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Official Report

MEETING OF THE PARLIAMENT

Tuesday 22 January 2013

Session 4

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Scottish Parliament

Tuesday 22 January 2013

[The Deputy Presiding Officer *opened the meeting at 14:00*]

Time for Reflection

The Deputy Presiding Officer (John Scott):

Good afternoon. The first item of business is time for reflection. Our time for reflection leader today is the Rev Dr Martin Scott, who is the council secretary of the ministries council at the Church of Scotland.

The Rev Dr Martin Scott (Council Secretary, Ministries Council, Church of Scotland):

Anniversaries can be a blessing or a bane. How often, I wonder, have you forgotten a special anniversary—a family birthday or, worse still, a wedding anniversary? You can feel the terror welling up at the very possibility. That is because they are important markers in life and times when we remember, reflect and often celebrate.

This is a week to remember two key figures. Yesterday was Martin Luther King day and Friday is our own Burns day. I want to keep those anniversaries, because both men point us beyond mere sentimentality to principles for living.

King was unshakeable in his confidence that human beings are created equal in the sight of God. He engaged in a lifelong struggle for recognition of that most basic principle, and he did so throughout with a commitment to non-violence. Ironically, violence sought to silence his message, failing to learn the lessons of history. King's assassination meant that the dream spread all the quicker through the women and men who picked up the threads to weave a multi-coloured, multi-ethnic future. The struggle for genuine equality continues, but the roots are well established, as the celebration of a day to recall King's work indicates.

Burns was a complex figure. No doubt he had shadow sides, but he loved and celebrated life. He also had both a healthy disrespect for false piety and a fierce sense of human equality—qualities that are worth remembering in a Scotland that is gaining confidence in its identity. The ability with a few words to deflate pomposity and expose hypocrisy is matched in Burns by extraordinary expressions of tenderness, love and loyalty. It is no chance thing that so many of his well-turned phrases have entered into common usage; rather, it is due to the integrity of their imagery, which captures real life and experience. Though it is couched in a non-inclusive language that is reflective of its era, there is no more deeply

moving expression of human dignity and worth than "A Man's a Man for a' That".

Both those figures help me, as a Kirk minister, to recall another: Jesus of Nazareth. Like King, Jesus was assassinated for his non-violent resistance to inequality, his celebration of life in all its fullness and his caring for the poor. Like Burns, Jesus died young but left a legacy of words that have influenced the world, exposing hypocrisy and raising human dignity. Theirs are lives worth recalling and anniversaries worth marking by us as individuals and as a nation.

Topical Question Time

14:04

Scottish Police Authority

1. Alison McInnes (North East Scotland) (LD): To ask the Scottish Government whether it will provide an update on the outcome of the Scottish Police Authority meeting on 18 January.(S4T-00221)

The Cabinet Secretary for Justice (Kenny MacAskill): Following discussions with the chief constable, the chair and members, I requested that the Scottish Police Authority ensure that the chief constable has the support of police staff in human resources and finance, and that request was accepted by the SPA. Agreement was reached at the SPA board meeting on 18 January and joint work is now taking place to implement what was agreed. The chair and chief constable have both written to the Justice Committee to confirm that agreement has been reached and I look forward to continuing to work with them to ensure a smooth transition to the new service.

Alison McInnes: I thank the cabinet secretary for that update and, like him, I am pleased that some sort of solution has been found to allow preparations for the new force to progress. Can he share with us the details of his intervention and tell us when exactly he made it and why he chose not to do it sooner? It might also be helpful if he would agree to publish the details of his correspondence with Vic Emery and Chief Constable House on that.

Kenny MacAskill: I have had numerous face-to-face and verbal discussions with Vic Emery and Stephen House over recent months, some of which were to do with this issue and some of which were to do with other police matters. I met Mr Emery on Wednesday. Following that discussion, the terms of the changes were signed off by the chief constable and the chair on Friday.

This is fundamentally an issue for the Scottish Police Authority, to which the chief constable is accountable. I am more than happy to provide as much information as I can to Alison McInnes, but the discussions and the agreement here are not between me and the SPA or between me and the chief constable. This is an agreement that was signed off in a public meeting on 18 January and which both the chief constable and the chair have written to the Justice Committee to confirm. They are the people who made the decision; I welcome that and I pay tribute to them.

Alison McInnes: The chief constable remains cautious, I must say. Although he is a little happier this week after the cabinet secretary's intervention,

it is nevertheless a compromise. Mr House has said:

"the principle is not one I said is best suited to running the police service".

What are the drawbacks of this compromise?

Kenny MacAskill: The chief constable accepted the proposal. He said that had the change not been made, he would have been registering his concerns. The chief constable, the chair and the rest of the board members are all content with the outcome of the decision of 18 January, and I hope that Alison McInnes will welcome that.

I note that Alison McInnes signed up to the motion that was lodged by Graeme Pearson, which raised the issues and problems. They have been resolved by the decision taken by the chief constable and the chair on 18 January. The motion also says that the single police force should be "independent of the SPA". The SPA is a distinct entity that has responsibility for such things as information technology and forensic science. For that reason it is necessary that the single police force and the SPA work together.

We have seen that matters have been clarified to the chief constable's satisfaction. On-going discussions will be required as the single police service of Scotland beds in, which, as we have seen, is happening daily. Indeed, even today, the 14 new divisional commanders were announced, whom I welcome and pay tribute to.

Lewis Macdonald (North East Scotland) (Lab): I hope that the cabinet secretary will accept that when Parliament voted for the Police and Fire Reform (Scotland) Bill, it did not expect that the outcome of its implementation—on Mr MacAskill's watch—would be two directors of human resources and two directors of finance, not to mention duplication in legal advice, communication and other areas. For clarity and understanding, and for the hundreds, if not thousands, of people who are concerned about their employment in the police service, can the cabinet secretary tell us who will be responsible for a voluntary redundancy scheme for police staff? Will it be the director of human resources who is accountable to the chief constable or will it be the director of human resources who is accountable to the chair of the SPA?

Kenny MacAskill: The Scottish Police Authority will be responsible. If, for example, those staff come from forensic science, the process will go through the SPA. If they come from operational policing, it will go through the chief constable. That is the decision that was sought by the chief constable.

I note that, at the time I printed it off, Lewis Macdonald had not signed up to the motion that was lodged by his colleague Graeme Pearson, which calls for the changes that were announced on Friday and which recognises the distinct roles of and differentiation between the SPA and the chief constable.

We have the appropriate balance; there is no duplication, but we must have distinct HR and finance roles because some staff have to account to the chief constable and others have to account to the authority. The authority is, correctly, in charge of forensic science, to ensure that there is separation for the purposes of prosecution. It has also been agreed that the authority will be in charge of IT. That was a matter of agreement between the chair and the chief constable.

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): I, too, welcome the agreement and the practical progress on establishing a specialised national crime unit and local policing plans. However, is the cabinet secretary aware that, at its meeting tomorrow, the Justice Committee will discuss the on-going scrutiny of the SPA and the chief constable and their interaction, perhaps through an ad hoc committee or a sub-committee? Does he welcome that?

Kenny MacAskill: Absolutely. I welcome that and think that both the chief constable and the chair of the SPA welcome it. Whatever doomsayers in the Parliament suggest, significant work is on-going as we move towards a single force. The 14 divisional commanders have been announced today, and significant work is being done on the serious crime division, which will be made public. I was privy to a briefing on that yesterday. Significant work is also being done on matters such as road policing. All that work will make Scotland a better place and allow the police to make cost efficiencies and run things better in what is, after all, a small country. I am sure that the chief constable, the chair of the SPA, other staff and, indeed, police officers will welcome the opportunity to engage with the convener of the Justice Committee and its members to detail what is on-going because, whatever some may suggest, there are significant good-news stories happening.

Graeme Pearson (South Scotland) (Lab): I am grateful to the cabinet secretary for acknowledging the parliamentary motion that I lodged.

The chair of the SPA indicated in a Justice Committee meeting that, in his view, the democratic oversight of the police service would be provided by his authority and, indeed, his post. I know that, last year, the cabinet secretary evinced support for the need for democratic

oversight by the Parliament, and I am pleased that he welcomed the fact that the Justice Committee will discuss that matter tomorrow. Will he confirm that he still welcomes a committee of the Parliament, in whatever form, providing democratic oversight of what is obviously a very contentious issue?

Kenny MacAskill: Absolutely. It is clear that the specifics have to be dealt with by the Parliament, not the Government, but I give Mr Pearson an absolute assurance that I agree now, as I did then, that there has to be some democratic oversight. I hope that Parliament can resolve that matter and that we can deliver that as soon as possible.

Winter Weather

2. Annabelle Ewing (Mid Scotland and Fife) (SNP): To ask the Scottish Government whether it will provide an update following the recent winter weather conditions. (S4T-00214)

The Minister for Transport and Veterans (Keith Brown): Obviously, snow has fallen in several areas of Scotland since Friday evening. Although some who have travelled to other parts of the United Kingdom have suffered significant inconvenience, I am pleased to say that the impact in Scotland has been limited, albeit that the impacts have varied from place to place. The north-east of Scotland and the Borders have seen significant impacts.

The weather that we have experienced in Scotland has been less severe than it has been elsewhere, but the limited scale of disruption is in no small part down to the work of staff and volunteers from front-line agencies across Scotland, who have helped to keep Scotland running despite the inclement weather. However, we cannot afford to be complacent. To that end, our multi-agency response team has been active in co-ordinating the work to keep transport networks running. Partner agencies, including volunteer four-by-four users, have been working together on the ground, and the Scottish Government's resilience arrangements have been operational ever since the Met Office announced an amber warning last week.

Annabelle Ewing: On all the good work that all the agencies have done, will an initial assessment be carried out to ensure that what we are doing is the right thing and that, going forward, all that can be done to keep Scotland moving in similar weather conditions is being done? It would be helpful to know that.

Keith Brown: That is a very good point. I reassure the member that, whether we are talking about winter weather, the extraordinary winds that we had last year or volcanic ash cloud, we intend to learn from each event. We now have a national

lessons database, which has been recognised in the UK and beyond as being one of the few national resilience systems that help to ensure that lessons are not just identified but learned from.

We are confident in the arrangements that continue to be in place, and the Scottish multi-agency response team has been and is active in providing assistance across the network, as well as in co-ordinating information on the impact of the recent weather. Therefore, it is true to say that, this winter, we are benefiting from lessons that were learned previously, but we will continue to learn lessons from this winter as well.

Annabelle Ewing: I thank the minister for that further information. I am very pleased to hear that an appraisal system is in place, but I make a plea to the minister to consider further how best local information can be disseminated. In large swathes of Scotland, such as in Mid Scotland and Fife, which I represent, drivers need to be able to traverse many minor routes before they access a trunk road or motorway.

Keith Brown: That is a good point. I live in the same area as Annabelle Ewing and have the same experience as many people do of having to use minor roads before reaching trunk roads. The trunk roads have the advantage that they are used more frequently, so snow tends to get cleared from them more quickly and there is not quite the same volume of snow as there is on smaller roads.

Transport Scotland has worked in partnership with the police and the Met Office to develop a severe weather information strategy to warn and inform road users when significant disruption to the road network is expected during extreme weather. The advice and information service will commence when severe weather is forecast. There has been a huge uptake of the internet radio service, which provides real-time traffic and travel information, and there are the variable message signs that we all see on the motorway network. We have a website, smartphone applications, a Twitter service and a dedicated call centre. Also, commercial and other radio stations broadcast the latest information. We are making that information available in as many formats as possible to ensure the maximum information is out and among motorists.

Richard Baker (North East Scotland) (Lab): The minister mentioned that a number of roads in the north-east had been affected by the severe weather conditions. Can he provide any further update on what action has been taken to address the problems in that region?

Keith Brown: I have mentioned a number of the actions that are being taken, but the member is right to say that there has been an emphasis on

the north-east—not unusually. The trunk road network has coped very well, although there is the issue of snow drifting from fields across the carriageway, which has also been the case on some of the minor roads.

It is probably true to say that the north-east has had more local road closures than any other part of Scotland. Again, that is not unusual, but it has implications, for example for schools. In Aberdeenshire, around 45 per cent of schools are closed, which is far more than any other area of Scotland. The same rules apply. We do as much as we can.

We also offer support to local authorities through the provisions that we have on the trunk road network. If a further resource is required that could help there, we are willing to provide it. I am grateful to the various agencies in Grampian and throughout the north-east, which have coped very well in difficult circumstances.

Chic Brodie (South Scotland) (SNP): Does the effect of the current weather situation on Heathrow, which is compounded by that airport's on-going capacity issues—as is the case at other airports in the south-east of England, such as Gatwick and Stansted—indicate that if Scotland had more direct flights, disruption to international passengers might be significantly reduced?

Keith Brown: It is a matter of logic that when there is disruption at an airport, and at Heathrow in particular, it is the short-haul passengers who suffer first because their flights are easier to cancel, to put it bluntly, than long-haul flights. We have tried to work with the authorities down south and with airports in Scotland to ensure that we can make the system as resilient as possible. Heathrow has benefited from actions that have been taken previously by Edinburgh, Aberdeen and Glasgow airports to invest in things that keep the airports and their runways open. There has been a particular issue at Heathrow, which suffers from not having the capacity to absorb longer timescales for flights coming in and out. That has been an issue for Scottish users.

However, I assure the member that we will keep in touch on the issue and try to ensure that the interests of those travelling to or from Scotland through Heathrow are looked after.

Budget (Scotland) (No 2) Bill: Stage 1

The Deputy Presiding Officer (John Scott):

The next item of business is a debate on motion S4M-05407, in the name of John Swinney, on the Budget (Scotland) (No 2) Bill. We are pretty tight for time, so if members can confine themselves to their speaking times that would be a great help. Cabinet secretary, you have 14 minutes.

14:19

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): Last week, I introduced the Budget (Scotland) (No 2) Bill for 2013-14, which will give effect to the draft budget that I set out in September last year.

I thank all those who have contributed so far to the budget process, including the Finance Committee, whose report I have responded to this week, and I thank the subject committees for their scrutiny of the Government's spending plans.

As in previous years, I am committed to working constructively with all parties to build agreement on the bill's contents and to secure its parliamentary passage. I am willing to consider alternative spending proposals, if other parties wish to advance them, provided that they are accompanied by proposals that identify the sources from which the necessary funding would be drawn. I turn now to the context of the bill and the principles that underpin the Government's proposals.

We continue to face acute challenges to public spending with another real-terms reduction to our total departmental expenditure limit budget for 2013-14. As Parliament is aware, Scotland faces significant challenges as a result of global economic conditions and the United Kingdom Government's approach to public finances. The settlement that we received in the UK spending review is the toughest since devolution. Over the four years between 2010-11 and 2014-15, taking into account the consequentials that were received in the December autumn statement, the Scottish Government's budget is being cut by around 8 per cent in real terms and, within that, our capital budget is being reduced by more than 25 per cent. The UK Government's approach to public spending does not effectively support the need to strengthen economic recovery.

In June 2010, when the Office for Budget Responsibility set out its initial forecast for the UK economy, it predicted growth of 2.8 per cent in 2012. Members can contrast that with the International Monetary Fund's recent forecast

contraction of 0.4 per cent in 2012, and the latest Organisation for Economic Co-operation and Development Fund forecast decline of 0.1 per cent, which is what the OBR is now forecasting for this year.

Despite the UK economy's having grown by 0.9 per cent in quarter 3, the economy is the same size as it was in the third quarter of 2011, and it has been forecast that output will have fallen again in quarter 4. That stagnation reinforces the case that the Scottish Government continues to make—that a different strategy is required from that of the UK Government—and it underpins the principles that have been applied to the bill.

The bill addresses a number of key challenges. First, it addresses the need to accelerate economic recovery by creating jobs and supporting people into employment, in particular our young people, and by supporting Scottish business, including by capitalising on new opportunities in the low-carbon economy.

Secondly, the bill addresses the need to maintain infrastructure investment as a key part of our economic strategy, and in the face of the severe cuts to our capital DEL settlement.

Thirdly, the bill advances an ambitious programme of public sector reform, which we will do together with our delivery partners, to ensure the sustainability and quality of our services and to make a decisive shift in favour of preventative expenditure. Finally, the bill delivers on our commitment to a social wage at a time of intense pressure on household budgets.

Those challenges are brought into sharp focus by the uncertainty in the global economic outlook. The Government's spending decisions will be guided by our purpose of increasing sustainable economic growth, and by our working to deliver our programme for government and the economic strategy.

Global economic conditions continue to impact on economic confidence, and business investment remains considerably below pre-recession levels, while household incomes remain under pressure. We are therefore focused on enhancing confidence in order to encourage private sector investment and growth, and on helping households where we can.

To address the challenges, the Government has set out in the 2013-14 draft budget a series of commitments that it has made to the people of Scotland and which will, within tight parameters, introduce additional measures to support economic recovery, beyond those that were set out in the spending review. They include investment of about £250 million in infrastructure, the green economy, skills and employability, in addition to the decisive measures that have

already been funded in the spending review. Those include our opportunities for all initiative, which offers a learning or training place to all 16 to 19-year-olds who are not already in work, education or training. We have also removed the barrier to higher education that was created by tuition fees, we are maintaining student numbers at our colleges and we are delivering a record level of modern apprenticeships.

James Kelly (Rutherglen) (Lab): Does the cabinet secretary accept that there are 80,000 fewer college places this year?

John Swinney: I accept that the Government has done two things. First, we have—as we said we would—maintained student numbers at colleges at 2011-12 levels. Secondly, we have ensured that the training and education opportunities that are available at our colleges are aligned to enabling young people to enter the labour market. A key aspect of the reform programme is to ensure that young people's college experience gives them the best possible opportunity to enter the labour market.

The budget bill builds on those and many other steps that the Government is taking, through funding of the Government's new employer recruitment initiative, which will support employment creation among small and medium-sized enterprises, and through the establishment of the energy skills academy, which will help us to maximise employment opportunities in the energy sector.

The spending review has made provision for delivery of the most generous package of business rates relief in any part of the United Kingdom. Yesterday, the Minister for Local Government and Planning announced that from 1 April additional business rates relief of up to 100 per cent will be available on empty new-build properties for up to 18 months, in order to encourage speculative development and investment. The Government will continue to work to deliver interventions that support business in Scotland.

Willie Rennie (Mid Scotland and Fife) (LD): The finance secretary told the Finance Committee that his mid-year estimate for business rates income is about £90 million higher than he had budgeted for. Can he give Parliament an update on the figure?

John Swinney: I have no additional information to share with Parliament on that matter. I remain confident that the assessments of non-domestic rates that I made and applied to the budget bill are sustainable, given the current performance on non-domestic rates. Prudent assumptions have been made about the losses that are likely as a consequence of the significant number of appeals

that remain to be resolved, following the revaluation that was undertaken and applied in 2010.

The bill's second major theme is support for capital investment, which the Scottish Government thinks is crucial for economic recovery. The Office for Budget Responsibility estimates that current spending has a fiscal multiplier of 0.6 and that capital spending has a multiplier of 1. That means that capital spending will provide a greater short-term boost to the economy. On the basis of the OBR multipliers, £250 million in current spending increases gross domestic product by £150 million, whereas a corresponding increase in capital spending increases GDP by £250 million. Capital investment is therefore central to our plans. We are supporting our capital programme by taking forward the £2.5 billion non-profit-distributing pipeline of infrastructure projects, by using innovative funding mechanisms to lever in additional resources and by switching more than £700 million from resource budgets to support capital investment over the spending review period.

