be able to make regulations to alter the non-domestic rates regime by varying the rates of relief available for certain empty commercial properties; to alter the level of council tax relief available; and, similarly, to alter the level of council tax payable on long-term empty homes.

At the moment, all empty non-domestic properties are entitled to 100 per cent rates relief for the first three months followed by a 50 per cent discount on the rates until the property is occupied for up to six weeks. The bill proposes reducing the rates relief for all other non-domestic properties to 10 per cent after three months. Exemptions for listed and industrial properties or properties with lower value will remain.

Subsidising around 19,000 properties with more than £150 million a year in empty property rates does not seem like a fair sharing of the burden and it is the biggest type of business relief in Scotland—more than the small business bonus scheme that assists businesses to actively contribute to our society and to our economy.

Reducing the relief for around 6,500 properties currently receiving a 50 per cent relief to 10 per cent will reduce the cost to the public by an estimated £18 million per year. To tackle the huge number of long-term empty homes in Scotland, the Scottish Government needs to be able to make regulations to alter council tax discounts if a property remains empty. Such regulations still give an exemption for the first six months and then only continue for another year if the owners are actively trying to sell their home, followed by the ability for local authorities to reduce discounts to 0 per cent. Local authorities would set those rates, decide what constitutes “actively trying to sell” and decide whether additional exemption periods would be appropriate.

With the Scottish empty homes partnership—run by Shelter Scotland—which supports local authorities, private owners and others, and with a consultation on council tax changes to long-term unoccupied properties that runs until 5 October, the Scottish Government is already working actively to reduce the number of empty homes. Those councils that choose to increase council tax for empty homes will also offer advice and support.

Proposed measures in the consultation on new council tax regulations will allow councils to impose an increase of up to 100 per cent of the relevant council tax for homes that have been empty for at least a year; to offer 10 to 50 per cent discounts for unfurnished properties that have been empty for between half a year and a year, rather than a 50 per cent discount; to apply different rates of discount or increase council tax in different parts of their area; and to increase rates depending on the time for which a home has been empty. Those measures will be beneficial in generating much-needed additional revenue for councils while simultaneously reducing the number of empty homes in Scotland.

The benefits of the bill are self-evident. The empty property rates reform will bring up to 5,500 properties back into use and, with that, kick-start the revitalisation of town centres. That is essential to the “Achieving a Sustainable Future” strategy, because strong and vibrant town centres and business districts are crucial to the economic and social fabric of Scotland. The change to council tax relief for long-term empty homes has potential to drastically reduce their number and provide much-needed homes.

The Government is aware of the necessity to take other factors into consideration, and integral parts of the bill allow for different circumstances. The bill will encourage owners of both domestic and commercial property because, in the long term, it will be more advantageous—financially and for the good of the community—to maximise

potential by ensuring that all properties are used appropriately. The Government will continue to listen to the concerns of stakeholders from the private sector. It will give them the opportunity to engage in the process before regulations are introduced, and it invites all stakeholders and members of the Parliament to contribute.

16:01

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): I start by welcoming Margaret Burgess, minister designate for housing and welfare, to her new position. I wish her all the best in her important role.

I welcome half of the bill that is before us today, as it is basically a bill of two halves, the housing support grant having long since withered on the vine everywhere in Scotland except Shetland. The good half relates to council tax and empty homes. It extends the action that the previous Government took in 2003 to help to deal with the serious problem of 25,000 long-term empty homes. On that half of the bill, the minister has been in listening mode, and I welcome his announcement about increasing the penalty to £500 as an incentive to make it worth while for councils to take action in the area.

There are certainly issues about exemptions from the new regime. I have raised issues about exemptions from the 2003 regime with the council—that is the regime that reduced the discount for empty homes to 10 per cent.

On exemptions, however, I agree with what Shelter said in evidence to the Local Government and Regeneration Committee. It is quite important in my view.

“We warn against having too many exemptions that are subjective, because that makes the system more expensive to enforce. We would like the balance to be on the other side, where someone who is in genuine hardship and is doing everything that they can to bring the property back into use is given incentives and financial help from the council, using money that has been recycled from the levy.”—[*Official Report, Local Government and Regeneration Committee*, 16 May 2012; c 969.]

The minister mentioned some of the actions being taken by the Government on empty homes, but more is needed. Some of that is highlighted in that quotation from Shelter and there are many more suggestions in its written submission. I urge the minister to look at that submission and perhaps focus on the issue of empty homes as her first action as housing minister. If she wants a precedent for that, I point out that my first announcement as housing minister in May 1997 was an empty homes initiative with some money attached. I can reveal for the first time that it was inspired by Shelter.

Kevin Stewart: The Minister for Transport and Housing clearly stated to the committee:

“The issues will take time to work through. If it was clear that a sincere effort had been made to sell or let a property, for example, we would not want to punish somebody for a genuine attempt to bring an empty home into productive use.”—[*Official Report, Local Government and Regeneration Committee*, 30 May 2012; c 1077.]

Malcolm Chisholm: I certainly welcome that. Members will realise that, like Joan McAlpine, I am not a member of either committee that has dealt with the bill so, if I am not fully conversant with all the details, I am sure that members will forgive me.

That is perhaps not the best way to introduce the bad half of the bill, which is certainly how the non-domestic rates provisions can be described. I did not hear the minister announce any improvements today, although I note that Mark McDonald was referring to the minister being in listening mode for all parts of the bill. If I have missed something, I am sure that someone will correct me.

Even the minister seemed to be a bit defensive about the non-domestic rates section, because the first thing that he said about it was that it created only an enabling power. Kevin Stewart can correct me, but I thought that he said that he thought that there were no plans to bring the power into action. That needs to be clarified.

Kevin Stewart: Nothing in the bill at the moment would bring the power into action. An enabling power is an enabling power. If the Government chooses to use the power later, that will have to come back to a committee, as I said in my speech.

Malcolm Chisholm: That is the case, but we need the position to be clarified. To be fair to the minister, I think that I recall him saying that he intended to introduce regulations in 2013. Perhaps that can be clarified in the summing-up.

Derek Mackay: The bill creates an enabling power. If that was passed, I would have to return to Parliament with the regulations to vary rates relief. The regulations would change the rates relief that people enjoy. The bill gives us the enabling power to achieve that.

Our stated position was that what we proposed in the budget would be outlined. Since then, I have consulted members and stakeholders on that—hence the suggestion in relation to Northern Ireland. I would have to return to the subject in regulations.

Malcolm Chisholm: I thank the minister for that clarification, if such it be.

I note that the committees—especially the Finance Committee, but even the Local

Government and Regeneration Committee—were quite critical of the Government for a lack of consultation on the non-domestic rates section and for the financial memorandum's inadequacies. In his speech, the minister said that no business and regulatory impact assessment was necessary, because the number of affected properties was small, but the Finance Committee pointed out that the provisions could affect all businesses that use commercial properties.

The Finance Committee concluded that

“the Bill's proposals may impact detrimentally both on individual businesses and the broader economy”

and it pointed out that there was no evidence that reoccupation rates in England had increased. This important part of the bill contains not evidence-based policy but policy without evidence. The evidence from England, to which Sarah Boyack referred, is about older buildings being demolished. As Jim Hume pointed out, it seems that even more buildings are becoming empty. Such evidence as we have from Scotland suggests that a lack of demand is the key issue and that commercial buildings are rarely left empty on purpose.

There was little evidence about how the figure of £18 million in savings was arrived at and there was a lack of reliable evidence about the number of public sector properties that will be affected, which will obviously reduce the overall public expenditure savings.

Derek Mackay: Will the member take an intervention?

Malcolm Chisholm: I do not know whether I am pushing it for time—I see that I am all right.

Derek Mackay: I speak in the spirit that we have the time and the member seeks the information. He is correct that the information was not available to the Finance Committee, but it was available when the Local Government and Regeneration Committee considered the bill and it is covered in that committee's report. I can tell him exactly what the figures are. The maximum impact on the NHS is £300,000; the maximum impact on Scottish Enterprise is £400,000; and the maximum impact on councils is £1.7 million, but councils would benefit particularly from the £18 million saving that the proposed change would generate.

Malcolm Chisholm: I thank the minister for that helpful intervention. An interesting point about the financial memorandum is that, as far as I can see, it does not assume that owners will bring vacant properties back into use. I might have missed that, but it seems that nothing is netted from the savings on the basis of the bill's stated purpose. If the Government does not believe that its policy will be effective, why should we believe it?

Derek Mackay: Would the member like to take a further intervention?

Malcolm Chisholm: Okay.

