

# **MEETING OF THE PARLIAMENT**

Tuesday 23 February 2016

Session 4

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## **Scottish Parliament**

Tuesday 23 February 2016

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

## **Time for Reflection**

The Presiding Officer (Tricia Marwick): Good afternoon. The first item of business this afternoon is time for reflection. Our time for reflection leader today is the Rev Dr Angus Morrison, the moderator of the General Assembly of the Church of Scotland.

The Rev Dr Angus Morrison (Moderator of the General Assembly of the Church of Scotland): May I thank you for the honour of addressing the Scottish Parliament. As moderator, I bring you the greetings of the General Assembly of the Church of Scotland and our very best wishes. You are always in our prayers.

"No man is an island, entire of itself; every man is a piece of the continent, a part of the main."

So wrote John Donne, the 17th century poet and dean of St Paul's. Donne points up the important reality of the interconnectedness of all of human life and the fact that our wellbeing as humans depends on the recognition of our mutual dependence at every level.

That insight is embedded in the DNA of the Christian tradition, with its emphasis on the importance of community for those made in the image of one God who exists in personal, loving community. Human flourishing is attained only when we are authentically part of a community marked by love, justice and compassion.

All has not been well in recent times in our own society. Research indicates that one in 10 of us suffers from loneliness and isolation. The problem is growing, partly as a result of changing patterns of social interaction—and not only among the elderly. Loneliness is bad for us, leading to unhappiness and, frequently, to mental health problems.

This major issue of our time affects us all and requires urgently to be addressed. I, for one, am deeply grateful for the Scottish Government's recent and significant steps in doing so.

It is important to recognise the enormous contribution of the churches here. As moderator, I have witnessed countless examples of local churches, in living out their faith, at work to reduce loneliness and isolation in the community. The Church of Scotland's go for it fund, which awards around £1 million a year, currently supports three groups helping to connect young families in

Inverness and working with isolated elderly and disabled people in central Scotland. The church's practical social value is enormous and growing.

Jesus spent 90 per cent of his ministry simply being with people. We can help bring wholeness and healing to many lives, and greatly strengthen the fabric of our society, as together we work to end the scourge in our time of loneliness and isolation. People of faith, be it more widely known, have an incredible amount to offer here.

#### Let us pray.

God of redeeming love, who in Jesus came to be with us, may we be and remain with one another. By your spirit, set up your kingdom of love among us. In Jesus's name. Amen.

### **Business Motions**

#### 14:04

**The Presiding Officer (Tricia Marwick):** The next item of business is consideration of business motion S4M-15710, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, setting out a revision to the business programme for today.

#### Motion moved,

That the Parliament agrees to the following revision to the programme of business for Tuesday 23 February 2016—

after	
followed by	Topical Questions
insert	
followed by	Ministerial Statement: Update on Fiscal Framework
delete	
6.00 pm	Decision Time
6.00 pm followed by	Decision Time Members' Business
•	
followed by	
followed by and insert	Members' Business

#### Motion agreed to.

**The Presiding Officer:** The next item of business is consideration of business motion S4M-15685, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, setting out the timing of a committee meeting.

#### Motion moved,

That the Parliament agrees that, under Rule 12.3.3B of Standing Orders, the Devolution (Further Powers) Committee can meet, if necessary, at the same time as a meeting of the Parliament from 6.30 pm on 23 February 2016 for the purpose of taking evidence from the Secretary of State for Scotland on the Scotland Bill and the fiscal framework.—[Joe FitzPatrick.]

Motion agreed to.

### **Topical Question Time**

#### 14:05

#### **European Union Membership Referendum**

1. Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP): To ask the Scottish Government what its position is on the announcement of a referendum on membership of the European Union on 23 June 2016. (S4T-01323)

The Cabinet Secretary for Culture, Europe and External Affairs (Fiona Hyslop): The Scottish Government requested that the referendum should not be held on 23 June and is concerned that the referendum campaign will cut across election campaigns for the Scottish Parliament and other devolved Administrations. However, the decision on the date has now been made, and we have to move on. The conclusion of an agreement at the European Council last week means that the focus can now shift to the bigger and much more important matter of why our continued European Union membership is overwhelmingly in Scotland's and the United Kingdom's best interests.

The Scottish Government will continue to make the positive case for EU membership. In making our case, we will continue to emphasise that the EU is not just an economic union-important as that is-but a means of solidarity, social protection and mutual support between members. For more than 40 years, individuals, businesses and communities across Scotland have experienced the many social, economic and cultural benefits of EU membership, which include jobs, significant investment, the opportunity for our businesses to trade across the world's largest single market, social protections such as employment rights, and the opportunity to work in solidarity with others across the continent to tackle pressing global challenges such as the movement of refugees and migrants, energy security, and climate change.