Gavin Brown (Lothian) (Con): Scottish Enterprise will transfer £99 million from resource to capital, instead of £200 million. Is that bad news for the economy, given the figures that the cabinet secretary has just provided?

John Swinney: I set out to Parliament that we would transfer approximately £200 million from resource to capital in 2012-13 and £240 million in total in 2013-14. The Government will deliver on those plans, so there is no change to the total level of resource-to-capital transfer that the Government will undertake in order to support economic growth and recovery.

Ken Macintosh (Eastwood) (Lab): Why has the cabinet secretary's NPD programme, through the Scottish Futures Trust, been cut by more than £300 million in successive years?

John Swinney: That is complete nonsense. I have just told Parliament that there is investment of £2.5 billion in the non-profit-distributing pipeline of infrastructure projects. It would be nice if Mr Macintosh would listen to what I said rather than read out pre-prepared nonsense that is factually incorrect.

The budget bill gives effect to the Government's announcement in December about the allocation of about £165 million of additional capital funding to a range of shovel-ready projects. One of our highest priorities is action on housing, which is why the Government allocated a further £50 million to the housing budget in December 2012. That is our fourth tranche of additional funding for housing since the spending review in 2011; the Government has allocated nearly £200 million

extra to housing through decisions that were taken during 2012, which demonstrates that where the Government has an opportunity to invest it does exactly that.

Gavin Brown: Will the cabinet secretary give way?

John Swinney: Mr Brown will forgive me; I need to cover some more ground.

The investment will not only increase the supply of social and affordable housing, but will support our construction sector, help to create jobs and stimulate economic growth.

Public service reform is at the heart of the Government's approach to the public finances and the economy. The reform programme is the third theme of the Government's budget bill. Our programme of reform is helping to ensure that public resources are used to best effect in meeting the needs of the people of Scotland.

We have made it clear that a decisive shift to preventative spending is essential. The focus on that aspect of the budget bill by communitymittees indicates the significance that is attached to that approach to policy by everyone in Parliament.

In partnership with local government, we have made more than £500 million available to the three change funds—to support early years and adult social care and to tackle reoffending—but we look forward to taking prevention beyond the change funds. To that end, single outcome agreements will, from this year, incorporate a long-term prevention plan that includes a commitment to increase the resource that is invested and reinvested over time in preventative interventions.

Alongside our investment in the economy and in public services, the Government also recognises the need to support households, businesses and individuals: that is the fourth element of the budget bill. Coupled to the measures that we are taking to protect the national health service budget, to freeze the council tax, and to pay a Scottish living wage, we have tried to establish in our budget a balance between the necessity of protecting household incomes and delivering the focus on the economy that lies at the heart of the Government's actions in every respect. Over the past three years, our policy of pay restraint has helped to support thousands of public sector jobs, while the living wage and our pay awards have protected the incomes of those who earn the least.

Our commitment to fairness is central to the Government's response to the UK Government's programme of welfare reform. We are addressing some of the impacts of those reforms in a number of the interventions that we are making—along with our local government partners—including funding of around £50 million to increase the

Scottish welfare fund and to plug the funding gap that the UK Government has created through its handling of the abolition of council tax benefit.

I confirm to Parliament that the bill gives effect to the transfer to Scottish local government of £328 million from the UK Government as a result of the arrangements that surround the changes to council tax benefit. The transfer relates to devolution of that area of responsibility to Scotland and does not increase the discretionary spending power that we have in 2013-14.

I also confirm to Parliament that we will implement the Deputy First Minister's announcement this week of further funding to help those who are facing the effects of UK benefits cuts. The Scottish Government has committed additional funding of more than £5 million over two years to our front-line advisory services and to other measures of support. Spending in 2013-14 will be reflected in an in-year budget revision.

The budget bill that is before Parliament therefore includes the core budget that is allocated to Scotland by the UK Government, the transfer of £328 million in relation to the abolition of council tax benefit, and the additional capital spending that was set out in the December announcement. It also makes use of the budget exchange mechanism that is available to the Scottish Government.

I believe that the budget provides a bold and ambitious programme of investment in our people and our infrastructure, in the context of the most challenging financial environment that Scotland has faced since devolution. The Government has taken decisions to prioritise employability and economic recovery, to build for the future and to ensure that our public services are supported in the years to come. That is the foundation of the Government's budget.

I look forward to the debate on those issues as part of the budget process, and I will give consideration to any constructive and positive suggestions that are made. I commend to Parliament a budget that I believe meets the needs of the people of Scotland.

I move,

That the Parliament agrees to the general principles of the Budget (Scotland) (No 2) Bill.

14:33

Ken Macintosh (Eastwood) (Lab): It seems that each time I speak in a debate with Mr Swinney, I begin by acknowledging that there is—on the face of it, at least—more that unites us than divides us. In this case, we acknowledge that the cabinet secretary has had to deal with a difficult financial settlement from the coalition Government

and an unwelcome backdrop of international economic uncertainty.

Unfortunately, however, as much as we are united in disagreeing with the wrong-headed austerity economics approach of George Osborne, we are divided on Mr Swinney's mistaken assumption that there is nothing he can do, we are divided on the notion that this Parliament cannot make a difference and, fundamentally, we are divided on the Scottish National Party's claim that this is a budget for jobs and growth when all the evidence points to the contrary.

I remind members that, 12 months ago, the cabinet secretary pledged that his budget would

"accelerate economic recovery, support economic growth and improve public services in Scotland"—[*Official Report*, 8 February 2012; c 6149.],

but what did it really achieve? It brought a £66 million cut in the housing budget, which further crippled the Scottish construction industry, and a £52.5 million cut in the colleges budget, which led to fewer places for tens of thousands of students. The overall impact of that so-called budget for jobs is that 30,000 public sector jobs have gone, one in four young people is out of work and long-term unemployment is rising more quickly in Scotland than it is in any other part of the UK.

In the face of that evidence about his handiwork, this year offered the cabinet secretary at least the opportunity to revisit his thinking. But, no. Mr Swinney—sure enough—has again promised us a budget for jobs and growth when he is doing little more than tinkering around the edges of George Osborne's austerity plan. It is nothing more than a convenient soundbite. Even in this Parliament, where there is an in-built Government-supporting majority on every committee, the Finance Committee refused to endorse the suggestion that it was a budget for jobs and growth, which is exactly what we need.

Two weeks ago, Parliament united in recognising the scale of the problem of youth unemployment and the scarring effect that it has on young people. Just this weekend, another constituent came to one of my surgeries with a familiar story of frustration bordering on despair at his inability to secure a job. What frustrated me, alongside his practical difficulty in accessing college training or reskilling courses that would boost his confidence and employability, was his experience of a system that left him feeling even more vulnerable and, indeed, feeling that he is somehow to blame.

The cabinet secretary has pledged again and again that unemployment is his Government's priority, but it is not just that he has failed to make a difference; it is that his actions simply do not

match his words. Last year, despite his being forced into an 11th-hour U-turn on cuts to college funding, the colleges budget was still slashed by £52 million, with the result that there are 70,000 fewer people at college this year than there were three years ago. Quite frankly, that is a staggering indictment of Scottish National Party policy.

As the cabinet secretary so often reminds us, government is about choices. This year, the SNP's choice is to hammer colleges yet again. Let us be in no doubt—that choice has not been forced on Mr Swinney by Westminster; it is a decision that was made in Scotland. The result will be the denial of further education to thousands more Scots of all ages, and yet longer college waiting lists.

We believe that the £35 million that is needed to reverse the cuts to further education can be found from a combination of forecast underspend, efficiencies and savings on, for example, the 16 referendum work streams or profligate Government vanity projects such as the Ryder cup junket or the Scotland House fiasco during the Olympic games. [*Interruption.*]

If this were truly a budget for jobs and growth, the Government would be investing in colleges and our young people's future. Scottish Labour believes in investing in those young lives, and we call on the Government—even at this late stage—to reverse its cuts to colleges and to support our beleaguered further education sector. I give way to Mr Crawford.

Mr Crawford is clearly happy to make interventions from a sedentary position, but when he is challenged—[*Interruption.*] Oh. Mr Crawford wants to make an intervention.

Bruce Crawford (Stirling) (SNP): Ken Macintosh identified some areas in which Labour would make cuts, but in her cuts commission speech Johann Lamont said that there was a great reward for taking hard decisions. Which of the decisions that he has put forward are hard decisions? What he put forward was all just a flim-flam of nonsense.

Ken Macintosh: I identified areas in which the Scottish people would be delighted to see the Scottish Government make cuts, which included the trips to the Ryder cup, and spending on Scotland House in London.

Many of us will have joined Shelter just before the Christmas recess, when it asked us to support its campaign to find a home for the 5,500 children who are without that basic essential of life. Housing need is reaching crisis levels; across the country, almost 200,000 households are on council housing lists and almost 335,000 are on housing association lists. On top of that, 62 per cent of Scotland's social housing currently falls beneath the new Scottish housing quality

standard. That qualifies as a serious problem now, and is one that the Government has the powers to fix now.

Following the UK Government's autumn statement, Mr Swinney was given capital consequentials of £331 million over two years. Labour believes that that money should be allocated in its entirety to Scottish house building. The allocation of such a sum would not only address a pressing social need, but would help to get the construction industry working again. With sensible procurement policies, it would help to provide jobs and apprenticeships and would boost Scotland's small businesses.

We believe that that money could also help to fund an expanded retrofit programme, and to fund mid-range as well as affordable housing. Evidence on that was given to the Infrastructure and Capital Investment Committee and to the Finance Committee by Shelter, the Scottish Federation of Housing Associations, the Scottish Building Federation and the Union of Construction, Allied Trades and Technicians. The argument was convincing and persuasive, which is why not only we in the Labour Party supported it, but the Finance Committee reached a similar conclusion.

John Swinney: I am grateful to Mr Macintosh and would like him to give us a little more detail on his proposal to allocate all £331 million of the capital consequentials to housing. Will he confirm that that would mean taking allocated money away from the higher and further education sector, away from local government and away from essential improvements to other parts of our country's infrastructure?

Ken Macintosh: It would mean nothing of the sort. [*Laughter.*] If the cabinet secretary had listened—[*Interruption.*] The cabinet secretary might be in denial about the cuts that he has made to his NPD programme—[*Interruption.*]

The Deputy Presiding Officer: Order.

Ken Macintosh: Just to be quite clear for members, I say that these spending priorities are the ones that Mr Swinney outlined in the commitments that he made in December to additional spending that will use the autumn consequentials. I suggest that the Scottish Government's own Scottish Futures Trust's NPD programme, which clearly has the capacity to fund such capital programmes, should be used for that purpose. It has had that capacity, because a mere few months ago, it was cut by £300 million.

The cabinet secretary talks rather proudly about how he has revisited the housing budget four times this year. In most people's books, trying to correct themselves four times in one year would be a frank admission of failure. Despite those corrections, the net result—rather than Mr

Swinney's grandiose and overblown claim to be kick-starting a housing boom—is that the SNP is still choosing to cut £42 million in real terms from the housing budget. The partial restoration of what he had cut confirms the impression of a half-hearted attempt at stimulating the economy.

I move on to transport and infrastructure. The Government often seems to be unembarrassable about the gap between its election manifesto promises and its record in office. One of the most shameless broken promises in this session has related to the slashing of the Edinburgh to Glasgow rail improvement programme's budget by at least a third. That is the sort of infrastructure project around which those of us who purport to believe in a more Keynesian economic approach were united. I thought that John Swinney counted himself in that number, but it appears that he does not. The EGIP investment would not just deliver jobs and help commuters, but would provide good public transport, which is yet another way for a Government to support people back into the job market. All that we in the Scottish Labour Party ask is that the SNP deliver on its election promise that Network Rail would fund the investment from the regulatory asset base.

I have set out three proposals that are fair and affordable and which would make a genuine difference in stimulating the economy and improving the employment prospects of people across the country. I have not had time to do justice to all the areas in which the cabinet secretary could make a difference, which also include childcare, procurement and a properly funded flagship wage-subsidy programme. To be frank, I am astonished that we have yet to see the detail on such a programme, which the cabinet secretary promised in his statement back in September.

My colleague Helen Eadie has built on the European and External Relations Committee's work to identify hundreds of millions of pounds in untapped support that could be available through the European Union.

I have hardly touched on the fact that the budget does nothing for our hard-pressed high streets. Shop after shop is closing, yet the Government insists on providing millions of pounds of support to tax-avoiding companies such as Amazon. In the budget, the Government also proposes a hike in business rates of an eye-watering £172 million in cash terms.

The Deputy Presiding Officer: You must draw to a close, please.

Ken Macintosh: If Mr Swinney's only crime was to be found guilty of making exaggerated claims, our reaction might simply be disapproval. However, the more serious charges are about the

failure to use the powers that are at his disposal and failure to follow through on his economic analysis. He has the opportunity to revisit the budget. I urge him to take that chance.

14:44

Gavin Brown (Lothian) (Con): Let me begin in the spirit of consensus by agreeing with something that the cabinet secretary said in his opening speech. When he was intervened on by Ken Macintosh, who talked about £300 million being cut from NPD spend, Mr Swinney said that Mr Macintosh was talking utter nonsense. That is absolutely correct. There is not £300 million being cut; it is far closer thus far to £500 million. Mr Macintosh really ought to look at the figures more carefully before throwing accusations at the Scottish Government. That figure does not take into account next year of course, as it was purely for 2011-12 and 2012-13.

The Scottish Government is under pressure when it comes to this year's budget. On the day that the budget was launched, almost nobody accepted the Scottish Government's argument that it was a budget for the economy. Since 20 September, when it was launched, we have still to find many or, indeed, any who agree that it is a budget for the economy. I include the Finance Committee, which was alluded to earlier and which failed to support a proposition that the budget genuinely prioritised the economy.

John Mason (Glasgow Shettleston) (SNP): Does Gavin Brown accept that although lots of people have suggested how we could spend extra money, not many people have suggested how we could spend the present money better?

Gavin Brown: If Mr Mason had looked at Conservative proposals at the most recent election and since, he would see that we have suggested the mutualisation of Scottish Water, which would save at least £100 million a year in capital; that we have proposed making concessionary travel available only for people aged 65 and over, which we believe would save £35 million a year; and that we have made suggestions about a graduate contribution and about free prescriptions.

It is therefore not at all true to say that the Scottish Conservatives have not made such proposals. If memory serves me right, I think that in a previous debate Mr Mason said on the record that at least the Conservatives had made some suggestions. He did not agree with them, but he is now nodding in agreement that he said in the past that we have, indeed, made proposals.

We are particularly concerned, however, about some areas in which the economy is not being prioritised. Clearly, one such area is colleges. We have all seen the depressing youth unemployment

figures in Scotland and, indeed, across the rest of the UK but we still see a drastic reduction in the colleges budget for next year. According to the Government, the budget is £546 million in the current year and will be £511.7 million next year; a drop of £34 million in cash terms in a single year—a 6 per cent cut in cash terms at a time when the Scottish budget as a whole, much to the cabinet secretary's disappointment, has seen a cash-terms increase of £7 million, which is a small increase, but a cash increase nonetheless.

We are particularly concerned about the Government's approach to taxation. It started way back in 2007-08 when it introduced the small business bonus scheme—an excellent suggestion that has helped businesses across the country. However, since the Government was re-elected, we have seen it bring in the retail levy and the empty property rates tax, which punish the unlucky and those who are unable to let or sell on their properties.

We have seen an overreliance on business rates, with the Government believing that there will be a 7 per cent increase in the amount that it will collect next year and a 9 per cent increase in the amount that it will collect the year after that. However, when questions are asked about those figures, the Government refuses point-blank to share the figures with Parliament. Despite the Finance Committee last year and this year asking for more regular updates on collection rates of non-domestic rates, we get nothing except the annual projection and get the annual collection rates only after the event. We know as a matter of fact that there have been years in which the Government has not collected as much as it projected. That is why it is important that we as a Parliament have the figures.

We are all concerned about housing. We hear about the four additional tranches of investment, and the Government keeps emphasising the phrase "additional money". However, the money, in fact, simply reduces the shortfall; it is not an actual increase in housing spending, at all. Over the three-year period, if the Government had kept the flat cash rates from 2011-12, £800 million would be going into housing. As it is, however, the sum will be £650 million. That is better than the £450 million that was projected, but it is still £650 million instead of £800 million. To suggest that that is additional is an interesting interpretation of the word "additional".

There is no time at the moment to refer to capital projects, but I will return to the issue in my closing speech. I particularly want to talk about the non-profit-distributing model, which this Government has let the country down on by overpromising and underdelivering. It is about time

the Government held itself accountable for that and gave us an explanation.

14:50

Kenneth Gibson (Cunninghame North) (SNP): I am no Mystic Meg but, following the entirely predictable tone that we heard in the speeches of Kenneth Macintosh and Gavin Brown, I do not need a crystal ball to know that they will vote against this budget and do exactly the same in 2014, 2015 and 2016.

The Opposition should be honest and tell the chamber that there is nothing that the cabinet secretary could say or do that would persuade them to support Scottish Government budgets for the rest of this session of Parliament. However, contrary to what Mr Brown has just said, others are much more positive.

On 20 September last year, Grahame Smith, the Scottish Trades Union Congress general secretary, said of the SNP Government's budget that

"the UK coalition Government's dangerously irresponsible economic strategy has placed the Scottish Government in a very difficult position and Mr Swinney has endeavoured throughout the crisis to do what he can to stimulate the Scottish economy."

Similarly, today, Liz Cameron, the chief executive of Scottish Chambers of Commerce said:

"We particularly welcome the continued focus that the Government places on the maximisation of capital spending and infrastructure investment. We believe that this will achieve both short term advantage in terms of delivering a boost to the construction sector and also benefit the Scottish economy in the longer term."

Of course, Labour's nomenclature are still seething at losing what they see, with their sense of entitlement, as their God-given right to lord it over Scotland indefinitely, and they bitterly resent those pesky nationalists not just for shaking them out of their complacency by defeating them narrowly in 2007 but for the humiliating disaster that Labour suffered in 2011.

Labour are Scotland's political chameleons and their U-turns on their U-turns, whether in relation to tuition fees, the council tax freeze or small business bonus scheme, are well known. However, Ken Macintosh seems unaware even of his own declared position.

On 20 December, I asked Mr Macintosh whether he would retract his statement that switching £250 million from resource to capital would cost 8,333 jobs—a very precise figure that was obviously worked out lazily on the back of an envelope using the figure of £30,000 a job. I was somewhat taken aback by his response. He said:

"I have no idea what Mr Gibson's remark refers to".— [Official Report, 20 December 2012; c 15075.]

He seemed unaware of his own press release of 12 October 2012, which said that switching resource to capital would

"suck further demand out of the Scottish economy."

Maybe Mr Macintosh should ask Labour's press office to at least do him the courtesy of running past him the releases that go out in his name, before sending them out.

So, what is Labour's position on switching resource to capital?

Ken Macintosh *rose*—

Kenneth Gibson: On cue.

Ken Macintosh: I am glad that Mr Gibson hangs on my every word.