The Deputy Presiding Officer: There is time.

Derek Mackay: I am trying to be helpful. It is true that the Government has set no targets. Any figure between zero and 5,500 properties could be brought back into use. However, setting an arbitrary target for the number that might be brought back into use would be complete guesswork that would not inform the debate.

Malcolm Chisholm: I thank the minister, but what he says is quite revealing. It seems that a lot of the policy is based on guesswork. It ought to be guesswork informed by such evidence as we have, but it looks as though the evidence that we have from Scotland and England has not really been properly taken into account. I believe that it is the wrong policy at the wrong time and that that part of the bill should certainly be reconsidered.

16:10

Nigel Don (Angus North and Mearns) (SNP):

It is an interesting experience to rise this late in a debate, when there is not very much left to say and there is probably more time to say it in than one would have expected. However, I will work my way through the issues that have come up.

I am grateful to Kevin Stewart for telling me about Shetland's housing support grant in his speech. I confess that I did not understand it beforehand, but to me, as a fellow former councillor, the idea of borrowing from one's own harbour fund seems a wonderful wheeze. I think I now understand a little more about what might have been going on.

I turn to the things that will be with us for very much longer, starting with business properties. Every one of those properties is an individual space, so we need to look at what effect the bill will have on the microeconomics of the individual business space—or possibly even a sub-space, as some of the big units might be subdivided or let in parts if that made economic sense. I admit that I have never had to run a business space, but most of the costs seem to disappear if one just shuts the door and drains the cold water taps. As long as the property is wind and watertight, the maintenance cost might be practically zero for a considerable period. It is not especially difficult to see why landlords—particularly absentee landlords who have no interest in the local community around the building—would think that it was cheaper to do that than to try to market it.

Jim Hume: Will the member take an intervention?

Nigel Don: Just a moment.

It is perfectly reasonable to think that, if there is an incentive—which happens to be business rates—to get a property back into use, a landlord may say, “I’ve now got a cost that I did not have before. Maybe I should see whether a lower rent would work.” That might get some economic cycle around it.

Jim Hume: Does the member not agree that the commercial property owner would always be better off if he let his property out?

Nigel Don: No, I do not. There is a cost in terms of time and effort in running one’s own business, as there is in doing anything. If the owner has a portfolio of properties that includes one or two over there, a long way from their backyard, which the owner does not know very much about and does not see what they are going to be used for, and there is no incentive for the owner to make an effort, they will probably put their effort somewhere else. They might be quite happy to live with those properties simply as elements of a balance sheet that will pick up eventually. It is perfectly reasonable to say that there will be occasions—I do not know how many—when an incentive, such as an additional cost called business rates, will wake people up and make a difference.

Kevin Stewart: Will the member give way?

Nigel Don: Forgive me for going on just for a moment.

There is also a general principle to observe. I cannot remember who it was at the London Business School who pointed out that in economics one should stick to principles and not allow oneself to be confused by the numbers. It cannot possibly be wrong that if we create a cost incentive for the landlord to occupy property, rents will come down as he tries to find a market rent at which he will get some income.

Kevin Stewart: Mr Don has summed up very well the situation in which it is beneficial for a landlord to wait. I represent the centre of Aberdeen, where there are a large number of empty properties although there is a lot of demand. Those properties are not being offered at rents that people can afford, and there is an advantage for many landlords in keeping their properties empty until high rents are attainable again. That is why I, in searching for an office, and many others in my constituency find it very difficult to get affordable property although there are lots of empty properties about.

Nigel Don: Indeed. In some places—Aberdeen is a classic case—we see that. However, the bill will have different effects in different places. I need refer only to my constituency to demonstrate that the effect will depend on how far the property is

from a centre of business. Forfar is not doing too badly. However, in Brechin, which is only 10 miles down the road but is one more stop away from Dundee, there are far more empty properties.

I can see exactly the same effect as I come into my constituency from the north, from Aberdeen. In Stonehaven, there is no particular shortage of people who want to use business properties and there are not too many vacant ones. However, if we come an extra 15 miles down to Laurencekirk, we see a different situation.

The effects are place specific, which is perhaps what we would expect with properties.

John Mason: I agree with Nigel Don that the effects are place specific. Does he agree that one possibility is that people who own shop units below tenement buildings, which certainly happens in my constituency, might, because their minds are being focused as he describes, consider switching the use of that property from a shop to a flat?

Nigel Don: I have only to look to my previous home city of Dundee to recognise that that has happened. I can think of places where it has.

In the current economic landscape, it is mighty difficult to calculate any effect on anything. A financial memorandum that says that the estimates are approximate and that the Government hopes that it might get a result in that direction seems rather more honest than others that quote numbers to two or three significant figures, which I am not sure that I am likely to believe in the current economic environment.

On domestic dwellings, I welcome the idea that the penalty for non-disclosure should go up. As a former councillor, I am not with the idea that £200 would force people to do the right thing; I think that £500 is getting towards the right figure. I wonder whether a maximum figure that is rather more than that might be appropriate, but I am not sure how we would massage that, so perhaps £500 is okay.

I will also pick up a point that the minister referred to but nobody else picked up on. The Subordinate Legislation Committee—which, of course, I convene—made the point that there is no limit in the bill on the amount by which domestic rates could be put up. That point was so fundamental that the committee felt that it had to point it out. The Parliament has to put a limit on any tax-raising power.

If the limit is 100 per cent, that is fine by me and seems perfectly reasonable. If the Government had felt that it could be 200 per cent but would probably only be 100 per cent for the moment, that would not affect the fundamental principle. The important point is that there be a number in the bill so that the Parliament knows what power it is

giving away. I am happy that it should be 100 per cent and, if that makes sense to the Government, so be it.

I also like the idea, which Mark McDonald introduced to the debate, that once a property has been put back into use there should be some kind of rates relief.

That brings me back to the estimated income and the costs. I confess that I am not sure that I need to worry too much about those. We want houses to be occupied and in use. There are about 150,000 people looking for a home. It does not matter if the figure is out by a factor, because it is still enormous. If we can do something to eat into it, that is good.

If, at the end of the day, the income and expenditure just balance, that is fine if we get folk back into homes. Therefore, whether the income is really £18 million or £10 million does not bother me as long as it is more than the £1.8 million, £3.6 million or possibly £5 million that it might cost. Why worry? As long as one is significantly higher than the other, we are doing the right thing.

John Finnie (Highlands and Islands) (SNP): Does Nigel Don share my view about the implications of welfare reform and the bedroom tax—which will mean that foster children, children with a disability without an overnight carer and, indeed, children who are the subject of regular access arrangements will not be permitted an additional bedroom—given that a considerable number of the properties that we are talking about will be one-bedroom properties?

Nigel Don: I take the point that there are a lot of one-bedroom properties around. That is a fair comment, but it is only a complication to the general principle. I understand that we will not necessarily have all the right things in the right places.

The last point that I ought to pick up on is the issue of flexibility and the idea that rates relief on a home on one side of the city might be different from that on a home on the other side of the city, within the same council area. I can see why some flexibility is a really good thing, because there are places where we do want to incentivise for homes to come into use and there are places where we are not so worried. However, one person's flexibility is the next person's postcode lottery. I just hope that those who know more about this than I do—and I sit on none of the substantive committees for this bill—work out where we really do need the flexibility and what it is meant to achieve, so that we do not finish up with something that can be criticised afterwards.

Would the minister like to come in?

Derek Mackay: I thank the member for offering an intervention. I clarify that the discretionary power will be for the empty homes element alone, and will be for each local authority to decide. The empty property rates relief scheme will still be universal and consistent across the country. The reason for that is that it is welcomed and supported by the private sector, which wants a consistent scheme across the country.

Nigel Don: The minister can see from his own local authority experience that, although there may be a general scheme across the country, every flexibility that is built in will turn out to be a double-edged sword somewhere—we just need to see that coming. That does not mean that we should not do it; it just means that it is a complexity that perhaps we could have done without.

There is a lot in the bill that is good. I have been slightly concerned by members talking about numbers which are, by definition, approximate, and which we should not be worrying about. It seems to me that the general principle is right. How effective it turns out to be is something that the history books will tell us, and I honestly do not think that we could predict that at this point.

The Deputy Presiding Officer: Thank you very much. I salute that heroic effort.

16:22

Alex Johnstone (North East Scotland) (Con): I will begin by doing as one or two other members have done and welcome Margaret Burgess to her new role. I look forward to seeing how she performs in it. I have worked with her on a committee, so I am sure that she is currently quite depressed that she will continue to benefit from my opinionated right-wing point of view in a different capacity.