**Christina McKelvie:** In addition to all the benefits that the cabinet secretary mentions, surely we should all agree that the European Union is not just about economic union but is also about the social union, which has delivered many valuable social and employment protections for people across its entire territory, and that the European Union is best placed to tackle issues that do not respect national boundaries, such as climate change and the recent refugee crisis.

**Fiona Hyslop:** One of the strongest arguments for the EU is indeed social Europe. Indeed, many aspects of the social contract and the social chapter were hard fought for by those who looked for protections, maternity rights, equal pay and wider agenda items relating to the right to work and have paid holidays and the 48-hour working week. All those things are very practical and real, and leaving them in the hands of a Conservative Government outwith wider social Europe protection is a risk.

However, let us argue the positive case for developing the Europe that we want. Whether we are talking about social Europe, energy security or climate change, which I mentioned, a lot has been achieved, but a lot more could be achieved. We should remember that Europe was born out of a need for nations to co-operate rather than live in conflict. That is the Europe that we seek.

**Christina McKelvie:** Does the cabinet secretary agree that the campaign to remain in the EU should learn lessons from Scotland's independence referendum and be a positive campaign about why it is better for Scotland and the rest of the UK to remain in the EU, rather than lapsing into scaremongering and fear? Does she agree that everyone in this nation who has the right to vote should have the right to vote in the referendum?

**Fiona Hyslop:** I agree. Democracy is a very precious thing, and people who will vote in our elections in May this year will be denied votes in the European referendum. That is not acceptable.

In facing the European referendum, people want to see a positive vision and to hear the arguments. We can make the arguments. Indeed, we have a mature electorate in Scotland that is very politically informed, and it will not accept scaremongering from either side in the referendum campaign. In Scotland, we can conduct a positive argument that is detailed and addresses the issues but which also inspires people about the type of country that we want to be, which can contribute to a positive social Europe.

Claire Baker (Mid Scotland and Fife) (Lab): I welcome the cabinet secretary's positive comments, but they contrast with the Scottish Government's initial reaction to the announcement of the date. Does she agree that, with such a short timeframe for the referendum, we must make a strong positive case instead of concentrating on personalities and potential leadership bids and using one referendum to discuss another? It is time to get serious about the debate ahead.

Fiona Hyslop: With the leaders of Wales and Northern Ireland, our First Minister indicated the concern that we had about the date but, as I said in my first answer, we must move on. The date is now set. We can contribute to the debate on a wider canvas, and people want to hear Scotland's views. I regularly meet Governments from across Europe and they are interested in our arguments about where Europe can and should be. In making our arguments for Europe, we will not just be making them in Scotland or further afield; people in other countries across Europe will want to hear what we are saying as well. That is the positive force of a democratic debate that is hard in its argument but also takes a view as to what we can contribute, and not just what we can get.

This should not be about personalities. We should focus on the issues and the big picture. By doing that, we will respect not just the people of Scotland but the rest of the UK as well.

Jamie McGrigor (Highlands and Islands) (Con): The cabinet secretary will be aware that the European and External Relations Committee is undertaking a far-reaching inquiry into the implications of EU reform and the referendum, with evidence from many eminent witnesses. Does she agree with the sentiment of many of the witnesses that leaving the EU would be bad for Scottish exports to the continent, which are estimated at £11.6 billion? Also, does she agree that one of the key components of the deal that the Prime Minister has achieved is that it will increase competitiveness and reduce excessive EU regulations and red tape, which we hope will have a positive impact on small and medium-sized enterprises in Scotland?

**Fiona Hyslop:** I congratulate the committee on its extensive inquiry, which has provided a great platform to hear different arguments and perspectives. Jamie McGrigor talked about one aspect, which is to do with exports. A large number of companies want to invest in Scotland and the rest of the UK because of access to the European market. It is not just about trade or exports; 300,000 jobs are directly or indirectly involved in the European exercise.

What Jamie McGrigor says about SMEs is very important. One of the ways to improve our economic achievement is to encourage more of our SMEs to export. By exporting, they can become innovative. That is another aspect to the argument.

I hope that the Parliament will have an opportunity to debate and consider the outcome of the committee's inquiry, which has heard from a wide range of eminent witnesses. The inquiry is another example of the Parliament conducting inquiries into the EU in a positive and constructive way.