Mr Gibson said that there would be no chance of Labour supporting the SNP, this year or any other year. Does Mr Gibson believe that the Scottish Government should meet our demands on housing, rail and colleges? If so, does he take my assurance that, if the Government accepted those demands, we would support the budget?

Kenneth Gibson: The reality is that those demands are not designed to be met. They are designed for public consumption. Mr Macintosh is deceiving the people of Scotland if he is suggesting that everything that he demands can be met. Then we have this nonsense today—this plucking figures out of thin air and seeking to deny £22 million each for transport and regeneration projects, £19 million for further and higher education, £11 million for economic development projects, £10 million for health and so on by suggesting that they be dealt with through the NPD route, which he should know has a procurement schedule of at least 18 months, whereas 93 per cent of the money that Mr Swinney announced will be spent within 15 months.

In the same debate in December, Gavin Brown tried desperately to talk up the struggling UK Government. He asked Mike MacKenzie how many countries can borrow more cheaply than the UK can. Well, how about Denmark, Germany, Luxembourg, the Netherlands, Norway, Sweden and Switzerland—to name a few European countries—or, further afield, Hong Kong, Japan and Singapore? Sadly, that number will grow after today's revelation that the UK borrowed an astronomic £15.4 billion during December 2012.

Today we have crocodile tears from Mr Brown, who moans about the £30 million health levy—no surprise from a party that opposed the smoking ban—and yet stays silent on the £1 billion additional VAT burden, the £2.5 billion costs to

Scotland through the Welfare Reform Act 2012, the 81p a litre tax on fuel and the annual tax grab on public sector pensions and insults our intelligence by pretending that an infinitesimal cash increase in the Scottish budget somehow shows the generosity of a UK Government that has slashed this Parliament's resource and capital budgets.

As for the Scottish Futures Trust, the Tories' stop-gap leader, Ruth Davidson, not only misquoted me at First Minister's question time last Thursday—although unlike some sensitive souls on the Opposition benches I am not going to whine about it through a fake point of order—but was £147 million out in her figures. Mr Brown will have to get her to do her homework better than that. The reality is that the SFT represents additionality and will deliver key projects, which otherwise would not happen, in less time than would the Tory and Labour private finance initiative monstrosity and at much less cost to the public purse. The Tories' dog-like devotion to their inept London bosses has left them marginalised in Scotland. Perhaps a willingness to stand up for Scotland might change that—but pigs will fly first.

Gavin Brown: It is awful that Mr Gibson might have been misquoted. I therefore give him the chance to correct the *Official Report*: is he impressed by the rate of progress of the NPD pipeline?

Kenneth Gibson: Mr Brown has gone out of his way to avoid the fact that £300 million has been switched from the NPD programme to the regulatory asset base for the Borders rail project. He has not been quite accurate in what he has been saying on this subject.

Opposition parties might criticise the budget bill and seek more spending on colleges, housing and so on, but until today they have not told us where the funding will come from. When in the previous debate I asked Malcolm Chisholm about this issue, he said:

"People will make different choices".—[*Official Report*, 20 December 2012; c 15095.]

Until today, we have heard nothing; indeed, all we have heard this afternoon is Mr Macintosh's airy-fairy idea about cancelling projects that are going to happen now to fund others in the future. It is just a case of moving the goalposts from Mr Macintosh and the Labour Party.

The Deputy Presiding Officer: You should be closing now, Mr Gibson.

Kenneth Gibson: This budget bill has jobs and economic growth at its heart. Where the Scottish Government has been able to act to promote growth, it has done so time and again. We are investing in construction, skills, housing, the green

economy and schools for the future. In stark contrast to Wales, where Labour remains in power and has cut NHS funding by a whopping 8 per cent—

The Deputy Presiding Officer: You must close, please.

Kenneth Gibson: —we have protected health spending.

This bill supports low-paid workers through tough times. It supports small businesses with the small business bonus scheme and boosts capital investment—

The Deputy Presiding Officer: Mr Gibson, you are closing now.

Kenneth Gibson: Please support it.

14:57

James Kelly (Rutherglen) (Lab): I welcome the opportunity to take part in this debate.

The backdrop of this budget is that one in five Scottish youngsters is out of work; fewer homes are being built now than were being built in 1926, as Homes for Scotland has pointed out; and there are 80,000 fewer college places and waiting lists that continue to grow. The SNP's budget had to meet those needs, but it fails to rise to the challenge.

As Mr Macintosh pointed out, this budget has responded to the situation by cutting college budgets by £34.6 million. Local government has also been penalised in the choices that have been made; indeed, 83 per cent of the UK Government's cuts have been passed directly to local government, which will only undermine economic growth in local areas and make it very difficult for local government to face up to the challenges and prospect of the Welfare Reform Act 2012. Local communities are being hammered in this budget.

John Swinney: Mr Kelly mentions the pressure on local government finance. As I have previously highlighted these statistics to him, he might have thought about them before he made the point again. Between 2007-08 and 2012-13, the Scottish Government's budget increased by 6.4 per cent; over the same period, local government's budget increased by 8.9 per cent. How does Mr Kelly evidence the rubbish that he has just put on the record?

James Kelly: Quite simply. We are talking about a 4.3 per cent real-terms cut to local government, as a result of which local councils are having to make very difficult choices across the country.

James Dornan (Glasgow Cathcart) (SNP): Will the member give way?

James Kelly: Just hold on. As a direct result of Mr Swinney's budget, care packages are being cut and difficult decisions and cuts are being made across the country.

I will give way to the member for running down Glasgow.

James Dornan: In the process of running down Glasgow, as the member says, does he agree that if councils are under such financial restraint it would be better for them to use the very precious money that they receive on services, rather than on huge payouts to Labour Party cronies?

James Kelly: If councils across the country had received fair settlements from this Scottish National Party Government, they would be able to support economic growth and to protect the communities in their areas. The direct result of the decisions taken by this SNP Government is that local councils are being penalised and are having to bear the brunt of the difficulties.

I will move on to the issues that need to be addressed. What could make a real difference or boost would be if the Government looked again at its decision to cut £350 million from the Edinburgh to Glasgow rail improvement project. Time and again, we are told by business that the project would make a real difference to connectivity. The improvements to journey times would strengthen economic growth as well as improve the links between Edinburgh and Glasgow. The investments in rolling stock could also create jobs for the steel industry; some of the investment might come to Scotland this time, unlike on the Forth replacement crossing project, where 68 per cent of the allocated money has gone out of this country rather than to supporting Scottish steelworkers.

John Mason: Will the member give way?

James Kelly: Sorry, I am running out of time.

Why should we be surprised at that? As others have said, that resonates with the Government's slow progress on supporting capital investment. The Government's budget document shows that £681 million less will be spent and committed to NPD projects this year and next year. The Government continues to call for more powers and to tell us how everything would be a land of milk and honey under independence, but it cannot even use the existing levers effectively. It should use those before demanding more powers.

The SNP's great demand today is where the money would be found. I would certainly like to see a review in respect of information technology projects, as was recommended by the McClelland commission. Last year, Audit Scotland identified

£133 million in IT projects that had to be cancelled. That should be looked at closely.

We should also examine the amount of money spent on spin doctors, with £2.6 million being spent in the NHS alone. I would rather have classroom assistants in Cambuslang than spin doctors in St Andrew's house.

The Deputy Presiding Officer (Elaine Smith): You must come to a close, please.

James Kelly: People in our communities are crying out for investment in jobs. The SNP has failed to deliver. We need to address those shortcomings by investing in housing, colleges and rail to drive up growth and to create jobs throughout all of Scotland.

15:03

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I hope to provide a more measured contribution. James Kelly may have been slightly unwise to highlight IT projects. I merely direct him at Labour's NHS England IT project, on which £12 billion was spent before it was abandoned. We can do a great deal better in Scotland, and we always do.

In preparing for the debate and scrutinising the motion before us, I found more startling the issue of omission rather than commission, in that Opposition members have omitted to lodge an amendment to the motion. Therefore, we can expect the Labour Party, which is most vocal in its demands but least visible in identifying actions, of necessity to vote for the unamended motion and thus endorse all that it contains; if Labour's vote is one of abstention or outright opposition, it would thus seek to disrupt funding for health, transport, education and local government.

I am a little more optimistic than my colleague Kenny Gibson. Although Mystic Meg probably has a more sensible idea of what is going to happen, I was encouraged by Ken Macintosh's opening remarks, in which he said that more

"unites us than divides us."

Therefore, I will lay my money on the idea that, ultimately, Labour will decide that the finance secretary has produced a motion and a budget that are worthy of support. The whole issue is a matter of parliamentary process and rules. Credibility that is sought through debate absolutely falls to naught if it is not pursued by every means available.

I am sure that Government budgets are never produced without vigorous internal debate, keen external scrutiny and, where required, counterproposals that are tabled, debated and

decided on. Those are somewhat missing from this debate so far, except in certain respects.

We should not imagine that finance ministers get their way all the time. The Parliament has previously rejected and then accepted our finance minister's proposals. I will quote from Cabinet minutes to show that, on occasion, things can be no easier internally. The finance secretary's alarm can be put to one side, because my example, which saw a finance minister have to ask

"that his dissent from this decision should be recorded",

comes from 8 May 1919, when the chancellor was Austen Chamberlain. I am delighted that the successful proposition, which was on Royal Air Force officer pay, came from my father's cousin James Stevenson, who was attending Cabinet. I can assure members who have not seen me at Cabinet that I was of course always impeccably behaved and supported the finance secretary, because he is always supportable.

Those with infrared eyes and who peer into the murky undergrowth can see the occasional glimpse of Labour's agenda. Ken Macintosh talked about using underspend. Of course, in government, the Labour Party has a long history of building up huge underspends, which was an issue that the SNP Government had to confront in its first session in government.

Ken Macintosh also said that savings can be a help. We are moving from measuring the input to what we do, to looking at the value that we deliver. I cite one example that is drawn from transport in which, on this Government's watch, a partnership between Transport Scotland and Network Rail has delivered exactly in the way that is desired. That is the Paisley canal project, the original budget for which was £28 million, but which was delivered on time for £12 million. That is the approach that the Government will take; it is less about cutting the output and more about getting effective use of the input.

Ken Macintosh: By cutting the Edinburgh to Glasgow rail improvement programme, how has the Government delivered on its promises to the commuters of Stirling, Dunblane and Alloa?

Stewart Stevenson: The member knows perfectly well that the investment programme for the railways in Scotland is far in excess of anything south of the border. Indeed, in the not-too-distant past, *RAIL* magazine carried a cartoon that referred to "ScotRail England", because people south of the border want our policies.

Labour focuses on education, but it takes no responsibility for the £332 million that appears in the budget to cover public-private partnership projects, which, in essence, were done on

Labour's watch. History can speak louder than words and, for Labour, it certainly does.

On the cuts commission, killing the bus pass and losing bus routes will cost; charging the old for prescriptions will lead to increased mortality, which might save, but in ways that I do not think that we would want to; and the proposals would load debt on to students. Of course, for the UK Government, today's deeply depressing lending figures represent about £87 billion a year in Scottish terms, which is much more than our budget.

The Deputy Presiding Officer: Will you conclude, please?

Stewart Stevenson: We are in a position in which the SNP promises and delivers.

15:09

Michael McMahon (Uddingston and Bellshill) (Lab): When considering the budget, I have been continually reminded of the quotation from Stuart Chase, the American Keynesian economist, who said:

"For those who believe, no proof is necessary. For those who don't believe, no proof is possible."

Experience has taught me to be an unbeliever about the assertions of the Government, so I am prepared for SNP members to dismiss me as a non-believer in the Government's cause and accuse me of taking the view that no proof is possible for their contention that this is a budget for jobs and growth. Fortunately for Mr Swinney, no proof is necessary for his back benchers. He has said that it is a budget for growth and, therefore, it must be true. Mr Stevenson and Mr Gibson exemplified that view in their speeches.

Kenneth Gibson: What about the view of the STUC, which said that Mr Swinney was doing his best, given the financial predicament into which the UK Government has put him?

Michael McMahon: Saying that he is doing his best is not necessarily agreeing, or saying that the Government is achieving.

I am sure that the cabinet secretary will tell me that I was not looking hard enough for the evidence—I am sure that that is the point that Mr Gibson was trying to make—but I assure members that I was. I am still prepared to allow the Government to present evidence that sustains its argument that the budget will take Scotland's economy forward.

We can do nothing other than accept that it is a tough economic climate in which to propose any budget, but the circumstances make it all the more imperative that the Government obtain widespread verification that the budget is one that will

stimulate the economy before it defends it as such.

We rely on our committee system to facilitate the fullest scrutiny possible. Unfortunately, rather than considering the proposals in depth and making evidence-based arguments for changes to the budget, some committees, such as the Local Government and Regeneration Committee, selected partial scrutiny while others, such as the Welfare Reform Committee—of which I am convener—forewent the opportunity to consider the budget at all.

Stewart Stevenson: Will Michael McMahon give way?

Michael McMahon: I say to Mr Stevenson that I will try to make some progress, but I will come back—

Stewart Stevenson: It is on that point. Half the story is half the story.

Michael McMahon: I will come back to Mr Stevenson if I can.

One notable exception was the Equal Opportunities Committee, without which there would have been no mention of the horrendous impact of the Con-Dems' welfare reforms in the Finance Committee's budget report.

In a time of austerity, when we needed proper analysis more than ever, we got compliance with the Government's assertion.

We are left with the Scottish Government proclaiming that its spending priorities will create

“a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth”,

but simply ignoring organisations such as the Scottish Council for Development and Industry, which takes the view that

“it is difficult to discern the pattern of spending which aligns with successive ... Scottish Governments' top priority ... of increasing sustainable economic growth.”

The SCDI in particular, but not exclusively, questions the decision to prioritise the protection of some areas of public spending at the expense of others that are directly and indirectly responsible for increasing sustainable economic growth.

The Centre for Public Policy for Regions was also sceptical and wondered why the Scottish Government's spending priorities failed to show that it

“helps secure faster economic growth.”

The Royal Society of Edinburgh states:

“It would be useful to see a cost-benefit analysis of the Scottish Government's spending decisions against its stated core objective of sustainable economic growth.”

Never mind. No evidence is needed for the SNP's Stepford gang on the back benches. John Swinney says it is so and, therefore, there is no need to prove that the budget will achieve the aim that is set for it.

John Mason: Michael McMahon may remember that, at the Finance Committee, at least one party made the suggestion that, if we cut back on health, we could put more into economic growth. Does he think that health spending should be cut back to boost economic growth?

Michael McMahon: My recollection is that many organisations suggested that. One that I am about to come on to is the Scottish Council for Voluntary Organisations.

We have to discuss the proposal. I know that the klaxon horns will sound as soon as we mention such proposals but—and this is where spending decisions are important—the Government cannot simply say that it will spend its money on one thing and that that will achieve sustainable economic growth if what it spends the money on is not aimed at sustainable economic growth. That is the point that all those organisations were making.

One of those organisations was the SCVO, which argued that we need to take a long-term, holistic approach to the economy that encompasses a range of social, environmental and economic outcomes. However, we get what we have always had from the SNP Government: short-term, populist spending priorities.

We are told that this is a budget with the needs of the economy at its core, but what we have is one in which only an extra £9 million is specifically spent on enterprise. That is not the type of spending priority that we would expect to see in a budget for growth.

Another of the Government's assertions is that capital investment continues to be a central element of its approach to supporting economic recovery. There is widespread support for that, but where is the evidence that it will be delivered? The Civil Engineering Contractors Association stated:

“if what is in the budget actually happens ... civil engineering in Scotland will stabilise.”

It will not grow, just stabilise. Equally, the Scottish Building Federation was more than a little unconvinced. It told us that progress is very slow and that anyone who suggests that this budget

“could be a budget for growth in the construction sector is out of touch with reality.”—[*Official Report, Finance Committee*, 26 September 2012; c 1624, 1630.]

Decisions have to be made, but the Government is cutting the housing budget by £66 million, it is reducing the college budget by more than £50 million and it has chosen to take EGIP out of the transport infrastructure spend. Those decisions are proof enough for me that, despite Mr Swinney's assertions, whatever this budget is for, it is not a budget for growth.

15:15

Mike MacKenzie (Highlands and Islands) (SNP): It is important when considering any budget to first consider the context. Few people would disagree that we are in the worst and most prolonged economic crisis that any of us has experienced. Most commentators also agree that the Westminster coalition's austerity policies are not working—even some of those who were initially enthusiastic.

The best economic wisdom on how to deal with recessions came from that great English economist John Maynard Keynes, perhaps along with his Canadian counterpart, John Kenneth Galbraith. What they prescribed was really quite simple. In times of recession, Governments should spend on capital projects and infrastructure, and they should recoup that from taxation in times of growth. No one can end boom and bust in the way that Gordon Brown boasted, but by that method we can take the worst excesses out of the business cycle. That is basic economics.

Patrick Harvie (Glasgow) (Green): Will the member take an intervention?

Mike MacKenzie: I am sorry, but I have a lot to get through.

The real mystery is why the London Government seems not to understand that. Far from improving matters, it is making them worse. The economy is flatlining and, as we heard just today, Government debt is increasing. I am forced to conclude that the London Government is driven not by economic sense but by ideology, and that fiscal difficulties are merely providing cover or an excuse for it doing what it would want to do in any circumstances.

It is also surprising that the Labour Party seems not to have any answers either in London or in Scotland, except perhaps for Johann Lamont's cuts commission, which threatens to undo much of the good work that this Parliament has done since its inception.

Claudia Beamish (South Scotland) (Lab): Will the member give way?

Mike MacKenzie: No, I am sorry. I must make progress.

The Labour Party has gone from wildly exuberant expenditure in government to trying to outflank the Tory party on the right, at least in terms of economic stupidity. Each of them fails to understand that economics is not a zero-sum game and that the answer to our current problems is to stimulate demand and not to weaken it.

The Labour Party also seems not to recognise that the Scottish Government does not currently have borrowing powers. Therefore, the budget is fully funded and, by definition, all the measures within it are affordable.

Patrick Harvie: Will the member take an intervention on that point?

Mike MacKenzie: No, I am sorry. I must make progress.

I cannot see how the Labour Party can reconcile its proposition that, in the future, universal services will be unaffordable with its claim, along with the Tories, that we are better together. According to that vision, surely what they mean is that we will be poorer together. I completely reject the proposition. Provided that we have control over our own resources, Scotland can look forward to a prosperous future.

Therefore, we are fortunate that in Scotland we have a cabinet secretary who is solely driven by what is best for Scotland and who understands exactly what is required for the Scottish economy. The downside, of course, is that he does not yet have fiscal or borrowing powers, and the pity is that those are the very tools that are most needed to deal with our current situation.

Under those circumstances, the Scottish Government has taken a very rational approach. Regionalisation of the further education system will offer greater efficiency while maintaining college places equality, and amalgamation of the police and fire services will offer similar efficiencies while protecting front-line services.

Gavin Brown: Will the member give way?

Mike MacKenzie: No, thank you. I have a lot to get through.

Health and council budgets have been protected, with councils maintaining their share of Scottish Government funding. Families have been protected by maintaining the council tax freeze and small businesses have been protected by the small business bonus, which is especially important because some commentators suggest that recovery will come from the small business sector.