Before I came over to participate in the debate, I very nearly did something that I have never done before: I almost phoned the minister because I needed a piece of information from him. I raked through my diary, but I could not work out when something had happened, although he may remember. It was a conference on commercial property interests that took place in Our Dynamic Earth, across the road. I cannot remember when it happened—I thought that it was some time in the spring, but I could not find it in my diary. However, it happened not long after the minister had been appointed to his role. For most of the day of the conference, the discussion was on the issue of empty commercial property rates and the proposal that they should be introduced or toughened up. I think that the minister enjoyed his introduction that day, when he found himself in a room with a large number of people on the panel and in the audience who all disagreed with him. I am sure

that that experience was not included in the broad consultation that he has discussed several times today. However, the minister should take into account the fact that, right from the very start, commercial property interests have been against this proposal.

Mark McDonald: Will Mr Johnstone take an intervention?

Alex Johnstone: No, I will continue.

The reason why commercial property interests are against the proposal so much is that it will be one more cost for those who are currently bearing the cost of empty properties that they cannot let, up and down Scotland. During the debate, several members have made clear that there was once a time—perhaps prior to 2007—when some unscrupulous practices may have gone on in an attempt to force up commercial rents. However, 2007 is a long time ago.

When properties become empty on our high streets, it is because no one wants them. Across Scotland, we will find empty properties that cannot be let. In fact, out of my own window in Stonehaven I can see a property that has been let for six months, empty for a year, let again for six months and then empty for another year. That is indicative of a market that is struggling to achieve what it wants to achieve, which is healthy, successful high streets. We are not achieving that because the people who are supposed to run the businesses are simply not there.

We believe that 5,500 commercial properties are empty in Scotland. As many members have pointed out during the debate, the bill has not a hope of filling all 5,500 empty commercial properties. How many of them will it fill? The minister cannot tell us. I suggest that even if the bill is marginally successful, it will be only extremely marginally so.

Let us consider what effect the bill might have on housing. The available research tells us that there are now more than 25,000 empty homes in Scotland. However, analysis of the figures suggests that among the chief offenders in keeping empty homes are councils themselves. A number of other organisations, including housing associations, find themselves in the same position. They have lists of tenants for whom they need to supply homes, but any additional cost for keeping empty homes is simply a cost for those who currently occupy property in the rented sector.

Let us also look at the issue that has not been raised during the debate, which is the hybrid area between housing and commercial property that is the private rental market. Over recent years, there has been a boom in buy to let that has survived the onset of the recession. In recent housing acts we have heard at great length how important it is

that the private rented sector plays its role in housing Scotland's homeless. The Government itself has acted on many occasions to encourage that to happen. However, if there are currently empty properties in that sector—I know that there are—the danger is that any imposition of additional costs may result in those who bought to let simply selling their property and taking it out of that marketplace.

I object to the fact that the Government had the option to take either the carrot or the stick approach in this situation but chose the stick. I think that it should have chosen the carrot. I suggest that the powers that are already available to local authorities when levying rates for empty properties are probably adequate and that the Government should have decided to take a positive approach and encourage people to do all that they can to make property available and attractive. This very day, Eric Pickles has been talking in the House of Commons about relaxing planning bureaucracy and restrictions that currently prevent many properties that are marginally habitable from being improved.

Here in Scotland, particularly perhaps in our wealthier areas, there are a large number of empty properties for which individuals find it difficult to get planning permission to develop. It is important that we have a system that is fit for purpose, so we need to address that.

A number of times during the debate there has been repetition of the line that the bill is only an enabling power that may not be used. I suggest that if the Government considers it unlikely that the bill's powers will be used, it should think of doing something different. Why should we introduce more charges at a time when markets are weak? We should support those who find themselves in difficulties in order to get properties back into the marketplace.

My final comment is about something that Joan McAlpine said and it is very different from the rest of what I have said. We need to remember that those apparent enemies of ours who hold commercial property in our cities and are not putting it up for let are not faceless and unimportant. Many owners are small businessmen, and the faceless owners that Joan McAlpine described are the people who run our pension funds. For the good of the country in the long term, we need to ensure that investment in property remains attractive. The bill will make it less attractive.

The Deputy Presiding Officer: I call Elaine Murray to close for the Labour Party.

16:30

Elaine Murray (Dumfriesshire) (Lab): Thank you, Presiding Officer. How long have I got?

The Deputy Presiding Officer: You can have a generous eight minutes. You can have a good deal longer than that, provided that you have something good to say. [*Laughter.*]

Elaine Murray: I always have something good to say, Presiding Officer.

I welcome Margaret Burgess to her new role. I look forward to working with her and shadowing part of her responsibilities, as I do part of Mr Brown's responsibilities.

At the outset, I had—and I still have—considerable sympathy for the policy intention behind the bill. Many of the towns and villages in my constituency are plagued with properties that have lain empty for years. The former shops that are up from my office in the Friars Vennel, in Dumfries, the former Co-op store in Kirkconnel, which is descending into disrepair, and the former Chinese restaurant and associated flats outside Lockerbie station are just a few examples.

I have seen how sympathetic restoration can transform a townscape. The investment by David Smith in restoring the grade A-listed townhouse, Bridge House, in Annan, to its former glory, has vastly improved the entrance to Annan's main street.

Therefore, I came to the bill feeling very well disposed towards it, not least because it mirrored legislation that the Labour Party had introduced in the UK Parliament in 2008. However, the evidence that I heard in the Finance Committee on the proposals, particularly in relation to commercial properties, gave me cause for concern. I began to worry that the policy is not the right one at the right time. I agree with the policy's aims, but I am not convinced that the bill will achieve them.

Derek Mackay: The member's comments are helpful. I talked about amendments that the Government is considering. In the same spirit, will the Opposition suggest, here and now, how the bill might be improved?

Elaine Murray: One way in which the bill could be improved would be by requiring a BRIA to be undertaken, as a number of members said.

The minister said that he is considering a number of amendments; we need to see details of his proposals, as Sarah Boyack and other members said. I am hearing for the first time that information has been made available to the Local Government and Regeneration Committee that was not available to the Finance Committee. Has the financial memorandum been updated? At stage 1 we are still discussing the original bill and

financial memorandum. Those pieces of work were rather sloppy, as Margaret Mitchell said, and the sloppiness needs to be tidied up.

The minister said in an intervention during John Pentland's speech that he will issue a response early next week. That is not early enough, I am afraid. The approach is sloppy and borders on being disrespectful to the Parliament, because we should have had information on the Government's intentions before this debate. That would have enabled us to have a more informed debate about the Government's proposals.

The Finance Committee took evidence from David Melhuish, from the Scottish Property Federation, and Tom Stokes, from the Business Centre Association. They talked about how business centres can encourage the development of small businesses, so their criticisms remain relevant despite what Mark McDonald said about how the bill will improve on what happened in England, because industrial and listed buildings are excluded from its scope.

Hanzala Malik: I want to reiterate that because small independent businesses have not been consulted, we are rather short on the facts. As Sarah Boyack said, so many details are missing that we cannot make a decision. I cannot emphasise too much that small businesses in cities up and down the country are being blocked and bogged down, and no one is talking to them. We are talking to institutions—unions and federations—but we are not talking to people who are at the coalface delivering a service. I ask the minister to address that point.

Elaine Murray: I am particularly concerned about the evidence from the Business Centre Association. John Mason said that the evidence was weak, but I do not think that it was. Tom Stokes told us that when the legislation was introduced—by Labour—in England,

"the creation of new premises almost came to a standstill."—[*Official Report, Finance Committee, 25 April 2012; c 990.*]

The UK Government was subsequently persuaded to introduce a threshold of £15,000, and later £18,000. Then the market picked up and the coalition Government reduced the threshold to £2,600. We witnessed a virtual standstill in new centres outside of London, with the economy in London being rather different.

An effect of the recession has been the cessation of building new business centres, because the cost of building is greater than the end value. Older properties that are no longer economic in their current use or are unlettable are therefore more likely to be attractive propositions where growth is likely. However, it was pointed out to the Finance Committee that the development of

such properties will not result in immediate 100 per cent occupation. That relates to the points made by Nigel Don—in his extremely reasonable and well-reasoned speech—that a business centre may typically have 50 per cent occupation in its first year, perhaps 75 per cent in its second year and around 90 per cent thereafter, as businesses grow and turnover happens. Additional taxation on the unoccupied units makes such an investment less attractive, yet we need such investment to encourage the small business sector.