Managing all those things—which, incidentally, are all manifesto commitments—with a steeply declining Scottish Government allowance is impressive; finding additional capital for a range of

capital projects to provide further stimulus is even more so. Delivering those projects—the new Forth road bridge, for example—under budget and delivering many others efficiently, while ensuring value for the public pound through the Scottish Futures Trust and the NPD mechanism, requires the special discipline that Mr Swinney brings to his work.

The Deputy Presiding Officer: You are in your last minute.

Mike MacKenzie: Therefore, it is all the more remarkable that the cabinet secretary has also found money for a range of preventative spend measures, recognising that it is important to have an eye on the future. I was surprised that the Opposition parties called for evidence of the effectiveness of and savings created by those preventative spend measures, as if, in this area, we can spend one day and see a result the next day. That underpins the belief that there is a lack of economic understanding among the Opposition parties in the chamber.

The Deputy Presiding Officer: Please draw to a conclusion.

Mike MacKenzie: I am pleased to support this budget. Weighing all the circumstances, I think that it is a good budget. It is good economically, in that it will provide capital stimulus; it is good financially, because inevitably the books will be balanced—

The Deputy Presiding Officer: You must close.

Mike MacKenzie: And it is a good budget politically, as it will maintain manifesto commitments and therefore the trust of the Scottish people.

15:22

Mary Scanlon (Highlands and Islands) (Con): After that speech, I am sure that Mike MacKenzie will be next in line for a ministerial post. We look forward to that.

I would like to raise two points relating to the Scottish budget, and I advise the chamber that they have nothing to do with constitutional issues or Labour Party policy and that I am afraid that my speech does not relate to the 1919 budget.

The first issue is NHS backlog maintenance, the cost of which was highlighted by Audit Scotland as being more than £1 billion. Following scrutiny by the Public Audit Committee, we now have a clearer picture of the extent of the cost and of the potential harm to patients.

The cost of backlog maintenance totals £773 million, now that the cost for properties that are earmarked for disposal has rightly been taken out

of the total and some maintenance has been carried out in the most recent financial year. Of the total, 17 per cent is high risk, at a cost of £240 million, and 28 per cent is significant risk. The remaining 55 per cent of the £773 million is medium to low risk.

So, what does “significant risk” mean for patients? According to the Scottish Government, significant risk requires

“expenditure in the short term and should be effectively managed as a priority so as not to cause undue concern to statutory enforcement bodies or risk to healthcare delivery or safety.”

However, the 17 per cent of backlog maintenance that is high risk—I am quoting the Scottish Government—

“must be addressed as an urgent priority in order to prevent catastrophic failure, major disruption to clinical services or deficiencies in safety liable to cause serious injury and/or prosecution.”

The Scottish Government expects immediate action to be taken to address levels of risk associated with patient health and safety.

Therefore, where in the budget is there money for NHS Lanarkshire’s £88 million of high-risk backlog maintenance, NHS Lothian’s £36 million of high-risk backlog maintenance, NHS Greater Glasgow and Clyde’s £21 million of high-risk backlog maintenance, NHS Forth Valley’s £19 million of high-risk backlog maintenance, NHS Grampian’s £15 million of high-risk backlog maintenance, NHS Highland’s £14 million of high-risk backlog maintenance, and so on? Patients and NHS staff across Scotland will want to know when the £240 million funding for high-risk backlog maintenance will be made available, given that that should be a priority

“to prevent catastrophic failure, major disruption ... or deficiencies in safety liable to cause serious injury and/or prosecution.”

There are many other aspects of the health budget that are worthy of mention in this debate, but surely the right to be treated in a clinically safe environment is a top priority. I ask the finance secretary to address that issue in his winding-up speech.

My second point is not a new one. It relates to the 24 per cent cut to further education colleges at a time when youth unemployment remains high—other members have mentioned that. Unemployment is at 18.5 per cent for 18 to 24-year-olds.

I lectured in economics in further and higher education for more than 20 years before I became an MSP and know that the sector has been pared back over the years. Instead of tutorial groups of 15, we have tutorial groups of 45. In further education, there is a timetable of 24 hours of

teaching every week for degrees, higher national certificates, higher national diplomas and national certificates. Further education colleges have done more to be flexible and responsive to local needs to widen access to education, and they should be praised for their work, not punished for it.

The standards of degree teaching in further education are excellent and allow students to articulate into university courses after HNC or HND courses. With a 24 per cent cut, it will be much more difficult in future to maintain those standards, which allow students to stay at home for the first two years of their degree course, particularly when the majority of the cut will fall on the teaching budget. According to the National Union of Students briefing paper, college teaching grants will have fallen by £60 million in three years, from £469 million in 2010-11 to £409 million in 2012-13.

The Deputy Presiding Officer: You are in your final minute.

Mary Scanlon: The sector is highly efficient. After incorporation in 1992, there was a drive to bring colleges to levels of success in training and education as well as to offer a wide range of opportunities to people of all ages throughout Scotland. Further education addresses inequalities and, just as important, embraces the self-esteem and confidence that individuals need to progress to the world of work. I would pick up the point that Mr Kelly made, but Gavin Brown confirmed it. Eighty thousand fewer places are 80,000 fewer opportunities.

The Deputy Presiding Officer: You should come to a close.

Mary Scanlon: In the eight seconds that I have, I ask the Scottish Government to think again about youth unemployment, inequalities, skills development and the maintenance backlog in the NHS, which is potentially harmful to patients.

15:28

Colin Beattie (Midlothian North and Musselburgh) (SNP): I frequently listen to the Opposition parties seemingly minimising the impact of Westminster budget cuts on the Scottish economy and the consequent pressures that are placed on the Scottish budget. The Scottish Government's ability to maintain spending levels across the board at the same levels as hitherto is simply not possible. We cannot spend more than the allowance that we receive from Westminster.

The Opposition parties make a lot of noise when there is a reluctant reduction in funding for sometimes otherwise worthy projects, but they give no serious indication of where they would propose to impose cuts to retain any particular

service above another. Today's contribution by Labour has been no different—clearly, it is simply a press soundbite.

Like most MSPs, I abhor the approach that the Westminster Government has taken to imposing budget cuts on the Scottish economy. Taken alongside the so-called welfare reforms, budget cuts will have the long-term effect of draining liquidity and prosperity from the Scottish economy. The massive reduction in spending power that affects the Government, councils and private individuals hardly creates an environment in which private enterprise can flourish and generate the jobs that we very much need.

We are all going to be very much poorer when this long period of badly-thought-out austerity eventually ends, following a yes vote in 2014, but no doubt we can consider that financial legacy a dividend from the union.

It is hard to contemplate the extent of the economic illiteracy of the Westminster Government, which seems not to be prepared to listen to either domestic or international wisdom. This will undoubtedly end in tears.

Returning to the Scottish financial situation, I commend the Scottish Government for producing, against all the odds, a budget that is focused on jobs and economic growth above all. I am particularly pleased that a strong emphasis has been placed on housing. The Government promised to build 30,000 affordable homes during this term of office. The allocation of an additional £50 million in the budget promises that that pledge will be delivered. The three-year housing budget has increased by almost £200 million over the past year, with additional investment increasing by 30 per cent the funding set out in the 2011 strategic spending review.

Ken Macintosh: Is Mr Beattie claiming that over the spending review period the housing budget has increased rather than suffering a real-terms decrease of £42 million?

Colin Beattie: Yes. According to the figures that I have, the three-year housing budget has increased by almost £200 million, with an increase in the additional investment.

While I applaud the Scottish Government's efforts to stimulate growth and create jobs, I can only regret that it does not have the powers fully to manage the economy. Those powers, alas, remain in the hands of a Westminster elite that does not seem to understand how to use them to the benefit of the United Kingdom economy. I believe that responsibility for every Scottish job that is lost, every Scottish company that closes down and every shop that vanishes from our high streets lies firmly in the hands of Westminster.

A number of other countries are gradually coming out of recession. We are not, and we now appear to be heading for a triple-dip recession, which will create further hardship and distress. I am appalled at the prospect of austerity measures continuing until 2017-18, which represents a historically unprecedented eight years of cuts. No one knows what the end result will be. All I know is that the most vulnerable in our society will suffer the most and bear the heaviest burden.

I frequently listen to the Labour Party here in Parliament calling on spending to be maintained or increased in certain areas, despite the serious reduction in funding that we have sustained. That always seemed a rather odd position to take, given that it is well understood that the budget cuts are from Westminster and the Scottish Government has to reduce spending as a result. However, when Labour announced its cuts commission, I realised that it proposed to fund the additional commitments with the reintroduction of prescription charges, with the abolition of concessionary bus travel, by charging students for education and apparently by pursuing charging for some universal services, including personal care.

The Scottish Government's commitment to maintaining education free at the point of delivery shows a singular commitment to maintaining the strong Scottish tradition of making education available to all people, regardless of whether they can afford to pay. As we well know, education forms a significant part of the path out of poverty. I am probably a typical example. I took full advantage of the free education that was available. My father was a hospital porter and money was a fairly scarce commodity in our house. The long-term economic and social benefit to Scotland of an educated and skilled population should not be underestimated.

Between 2007 and the end of the spending review period, the Government will have invested £5 billion in colleges, which is some 45 per cent more in cash terms than in the two terms of the previous Administration.

Turning to the health part of the budget, I note that health board funding will increase by 3.3 per cent in real terms in 2013-14, which means some £9.1 billion in that year, while £390 million will be invested in improving NHS buildings and equipment. There will be £80 million for the integration of health and social care services and £133 million investment for sport and the Commonwealth games in 2013-14.

Labour's love affair with PFI has left this Government and local authorities throughout Scotland with a legacy of debt that our children will inherit—another Gordon Brown success story. I have touched on only a few key points, but it is clear that this budget is the best that can be

achieved given the resources being made available to us by Westminster. Until we have full control over our own affairs and can manage our own economy there will always be a limit on the Scottish Government's ability to reach its high aspirations for the people of Scotland. I commend the Government for this budget.

The Deputy Presiding Officer: I will have to cut members off at six minutes as we are running very short of time.

15:35

Neil Findlay (Lothian) (Lab): I wish that you had done that with some previous speakers, Presiding Officer.

For so many of our people, the day-to-day reality is that life is not only tougher and more uncomfortable, but desperately grim, with little immediate prospect of improvement. In my region, jobs are being lost daily. Hall's of Broxburn is the most alarming example but, this week, another 70 jobs were lost in West Lothian alone as a result of the closure of Blockbuster and HMV. The spectre of welfare reform—the most vindictive piece of legislation in decades—haunts our communities. It is no exaggeration to say that that will be the cause of people losing their homes and marriages and, for some tragically, their lives. Wages are being frozen or, at best, cut and pension contributions are rising with no benefit to those who pay them.

The Scottish Government will say that none of that is to do with it.

Willie Rennie: Will the member take an intervention?

Neil Findlay: Not at the moment.

Of course, welfare reform is a Westminster responsibility and austerity is the policy that is being driven by the dark forces of the coalition Government in London. Perhaps this is an opportune time for Mr Rennie to ask his question.

Willie Rennie: Does Mr Findlay accept any responsibility for what has happened since Labour left power?

Neil Findlay: All parties have a responsibility for the situation that we are in because we all tolerated the global financial system that brought us to our knees. None of us said a lot about it.

Things can be done and there are political choices to be made. Unfortunately the Scottish Government is all too often making the wrong choices and all the while blaming the situation on someone else because that is part of its referendum game plan.

For example, we have the public sector wage freeze. That is the Government's policy choice, as is the council tax policy that is crippling essential local government services. We hear disgraceful comments made by the Cabinet Secretary for Health and Wellbeing, blaming councils for cuts that are a direct consequence of the decisions that he is making in government.

As far as the NHS is concerned, we know that there are job losses and staff reductions, pressure to meet targets because of the diminishing staff numbers—self-evident in the waiting times scandal—and a host of other complaints. We see a cherished institution under extreme pressure, but the Cabinet Secretary for Health and Wellbeing and the First Minister repeat the line that the NHS is performing better than ever, patient satisfaction is at record levels, staff are happier and there are more of them. That just does not reflect the real world.

Mike MacKenzie: Will the member take an intervention?

Neil Findlay: Not at the moment. Mike MacKenzie would not take any interventions, so he should sit down.

What about housing? We have a housing crisis: sofa surfing is becoming the norm for young people; far too many children and families are homeless; people cannot access mortgages because they do not have a deposit; and people cannot access social housing because they do not have the points and the houses are not available. However, the minister tells us that the Government is building more houses than ever, that waiting lists and homelessness are down and that standards are rising. Again, that does not reflect the real world and the political choices that the Government is making—it cut the housing budget by £86 million in real terms. The Government could have chosen to tackle the housing crisis and, at the same time, created demand in the economy by putting additional money into housing, but it chose not to.

What about education? The Government has cut funding in our college sector at the very time that we need colleges most. The cuts have led to cuts in jobs, courses and places. Labour's political choice is to support our colleges, to provide our young people with the tools that they need to gain employment. As Mr Macintosh said, we would reinstate the entire funding cut to our colleges, by replacing the £34 million that has been taken from them.

Mark McDonald (North East Scotland) (SNP): Neil Findlay has outlined a number of areas in which he would want to see increased funding, and he has put figures on some of those. Is he

willing to identify where he would take the money away from to fund those increases?

Neil Findlay: I will not waste any further time in my speech on that because Mr Macintosh already did that.

That would prevent redundancies and prevent the cuts to courses for women and people with learning disabilities.

Let us not hear any of the tired, lazy lines from Government back benchers about Labour being negative or talking down Scotland. I have set out the reality for many of our fellow citizens—they want us to reflect that and not appear detached from the world that they live in. No amount of spin and bluster from ministers, sycophantic planted questions from back benchers or cheerleading speeches from the people behind the finance secretary will hide that.

In addition to asking Mr Swinney to restore the colleges budget, we ask him to invest in housing, through the Barnett consequential. As Mr Macintosh explained, that would kick-start construction and create jobs. We also ask for the reinstatement of moneys that were cut from the EGIP project, through borrowing against the regulated asset base to pay for projects such as the Dalmeny chord in my area, which would stimulate developments such as Winchburgh station in a core development area. Those are practical steps that we could take.

Unemployment, colleges, construction, housing and transport are our political priorities and, I think, the people's priorities. It is a shame that they are not the Government's priorities.

15:40

Chic Brodie (South Scotland) (SNP): I support the principles of the bill. The bill will be passed, not only because it addresses the challenges that face us but because there is no viable alternative budget before us. I said in the budget debate two weeks ago that the Opposition, particularly Labour, might have priorities that are different from ours. That is a perfectly honest and respectable position to hold and debate. However it is not acceptable or respectful of the people who sent us to this Parliament to whinge and whinge about the budget bill's priorities without clearly enunciating costed alternatives.

Mr Macintosh has given us a litany of demands for additional money for housing and rail. At the weekend, he added town centre regeneration projects to his list.

Iain Gray (East Lothian) (Lab): Will the member give way?

Chic Brodie: I have limited time—[*Interruption.*] Let me develop my point before I take an intervention from Mr Gray.

It is perfectly respectable for the Opposition to aspire to reduce or increase cost or revenue elements of the budget bill, question the bill's general principles or change its recommendations, but it must tell us about its principles and priorities and offer programmes that have been properly financially evaluated, in a full budget.

I address my comments to Mr Macintosh and Labour members, because the mixtie-maxtie hotchpotch of a coalition has no cohesive budget policies other than those of the economic piranha.

Iain Gray: I want to help Mr Brodie, who was not here during the eight years of SNP opposition. Can he say on how many occasions the SNP suggested an amendment to the budget bill? I think that the answer is once.

Chic Brodie: I will check what Mr Gray said. However, I say to him that it is sometimes better to stay seated and be thought foolish than to stand and confirm it.

Labour should not hitch its interests to the coalition wagon, the financial wheels of which are coming off, but that is what it is doing. I cannot believe that on universal benefits, council tax and whatever the party of Keir Hardie can find itself an economic bedfellow—albeit that we are “better together”—of a London Government that assaults the lower paid at the expense of the rich few.

Like it or not, Scotland and the UK are about to enter into a triple-dip recession and huge borrowing, and the current economic and constitutional structure limits Scotland's options and militates against the achievement of our national performance outcomes, whether we are talking about GDP, productivity or carbon emissions.

Willie Rennie: The member said that the coalition is assaulting the low paid. Can he explain why the coalition is increasing the tax threshold to £10,000?

Chic Brodie: The member should look at the budget figures and the impact that welfare reform will have on poor and low-paid people in this country.

Even in straitened circumstances, the cabinet secretary and his team have focused on the Government's objectives in the DEL budget, which in real terms—I repeat “real terms”, for Mr Brown—is reduced by 0.4 per cent. The Government has maintained its principles and priorities, so that the foundations are there and we will be ready when the upturn comes and we have our hands on the levers of fiscal and monetary power.

The principles are absolutely right. Economic policies take a long cycle to be effective and to get money and activity into the economy quickly is important. That is why the shift from resource to capital is right, because leakage in the former is much more problematic and immediate than it is in the latter.

The economy cannot be invigorated through consumption that is financed by debt. Investment in assets—capital investment—will help us to pay down our deficit earlier and to improve our assets and infrastructure for the long term. It is right that we target expenditure on training and retraining, particularly of the young unemployed, but all we get from the Opposition is the mantra of college cuts.

I say this to the Opposition: any country that has an economy that does not seek and manage change—that does not look to produce efficiencies—will die. It will die. I say to the two main Opposition parties that their antediluvian pursuit and competitive animosities in throwing money at problems or making cuts unwittingly is not the solution that will create a dynamic economy.

Their Rodgers and Hammerstein show of—[*Interruption.*]

The Deputy Presiding Officer: Order.

Chic Brodie: Their Rodgers and Hammerstein show of “Anything you can do I can do better”—or, in this case, worse—is over. Those days are over.

This budget establishes quite clearly a focus on fairness, capital investment, supporting business—particularly small businesses—investing in our energy future and the green economy, supporting skills and training for our young people, better housing and physical infrastructure. The budget bill addresses all of those.

We, in this party, do not see—as Mr Macintosh does—a difficulty in every opportunity. Rather, we see an opportunity in every difficulty.

15:46

Willie Rennie (Mid Scotland and Fife) (LD): I actually welcome Chic Brodie's speech, because he made the case for many of the reforms that the coalition Government is implementing. What was it that he said—that a Government that does not seek and manage efficiencies will die? He then said that we should not build an economy on debt, but it is his party that is proposing to increase borrowing, driving up the costs of borrowing, costing us more, driving up interest rates, increasing our mortgage costs—

Mark McDonald: Will the member give way?

Willie Rennie: No, not just now.

Chic Brodie's speech was a direct contradiction—an assault on the poor, when, in partnership, the Liberal Democrats and the Conservatives are increasing the tax thresholds for the poor in a way—

Mike MacKenzie: Will the member give way?

Willie Rennie: No.

We are increasing the tax thresholds for the poor in a way that the Labour Party never did in all its time in power. Mr Brodie should read his speech back, because he will find that he has converted to our cause and may wish once again to join the Liberal Democrats.

We had a good discussion last week about Mr Swinney's budget. I welcomed the opportunity to put forward our proposals for change. Mr Swinney is a man who is keen on balanced budgets and good housekeeping. He may support Chic Brodie in his efforts to keep efficiencies and to seek and manage change. Perhaps they are in the same boat. We welcome that discussion because it is important that we try to work constructively. We worked constructively last year and we will seek to do so again in order to seek an agreement.

We have highlighted two areas. The first is college funding. We are backing the National Union of Students Scotland campaign, as we did last year. We think that the proposal to put an extra £35 million back into the budget to reverse the cuts is worthy of consideration. We support that proposal, especially when colleges are playing an essential role in trying to train and upskill people so that they are ready for the jobs that will come when the economy recovers. It is important that Mr Swinney reflects on that. If he does—

Mike MacKenzie: Will the member take an intervention on that point?

Willie Rennie: Not just now. Mike MacKenzie has a cheek—he did not accept one intervention.

Claudia Beamish: Will the member take an intervention?

Willie Rennie: No, not just now.

We will support the budget if, for example, we can secure the extra funding for colleges, because they play an important role in ensuring that we have a workforce that is ready to boost the economy.

We would also link to the economy support for extra investment in nursery education. We would support such extra investment to give 40 per cent of the poorest two-year-olds in Scotland 15 hours of nursery education each week. The Nobel laureate James Heckman, whom I have

mentioned on numerous occasions, says that the highest return on investment in education is on investment in education before the age of three. That is when the biggest impact can be made. If we make the right investment at that time in a person's life, we can determine what the outcome for them will be at the age of 26.

So far, the Scottish Government has committed to free childcare and education for 1 per cent of two-year-olds. We think that that is good, but that the figure needs to be increased to 40 per cent. We recognise that that cannot be done in one fell swoop and that such a move has to be phased in over a period of time. In England, the UK Government is looking to extend such provision to 20 per cent of two-year-olds by September this year, and to increase that figure to 40 per cent at a later stage. We hope that Mr Swinney will accept that request from us and back our plan for his budget.

We think that our proposals are modest and worthy of consideration. We will not come up with a long list of proposals without giving any indication of how they could be paid for, which is an approach that Mr Findlay seemed to be attracted to. We will come forward with sensible proposals that we think that the Scottish Government can afford.

Neil Findlay: Will the member take an intervention?

Willie Rennie: Not just now.

The Government has a budget of £32 billion. In a budget of such a size, we reckon that it is certainly possible to find the amount of money that we are asking for. In response to an intervention from me, Mr Swinney highlighted the additional resources that might be available from business rates in this financial year. We reckon that the money is available for investment in the important areas of colleges and early intervention.

We welcome the £50 million of additional funding for social housing—we think that that is a good investment, as there is a desperate need for additional social housing in Scotland.

I return to an issue that I have raised previously with Mr Swinney—that of the local government floor. A guarantee was made to Aberdeen City Council that it would receive 85 per cent of the average figure for council funding in Scotland. However, there has been a drop to 79 per cent. Mr Swinney has tried to explain why that calculation can be made only at the start of the spending process, but I find that explanation difficult to understand. The guarantee was given that no council would receive less than 85 per cent of the average figure, but next year Aberdeen City Council will receive only 79 per cent of that amount. As 79 per cent is less than 85 per cent, its

funding has gone through the floor. I hope that Mr Swinney will reflect on that. The proposal that the guarantee be met—which is a commitment that he and many others have made in election campaigns and beyond—is a sensible one.

I have set out reasonable suggestions on college funding and nursery education. We will work constructively with the Government to achieve those ends. If the Government delivers what we wish, we will vote with it; we are not afraid to do that. If the Government's budget is good enough, we will be with it.

15:52

Rob Gibson (Caithness, Sutherland and Ross) (SNP): The budget process that we are discussing does not take place in isolation from the Scottish economy. Just yesterday, it was reported in an article in *The Herald* that Donald MacRae, chief economist at the Bank of Scotland, believes that the data on the labour market

“indicates the Scottish economy is moving in the right direction.”

The article, which had the headline “Labour market surge suggests economy on right path”, said that for a series of months—indeed, for the last eight months—we have had the highest levels of job creation and placements, and that the increase in permanent job placements is at its strongest rate in eight months. That suggests to me that Scotland is beating the UK, whose situation is also looked at.

The fact that the improvement “rose to 56” in December shows that investing capital in supporting the development of productive industry is a major factor in how the economy advances and that the budget backs the real economy in Scotland. The two things are linked.

Willie Rennie: Does Mr Gibson give any credit to the UK Government for contributing to the situation that he describes?

Rob Gibson: I am about to come on to the subject of renewable energy support, to which the Scottish Government has shown a solid and consistent approach. The attitude of the coalition in London on that is all over the place. Its wobbles have made it difficult for people to see the way forward and to make the long-term investments that are required in that vital industry.

In our discussions about the budget, we are talking about the long-term development of steady jobs and about making it possible for people to spend more money. Engineering is developing and the number of jobs can increase, as at the Global Energy Group in Nigg, in my constituency. Yesterday, an announcement was made about 300 jobs at Subsea 7 in Aberdeen and Wick for

work on a project for Shell's Fram development. When people are in permanent jobs, that allows them to spend money in the shops and creates the potential to take up the slack of people who have yet to get into work because of the worldwide recession and the UK Government's austerity projects.

In discussing the budget, it is important to recognise that the Scottish Government backs energy development to the hilt as one of the key means of going forward. The UK Government is left trailing.

I welcome the use of the fossil fuel levy surplus to establish a renewable energy investment fund, because the way in which the Green Investment Bank is being set up might not play to Scotland's strengths. I support renewable infrastructure development in the capital infrastructure plans, through which we are helping to create the potential in our ports, harbours and industries for the next stage.

My committee—the Rural Affairs, Climate Change and Environment Committee—deals with the rural development budget. In relation to education, I recognise that £56 million of our rural budget goes into research in the rural economy. That supports Scotland's Rural University College and research in many other parts of the university sector. That sector, the food and drink industry and the success of much of the rural economy will contribute to strength in the future, on which we are building in the budget.

The sustainable action fund will have £15 million, there will be agri-environment resources of £38 million and £1.7 million will be provided for research into peat rewetting, which I could not fail to cite and which has been welcomed by Stuart Housden, who is RSPB Scotland's director. He said:

“Good to see John Swinney outline”

Scottish Government

“spending on peatland restoration—for climate & biodiversity benefits”.

Such investment creates skilled jobs, such as those at the environmental research institute in Thurso. That gives it full backing as a hub for international support in developing initiatives. Young Scots are training to become the scientists of the future who will save the planet and help others in this country and elsewhere to do so.

The Opposition's approach of short termism is unbelievably blinkered.

The Deputy Presiding Officer: The member is in his final minute.

Rob Gibson: The changes that have been suggested would be fiddling while Rome burns. As

I said, the United Kingdom Government has been equivocal about Scotland's renewables potential, whereas the Scottish budget backs job creation for development in a developing economy, some parts of which I have described.

Under devolution, our reach is limited. What is the alternative when we are ruled by Austerity Osborne and Cost-cutter Cameron, who are holding Scotland back? The budget gives Scotland a sound, commonsense approach and will give people confidence in the SNP's competence on the road to full powers. This year, it is essential that we keep on track, because Scotland is moving forward and is moving in the right direction. With the budget, the SNP Government will back that to the hilt.

15:58

Helen Eadie (Cowdenbeath) (Lab): I empathise with the cabinet secretary—I have no doubt that the choices that he must make are extraordinarily difficult. However, members of the governing party have characterised Labour Party members in a totally unreal way. Ken Macintosh's opening remark was that we have more that unites us than divides us.

I dispute the reference to short termism. In its term of office up to 2007, the Labour Party introduced legislation that covered the type of intermodal rail connections that we do not have in this country. Airports in Zurich, Strasbourg, Munich and all over Europe have grand intermodal rail link schemes, but we do not have one in Scotland, which is a tragedy.

Stewart Stevenson: I acknowledge what the member has said, but can she name an airport anywhere in Europe, other than in Scotland, that failed to make a financial contribution to its connection to the rail network?

Helen Eadie: I will take note of that question and get back to the member on it, because it is possible that there have been such situations. Perhaps, as a former transport secretary, he knows about that.

I will be as constructive in my speech as I can be. I ask the cabinet secretary whether he will look at the paper concerning EU funding that was presented to the most recent meeting of the European and External Relations Committee. I really think that it would be worth his while to look at it because I am sure that every soul in the chamber is acutely aware of the fact that what we really need is new money. I acknowledge that it is impossible for the cabinet secretary to try to rejig the moneys that we have.

When I read about new money in the paper that I referred to, I was hit by several things. For

instance, why, since 2007, has the Scottish Government never applied for any moneys from the European globalisation fund? It could have had up to £500 million a year of new money from that fund to deal with large-scale redundancies, such as those at Hall's of Broxburn, on which Neil Findlay and his colleagues on West Lothian Council have worked so hard. As has been said in the chamber previously, £500 million would have made an enormous difference in relation to redundancies.

I ask the cabinet secretary not only to look at the paper that I referred to but to commission a high-status task force to consider European funding right across the piece. The paper presented to the European and External Relations Committee shows that £189.8 million is going a-begging in the EU civil protection fund. In that regard, I remember the major terrorist attack at Glasgow airport. How much money did we apply for from that fund to deal with that situation? We could also have applied to the EU solidarity fund, which has £75 million available to deal with natural or man-made disasters, such as flooding.

The green programmes that we hear so much about from our Green Party colleagues should be really high on our agenda, as they have rightly said. There is £450 million of funding going a-begging in the Marco Polo budget. The framework programme for research and development has £50 billion of funding, but we have applied for only £374 million. That is not because we do not have the brains in Scotland. We need a Government that shows leadership and is galvanised enough to get those with the best brains in Scotland to sit down together and apply for all the funding that I have described.

There are two strands of EU funding: fixed funding from the multi-annual financial framework, which we can do little about once it is agreed in Europe; and competitive funding, which is the funding that I am talking about. On the subject of billions of pounds of funding, I have heard time and again in the chamber, in committees and in cross-party groups about broadband, for which £28 billion is going a-begging across Europe. What are we doing to access that money for industry, research and academia?

Maureen Watt (Aberdeen South and North Kincardine) (SNP): On the broadband moneys, because I am a member of the Infrastructure and Capital Investment Committee, I can inform the member that she will find that the Government is accessing that money. However, on the other funding streams that she identified, can she tell us how much of that funding would need to be match-funded by money from here and where that money would come from?

Helen Eadie: Some of the money can be accessed directly through community initiative funding, which means that there would be 100 per cent funding. I do not know how many local authorities or voluntary organisations in Scotland have applied for that money, but I bring a message from Fife Council about such funding. When the council leader, Alex Rowley, met Jayne Baxter and other colleagues, he said that he would welcome the cabinet secretary making the money for shovel-ready projects money much more flexible and that his council would match that money pound for pound. How many local authorities across Scotland are doing that? Fife's Labour-led local authority is willing to match fund moneys from the cabinet secretary.

There is therefore much that we can do to be constructive. If I had nothing else to say today, I would appeal most strenuously to the cabinet secretary to establish a high-level, high-status working group to access the billions of pounds from Europe that I have described.

16:05

Mark McDonald (North East Scotland) (SNP): I am sure that Willie Rennie would expect me, as a former member of Aberdeen City Council, to be taking a keen interest in this budget. I, too, have spoken to the cabinet secretary, and I think that the explanation that he gave around the three-year funding settlement is entirely satisfactory. The alternative would require the whole funding settlement to be reopened with the Convention of Scottish Local Authorities. It is not only me who is satisfied. A recent front page of the *Evening Express* stated that there was a guarantee from the council administration that there would be no cuts in the coming financial year. That suggests not only that Aberdeen is receiving a good level of funding from the Scottish Government but that the previous council administration—on which I served, along with colleagues of Willie Rennie—left a good legacy due to its work on getting the council's finances back in order.

This is a budget that will deliver. It is a strong budget that delivers on the priorities that the Scottish Government has set out. The cabinet secretary has spoken about maintaining college places—we have made quite clear that we would maintain them at 2011-12 levels. We also have an emphasis on capital investment, and there is support for jobs and economic growth. However, members need not take my word for it; here are some of the remarks that were made after the cabinet secretary's announcement.

Robin Parker, of the National Union of Students, stated that the budget will deliver the "best student support package in the UK",

including the minimum income guarantee of £7,250, the protection of the education maintenance allowance, the protection of further education bursaries at the higher level—which NUS Scotland had been campaigning for—and no tuition fees.

Andy Willox, of the Federation of Small Businesses, stated:

"Having highlighted the need to support the private sector to create new jobs on the scale now required, we welcome the £15m youth employment initiative".

He also said that

"new capital spending is good."

Liz Cameron, the chief executive of Scottish Chambers of Commerce, said:

"Scottish businesses welcome John Swinney's stated objective of prioritising economic growth"

and

"the continued focus that the Government places on the maximisation of capital spending and infrastructure investment."

Even the Confederation of British Industry Scotland hid away in its press release a number of positive announcements on construction, tourism, skills and incentives for firms to recruit young people.

Finally, Michael Levack, the chief executive of the Scottish Building Federation, said:

"The additional boost the Cabinet Secretary has given to the capital budget today is hugely welcome."

He also said that the UK Government must do more to rectify the current problem of the cut in capital investment

"and demonstrate its own commitment to stimulating economic recovery."

I point out that that statement was made before the cabinet secretary outlined in December the additional capital investment that will be made as a result of the consequentials.

To say that there is no support for the work that the Scottish Government is doing flies in the face of the testimony of those individuals and organisations.

However, we cannot ignore the elephant in the room. Willie Rennie spoke about the impact of the UK budget on low-income families. I invite him to look at his own Government's budget figures, which show quite clearly that the budget policies that his party is supporting in government in Westminster are to the detriment of people on low incomes. When he does so, I hope that he will come back to the chamber and admit that the UK Government's budget measures will negatively impact on the lowest paid in our society and on low-income households.

We must also factor in welfare reform. One of the great misconceptions around welfare reform is that it does not impact on those in work. However, we have already heard a lot of evidence—in the Welfare Reform Committee and in wider society—that many people in low-income jobs rely on benefits as well as the income that they receive. There will be negative impacts on them as a result of UK Government policies. Although the Scottish Government can use its powers to mitigate those negative impacts to some extent, we simply cannot wipe them all out. Welfare reform will be detrimental, and Mr Rennie must surely accept that.

Willie Rennie: I hear what Mark McDonald says about welfare reform, but what would he do instead? What changes would he make? Has he any idea of the kind of welfare system he would have?

Mark McDonald: The first principle of any welfare system should be that it is based on fairness. I see no fairness whatsoever in the approach that is being taken, because it is driven not by a fairness agenda but by a cost-cutting agenda. I do not think that that should be the primary focus. Indeed, if the UK Government were to spend half as much time pursuing tax loopholes and tax avoidance as it spends pursuing the most vulnerable and lowest paid in society, it might find little need for some of its draconian measures. Instead, it is all too quick to approach those in our society who do not have big pockets and make them the scapegoats for its failed economic approach.

What says the Labour Party in this Parliament? I understand that being in opposition can be an easy gig; all Opposition members have to do is stand up and promise everyone the moon on a stick to make themselves popular. However, it is not enough for the Labour Party simply to turn round and say that more money should be spent on housing, further education, transport and local government through unidentified efficiency savings and underspends—oh, and the Ryder cup trip, or what Glasgow Labour calls a pay-off. That is its suggestion for resolving all the difficulties faced by the Scottish Government. Frankly, that is nothing more than the politics of dishonesty. Unless it has some proper proposals to bring to the table, no one is going to take Labour seriously.

16:11

Patrick Harvie (Glasgow) (Green): I will address some of the economic context of the arguments that have been put forward in the debate and then look at certain specific issues, including colleges and climate change.

J M Keynes has been mentioned a couple of times, including by some SNP members who seem to be using the economic stimulus argument to justify and back the cabinet secretary's decision to transfer resources from revenue to capital. However, in making that case, some of them have, almost in the next breath, gone on to talk about the constraints on a Scottish budget, the lack of an ability to borrow and the fact that this is not a real independent Government. They know that I agree with the conclusions that we would like to reach about having all those powers in this Parliament. However, the reality is that, within a fixed budget and without the ability to borrow, that investment in capital cannot provide the classic Keynesian stimulus that they are talking about. We have the amount of money that is available to us and we can choose how and how not to spend it.

The other difference from what I think Keynes was talking about is that in this modern and aggressively globalised, free-market and deregulated world there is much greater leakage from capital expenditure into other parts of the global economy. We do not get all the benefits. I do not share all Labour's arguments about the Forth road bridge—after all, it supported the deregulation, the globalisation and the approach to procurement that are part of the current constraints on us. Nevertheless, that leakage happens.

I am not saying that there is no case for such a transfer of resources and the emphasis on capital expenditure. If we were looking at a dramatic investment in social rented housing, for example—

Mike MacKenzie: Will the member give way?

Patrick Harvie: I see that Mr MacKenzie is back from the wee lie-down that he had to go for because he was so fatigued by the cut and thrust of all the interventions he took. I will certainly let him in.

Mike MacKenzie: Does the member accept the OBR figures that suggest that, as Mr Swinney outlined in his speech, capital expenditure gives a multiplier of 1 while revenue expenditure has a multiplier of 0.6?

Patrick Harvie: I have said that I accept that there is a case for the transfer if the investment is made in the right places.

In his own speech, Mr MacKenzie said that part of the problem with economic recovery was a failure of demand. Instead of such a massive transfer from revenue to capital, I suggest the alternative approach of spending a bit more on the public sector pay bill and ensuring that low-paid workers who deliver the public services that all of us in Scotland depend on get at least something closer to real-terms stability in their pay packets. That money would be less likely to leak out into

other countries and would benefit local economies right across Scotland. I simply say that there is a case for such a move.

A lower level of transfer from revenue to capital would also give us the ability to protect other priorities such as colleges. I emphasise to the cabinet secretary that the concerns about college cuts have been raised not just by the NUS or by the many hundreds of students from around the country who have emailed all of us over recent weeks. When there is agreement across all the Opposition parties, which approach the issue from different political standpoints but which all agree on the need to look again at the college cuts, I think that the cabinet secretary should listen to that pressure and make every effort that he can to give some ground on the issue. I urge him to respond to that point in his closing speech.

In my last couple of minutes, I will raise the issue of climate change. Just before the summer recess last year, it was announced that the Government had failed to meet the first ever annual target under the Climate Change (Scotland) Act 2009. We can debate whether that was all the Government's fault, whether the Government could have done more or whether it was all due to the weather, but the point is that an amendment or revision is required to the Government's existing programme of policies and proposals under the 2009 act. That revision is required as soon as is reasonably practicable after the failure to meet the target has been announced, but here we are in January and no revision has yet been made. Without that revision, and without knowing what the Government's short-term policies are to make up the lost ground and get us back on track for the climate change targets, it is impossible to know whether the figures in the budget document adequately fund the Government's own climate change policies given that we do not know what those are.

Hanzala Malik (Glasgow) (Lab): Will the member give way?

Patrick Harvie: Sorry, I am in my last few moments so I do not have time.

The Government still has time—just about—to make that announcement and lay the revisions before Parliament in advance of the stage 3 vote on the Budget (Scotland) Bill. Indeed, I hope that that will happen in advance of stage 2 scrutiny. If the Government is able to do that, we will be able to judge whether the climate change targets are adequately funded in the budget that is before us. Until that happens, it is impossible to know, so, at this point, it is impossible for anyone who prioritises that issue to vote for the budget.