A number of members mentioned the lack of a BRIA. As I said, we want the requirement for a BRIA to be introduced at stage 2. The Government says that the bill is an enabling bill—quite rightly, many bills that go through the Parliament are enabling bills. However, we want the bill to include a requirement that a BRIA be undertaken before any secondary legislation is introduced. After all, secondary legislation does not attract the same level of consultation or parliamentary scrutiny and we need to have that.

As was said, the scale of the BRIA can be proportionate to the task; a small amount of money is involved in comparison with the total take. That does not mean that a BRIA is not important for the individual business sectors and businesses, for example for those that might want to use the developments that the Business Centre Association is talking about.

Sarah Boyack, Jim Hume and other members made reference to the claims about bomb-site Britain. Some of that is anecdotal—it came out of the property press in England—but the press seems to be implying that, in some cases, owners were demolishing properties that were hard to let in order to avoid empty property rates.

As Anne McTaggart said, long-term unoccupied property is in the ownership of not only the private sector, but the public sector. The information that has gone to the Local Government and Regeneration Committee subsequently has included information that the public sector has a fair amount of unoccupied property. Indeed, a freedom of information request on a survey of local authorities in England and Wales that was performed by the Business Centre Association suggested that the English legislation costs the public sector around £400 million annually. We need to look at that and learn the lessons.

Local authorities expressed other concerns about the proposals. North Lanarkshire Council believes that the focus of the proposals is—as John Pentland mentioned—tax raising, rather than determining the need for funding to bring empty properties into use. I realise that that is a difficult task in the current climate, but it is a tax-raising measure first and foremost.

Ann Bain of Angus Council said:

“The issue that we have is that a significant number of properties are probably not up to a marketable standard and the individuals concerned do not have the funding to bring them up to that standard.”—[*Official Report, Finance Committee*, 2 May 2012; c 1023.]

She pointed that there are around 1,000 unoccupied properties in Angus—I am sure that Dumfries and Galloway Council has a similar problem—with properties spread around rural areas. That is a resource issue for local authorities with regard to their inspection duty on such buildings.

Jim Hume mentioned housing support grant, the abolition of which affects only Shetland Islands Council. I have sympathy for that council—even though it has huge reserves, it has a history of housing debt as a consequence of the need to develop housing to connect with the development of the oil fields at Sullom Voe. At that time, the population of the islands rose by about 40 per cent, which resulted in the council having to borrow around £50 million. I know that the local authority has made money out of that but, equally, it was not Shetland Islands Council’s fault that Margaret Thatcher brought in the right to buy, with the result that a lot of those houses were sold off for less than they cost to build. I think that the council has a point. I had not known and was interested to learn from Kevin Stewart that the council borrowed from a harbour support trust rather than from the Public Works Loan Board—that sounds like quite a canny move.

Kevin Stewart: It was an extremely canny move on the part of Shetland Islands Council, and I congratulate the council on its canniness in that regard.

Previous Westminster Governments supposedly said that they would eventually pay off the debt. Unfortunately, it seems that Shetland got no written guarantee to that effect. It appears that we have yet another scenario in which Westminster has not lived up to its obligations.

Elaine Murray: It might just be the case that Shetland Islands Council has been canny with regard to that allocation. The present situation definitely cannot continue for good. Transitional relief should perhaps be looked at, albeit that the sort of sums that the council is demanding could not be agreed to.

The evidence that was presented to the lead committee was generally supportive of the proposal to give councils a discretionary power, although Ann Bain of Angus Council mentioned that it could give rise to some problems. She thought that it could lead to owners being incentivised to evade payment. She also made the good point that the owners of unoccupied

properties sometimes live outwith Scotland—for example, they may live in England, where the court system is different. To be anecdotal, for years a home has been lying empty in Kirkconnel Main Street in my local authority area. We sort of know who owns it, but we cannot get to them. We keep trying to write to them, but they live in Wales or somewhere. I have tried to contact them, as did my predecessor, but we have not been able to track them down, to get them to upkeep the home. It is difficult to pursue such people, particularly when they live outside the country in a place with a different court system.

Some witnesses felt that the interplay with other forms of tax relief had not been properly considered. I understand from what the minister said that some of those issues have been addressed. I invite the minister to say whether he intends to produce an updated financial memorandum that takes account of some of those matters. If those sums have now been done, can we see them in a new financial memorandum? That would enable us to find out how some of the concerns have been addressed.

We have concerns about parts of the bill, but we are prepared to support it as it moves forward to the amendment stage. We will look at what happens at that stage. It is with a degree of disappointment that I must say that I am not as enthusiastic about the bill at the end of stage 1 as I was when I first started looking at it. However, we have an opportunity to improve it, and I look forward to people working together to do that. At the moment, we will support the bill, but with significant reservations.

16:43

Derek Mackay: This has been a highly encouraging debate in which a number of issues have been raised extremely constructively. I particularly welcome the Labour Party's expressing its concerns and seeking information that may lead it to alter its position. I will rise to the challenge that Elaine Murray set. She asked whether I would reassess and reorder the financial information to give a fuller perspective on the bill as it has evolved, taking account of today's debate. Yes, I will. If that will help us to reach a satisfactory conclusion, it would certainly be worth doing.

Alex Johnstone was right to say that when I had been fairly recently appointed I had quite a hard time at a meeting of the Scottish Property Federation. He was right that I am not used to being in a hall in which everyone is against me, including the panel and all the members present—unlike the Conservatives. He may have experienced that in his own party, but I am unaccustomed to such a political environment.

During my time in local government, I once attended a Tory party conference. I was informed that I was given a better reception than the then Tory spokesperson. Maybe that is why I did not feature in this week's Cabinet promotions.

On the subject of the reshuffle, Sarah Boyack said that she did not prepare as she might have done because she thought that the reshuffle might affect me. I missed the reshuffle because I was at the conference of the Institute of Revenues, Rating and Valuation as the reshuffle was happening—such is my dedication to the issue of rates.

I am more than happy to be leading on both parts of the bill. Malcolm Chisholm described it as a bill of two halves, and both will make a difference on the issue of bringing empty properties back into use. There is also the important issue of Shetland and the housing support grant.

John Pentland had a helpful approach to dealing with interventions, which was to accept an intervention only if he thought that it would not progress someone's career within the Government and the Scottish National Party. I have never seen the SNP back benches so animated, nor so many spontaneous interventions. Every member of the SNP is fit for government, which may not be the position with the Government down south at Westminster.

I welcome Kevin Stewart's comments on how the bill can be improved and Nigel Don's contribution from the perspective of the Subordinate Legislation Committee.

I turn to some specific points. It is right that we should give local authorities discretionary power to take the right steps to tackle the scourge of empty homes in their areas. When so many people are waiting to be housed, empty homes are a scandal. It is appropriate that there is consultation on the regulations so that we can ensure that they are right. We are taking on board the Local Government and Regeneration Committee's concerns and the contributions made in Parliament today.

Mark McDonald: Alex Johnstone talked about the buy-to-let market. Looking at the issue on a discretionary, council-by-council basis, does the minister agree that there are some areas where rents in the buy-to-let market are still far too high and discourage people to take up those properties, and that the measures might encourage more affordable rents rather than the aspirational rents that are often set?

Derek Mackay: That is right. Contrary to the position expressed by Alex Johnstone, only 2,000 of the 25,000 long-term empty properties liable for council tax are social rented houses.

Returning to empty homes, there is the package of incentives, there is the funding support to bring empty homes back into use and there is the proposed new power, to be used at the discretion of local government, which can make that difference.

Shelter Scotland said that it

“believes that charging a council tax levy on long-term empty homes is useful and appropriate where:

It is part of a package of measures being implemented by a council to bring long-term empty homes back into use”.

That is a welcome statement, which is in the spirit of the bill as introduced.

On the housing support grant for Shetland Islands Council, there has been a subsidy over a period of time—some £80 million in support since 1979. By anyone’s reckoning, that is a generous package. However, given the issues with which that council is wrestling at the moment, we want to ensure that we consider its finances in the round and work with it in partnership to support the transitional arrangements. That was referred to in members’ contributions to the debate. There are alternatives to simply raising rents to ensure that the impact on tenants in that island authority area is mitigated.

Much of the debate focused on empty property rates relief, which is perhaps not surprising, given other discussions. I reiterate that the power is an enabling power. Why is it so important? The Scottish Government has always tried to ensure that the system of rates, rates support and rates relief in Scotland means that we have a competitive advantage over the rest of the United Kingdom. The enabling power in the bill means that we will continue to have the flexibility to change, via a statutory instrument, rates support to ensure that if any other part of the United Kingdom changes or varies its support, we can do so just as quickly and effectively—and in the same way that we can deal with the small business bonus or indeed poundage. Interestingly, the system of there being ministerial responsibility to bring regulations to Parliament for scrutiny—using secondary as opposed to primary legislation—was good enough for other Administrations in respect of poundage and the small business bonus, so why not with empty property rates relief as well?