16:17

John Mason (Glasgow Shettleston) (SNP): We all agree that it is disappointing that we are in this position, where we have so much that we would like to do in society but we do not have the resources to do it. This afternoon we have once again heard a lot of criticism but very few positive suggestions.

The ideas on where the money might come from have included: efficiencies; savings; underspends; a review of IT; and fewer spin doctors. Those ideas are all really about tinkering around the edges. I have been there before, as those were the kinds of things that I used to say as a member of Glasgow City Council if I could not think of a better amendment to the council budget.

Some of the other ideas, such as on the NPD programme, appear to be more serious. However, the point seems to have been missed that the funding for the NPD programme is ring fenced for particular projects. The fact that one project is postponed does not mean that the funding is available for another project, as we heard at the Finance Committee the other week. On the Edinburgh to Glasgow train links, the point again seems to have been missed that, if we can do something better than what was proposed and do it more cheaply, that is a better investment. The aim is not to spend money for the sake of it—

Mary Scanlon: Will the member give way?

John Mason: Let me just finish this point.

We need to spend the money for the best. If we can get a longer train running between Edinburgh and Glasgow, that is a good opportunity, which I suggest will also be better for the environment. It could also be a cheaper option and a better option.

Mary Scanlon: I thank the member for giving way. I am sorry that I ran out of time to give some of my options, but the Auditor General did make a suggestion in relation to the merger of colleges. Rather than see the money to colleges cut, we would have hoped to see some savings from economies of scale from those mergers—but the Auditor General could not find any.

John Mason: Mike Russell will have to answer on that for himself. He is adamant that there will be savings from mergers, although I think that everyone accepts that they will occur not in year 1 but later on. The City of Glasgow College is an example of that.

The question, then, is not whether we would like more money to create more jobs—we can all answer yes to that—but whether there is another way to use the money that is available to create more jobs. Frankly, we have heard precious little about that this afternoon.

To be fair, a few members have suggested options. The Equal Opportunities Committee and Patrick Harvie have questioned the move to construction, although for slightly different reasons, as the committee is concerned that it favours men rather than women. That is, at least, a real alternative.

To give Gavin Brown his due, we accept that he is happy to cut universal benefits and use the money for other things. By contrast, we have not heard from Labour that it would cut universal benefits and use the money for other things.

Claudia Beamish: Does the member agree that an expanded retrofit programme, as proposed by Scottish Labour, would help to tackle fuel poverty, address climate change issues and—going back to the point that the member made about jobs—bring jobs to the local economy?

John Mason: Yes, but my point is that we would all like to spend money on those things. Nobody disagrees with the member that those are great things—absolutely, we should retrofit tenement flats in my constituency—but where is the money to come from? We must accept that we face tensions and choices.

Since Parliament last met, I have twice been at events at the Lighthouse in Glasgow—on Friday and Monday. Patrick Harvie was the only other member who was at both events. On Friday, we considered women, economic policy and constitutional change. We talked about the tensions and what can be done about the widening gap between men and women when more money is being put into construction, although I am not sure that it is absolutely certain that that helps men. Yesterday, the Joseph Rowntree Foundation gave a presentation on poverty, at which we were asked what we would do in two years to cut poverty. That immediately creates a tension between the short term and the longer term. There are other tensions. Should we put more into housing and take money from other capital investment? If we are to put more into colleges, does that mean taking money away from universities?

The Government has attempted to switch expenditure to a preventative approach. That way of thinking is welcomed by all parties, especially in committees, but we must accept that, if we are successful with preventative spending, it will probably mean fewer hospitals and prisons in the long run. We must all accept that we should not be defending hospitals or prisons if they are not needed, and yet the Opposition parties have a tendency to squeal when anything like that is suggested.

Michael McMahon: Will the member take an intervention?

The Deputy Presiding Officer (John Scott): The member is in his last minute.

John Mason: I have taken two interventions already, which I think is enough.

From a Glasgow point of view, I welcome the investment in the Commonwealth games and the office development at the Clyde Gateway, which aims to build up jobs in the east end. That is welcome.

It is always possible to suggest improvements to the way in which any Government decides to spend its money, but the Government's approach is in stark contrast to that of Glasgow City Council, which seems to be in a muddle these days. It was absolute madness to suggest spending £15 million on George Square when everyone else is tightening their belts. For the Labour councillors who run the Glasgow East Regeneration Agency, a charity that aims to help a needy area, to pay £500,000 to its chief executive is bordering on criminal.

The Deputy Presiding Officer: You should be drawing to a close, please.

John Mason: We have not heard any better suggestions, so I am more than happy to support the budget.

16:23

Margaret McDougall (West Scotland) (Lab): I will focus on housing, as the housing budget has been hit harder than any other.

The overall housing budget has gone from £1.3 billion in 2010 to 2012 to £770 million in 2013 to 2015, which means that house building will fall from 22,205 units to 18,000. No one can argue with the fact that that is a significant cut, and yet housing is expected to generate about £3 billion of economic activity and support up to 8,000 jobs each year, directly and indirectly, across the Scottish economy.

Much more could be done if the whole £331 million in capital spend that is available through the autumn statement consequentials was put into the housing budget in the next two years. That would do more to stimulate the economy and to move thousands of people into employment.

Kenneth Gibson: Does the member therefore believe that the £5.2 million that John Swinney has allocated to the Irvine Bay Regeneration Company should not go to it, but should instead be allocated, as Mr Macintosh suggested, to NPD projects?

Margaret McDougall: That should be paid through the Scottish Futures Trust. [*Interruption.*] I will not be lectured on housing by certain SNP members. In the statement that John Swinney

made today, his response to the Finance Committee on housing was a total of eight lines. That is how much the SNP thinks about housing.

The affordable housing supply budget faces a considerable cut. It is going from £235.5 million to £196.2 million, which is a total cut of £39.3 million, even when we take into account the additional £50 million Barnett formula money that was announced just before Christmas.

According to the Infrastructure and Capital Investment Committee report to the Finance Committee,

“The cut in housing capital is larger than the overall cut to capital spend in Scotland in the current review period”.

Mike MacKenzie: Will Margaret McDougall give way?

Margaret McDougall: I am sorry, but I have taken one intervention and do not have time to take another.

Although the draft budget goes a little way to improving the situation, the cuts to housing still remain higher than average.

The budget could also be devastating to housing associations, which are already struggling to fund new projects due to the cuts to the current housing association grant from £70,000 to £40,000 a unit. Many housing associations have argued that that level of HAG funding is unsustainable. It is all very well to say, as Alex Neil did last year, that housing associations should spend their reserves, but they can do that only once.

I agree with the Infrastructure and Capital Investment Committee, which called on the Scottish Government to review the HAG level and set out alternatives so that housing associations do not fall below planned development levels, which would jeopardise their sustainability.

According to the Scottish Federation of Housing Associations, small housing associations or those in rural areas simply cannot afford to develop with the lower grant levels. It is more costly to build in rural areas, and the cost of loans is more expensive for smaller associations because lenders are less willing to lend or the rates are prohibitive. That means that, in the vast majority of cases, development just stops, which leads in turn to a shortfall in housing stock in the areas that need it most.

With councils being cash strapped, cuts being made to HAG and lenders being risk averse, it is hard to see how we will achieve affordable housing building targets. However, according to Government figures, in the first year of the affordable housing programme, the target of 6,000

was exceeded by 800. That could be because the data is being presented differently.

Shelter notes:

“overall the number of starts has fallen from 4,800 in 2010-11 to 3,366 in 2011-12. Given the lag time in all that, I think that we are heading for a cliff edge with regard to new completions in the next few years.”

We need to be confident that we have the exact figures, so we need more transparency in the way that the figures and the associated data are collected, counted and presented. We need sufficient breakdowns of starts, completions and their timings to ensure that there is no double counting.

I could say much more on the travesty of cutting the housing budget so severely. We need a housing budget that is more sustainable, will stimulate the economy through the construction industry and will provide much-needed apprenticeships for young people, for which the industry is crying out.

We need to review HAG funding so that housing associations can build homes for those who are most in need where they are needed. We need to build houses, particularly to address the mismatch of housing that councils and housing associations face. We need to extend the retrofit programme to make houses more efficient and reduce fuel poverty.

This budget, which cuts the housing budget by higher than average, will not do that.

16:29

Jean Urquhart (Highlands and Islands) (Ind):

I will use the time that I have in this stage 1 debate to reflect on the difficult choices that the cabinet secretary and the Government have faced in preparing the budget.

I am mindful of Professor David Bell's conclusion in his report on the budget back in September:

“The Cabinet secretary is largely constrained by the settlement from the UK government, which in turn reflects its policy towards the UK's current fiscal deficit.”

In the face of those constraints, and as I said in the Finance Committee debate on the draft budget before Christmas, I fully support the cabinet secretary's budget for 2013-14 and the choices that he has made. We do not have the flexibility of normal countries as our budget is handed to us from on high. For example, restoring money to our colleges would mean cuts elsewhere—cuts that others have failed to outline or propose. In many instances, the choice that we have is Sophie's choice, where money that could be used in so many different areas cannot be allocated to them all.

I was pleased to see the cabinet secretary's thoughtful and considered written response to the Finance Committee's report, which was debated in the chamber on 20 December, as the response answered many of the points that were raised in our report. I was particularly heartened by the information that the Government outlined on the economic impact of public sector investment in next generation broadband, with almost 14,000 indirect jobs being created between 2013 and 2028. That might seem a long period of time, but the ambition is welcome.

As a Highlands and Islands representative, I very much welcome the cabinet secretary's recognition of the need to deliver improved connectivity in areas where next-generation speeds are not yet possible. A reliable broadband service in the Highlands and Islands is the greatest gift that the budget could deliver to the region, as it would open up opportunities for small and medium-sized enterprises that are currently at a disadvantage due to their geographic location. It is no use having superfast broadband in Kilmarnock if Kiltarlity does not even have a dial-up service. The Government's commitment to all parts of Scotland is to be lauded.

I was also glad to hear, in response to recommendations that were made by the Economy, Energy and Tourism Committee, more details of the work that the Government is undertaking on public procurement. As Jim and Margaret Cuthbert attested to in their evidence to the committee, Germany's strategy of breaking down larger contracts into smaller chunks to enable small and medium-sized enterprises to bid for them is eminently sensible. Given the preponderance of SMEs in the Scottish economy, I am keen for the Government to continue to consider the idea as part of its bid to make the most of what we have.

As a member of the Finance Committee, which agreed its report on the budget, I hoped to see the helpful and constructive tone of our evidence-taking sessions extend to the chamber. I think that, in taking evidence from various organisations and other committees, every member of the committee was acutely aware of the difficult decisions that are being faced in these difficult times. I am convinced that the cabinet secretary has produced the best possible deal for Scotland, but I look forward to hearing positive, constructive and costed suggestions from the Opposition parties on how they would propose to improve it.

The Deputy Presiding Officer: We now move to the closing speeches and I call Gavin Brown. You have six minutes or thereabouts, Mr Brown.

16:33

Gavin Brown: Thank you, Presiding Officer. I will respond to a couple of points that were made in the debate before I move on to focus specifically on the NPD model, which really ought to be examined more closely than it has been in some of the soundbites that we have heard thus far, particularly in responses from the Government members.

We heard an interesting contribution from the convener of the Finance Committee, Mr Kenneth Gibson, who was back to his best angry form in contrast to the conciliatory speeches that he has given in recent weeks. I want to respond to one point that he made. He said that a £7 million increase from the UK Government for next year's budget hardly represents generosity. I simply point out that, when he and every other back-bench MSP in his group talk about savage cuts the likes of which we have never seen before, it is worth noting that there is a cash increase in next year's budget.

On top of that, if we look at total Scottish Government spend next year, we see that the figure is just over £34 billion. Let us compare that £34 billion with the £32 billion that the SNP Government had during its first full year in 2008-09. Although this budget would have been higher if things had been better and inflation had been taken into account, there is still a £2 billion increase.

Kenneth Gibson: Will the member give way?

Gavin Brown: I have namechecked Kenneth Gibson so I feel obligated to take an intervention from him.

Kenneth Gibson: Mr Brown makes a ludicrous point. We have had inflation over that period of up to 5.2 per cent a year, so it is almost like saying that, because people were carrying their wages about in wheelbarrows in the years of the Weimar republic, they were much better off because their cash income had increased. Surely it is real terms that matter.

Gavin Brown: I merely make the point to reflect that a £2 billion increase can hardly be described as "savage cuts", as Kenneth Gibson and most of his colleagues try to put it.

College cuts also featured heavily in speeches across all parties in the chamber, apart from the Scottish National Party, whose members all seem to be very happy and satisfied with those cuts.

Chic Brodie was particularly helpful to the Opposition cause when he said that those who complain are simply "bleating" about cuts and shouted out, "I say this"—with some kind of pseudo-profundity—"any country that does not change and manage efficiency will die." If the

cabinet secretary listens to Opposition members and increases the colleges budget, will Mr Brodie go along with that and welcome it at stage 3 of the budget, or will he criticise Mr Swinney for listening to those who were bleating during the course of the debate?

Let us return to the NPD model and to capital spend. This Government has talked a very good game about capital spend for the past couple of years, but it has not been quite so strong on delivery. In September, when the budget was announced, the cabinet secretary not only failed to tell us that things had been delayed—not by months, but by years—but he actually said that he was “accelerating” NPD. Not only was the NPD pipeline delivering but he was accelerating what the pipeline was achieving, which is a curious interpretation of “accelerating”.

The cabinet secretary went on to say that he is “not disappointed” at all with the results and that the NPD model is so good that others want to copy it.

In response to the Finance Committee yesterday, the Scottish Government quite rightly made the point that an

“additional £100 million of capital spending supports around 1,400 jobs in the Scottish economy”.

How does that compare with the figures on the ground? In 2011-12, the Scottish Government said that £50 million to £150 million would be spent through the NPD pipeline. How much was spent? Absolutely nothing. I ask the cabinet secretary: based on his £100 million figure, how many jobs did the inactivity and sloth-like performance of the Government cost the Scottish economy?

In 2012-13, the Government said that approximately £350 million would be spent. It turned out that that figure would not be £350 million but £20 million. Of course, last week the Finance Committee heard that it might not be £20 million in practice—it remains to be seen. If we get £20 million instead of £350 million, how many jobs will that cost the Scottish economy?

We have had every excuse under the sun for that inactivity: allegedly, it was the Aberdeen western peripheral route but, from the Government’s response to the Finance Committee yesterday, that turns out not to be correct. We heard Kenneth Gibson say that everybody knows that it takes 18 months for an NPD project to come on site—everybody apart from the Scottish Government, it would seem. The NPD pipeline was announced in November 2010, which was 26 months ago. In that time, we saw nothing in the first year, we saw £20 million in the second year and next year it is predicted that, at best, we will see about half of what the Government projected.

That is not good enough. This Government has some significant movement to make over the next couple of weeks before stage 3.

16:39

Rhoda Grant (Highlands and Islands) (Lab): I agree with much that has been said in the debate. I believe that the UK Government is not managing the economy correctly and that austerity is not working, but neither are the SNP Government’s policies. John Swinney says that this is a budget for employability and recovery, but it encourages neither. The SNP cannot insist that its budget will create jobs and provide economic growth and then blame the UK Government when it fails to do either.

We have asked again and again for investment in housing, because it creates homes, jobs and economic growth. That is what the cabinet secretary said this morning. I agree with what he said, and it is worth repeating.

In its manifesto, the SNP promised 6,000 socially rented houses per annum. From Mark McDonald’s comments earlier, I gather that that may have been wanting the moon on a stick. The SNP has not provided 6,000 new socially rented houses per annum; indeed, it has cut housing funding by £66 million in the past year.

Housing benefit changes at the UK level will mean that we will have a shortage of smaller houses that will be affordable to rent. Neil Findlay pointed out that, with those benefit changes, people face losing their homes, but we are not building homes to take their place.

Margaret McDougall mentioned Shelter’s comments. It said:

“we are heading for a cliff edge with regard to new completions in the next few years.”

It talked about the fall in the number of completions between 2010-11 and 2011-12, which is a huge number if we want to meet the need.

Margaret McDougall also spoke about the cuts in the HAG. That means that it will be more expensive—in fact, it will be almost impossible—to develop houses in rural areas. The same is true for houses with disabled access, which are much more expensive to build. Margaret McDougall talked about a drop in the HAG from £70,000 to £40,000. I know from experience in my Highlands and Islands constituency that houses in rural areas—small units without economies of scale—could have previously qualified for up to £120,000 in HAG, which made them affordable to build. That is now missing. Indeed, housing associations in the area cannot even put in a bid to build new houses.

We also need to use housing funding for retrofits, not only for our carbon targets, which we have to meet. We need to invest in renewable energy generation and to deal with demand if we are going to meet those targets.

We must look at fuel poverty, which we can tackle only by dealing with demand. The Government used its majority in the Economy, Energy and Tourism Committee to commit no less than £100 million to be spent on fuel poverty. The non-governmental organisations in the area were clear that, at the very least, £200 million needed to be spent, but the Government was not willing to spend even that £100 million within its own budget. Indeed, there has been a cut.

Kenneth Gibson: Rhoda Grant mentioned £100 million to tackle fuel poverty. Mr Macintosh talked about underspends, savings and efficiencies. How much would be raised by those measures? What would that be spent on in its totality, other than on fuel poverty alleviation?

Rhoda Grant: I am sorry, but I did not pick up what the member said. Will he repeat it?

Kenneth Gibson: I apologise if I was not clear.

Mr Macintosh was quite vague on resources. He said that money would be raised through underspends, savings and efficiencies. How much would be raised through those methods? What would it be spent on, other than £100 million being spent on fuel poverty alleviation?

Rhoda Grant: Mr Macintosh was very clear about where the efficiencies would be spent. That would be on education. Housing money would come from the budget consequentials. He was very clear about where the spending was coming from in his opening speech, which I will not go back over.

We need housing to create jobs. Construction can lead us out of the recession, but we need to create jobs to do that. We also need to create apprenticeships for young people, and we need to ensure that the procurement of socially rented housing is carried out properly so that we gain the full impact of the jobs. That is why we must invest in housing. We must do so to create jobs and sustainable homes, and deal with fuel poverty.

We have talked about investment in education. One in four young people is out of work, but there are 80,000 fewer college places. We need to replace the £34 million in the college budget and we need to create jobs for young people and ensure that they have the skills to fill those jobs.

The Economy, Energy and Tourism Committee asked the cabinet secretary whether his policies were working to deal with youth unemployment and whether the college funding and his funding to

support youth employment were creating jobs for young people. His answer was:

"It is always difficult to assess the contribution of individual policies to improvements in employment".

The truth is that the cabinet secretary does not know whether his policies will deliver one job, so that was a very worrying statement, especially when he says that this is a budget for employment.

Helen Eadie mentioned EU programmes that were not being drawn down, one of which is the youth in action programme. Surely that could be used for youth unemployment, because although €885 million is available to be drawn down, only €2.5 million has been drawn down.

We need to address college funding. As Mary Scanlon said, college education addresses inequalities. It also gives young people the skills that they need to find jobs. What was clear from the evidence that the committee received was that young people who were gaining jobs were overqualified for those jobs, while those without skills were destined to a life of unemployment.