I have had a number of discussions, not just with representative bodies—as important as they are—but with individual owners of small and large properties. I have also had discussions with the Association of Town Centre Managers, the Scottish Property Federation, the Scottish Chambers of Commerce, the Scottish Council for Development and Industry and councils, in addition to the conference to which I referred. I have consulted with a wide range of stakeholders

to ensure that we can refine our policy to achieve the savings that we must make and to deliver the incentivisation to bring empty properties throughout Scotland back into use.

Kevin Stewart: Although it was unable to do so, the Local Government and Regeneration Committee wanted to talk to the folk who are involved in business improvement districts. Will the minister talk to those folk, as I have done in my area of Aberdeen? They have a lot to give. As Hanzala Malik said, those districts often contain a large amount of small businesses, and that would give them a say in the proposals.

Derek Mackay: Of course that would be very helpful to the discussion.

As part of the rates review, we will consult on how the rates system works and whether the reliefs are proportionate and contribute to sustainable economic growth. There will also be a support package for our town centres as part of the town centre review; that was a manifesto commitment and we will progress it imminently.

Another measure to refine the policy could mirror the scheme in Northern Ireland, where relief is given once a property is filled. That is the type of constructive suggestion that we have heard from Mark McDonald, which will help to ensure that the policy more effectively meets the ambition that other members of the Parliament say that they share.

Sarah Boyack: Does the minister have a timescale for when he intends to bring forward statutory instruments that relate to the two parts of the bill on which there has been most discussion this afternoon?

Derek Mackay: After passing the primary legislation, we would look to return to Parliament to introduce the statutory instruments. That could be just before or after Christmas, but we will do so as quickly as we can.

There is on-going consultation and engagement. It is important that we talk to individuals, property owners, representatives and professionals who are working in the sector to ensure that we get the legislation right.

We have been asked again and again by the Opposition why there has been no BRIA. I have explained the difference, and the consistent approach that we have taken in keeping with the advice on the issue. I argue that on-going consultation and refinement of policy is better than a BRIA, because we are not just consulting on what was proposed in the budget, but refining our policy as we go along to ensure that it has the greatest effect when it is implemented.

I referred to the overall rates review that we will conduct. Our rates package is more generous

than that in any other part of the United Kingdom, with more than £0.5 billion going towards support for a range of organisations and sectors so that they can survive. Some parties in the chamber voted against that generous package, which is the most generous in the United Kingdom.

We are confident of our figures. We have been asked why they do not match up with those that the Scottish Property Federation has provided. The answer is clear: we used the data that is provided by local government and our own statisticians, whereas the Scottish Property Federation has modelled its figures on a sample. We are confident about the projected savings that could be achieved and the numbers of those who would be eligible for support.

We are incentivising owners with a support package, but it is worth putting that into perspective. We have to make savings because of the cuts from the UK Government in Westminster, but we must put into perspective the £18 million of savings from the proposed changes to empty property rates relief against a rates income of £2.5 billion. Even with the proposed reforms, which may change as a consequence of the debate, the cost after reform over the revaluation period will still be £721 million over five years. That is actually more expensive than the very popular and effective small business bonus scheme, which will cost a projected £697 million over the same period.

If circumstances change, we will, if the bill is passed, have the flexibility to adapt to ensure that we are at the cutting edge of delivering the right financial packages for Scotland's commercial sector.

We have learned lessons from what happened in England and elsewhere, which is why we are continuing relief for industrial and listed properties. Some anecdotal experiences have informed that opinion, which is right. It is right that we provide practical help to organisations and companies that may want to promote their empty properties further, and Scottish Enterprise and other agencies are working with us on that.

However, when it comes to evidence for the policy, we cannot look at what happened in England in isolation, because the euro crisis and the recession happened when the policy there came in. Soon after, of course, came the UK increase in VAT, which had a cost to the commercial sector of more than £1 billion in Scotland alone. There is no control situation to enable us to understand exactly what the impact of the policy would be or what the evidence said either way, for or against it.

The policy was, of course, designed by Gordon Brown. I am not given to quoting him, but I will

give again the quote that was given earlier. He said:

“commercial property lying empty should not continue to be given such generous business rate relief, particularly because that leads to higher rents in the areas with highest demand.”—[*Official Report, House of Commons*, 21 March 2007; Vol 458, c 822.]

That was the Labour Party's position, which the Tories now want to disown in the newspapers. However, the UK Government is continuing with that policy and, in spite of all the rhetoric about George Osborne reviewing it, nobody seems to have told his minister for local government, who produced a paper that said that there was no evidence that the policy had a negative effect and that changing it would be unaffordable. It seems that it is good enough for the Conservatives and the Liberal Democrats in England, but not in Scotland for some reason. The Conservatives say, “Do as we say, not as we do.”

Many members have helpfully explained the rationale of how reducing empty property rates relief will stimulate action and ensure that properties are occupied. Joan McAlpine's contribution was very helpful in that respect.

Jim Hume referred to the carrot and the stick, and we have both incentivisation and the proposed changes. I have outlined the maximum cost impact on the public sector, but that pales into insignificance, of course, against the £18 million saved as a consequence, which will make a contribution to local services.

The policy must, of course, come with a package of actions to support our town centres. That is why I welcome the town centre review, which will take place imminently. We are working hard on the planning reforms to ensure that we create the right conditions for Scotland and the right controls to enable sustainable economic growth.

It has been said that one element of the bill did not have much support. The Royal Institution of Chartered Surveyors has said:

“RICS Scotland wishes to see all land and property to have a purpose and be used efficiently. Empty property does not make valid contributions to the Scottish economy, environment or, generally, the sociability of places. Therefore, RICS Scotland agrees with the Scottish Government that the issue of unused and vacant properties needs be addressed, and would welcome positive measures that revitalise Scotland's high streets and town centres.”

Therefore, across Scotland there is increasing support for our proposed measures to realise opportunities in our communities to tackle unused and underused properties. Our approach will be further expanded in the community empowerment and renewal bill, but the package will meet both aims of achieving the savings as outlined in the

budget and—as refined—delivering stimulation to support activity to fill hitherto empty properties. Up to 5,500 empty commercial properties can potentially be filled, and empty homes can be filled to house people who are in need and are desperately looking for accommodation.

The measures are designed to make the greatest change to support Scotland, and I think that they will have the right effect. Therefore, I ask members to support the bill to give us the enabling power to make that happen.

Local Government Finance (Unoccupied Properties etc) (Scotland) Bill: Financial Resolution

16:59

The Presiding Officer (Tricia Marwick): The next item of business is consideration of motion S4M-03534, in the name of John Swinney, on the financial resolution for the Local Government Finance (Unoccupied Properties etc) (Scotland) Bill. I call Derek Mackay to move the motion.

Motion moved,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Local Government Finance (Unoccupied Properties etc.) (Scotland) Bill, agrees to—

(a) 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; and

(b) any charge or payment in relation to which Rule 9.12.4 of the Standing Orders applies arising in consequence of the Act.—[*Derek Mackay.*]

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

Junior Ministers

The Presiding Officer (Tricia Marwick): The next item of business is a debate on motion S4M-04011, in the name of Alex Salmond, on the appointment of junior Scottish ministers. Members should note that the question on the motion will be put immediately after the debate, and not at decision time.

17:00

The First Minister (Alex Salmond): I am pleased to seek parliamentary approval for the appointment of Margaret Burgess, Joe FitzPatrick, Paul Wheelhouse and Humza Yousaf as ministers. In doing so, I obviously want to record my gratitude for the huge contribution to this Government on the parts of Bruce Crawford, Brian Adam and Stewart Stevenson, who are stepping down.

It is fair to say that Bruce Crawford is held in enormous respect across all the parties in this Parliament. I think that it is fair to say because among Bruce Crawford's duties—he is still in office, as we speak—is responsibility for writing speeches, such as this one, for the First Minister. I think, therefore, that we can be confident on that point.

To pilot a challenging legislative programme is a difficult job in any Parliament at any time, but to do that during four years of minority government was totally extraordinary. In that period—this is perhaps an unwise admission—I was not entirely convinced, given the arithmetic of the Parliament, that the Government would manage to survive the full term. I hope that I never betrayed any lack of confidence in the longevity of the Government when I was leading it, although the narrow occasions—the odd narrow squeak, the odd budget vote, the odd close vote, the odd tied vote—often came with the possibility that the term of office might end with a dunt. The fact that it did not, and that that minority Government got through its legislative programme and proceeded through four years in office, is due more to Bruce Crawford than to any other individual.