Roderick Campbell (North East Fife) (SNP): We have not heard much so far about the capital estate. At the Justice Committee, we heard that there is a £57 million capital maintenance backlog in the Scottish estate. I am not sure whether the Labour Party supports the additional £10 million that is being put towards the capital estate budget.

Rhoda Grant: That is another thing that NPD should address. On that point, it is interesting that the NPD budget is being cut by £333 million in 2012-13 and by £348 million in 2013-14, but is increasing by £199 million in 2014-15; I dare say that that coincides with another event that year. If that is the case, it is brutal that the Government is playing politics with people's jobs and capital investment in this country. Reinstating the cuts to the Edinburgh to Glasgow improvement programme would communitie out of Network Rail's regulatory asset base, not the Scottish Government's budget, yet the Government refuses to do that, again failing economic growth.

As other members said, improvements to connectivity would improve the local economy.

Kevin Stewart (Aberdeen Central) (SNP): Will the member give way?

Rhoda Grant: No. I have taken many interventions and I have much to cover.

I refer the cabinet secretary to Helen Eadie's interesting speech. She went through a range of funding packages available through Europe that the Scottish Government could have drawn down. Although that is funding that may need match-funding, it is already being paid out of the Scottish

budget. Had the Government matched that funding with European funding, it would have freed up income for use in other projects. We are losing out and I urge the cabinet secretary to take up Helen Eadie's recommendation that he form a task group to look at that.

We looked at local government and business rates. I heard the cabinet secretary say in his opening speech that he would give business rates relief on empty new-build properties. However, he has cut business rates relief on existing empty properties. I am not quite sure how he squares that circle. Maybe he needs to make sense of that policy so that we understand where he is coming from.

We want a budget for jobs, growth and fairness but the SNP is only cutting housing and calling for a written constitution in which people have a right to a home. I believe that having a home is a human right and that the Government should put money in the budget to provide for that. Actions speak louder than words.

16:49

John Swinney: In the debate on the Finance Committee's report that took place just before the Christmas recess, I made a point, which was largely inspired by the contribution of my colleague Jean Urquhart, about the importance of ensuring that the nature of our contributions to this debate reflects the seriousness and substance of the issues that we wrestle with about the public finances.

Jean Urquhart has again reminded Parliament of that fact. It might have been helpful if she had spoken significantly earlier because that might have enhanced the quality of the debate. The debate has not been particularly enhanced by some of speeches about the choices that we face. Plenty of folk said that we have difficult choices to make—I wrestle constantly with those difficult choices—but if members are to present alternative choices, those proposals must last an afternoon's scrutiny before we get anywhere near to putting them into a budget proposal.

I am sorry to say—I am not normally pessimistic—that the quality of the debate reached a new low when Margaret McDougall said that the importance that the Government attaches to the housing issues is demonstrated by the fact that we only spent eight lines talking about it in the response to the Finance Committee report. If we are now to be judged by the number of words that we use to indicate how important a particular issue is, we have reached a new level of total absurdity and banality.

A more substantial and interesting speech came from Helen Eadie. I assure Mrs Eadie at the outset

that the Government takes seriously accessing European Union funds and endeavours to maximise the accessibility of those funds. I do not, for a moment, suggest that there is not a programme or a project in which other approaches or ideas could be developed, so I assure her that the Government will look carefully at the material that I am aware has been presented to the European and External Relations Committee and consider any issues about how we might strengthen our approach to accessing European Union funds, should such opportunities arise as a consequence of that scrutiny.

Mr McMahon's was another speech from the Opposition that was quite interesting. He quoted the SCVO reflection on the debate that it was important to marshal a long-term and holistic view of the economy. He will not be surprised to hear that I consider that the Government has a long-term holistic view of the economy. In essence, that has been created by establishing a Government economic strategy in 2007, sticking broadly to that direction of travel—I will come on to the principal areas of activity in that strategy—but being willing to challenge that and to reflect on its contents, given the changing circumstances that we have faced since 2007.

That holistic view of the economy recognises, first, that capital investment is vital to create stronger economic infrastructure that is of long-lasting benefit to the country; secondly, investment in skills and educational development capabilities in our country, which is central to the Government's proposals; thirdly, an agenda on public sector reform, to ensure that our public services remain sustainable, which is what our preventative spend agenda, the integration of public services at local level and the person-centred approach in our public service are all about; and fourthly, the encouragement and nurturing of a dynamic third sector, particularly in social enterprise activity, becoming a more significant player in the delivery of our public services. Those are what shape and inform the Government's agenda and why I consider that the proposals that are in front of Parliament reflect a budget that is focused on growth.

Of course, the debate has concentrated on some of the criticisms and arguments that have been advanced by others, too. Mary Scanlon made a heart-felt plea—as she does often and consistently—about health maintenance. In February last year, the Government allocated an additional £60 million over three years to support health maintenance; in June 2012, we accelerated £15 million into 2013 from the 2013-14 budget, and we added a further £10 million of maintenance activity into the health service.

I point out to Mrs Scanlon, as gently and delicately as I can do, that our ability to invest more in NHS maintenance would be assisted if I was not wrestling with the 26 per cent cut in the capital budget that is given to this Government by the UK Government. I say that not to make a pejorative comment but to demonstrate that difficult choices have to be made. Members might suggest that there is an easy way to magic away difficulties, but when we are wrestling with such funding cuts things are not so straightforward.

Mary Scanlon: I was the only member who raised the issue, which came up in the Public Audit Committee. The director general for health does not regard the maintenance backlog as a difficult choice. He such asys:

“High risk elements must be addressed as an urgent priority in order to prevent catastrophic failure, major disruption to clinical services or deficiencies in safety liable to cause serious injury and/or prosecution.”

That is not a difficult choice but a top, urgent priority.

John Swinney: Perhaps Mrs Scanlon's Government should have thought about that when it was axing the Scottish Government's capital budget.

That brings me on to suggestions that Labour members advanced. Ken Macintosh argued that we should allocate £330 million of capital consequentials that we received from the UK Government to housing. If we were to put all that money into housing, a whole range of projects would have to go by the wayside, such as the £45 million of local government expenditure. Mrs Eadie encouraged us to give resources to local government so that it can match-fund capital investment by the Government. That could not happen if Mr Macintosh had his way and the £45 million was taken away from local government.

What about the money that has gone into cycling infrastructure, about which members are always writing to Mr Brown and me? Should that be taken away? What about the money for trunk road maintenance? Members are always asking us about that, too. What about the investment in the further and higher education sector, about which I thought that all members were concerned? What about the regeneration projects in Dalmarnock, Irvine and Ardrossan? What about the Clyde Gateway? Should we just not give the money to that project, about which members are always asking us? Would Mr Kelly enthusiastically support the withdrawal of money from the Clyde Gateway project, with all that that generates?

Members want us to increase resources for the Edinburgh to Glasgow improvement programme. Rhoda Grant came out with a magnificently sophisticated financial analysis when she said that

the money does not come from the Scottish Government's budget. You bet it comes from the Scottish Government's budget! The reason it comes from the Scottish Government's budget is that we have to pay back, in revenue finance, all that investment. Perhaps that is what the Labour Party was thinking when it lumbered us with £983 million in repayments every single year from PFI, when it was splashing the cash and not thinking about who would pay for all that.

Ken Macintosh: I remind Mr Swinney that borrowing against the rail regulatory asset base was the SNP's election manifesto promise, not Labour's. We are simply asking him to deliver on his election manifesto promise. I ask him this: has the NPD budget been cut, or has it not been cut? Has it not lost more than £300 million in each of two successive years? Could not that money be used to fund the long list of projects that Mr Swinney said could not go ahead if our demands were met?

John Swinney: Thank goodness Mr Macintosh is not in charge of our finances, given that intervention. The NPD programme has not been cut; there will be £2.5 billion of NPD expenditure. The revenue costs associated with supporting that will be delivered, along with the PFI repayments that I inherited and the RAB payments that we must make, within the 5 per cent threshold of our revenue budget that is allocated to support revenue finance projects. Who introduced that 5 per cent cap? I did, because no one before me had even bothered to think about putting in a revenue cap to protect our long-term budget, as this Government has set about doing.

I want an open debate with colleagues about how we resolve such questions—Mr Rennie captured that fairly and squarely. However, we have to ensure that we are dealing with the reality of the situation. A balanced budget is in front of the Parliament. If members want to suggest alternative choices, I am happy to consider them. However, as Mr Macintosh has demonstrated today, those alternatives will have to last for more than a couple of hours in an afternoon. They must be able to make their way into legislation, to produce a robust, balanced budget, as the Government has done and always will do.

Decision Time

17:00

The Deputy Presiding Officer (John Scott):

There is one question to be put as a result of today's business.

The question is, that motion S4M-05407, in the name of John Swinney, on the Budget (Scotland) (No 2) Bill, be agreed to. Are we agreed?

Members: No.

The Deputy Presiding Officer: There will be a division.

For

Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 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)
 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)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Finnie, John (Highlands and Islands) (Ind)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)
 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)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (North East Scotland) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)

Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 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) (Ind)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Against

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Baxter, Jayne (Mid Scotland and Fife) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hume, Jim (South Scotland) (LD)
 Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Malik, Hanzala (Glasgow) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McArthur, Liam (Orkney Islands) (LD)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McInnes, Alison (North East Scotland) (LD)
 McMahan, Michael (Uddingston and Bellshill) (Lab)
 McMahan, Siobhan (Central Scotland) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stewart, David (Highlands and Islands) (Lab)

Abstentions

Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Harvie, Patrick (Glasgow) (Green)
 Johnstone, Alex (North East Scotland) (Con)
 Johnstone, Alison (Lothian) (Green)
 McGrigor, Jamie (Highlands and Islands) (Con)

Milne, Nanette (North East Scotland) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)

The Deputy Presiding Officer: The result of the division is: For 66, Against 41, Abstentions 12.

Motion agreed to,

That the Parliament agrees to the general principles of the Budget (Scotland) (No.2) Bill.

Safer Social Networking for Children

The Deputy Presiding Officer (Elaine Smith): The final item of business is a members' business debate on motion S4M-05318, in the name of Alex Johnstone, on safer social networking for children. The debate will be concluded without any question being put.

Motion debated,

That the Parliament acknowledges the work done by organisations such as respectme to highlight and combat cyberbullying; understands that one survey of children and young people in Scotland found that 16% of respondents thought that they had been cyberbullied, with 63% stating that the aggressor was known to them and also found that 25% of respondents were concerned about cyberbullying online, and commends Mr Jamie Tosh of Arbroath, whose daughter's experience of cyberbullying has led him to develop Kibooku, which he believes provides a safe social networking experience for children and young people.

17:02

Alex Johnstone (North East Scotland) (Con): Many of us who grew up before the advent of the internet view the worldwide web as a tool that we can use to communicate or to do research. In our leisure time, we might use it to download a television programme that we have missed or a film that we would like to see, or perhaps to buy something that is not readily available on the high street.

However, for young people, the worldwide web is more than that; it is a virtual place. It is a space that they can spend time in and meet up with friends, in the same way as they can when they meet up in person. Research shows that children and young people do not differentiate a great deal between friendships online and friendships in person.

However, young people can be bullied in person, but can be equally vulnerable to bullying or other kinds of sinister behaviour online. In some respects, online bullying is worse. Previously, when a child came home from school and the front door closed behind him or her, they were safe from their tormentors. Now, bullying can continue in the form of cyber-bullying, which Scotland's anti-bullying service, respectme, tells us was emerging as far back as 2007. Respectme also found that children and young people are online almost every day, with research from the Office of Communications showing that 91 per cent of children aged between five and 15 live in a household with internet access, with personal computer or laptop internet use at home running at 65 per cent of five to seven-year-olds.

Ofcom's research also showed that parents have relatively low levels of concern about

different aspects of their children's internet use, with fewer than one third of those who were asked saying that they were "very concerned" or "fairly concerned" about their children giving personal details to inappropriate people and 27 per cent being concerned about cyber-bullying. However, the research by respectme showed that 16 per cent of the children or young people who were questioned said that they had been cyber-bullied and that 25 per cent of them worry about it.

Awareness of this important issue—which, as we know, can ultimately have tragic consequences—is growing, but awareness campaigns and media coverage are showing that there is no room for complacency. More must be done to ensure that parents who want to know where their children are and whom they meet when they go out also know the same things about their children when they go online.

Recently, I was delighted to meet Mr Jamie Tosh from Arbroath, whose daughter had been a victim of cyber-bullying. He decided that it was imperative that a safe online environment be provided for children who are too young to join other social networking sites, but who feel the need to do so in order to communicate with their peers. Mr Tosh—who is listening to the debate from the gallery—has invested a lot of his own time and money in such a site, which is called Kibooku, and I commend him for his hard work.

Kibooku is a social networking site that is aimed solely at children from the age of six and upwards. It is innovative in the way that it requires parental monitoring of their child's activity at least every two weeks. Crucially, it also verifies the identity of the adult, thereby providing a strong disincentive to adults who might attempt to log in for inappropriate reasons. Members and staff will have the opportunity to gain first-hand experience of the site and an explanation of how it works in the middle of the day tomorrow, when Mr Tosh will be in Parliament to demonstrate it.

I believe that such innovations will ultimately play a substantial role in keeping our children and young people safe online, but we must all work together to help deliver the positive experiences that we want our young people to have. Of course, politicians have a role to play in that. Businesses, too, can and do contribute, but the internet is an exceptionally difficult place to police and it is vital that we encourage parents and responsible adults to engage positively with children and young people to keep them safe in the virtual world that is so important to them.

When we discuss issues in the chamber, it is quite common for us to ask questions to which we seek answers and to air problems for which we worry that there might never be solutions. Tonight

and tomorrow, we have the opportunity to take a problem and look at a possible answer to it.

I beg support for the motion in my name.

The Deputy Presiding Officer: The debate is quite popular, so I ask that speeches be kept to four minutes, please.

17:08

Graeme Dey (Angus South) (SNP): We are told that 55 per cent of children and young people access the internet every day, and that 53 per cent are online for up to two hours daily, so creating a safe environment in which they can do that free from the risk of bullying, or of being targeted by inappropriate adults, is hugely important.

Bullying of any kind can be a devastating experience for a child, and anyone who has had or has worked with kids knows just how cruel—often without their entirely realising the pain that their words or actions can cause—they can be to one another. For three years while my son was completing his primary school education, I coached football as a parent helper, and was taken aback by how nasty otherwise decent children could, on occasion, be to each other.

Seven years on, with the internet having exploded in the intervening period, we have seen the emergence of cyber-bullying. In a recent parentline survey, almost 19 per cent of parents revealed that their children had suffered some form of cyber-bullying. In a Children 1st survey, 79 per cent of respondents considered cyber-bullying to be an issue and 29 per cent of them revealed that their kids had fallen victim to it. In a survey of 2,500 young people that BeatBullying carried out, 50 per cent of respondents said that they had been cyber-bullied and 11 per cent admitted to being cyber-bullies.

There is, undoubtedly, an online bullying issue to address. Sadly, we must also face up to the fact that a threat is posed to youngsters by some unsavoury older people. The scale of that might be hard to quantify, but in some respects the scale is irrelevant. If one child is liable to be under threat from such advances, we have a responsibility to try to stop that.

I understand that those who facilitate standard social networking sites are not altogether exercising the level of responsibility that we might expect. Facebook, which is reckoned to be visited by 68 per cent of young internet users, is an example of a social networking site that is extremely easy to join. It does not verify the date of birth that is provided, so a youngster can claim to be in their late teens and gain full access to Facebook and its services. As users can send

messages anonymously, the problem of trolling very much exists.

I have only a basic understanding of the services that social networking offers, but a friend who is in their mid-20s and who possesses a decent grasp of Facebook tells me that even an individual who is well versed in the service can be caught out in managing privacy arrangements. A short time ago, Facebook initiated changes to its privacy rules that require every user to go to their settings and reset all the restrictions that they had set before. My friend was unaware of that requirement and assumed that their photos, posts, interactions and information would remain accessible to friends only. It turned out that several profile sections, including all photos, were visible to anyone. That highlights how easy it is to access a stranger's profile and for strangers to find out personal information about people. That is bad enough for adults, but what about kids?

The advent of Kibooku, which the motion highlights, is therefore extremely welcome. As parents, we have all been subjected to the pleading of our children when they are desperate to be the same as their pals; we have all had to endure the pressure that comes from the well-worn phrase, "Everyone else gets to, so why can't I?" A number of parents cave in on social networking and allow their kids to lie about their age in order that they can sign up. Parents believe that, if they befriend their children on a site and occasionally check on what their children are doing, that will be fine, but that might not be the case. That is why a system that is designed with kids and their safety in mind is to be welcomed.

After looking at the safeguards that Kibooku offers, I think that the question is not so much why people would sign their children up to it as why people would not sign them up to it. The fact that it allows children in the six-to-13 age bracket to access social networking only with parental controls in place, which include monitoring friend requests and private messages, makes the site a no-brainer. I say that not because Jamie Tosh—Kibooku's creator—is a constituent of mine, but because all of us support ensuring that youngsters can participate in social networking in a protected environment.

I thank Alex Johnstone for bringing this important matter to the chamber for debate and I add my support for the motion.

17:12

Anne McTaggart (Glasgow) (Lab): I welcome the opportunity to speak in this members' business debate on safer social networking for children and I thank Alex Johnstone for securing the

opportunity to consider such a serious issue of our time.

I was shocked to discover from statistics that the number of young people who have fallen victim to cyber-bullies in recent years is not only alarmingly high, but is increasing. That form of bullying can have a devastating effect on a child's wellbeing and can lead to depression and anxiety. I have been troubled to hear that, in some extreme cases, young people have taken their own lives. As the mother of three children, I identify with the concern of parents and carers that their children could be at risk of being targeted through emails, texts or social networking websites.

It is crucial that we help to raise awareness of cyber-bullying among those who look after children, so that they are aware of potential signs of bullying via texts or the internet. As do my colleagues who have spoken, I commend the work of respectme in its most recent anti-cyber-bullying campaign, which offered advice on how to handle cyber-bullies. I welcome the fact that the Scottish Government is represented on the United Kingdom Council for Child Internet Safety, which discusses cyber-bullying along with other aspects of internet safety.

In a survey of more than 2,500 young people by BeatBullying, 50 per cent of those who were questioned said that they had been cyber-bullied and—worryingly—29 per cent had told no one about being cyber-bullied. Parents and carers must look closely at the online activity in which their children engage.

Children 1st has an excellent "Twelve Top Tips" guide that is definitely worth reading and which is available on its website as part of its "See. Hear. Speak. Act on sexual abuse" campaign to protect children. BigAmbition Scotland states that if a teenager or young person perpetrates cyber-bullying, it is common for them to lose their internet service provider or instant messaging account for violation or misuse of the service. It is important to consider that point.

I want to highlight, too, Glasgow City Council's efforts on its anti-bullying policy, which now requires all discriminatory behaviours in education establishments to be recorded and reported. To recognise that online bullying can be just as harmful as bullying in the playground is a step towards dealing with the issue and helping to prevent it.

It is a joy to hear of young people leading the way in combating cyber-bullying, as in the case of children in Gallowhill primary school in Renfrewshire, who set up a social enterprise called Support Me, through the social enterprise and skills programme. That anti-cyber-bullying business has been so successful that it has won

an award for its workshops. I believe that that example shows that the issue must be tackled by adults and children working together. We need to encourage and give credit to all campaigns that attempt to make the internet a safer place for children. In raising awareness in that way, we can try to limit the detrimental effect that the internet can have on young people in our communities.