Working with Bruce Crawford, Brian Adam's talents as a chief whip were undoubtedly essential to maintaining that Government in office and to ensuring that we were able to progress the legislative programme. Brian Adam has always been a trailblazer for the Scottish National Party and the cause of independence. He was elected to public office in a 1988 by-election in the City of Aberdeen District Council, in which he was, at that time, the only SNP member. Brian has often observed to me that, although his talents as chief whip had to be displayed a number of times in the

SNP group, they had their sternest test when he had to whip himself in Aberdeen City Council. Brian Adam's talents as chief whip over the period have been exemplary, and we owe him an enormous debt of gratitude for his work.

Stewart Stevenson, as Minister for Environment and Climate Change, has been an intelligent, eloquent and passionate champion of Scotland's world-leading climate change legislation, which was passed unanimously by Parliament. Stewart Stevenson has championed that cause not just in Scotland, but in countries around the world, conscious that our efforts with regard to climate change can make a difference only if we encourage others to share that ambition. That legacy will be remembered as we move forward, and I know that he will continue to champion those issues inside Parliament and outside Parliament. To have that legislation as one of the legacies of his ministerial contribution is an accolade that is almost beyond compare in the lifetime of this Parliament. Well done, Stewart Stevenson.

All three members will continue to make contributions in Parliament and will continue to serve their constituencies with distinction. We wish them all well for the future in their parliamentary endeavours.

The four new ministers whom I wish to appoint are well aware that they have hard acts to follow. Prior to Margaret Burgess's election in 2011, she had a career working for the East Ayrshire Citizens Advice Bureau and, if approved, she will take up the new position of the minister for housing and welfare, where that experience will prove to be invaluable. The appointment reflects the importance of housing in aiding economic recovery, and the challenge that is facing people who are in poverty—indeed, the challenge that is facing Scotland—from the welfare changes. Those challenges have been highlighted this week by Citizens Advice Scotland and Save the Children.

Joe FitzPatrick was a member of Dundee City Council for eight years before becoming the MSP for Dundee West. At last year's election, he more than trebled his majority, which illustrates the high regard in which he is held by the people of that city. Joe's commitment to the city has currently taken him to Japan, where he is seeking potential twin-city status to further Dundee's links with that country, and is meeting the architect of the new Victoria and Albert museum building, Kengo Kuma, and his team to discuss that exciting new development at Dundee's waterfront. I can confidently say that Joe is the first person in the history of this Parliament to be in Japan when he was appointed as a Government minister.

Paul Wheelhouse was a professional economist before joining Parliament. If his appointment is approved, he will be minister for environment and

climate change and will take forward Scotland's work on those hugely internationally important policy areas.

Humza Yousaf is one of the youngest members of the Scottish Parliament, having graduated only five years ago. Since then, he has served as parliamentary assistant to Bashir Ahmad, the first Muslim member of this Parliament. Humza Yousaf becomes the first Muslim minister in this Parliament, which I think demonstrates that this is a Parliament for all of Scotland. That is a hugely important commitment and demonstration.

I have also made changes to the responsibilities of two of my cabinet secretaries. Nicola Sturgeon, Scotland's longest-serving health secretary, is moving to become Deputy First Minister (Government Strategy and the Constitution) and Cabinet Secretary for Infrastructure, Investment and Cities, and will spearhead the work on capital investment, which is crucial to our economic recovery. She will also have lead responsibility for preparations on the referendum and has already been active in that role, as she met Scotland Office minister David Mundell this morning.

Alex Neil has done a fine job as Cabinet Secretary for Infrastructure and Capital Investment, overseeing the establishment of our £60 billion infrastructure investment plan and saving the Scottish public sector £130 million in a single year through the work of the Scottish Futures Trust. He will take on Nicola Sturgeon's responsibilities, as Cabinet Secretary for Health and Wellbeing. In my estimation, Nicola Sturgeon and Alex Neil performed admirably in their previous portfolios, and Scotland is better off for their contribution.

Taken together, these changes to the Scottish Government strengthen our focus on economic recovery and on seeking the powers that will enable Scotland to drive that recovery. They give responsibilities to four able new ministers and further strengthen a team that is dedicated to working for Scotland with competence, energy and ambition towards a wealthier and fairer country.

I move,

That the Parliament agrees that Joe FitzPatrick, Humza Yousaf, Margaret Burgess and Paul Wheelhouse be appointed as junior Scottish Ministers.

17:08

Ken Macintosh (Eastwood) (Lab): Before tongues start to wag or speculation mounts, I assure members that there has been no reshuffle or palace coup on the Labour benches—Johann Lamont sends her apologies for not being able to attend the debate.

It gives me great pleasure to extend a warm and progressive Labour welcome full of forward-thinking positivity to the newly appointed team of Scottish Government ministers. We look forward to working with each and every one of them and to engaging with the Government and sharing Labour's inspirational and aspirational vision for the future of Scotland.

Before I turn to the appointments, I pay tribute to the three ministers who are demitting office—Stewart Stevenson, Brian Adam and Bruce Crawford. They have achieved the remarkable feat—certainly from the Opposition perspective—of representing the Scottish Government and the Scottish National Party while retaining their likeability. In their dealings with Parliament and the Scottish people, I believe that each of them has deservedly earned a reputation for fairness, sensitivity and good humour. I thank them all for the service that they have given to the Scottish Government and the Scottish Parliament over several years.

Brian Adam is one of the original members of the Parliament and has now served in many different capacities: as a list MSP, a constituency MSP, a committee convener and a minister. I know that he will continue to make a substantial, and usually Doric, contribution from the back benches.

Stewart Stevenson—sometime pilot, bank manager, psychiatric nurse, chauffeur to the First Minister, inventor of the computer, now unfortunately has another former post to add to the most impressive résumé in Holyrood. I believe that we are all delighted that Stewart was able to survive the weather, but unfortunately this season he has not seen out the change in the political weather.

Bruce Crawford has won much admiration, particularly for his handling of the business manager's role through four years of minority Administration. Mr Crawford gained not just the respect of Opposition politicians, but their friendship too—a rarity in our cynical world. He will be genuinely missed by politicians from the front bench of our party and from his own. [*Applause.*]

Sad though it is to see Bruce Crawford step down from office, he will be the first to admit that the one downside of being business manager is that it stopped him from speaking in Parliament. The flip-side of that argument, of course, is that it gives the Opposition parties a good reason to welcome Joe FitzPatrick to the new post. Without wishing to be too cruel to Mr FitzPatrick, if the public face of the business manager's job is to bob up and down in Parliament reading a pre-prepared and predictable script without being unduly troubled by independent thought, he is not only the

perfect candidate, but has also trained assiduously for the past five years.

Equally, I am not sure whether Mr FitzPatrick's appointment will give hope or disappointment to his colleagues of a sycophantic tendency on the SNP back benches. Clearly for Bob Doris, Jamie Hepburn, Annabelle Ewing or the new boy trying on Joe's crown as the most exuberant and loyal interventionist—the ever-enthusiastic Kevin Stewart—there may be short-term disappointment that this time round their phones did not ring, although they can see that fawning obedience is a long-term avenue to successful promotion.

As for the other appointments, I am pleased that Margaret Burgess will be able to bring to bear her experience from the citizens advice bureaux and elsewhere on the tricky and troubled area of welfare reform. It will be a difficult task and we all wish her well in that area of work.

I also congratulate Humza Yousaf, who is the acceptable face of the SNP—the poster boy of Scottish nationalism. He has been given an equally difficult task—that of ensuring that Fiona Hyslop remains in the Cabinet. I have no doubt whatsoever that Humza is there entirely on his merits, but I also want to congratulate him on his appointment as the Scottish Government's first Muslim minister. *[Applause.]*

Of course, I am similarly delighted for Paul Wheelhouse on his elevation. He is a back bencher who has earned a reputation for intelligent and informed contributions in the chamber. I was pleased to hear that when summoned to Bute House, Mr Wheelhouse's first reaction was to assume that he was in trouble with the boss—an attitude that I imagine will go down well with the First Minister.

I will conclude my look at the headline appointments on a slightly more serious point. I was a little baffled by the appointment of Alex Neil—I am assuming that his move to becoming health secretary is a promotion. What exactly—I asked myself—were his achievements in his infrastructure post? Surely his achievement was not to send jobs to China. Perhaps it was to announce dozens of long-term projects that may or may not happen over 20 years and then to withdraw funding from projects that should be happening now? The only conclusion that I could come to is that the First Minister took a leaf out of David Cameron's book: if Jeremy Hunt can be promoted to health for his handling of the Murdoch affair, Mr Neil deserves similar treatment.

Last, but certainly not least, there is Alex Neil's predecessor as health secretary, Nicola Sturgeon—the minister whom Mr Salmond described, with no apparent trace of irony, as a modern-day Nye Bevan. She has been so

successful that she is to be given six jobs. As well as being Mr Salmond's loyal deputy, she now has responsibility for infrastructure, for capital spending, for welfare reform and housing, for cities, and of course—her number 1 priority—for delivering the referendum. There are plenty of jobs for Ms Sturgeon when what this Government should be delivering is plenty of work for the people of Scotland.

The accusation has been laid at the feet of the SNP that it has identified the wrong political priorities—that it has promoted independence when it should be promoting the pressing needs of the people of Scotland: the economy. However, I look forward with positivity and with optimism and the challenge surely is to prove us wrong. It is a great honour and a privilege to be appointed as a Scottish Government minister, and on behalf of my Labour colleagues, I wish all of those so named today well in their work on behalf of the people of Scotland.

17:14

Jackson Carlaw (West Scotland) (Con): I join Ken Macintosh in paying tribute to Bruce Crawford. The task that he performed in the previous parliamentary session was remarkable. It is a hallmark of his character and the way in which he forged relationships across the Parliament that he was an ambassador for this Parliament and that he would have been a model in his responsibilities in any Parliament. That is a very considerable thing to say. *[Applause.]*

I associate those comments with Brian Adam as well. I know that he has continued in office despite difficulty, and I wish him and Bruce Crawford every success as they take up their positions on the back benches.

I genuinely regret the passing of Stewart Stevenson from the Government. I do so not for the most obvious reason, but simply because members, I imagine, must now reconcile themselves to having to endure the forthcoming substantial autobiography modestly entitled, "How I Saved the Planet". It will be a required Christmas present.

I spoke about Nicola Sturgeon yesterday. I am very much looking forward to my time debating across the chamber with Mr Neil, who is to bring his strangulated hyperbole to the subject of health. The days when we see his plate piled high with the best nursery food that the canteen can provide will have to be put behind him. I certainly look forward to playing Bond to his Blofeld. I do not know where that leaves Jackie Baillie. It says much about the Parliament that the cross-party poster team for healthy living should be Alex Neil, Jackie Baillie, Alison McInnes and me.

I turn to the new ministers. I know that Humza Yousaf will be hugely indebted to me. When Derek Mackay was appointed, I said that it would not be long before Humza Yousaf followed suit. He was dazzling us then. He is an absolute poster boy for the very best of private education—a good Hutcheson's grammar school boy. I was a governor at the school when Humza was a pupil and he had a very considerable reputation. For what, it would be indelicate of me to say, but I certainly wish him well. I, too, pay tribute to the fact that he is the first Muslim minister in the Parliament. I think that he will be a considerable addition to the Government.

I like to think that a long-term programme to infiltrate the SNP was put in place in the days when Sir Graham Macmillan, who led the Conservative Party, met Helen Liddell, who was the general secretary of Labour. It has succeeded today, in that the former young Conservative leader in Aberdeen, Paul Wheelhouse, has been made a minister in the Administration. Paul's mother, Ruth, who was an employed Conservative agent returning Conservative MPs in Edinburgh, kindly donated her son to the project and those of us on this side of the chamber are delighted to see that long-term plan bearing fruit. It gives great hope to us all. I welcome Paul Wheelhouse to the Government. I know that he will do well.

Margaret Burgess—modestly, I think—was not expecting her appointment and was quietly traipsing around the bar the night before. However, I am sure that she will be an excellent addition to the team.

The most wily of the appointments is surely Joe FitzPatrick. He has been picked because I think that the First Minister recognised the challenge that I said he was creating for himself with a chorus of the great disappointed on his back benches. Marco Biagi will learn from his indulgence in a reckless, red-blooded summer of hot, flushed flirtation with the NATO nine. It is to be hoped that his time will come again.

I know the conversation that the First Minister will have had with Joe FitzPatrick. "Joe, I'm turning to you, I want you to show those rebels on the back benches. Lead them from the fields of rebellion back to the righteous plains of prostrate genuflection in support of the Government." It may not prove so easy. Sometimes, a taste for rebellion gained is difficult to lose.

The politics of all of this I leave to yesterday and to tomorrow. For today, my colleagues pay tribute to the service to the Government and to the country of those ministers departing. On a personal basis and within the bounds of political reason and propriety we support the motion in the First Minister's name and wish all his new colleagues every possible success.

17:19

Willie Rennie (Mid Scotland and Fife) (LD): I, too, pay tribute to Bruce Crawford. He serves in the same region as me and he has always been a courteous and diligent colleague. He skilfully steered his party through the minefields of minority government. I pay a heartfelt tribute to him for his work and his considerable commitment, for which we should all be grateful.

In a former life, Brian Adam greatly assisted me when I worked in science. He has always been dedicated and has put aside party politics to deal with the greater cause. I pay tribute to him, too.

I assume that Stewart Stevenson can now devote his full attention to his inspiring and sometimes flamboyant approval—at least, I think that it is approval—of my questioning of the First Minister every week. Stewart Stevenson is never quiet during that and I am never quite sure whether he approves of what I say.

At First Minister's question time, we discussed the change of balance in the Government. We have registered our concern that the most senior minister has been diverted to lead the referendum campaign.

It is not just me who is concerned. Earlier today, the First Minister hinted that he wanted ministers to serve five-year terms, as Nye Bevan did. In half a sentence, he wiped out the promotion prospects for a generation of SNP back benchers—they are looking worried now. I therefore particularly welcome those who could be the last new SNP ministers we ever see: Humza Yousaf, Margaret Burgess, Paul Wheelhouse and Joe FitzPatrick.

I pay tribute to the new ministers and to those who are retiring. We all know that politics is not an easy life. We are not universally loved by our voters. Working in government is a challenging task when pushing through difficult things. The commitment that that takes and the impact on our families and friends are not small.

I pay tribute to everybody who commits their life to politics and to the ministers, who will have late nights and extra work. I genuinely thank them for that effort. We wish them well and hope that they will make a positive impact for the wider interests of the people of Scotland.

17:22

Gil Paterson (Clydebank and Milngavie) (SNP): I am pleased to speak on the motion on the appointment of junior Scottish ministers. Each new minister brings a great deal of experience and skill to the Scottish Government.

I have worked closely with Joe FitzPatrick, particularly in the past six years, as he is the SNP group secretary and I am the group convener. His

ability to pay attention to detail and the boundless energy that he donates to any task will stand him in good stead for the challenges that are ahead. More important, the Parliament will benefit greatly from his way of working.

I have known Margaret Burgess for many, many years and perhaps for too long—not in any way for me, but for her. When she was elected, my first thought was that, given her knowledge of social matters and how she expresses points, she leaves people in no doubt that she not only knows her subject but feels for it. In her time in the Parliament, she has already proved that she will be a fitting minister for the welfare and housing portfolio. Well done, Margaret. [*Applause.*]

Paul Wheelhouse is another energetic addition to the Government. He has the ability to articulate complex issues in easily understood words, which is an attribute that fits well with the environment and climate change portfolio.

There is agreement across the chamber that Humza Yousaf has carried himself extremely well since being elected. I have enjoyed his thoughtful speeches in the chamber, which are delivered with great care and attention. Some matters that members raise can cause their opponents discomfort, but he never does that with malice. He is extremely gifted and will enhance Scotland's reputation across the world as the minister for external affairs and international development. [*Applause.*]

My notes say:

"say something about the 'big beasts'."

I engage with a lot of women's organisations and I am not prepared to call Nicola Sturgeon a big beast, but if she stands up straight I will call her nearly big. No one can doubt her ability and her work as the Cabinet Secretary for Health and Wellbeing. I predict that she will carry out her new role in Government with the same level of commitment and determination.

On the other hand, I have no qualms whatever about calling Alex Neil a big beast. The baton has been handed from an extremely effective and courageous health secretary to someone who will easily carry it forward. Knowing Alex as well as I do, I am more than confident that the baton and the health service are safe in that highly motivated and caring big beast's hands. It is a big job, but it is a big man who has got the job.