17:16

Mark McDonald (North East Scotland) (SNP):

The internet is a fantastic resource that has opened up opportunities for communication and knowledge sharing that most people would never have dreamed were possible. For example, those of us who have relations in other countries find it much easier to communicate with them and share what is going on in our lives. Indeed, my father works in Africa quite often and I have family in Canada, but I have been able to keep them all up to date, via social networking, with my children's progress. It has been fantastic for that.

We should also accept, though, that the internet is a place of great dangers. The anonymity that it offers to users makes it a place in which bullies can operate with much greater impunity than in a physical environment. That is why a resource such as Kibooku is so fantastic and extremely welcome, given the figures on aggressive and unpleasant behaviours online and parents' worries about that.

My children are too young to use social media, but one day they will probably wish to do so and explore the internet. My son has developed something of an expertise with the touch-screen computer at his nursery, so it will probably not be too long before he tries to use computers to access the internet and all the opportunities that it will offer him. However, there are concerns about the dangers out there, which is why we require safe social networking and internet environments for our children.

We must accept that young children will want to use online resources. We can put in place firewall protection and parental controls, but there are only so many restrictions that parents can put in place. That is why I think that the parent-child element of Kibooku sets it apart from other social networking sites. The fact that the parent must be involved in the registration process differentiates it from other social media, which is extremely welcome. It provides the assurance to parents that their children are accessing something that is more secure and safe for them, and it allows the children to know that it is safe to use. Hopefully, they will be more willing to consider it than other social networking sites.

I look forward to the opportunity that will be presented tomorrow and I hope to find the time to

be able to come and have a look at Kibooku in action. However, we should not allow other social networking forums and sites off the hook. It would be stretching it to assume that Mr Zuckerberg is sitting in Facebook headquarters right now watching a live stream of this debate, but he and his company and other social networking sites, be it Bebo, Microsoft Messenger or BlackBerry Messenger, must up their game and start taking more responsibility for the fact that they allow young children to access their sites without the proper verifications.

I have seen profiles of friends' children and of family members who are clearly too young to have their own profile according to the sites' rules but nonetheless have one. Not enough is being done by companies to ensure that they are protecting young people from some of the difficulties and dangers that lie in accessing social media sites at a young age.

As well as welcoming the introduction of Kibooku and congratulating Mr Tosh on his fine efforts, this chamber should also be sending a message to the other social networking organisations that they have much to do to ensure the safety of not only Scotland's children but children around the world. I hope that, somehow, that message reaches them at some point.

17:20

Rhoda Grant (Highlands and Islands) (Lab):

I, too, congratulate Alex Johnstone on securing the debate.

Safer social networking for children is a serious issue. It can be difficult for adults easily to spot abuse and bullying that can have devastating effects on children and young people. As the number of young people going online grows and users get younger, it is essential that social networking sites, parents, guardians and teachers all play their part in ensuring that our young people are safe online.

Social networking can be positive, providing users with the ability to stay in touch with friends and family if they live or work in different parts of the country or the world. Young people can feel connected to friends across neighbourhoods, towns, cities and countries. That can be useful to young people when they live in rural areas, like many in the Highlands and Islands do.

Many groups and organisations can find it easier to connect with young people in a format that they enjoy and use to contact their friends. Many youth advice groups and charities now use social networking as a means of promoting their work and reaching out to young people who need their help. In the Highlands and Islands, essential charities, such as Ross-shire Woman's Aid, which

provides services to children and young people experiencing domestic abuse, use social networking to share information on how to get help or advice. That highlights the potential for social networking to positively benefit young people.

The internet is notoriously hard to police and I join Alex Johnstone and other members in applauding Jamie Tosh for developing Kibooku as a safe online place for young people. Unfortunately, popular sites such as Facebook and Twitter are often not safe places for children, be that due to the risk of predatory behaviour from others or the content of the images and videos that are shared online. Sadly as Children 1st has highlighted in its statistics, around 50 per cent of young people have suffered from cyber-bullying. I agree with Mark McDonald that the other sites really have to up their game.

Sites such as Kibooku, which are designed with young people in mind and factor in an element of parental supervision and guidance, mean that young children can be safer online. Figures suggesting that one in five children are the victim of aggressive or unpleasant behaviour online will make sites like Kibooku attractive to parents, and I am also pleased to see that a donation from the user fee for the site is being made to the Cash for Kids charity.

I acknowledge that not every parent or young person will make the switch over to child-friendly websites. However, I endorse the recommendations that have been made by Children 1st and agree that it is everybody's responsibility to protect children, and I call on social networks to do more to ensure that young people are safe online.

A separate but relevant aspect of keeping our children safe online is keeping them safe from exploitation. The Child Exploitation and Online Protection Centre brings together an extensive range of experts to ensure that young people are kept safe online. It provides online reporting mechanisms alongside education videos and helpful information that is tailored to specific age groups as well as parents and those working alongside children.

I encourage the leading social networking sites to have a CEOP link on their websites. That would mean that if a young person felt vulnerable online, they could immediately flag that up and receive advice and information or file a direct report that staff at CEOP could follow up in the interests of keeping young people safe online.

I close by praising Scotland's anti-bullying service respectme, which plays a significant role in supporting young people to stand up to cyber-bullying. We can all play a part in keeping children safe online and ensure that they do not miss out

by speaking out and by increasing awareness of cyber-bullying among parents at home, among teachers in the class and, indeed, in any place where young people may be online.

17:25

Dennis Robertson (Aberdeenshire West) (SNP): First, I congratulate Alex Johnstone on securing this important debate. My thanks and gratitude also go to Mr Tosh, who has taken the bull by the horns in doing something that other networks should have done many years ago.

Bullying takes many forms and can be disguised in many ways. I am certainly aware of the internet bullying that takes place. The internet is not all bad; it is there for a positive reason. The internet can open up a new world, especially for people with disabilities, to whom it can give freedom and access to a world that they sometimes cannot experience otherwise.

However, I am very much aware of the bullying that takes place, which can include encouraging people to self-harm. It will come as no surprise to the Parliament that I will focus on the bullying that takes place in connection with eating disorders. There are pro-anorexic sites—at least 500 of them—and exposure to those sites can encourage people to self-harm. The sites encourage people—probably virtually—to kill themselves. That is what they do. That is the harm that can be caused through those sites. They are there and they should be policed. For far too long, we have had a passive interest, yet one in five six to 11-year-olds are exposed to sites that encourage them behave in a way that can cause self-harm and bullying.

Last week, my daughter saw a photograph of a young girl through the profile that she had presented on Facebook. Comments such as "Give her a good meal" flooded in, along with other comments about doing this or doing that. Those comments were offensive and disgusting and they should have been taken off the net. For far too long, we have been passive. Facebook and internet sites such as other social networks should police themselves. They should have the authority to remove such disgusting and terrible comments from the internet.

I have no idea why we are passive or why we do not police such sites, but we need to take action. I am not sure what the Scottish Government can do, but this Parliament needs to send a clear message to all the social networks that they should get their act together, stop encouraging children to bully and stop letting our children be harmed through their networks. We also need to send a message to children that they should use the internet in a positive way to interact with family and friends across the world, but not to bully.

17:28

Kezia Dugdale (Lothian) (Lab): Like colleagues, I start by congratulating Alex Johnstone on securing the debate and Jamie Tosh on his work in the north-east of Scotland.

I have taken an interest in the topic as an avid user of social media myself. To try to understand the size of the challenge, I carried out some research of my own in Edinburgh around this time last year. I visited Craigmount high school in the west of Edinburgh, where I met a class of secondary 1 pupils. Every one of those S1 pupils had a 3G mobile phone in their pocket, the majority of them had their own laptop and 40 per cent had their own iPad. That happens at 12 years old. All the pupils had Facebook profiles. Despite the fact that the age restriction on Facebook applies until someone is 15 years old, many of those pupils had had a Facebook profile since they were 10.

Craigmount high school has an excellent information technology department, which really is at the cutting edge of integrating technology into the educational experience. Mobile smart phones are used in the classroom and are integrated into homework programmes. That reminds us all of the educational value of technology, which we should not lose sight of.

The school is about to wi-fi enable its whole campus, which brings huge educational possibilities. When I spoke to the school about that, I was told not to worry about kids being able to get on Facebook on the school campus, because that is not possible with the City of Edinburgh Council's IT system. However, the blunt reality is that that is irrelevant when every kid in the class has their own 3G phone in their pocket. They are not protected by council bullying policies. The danger is far greater than that.

I do not know about you, Presiding Officer, but I am not sure how many of my Facebook friends I could count on in a crisis or how many of my Twitter followers actually agree with my views. As Alex Johnstone said, the definition of friendships and relationships is remarkably distorted online. We need to do more to support children and young people to cope with the increasing online cataloguing of their lives and growing pains—things such as spots, haircuts, fashion faux pas, likes and dislikes, academic results, who their parents are, what their parents do and, as Dennis Robertson mentioned, body image and what they look like.

Much of our societal debate about children's online safety is focused on the warning signs of predatory relationships and grooming, but far less public attention is paid to online peer-led bullying. Many parents safeguard their family computers,

have the talk with the kids about online strangers and think that they are safe, only to let them go online and suffer silently at the hands of their classmates and acquaintances. Such bullying can be blatant and playground-like, but it can also be subversive and darkly psychological. Malice can spread like wildfire through a young person's cyber-world in minutes and can cause a lifetime's worth of damage to their self-esteem and feelings of self-worth.

If members think that I am exaggerating, they should take a second to look at the website www.littlegossip.com, which is dedicated to actively encouraging young people to leave anonymous comments about their classmates and teachers on a school-by-school basis. That is a truly frightening experience.

Mark McDonald: I am sure that the member will also be aware of the existence of groups on sites such as Facebook and Bebo that are devoted entirely to criticising and bullying individuals, which happens frequently.

Kezia Dugdale: Absolutely. Like the member, I completely condemn that. We need a strategy to take that on and we should not just rely on people to report it, because that does not always happen.

I will say a word about the bullies, because we cannot forget them or the reasons why they find themselves having to bully other young people. I am aware of two kids in Craigmillar who have been excluded from school because they were involved in cyber-bullying. We all know what happens to the educational outcomes and life chances of young people who are excluded from school, so we need to keep sight of their hopes and ambitions for the future.

I want to say a word about some good work. Catriona Laing, who I believe is the only e-safety schools officer in Scotland and who is currently employed by Perth and Kinross Council, has developed a peer-led model that aims to give kids the capacity to support one another when they are bullied online. I will be pleased to welcome her to next Thursday's meeting of the cross-party group in the Scottish Parliament on children and young people. I encourage other members to attend that meeting, which will focus on cyber-bullying.

I am afraid that I have one word of criticism. On 10 May last year in the chamber, I raised the issue with Kenny MacAskill in the context of how cyber-bullying crimes are reported. He was helpful, and I asked whether he would be willing to meet me, but he said that it would be more appropriate for me to meet one of the education ministers. On 16 May, I informally approached Aileen Campbell, who said that, if I wrote to her, she would agree to a meeting. I did that but, on 22 June, I got a letter back from Alasdair Allan saying that there was no

reason to meet me to discuss the problems with cyber-bullying. I felt that I had a lot to offer the debate and a lot of first-hand information, so I was really disappointed with that. My message to the minister is that I hope that, if he has not been willing to listen in the past, he might be willing to act today.

17:34

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): I, too, congratulate Alex Johnstone on bringing this important debate to the chamber. I pay tribute to Jamie Tosh and look forward to observing more closely the social networking experience that he has ensured for his children.

The internet in general and social networking in particular are not intrinsically bad but, like anything else, they are potentially a force for good and potentially a force for evil, and we cannot uninvent them. Basically, the problem resides in the wider culture, so that is the fundamental issue that we must address. I will devote most of my speech to how we can educate young people and challenge some of their attitudes.

Parental supervision is also important. Jamie Tosh clearly takes that view, and I commend him for it. I refer members to a really good article by Colette Douglas Home in *The Herald* today, in which she, too, says that, in the current circumstances, parental supervision will be necessary.

We want more fundamental changes in the culture but, until those have happened, we must not hesitate to have parental supervision. I do not speak in particular as a parent, given that my children are all grown up. However, once we have worried about our children and a few years have passed, we start worrying about our grandchildren. That, quite apart from my wider concerns, is why I now feel particularly strongly about the forces in society that are leading to the abuses of the internet on which we are focusing.

Like Dennis Robertson, I believe that we must challenge Facebook and other companies that are in charge of social networking sites, because they have a responsibility. I am sure that we were all deeply moved by what he said about sites that, in effect, promote eating disorders. We must challenge Facebook and others about such sites.

In fact, that is precisely what the Zero Tolerance Charitable Trust did in relation to a particular Facebook group. In the group, ex-boyfriends posted photos of girls with derogatory comments. Through the action and protests of Zero Tolerance, that group was closed down. We all need to follow such examples to ensure that people who are in charge of such sites take full responsibility for them.

Educating and challenging must be fundamental. I commend the police in Leith, who, about a year ago, ran a campaign in primary schools in my constituency. It was based around a poster campaign about cyber-bullying. The police went into schools, talked to children and raised the profile of the issue.

It is clear that cyber-bullying in primary schools—or indeed, secondary schools—is completely unacceptable. However, I must raise the issue of gender, because girls are often most adversely affected—perhaps increasingly so as they get into their teens, but in their pre-teen years as well.

We ought to make reference to sexting. The National Society for the Prevention of Cruelty to Children did a study about that and found that it was often coercive, with girls being most adversely affected. Sexting, of course, is sharing sexualised photos and images by mobile phone. The NSPCC said:

“Sexting is not a gender-neutral practice; it is shaped by the gender dynamics of the peer group in which, primarily, boys harass girls, and it is exacerbated by the gendered norms of popular culture, family and school that fail to recognise the problem or to support girls.”

We must look at the context for cyber-bullying, including sexting. That means that we must address the culture in which young people are growing up. We must examine the expectations about gender in that culture and what is regarded as normal and acceptable in relationships. Tragically, that is increasingly being poisoned by the influence of pornography. We must address that dimension of the topic as well.

That is why, as I said in a debate two weeks ago, we must increasingly use in schools material such as the Zero Tolerance respect packs. Ultimately, we must challenge the attitudes that underlie cyber-bullying and the wider forms of gender stereotyping that are the underlying cause of the problem.

17:38

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): I listened with great interest to the debate, and I thank Alex Johnstone for bringing the issue to the Parliament's attention.

Children especially have made the online environment their natural home. That was brought home to me a year ago when I found my four-year-old niece advising me not only that I should get myself an iPad, but on which type I should get.

For many children, the internet is not simply a device, a form of technology or a tool; it is an integral part of their lives, seamless with the physical world that lies outside of chat rooms,

social media and blogs. As Mr Johnstone quite rightly said, it is another place where children go and interact with one another and with other people.

The Scottish Government remains committed to ensuring that the safety and wellbeing of Scotland's children and young people is a key priority wherever they go. While it is the prerogative of children and young people to explore and enjoy the online world, it is our responsibility to ensure that they do so safely.

We need to ensure that our children and young people are fully equipped with the knowledge and skills that they need to use the internet safely. To that end, I was encouraged recently to see a class of primary 5 pupils in Fife learning about such basic questions as whether they should allow photographs of themselves to go online and whether they should allow strangers to have their home address. As Mr McDonald pointed out, none of this need take away from the enormous benefits that the internet brings, not least in rural areas, as Ms Grant observed.

We also believe that parents should be supported and empowered to protect their children online, and the current options on parental controls are an essential part of this work. Mr Johnstone acknowledged the difficulty of trying to police the internet. It is not simply a matter of filters and hardware; rather, as he pointed out, understanding and awareness are needed among parents, children and young people about the risks of the internet. We are working with many stakeholders in Scotland to improve the level of understanding, particularly through schools.

Kezia Dugdale mentioned the important reality that in some cases whole websites are devoted quite openly and commercially to the persecution of individuals. She also mentioned correspondence, which she did indeed have with the Government and with me in seeking a meeting to raise awareness around the issue. It was felt at the time that respectme was already undertaking a campaign of awareness, but that does not take away from the importance of the matter that she raises. For that reason, I am happy to meet her.

The Scottish Government is already planning a number of steps to raise awareness. They include supporting the UK safer internet centre's "connect with respect" theme for safer internet day 2013, in which respectme is also involved, and launching an internet safety awareness competition for all Scottish schools, which will coincide with safer internet day on 5 February. The Scottish Government-led stakeholder group on child internet safety will continue to monitor online safety in Scotland.

Under the curriculum for excellence, health and wellbeing is now a curriculum area in its own right. Learning in health and wellbeing ensures that children and young people develop the knowledge and understanding that they need for mental, emotional, social and physical wellbeing now and in the future. That learning will, I hope, promote confidence, independent thinking and positive attitudes and dispositions, and it will help to develop the ability to make ultimately positive choices. Building up children and young people's own capacities, skills and resilience as opposed to trying to resolve their difficulties for them will engender a sense of self-respect that will, in turn, impact on their respect for others.

Those principles apply equally across settings, be it in the classroom, in the playground or in children's online activities. We know that children and young people's wellbeing can be severely impacted by bullying, and I take the issue very seriously. Mr Robertson spoke very powerfully indeed about the responsibility that social networking sites have to ensure that they do not publish not only material that is actively harmful but material that encourages others to promote harmful behaviour as well.

Mr Dey and others mentioned that children as well as adults are capable of cruelty. Bullying of any kind is totally unacceptable and must be dealt with quickly whenever and wherever it happens. The Government recognises that anti-bullying approaches are best developed locally in consultation with the community. That is reflected in "A National Approach to Anti-Bullying for Scotland's Children and Young People", which aims to strengthen local solutions by offering guiding principles and common visions and aims.

I echo the sentiments of the motion and those of a number of speakers in the debate, and I commend the national anti-bullying service respectme. It supports adults who work with children and young people, building capacity to prevent and tackle all types of bullying effectively through training, policy development and the provision of advice and information through its website.

Dennis Robertson: With respect, I say that awareness, guidance, tolerance and all the things that the minister has mentioned are fine, but we need to tackle the problem at the nub and get to the industry itself. It is not just about the children. It is the industry that allows the problem to happen that we must tackle. What steps can we take to do that?

Dr Allan: I entirely concur with what Dennis Robertson said about the need to tackle the industry. Although it may be very difficult to police the internet, not least because so many sites and servers are located outside this country, that does

not excuse websites such as the one that the member mentioned from moral responsibility and it does not absolve them from severe public and political criticism, such as there has been today in this chamber, if they promote the type of disgraceful material that he has described to us.

It is also important to say that the Government funds ChildLine Scotland to provide help and online services that offer direct support to children and young people who experience bullying, which can be invaluable in helping them deal with the issues. We also provide funding for the choices for life initiative, whose website also contains useful information.

Cyber-bullying is a relatively new phenomenon. What may have in the past been passed around in notes or written on a wall is now being written on social media sites. Because of those developments, we all need to ensure a safe online environment for children. For that reason, I welcome the motion and look forward to a time when we ensure that all children and young people are empowered to make the internet the positive force that it can be in their lives.

Meeting closed at 17:46.

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