I will say a few words about those who are demitting office, beginning with Stewart Stevenson, who is sitting on my right. Even under the most difficult circumstances, he has behaved in a polite and courageous manner to all—not only to those in our party group, but to members across the chamber. Well done, Stewart.

I have sought counsel and personal assistance from Brian Adam many times. As a whip, he worked effectively without breaking bones or hearts—some attribute for a chief whip.

Bruce Crawford is a man of the utmost integrity. He is someone who makes the deals and sticks to them. He knows all that there is to know about the Parliament—procedure, process and even the building—but Bruce is never a know-all.

To all three, I offer my personal thanks as the convener of the Parliamentary Bureau. I could not put on record the assistance that they have all given to me. I really do wish them all the best in the years to come. [*Applause.*]

17:27

Patrick Harvie (Glasgow) (Green): I congratulate my fellow Glasgow MSP Humza Yousaf on his appointment to the Government. He has always struck me as able and impressive. However, it is a little worrying that he has risen quite so quickly. I suggest that he slow down his career—otherwise he will be resigning before he gets his chance to be our first foreign secretary.

Margaret Burgess brings great experience to the issues of poverty and welfare. It is an area in which the Parliament has severely limited power to protect Scotland from the United Kingdom Government's agenda—one more reason to make the right choice in 2014.

It seems to me that Nicola Sturgeon's only problem is one of acronym. The fictional Nicola Murray led a department known as DOSAC. Now, in her new role as Cabinet Secretary for Infrastructure, Investment and Cities, Nicola Sturgeon is "seasick". I am not quite sure that that was thought through.

It has been rightly pointed out that the Deputy First Minister has much to do at the same time as working towards a yes vote in 2014. I believe that economic recovery is a vital part of making the case for independence but only if we define recovery in new terms. Back to business as usual would only mean repeating the last generation's mistakes, and I hope that she has the vision to see beyond that agenda.

Much of Nicola Sturgeon's previous remit now falls to Alex Neil. He is going to have to raise his game if he is to live up to her record of prolific tweeting. He has been entirely silent in that medium since before the summer recess. I am sure that some members hope that he finds the same restraint in the chamber, but that seems unlikely. While equal marriage for same-sex couples is by no means the only important aspect of his new job, it is certainly one of the most anticipated and I look forward to seeing him give

the same clear leadership that we all know the issue needs.

Paul Wheelhouse has another urgent job to do. The Government missed the first annual target under the Climate Change (Scotland) Act 2009 this year. He must not only get back on track but exceed the next annual target if he is going to make up for the lost time. If the Government is remotely serious about turning a set of targets from paper commitments into real-world delivery, he will need to be the minister who champions the radical action that has been ducked up to now. The first test will be whether the forthcoming report on policies and proposals under the Climate Change (Scotland) Act 2009 is bold and fully funded in the budget. I urge him to ensure that both those documents are presented to Parliament together to allow the scrutiny that he agreed was necessary when he signed up to the Finance Committee's report on last year's budget.

I also welcome Joe Fitzpatrick to his role but I hope that he will forgive me if I direct my final comments to Bruce Crawford. When discussions have gone well, and on the few occasions when they have gone badly, I have never found Bruce to be anything other than straightforward, decent and likeable. We have heard that that view is shared across the parties. I will miss working with him in his former role, but I hope that we will see a bit more of him in the bar from time to time from now on. I wish him very well for the future.

17:30

The First Minister: The responses that we heard from Ken Macintosh and Jackson Carlaw could be described as the see-what-you-could-have-won speeches, in the sense that they were both candidates for their respective parties' leadership elections and were both not voted into office. I have to say—I say this genuinely—that I was watching the back benches of the Conservative Party and the Labour Party and could see many people wondering whether they had done the right thing back in the elections.

I cannot say that about Willie Rennie, because there was no alternative to him, if I remember correctly. He said that parties are sometimes not universally popular with their constituents. Coming from a Liberal Democrat, that showed a hitherto unsuspected talent for understatement.

The co-operation that we see developing has gone far. I am grateful to the local papers in Eastwood for supplying the final evidence of the extent of close co-operation between Ken Macintosh and Jackson Carlaw. Here they are in a photograph—with somebody who looks suspiciously like a former Secretary of State for Scotland standing in between them—as the

Eastwood manifestation of the better together campaign, a fantastic campaign that is moving around Scotland stirring up antipathy wherever it goes.

I recognise every single one of the faces in the photograph—a few Conservative activists and a few Labour activists bonded together. However, I wonder whether the co-operation that we saw today and the co-operation that we saw behind the stall in Eastwood—hand in glove as they are—is universal across the back benches. I note that Neil Findlay, participating in the Edinburgh people's festival debate entitled "Independent Scotland", said of the better together campaign:

"We had that nice man Alistair Darling ... and home baking ... at his flat in Pilton. It is Pilton that Alistair stays in isn't it? Along with Comrade McLetchie, wee Dougie Alexander and somebody I've never heard of from the LibDems".

It may be that what we heard from Ken Macintosh and Jackson Carlaw is not universally shared across Labour and Conservative benches.

There were references—including one from Ken Macintosh—to the longevity of health secretaries. The point that I made earlier today was that Nye Bevan was in office for five years and six months and Nicola Sturgeon managed five years and five months. I say for Ken Macintosh's benefit that the comparison that I was making was that Nye Bevan resigned from the Government after five years and six months because of the introduction of prescription charges in the national health service, whereas one of Nicola Sturgeon's many achievements as health secretary was the abolition of prescription charges in the national health service.

Ken Macintosh: I ask the First Minister exactly what Nye Bevan's views were on nationalism.

The First Minister: Nye Bevan was one of the great figures of the past century, who believed in a national health service free at the point of need. Would that Ken Macintosh and his colleagues still believed in that concept, which was championed by Nicola Sturgeon and which will be championed by Alex Neil as the new Cabinet Secretary for Health and Wellbeing.

I am fascinated by the concern that Labour has shown for infrastructure and investment as a Cabinet post, because I looked back in the records and found that, in eight years of the Labour Government in alliance with the Liberals in this Parliament, there was no Cabinet post for infrastructure and investment. Nobody was in charge of infrastructure and investment, which is because, of course, every Labour minister was thirled to what Alex Neil has described as the PFI schemes—schemes so disastrous and expensive that even the Conservatives and the Liberals are

turning away from that disastrous form of public investment.

That is why it is so important for Scotland's economic recovery to have Nicola Sturgeon at the helm of infrastructure and investment, overseeing the capital investment that we need to take our economy forward and the powers that we need so that this country can move forward as an independent nation.

The Presiding Officer: The question is, that motion S4M-04011, in the name of Alex Salmond, on the appointment of junior Scottish ministers, be agreed to.

Motion agreed to,

That the Parliament agrees that Joe FitzPatrick, Humza Yousaf, Margaret Burgess and Paul Wheelhouse be appointed as junior Scottish Ministers.

Decision Time

17:35

The Presiding Officer (Tricia Marwick): There are two questions to be put as a result of today's business. The first question is, that motion S4M-03924, in the name of Derek Mackay, on the Local Government Finance (Unoccupied Properties etc) (Scotland) Bill, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 Kelly, James (Rutherglen) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)

MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Macintosh, Ken (Eastwood) (Lab)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Malik, Hanzala (Glasgow) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMahan, Michael (Uddingston and Bellshill) (Lab)
 McMahan, Siobhan (Central Scotland) (Lab)
 McMillan, Stuart (West Scotland) (SNP)
 McTaggart, Anne (Glasgow) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Park, John (Mid Scotland and Fife) (Lab)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, David (Highlands and Islands) (Lab)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (Ind)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Against

Carlaw, Jackson (West Scotland) (Con)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Hume, Jim (South Scotland) (LD)
 Johnstone, Alex (North East Scotland) (Con)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 McArthur, Liam (Orkney Islands) (LD)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 Mitchell, Margaret (Central Scotland) (Con)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)

The Presiding Officer: The result of the division is: For 96, Against 15, Abstentions 0.

Motion agreed to,

That the Parliament agrees to the general principles of the Local Government Finance (Unoccupied Properties etc.) (Scotland) Bill.

The Presiding Officer: The next question is, that motion S4M-03534, in the name of John Swinney, on the financial resolution for the Local Government Finance (Unoccupied Properties etc) (Scotland) Bill, be agreed to.

Motion agreed to,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Local Government Finance (Unoccupied Properties etc.) (Scotland) Bill, agrees to—

(a) 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; and

(b) any charge or payment in relation to which Rule 9.12.4 of the Standing Orders applies arising in consequence of the Act.

The Presiding Officer: That concludes decision time.

Meeting closed at 17:37.

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