#### **General Practitioner Services (Funding)**

2. Dr Richard Simpson (Mid Scotland and Fife) (Lab): To ask the Scottish Government what its position is on reports that GP funding has been reduced by £1.6 billion over the last 10 years. (S4T-01324)

The Cabinet Secretary for Health, Wellbeing and Sport (Shona Robison): Investment in GP services has increased each year under this Government, rising by almost £150 million from £704.6 million in 2007-08 to £852.6 million in 2014-15. This equates to a cumulative increase of £826 million since the Government came to power.

We are committed to supporting and developing primary care and the work of GPs, which is an indispensable part of our community health service. However, it is important that the investment that is made in general practice is seen in a broader context. We are investing in the whole of primary care, which includes increased investment in the Scottish Ambulance Service in 2016-17 and an increase in the number of health visitors, both of which will have a beneficial impact on general practice, as well as increasing our support for community-based mental health services.

Scotland has the highest number of GPs per head of population of the four United Kingdom countries, and under this Government the number of GPs who work in Scotland has increased by 7 per cent. We are transforming primary care, including developing new ways of working with multidisciplinary teams that elevate the role of GPs as medical experts in the community. That is supported by extra investment of £85 million over three years through the primary care fund.

**Dr Simpson:** I thank the cabinet secretary for that answer, although anyone listening to it would think that we do not have a problem with general practice at all, and that although the Royal College of General Practitioners asserts that the share of funding—as opposed to the absolute funding—has reduced by £1.6 billion, there are no consequences.

I say to the cabinet secretary that the constant reiteration of the increase in the number of GPs is distinctly unhelpful and is not welcomed by the Royal College of General Practitioners or GPs. The number of full-time equivalents, which is what is critical to the workforce, has increased by only 35 since 2009, during which time the population has increased to such an extent that even to have stood still, 110 more GPs would have been required.

There is to be a new contract. Will the cabinet secretary publish the principles that the Government will use to underpin the new contract, so that we can have an open discussion about them?

**Shona Robison:** I had thought that more GPs would be a good thing that members of all parties would welcome.

Our calculations, which are based on the published GP spending outturn figures—the actual spend—show that GP spend as a percentage of the total health budget has remained relatively stable in cash and real terms over the past decade.

Richard Simpson said that it sounded as though I was saying that there are no challenges. Of course there are challenges: that is why we are in the midst of negotiations with the British Medical Association about a new contract that will deliver a new model of primary care for Scotland, along the lines of multidisciplinary teams, with the GP as the clinical expert. The discussions are going very well and are very positive. On the subject of positive discussions, I met the RCGP on 9 February, when we had a positive meeting about the new model of care and how we will work together on taking forward the new model.

On the principles of the new contract, Richard Simpson will appreciate that we are in the midst of negotiations about the contract. I am happy to keep Parliament informed of progress in the negotiations, but the member will appreciate that the negotiations are on-going and that it would be premature to give further information when there is not enough information with which to update Parliament. When there is, I will be happy to do so.

**Dr Simpson:** I am not asking the cabinet secretary to publish details of the contract, because I entirely understand that she is in negotiations and cannot do so. However, the principles of the contract and the general role of GPs in the new model are critical both to general practitioners' understanding of where they will go from here and to recruitment.

The cabinet secretary said that I should welcome the fact that there are more GPs. Of course I do, but the fact is that there are now fewer GPs per head of population than there were in 2009. For the first time ever, our number of GPs per head of population is lower than that of the north-east of England, which is the region with which the Nuffield Trust normally compares us when it makes regional comparisons.

Does the cabinet secretary agree with Graham Watt, who said today that 40 per cent of practices—representing 2 million patients—are in difficulty, or does she think that he, too, is being misleading or is misspeaking? How does she reconcile the new clinical strategy's emphasis on primary care, which is welcome, with the fact that the 2016-17 budget will cut—yet again—the share of funding that goes to primary care?

Shona Robison: I did not accuse anyone of misleading anyone about anything; I said that Scotland has the highest number of GPs per head

of population of the four UK countries. That is a fact. Under this Government, the number of GPs who are working in Scotland has increased by 7 per cent. That is a fact.

Of course, there is more to be done and, as Richard Simpson rightly pointed out, the national clinical strategy has primary care at its heart. On the principle of the new contract and the new model of care, there is no secret: the approach is based around multidisciplinary teams that have GPs as the clinical experts. We are doing widespread testing of the approach throughout Inverclyde, which will give us the detail about how the model works in practice and will inform the contract negotiations. As I said, I am more than happy to keep Richard Simpson and Parliament updated on that testing of the model and on the negotiations on the new contract.

Nanette Milne (North East Scotland) (Con): It seems that senior GPs are queuing up to express their concern about the percentage fall in GP funding as a share of national health service resources—the latest example being Dr Ken Lawton, who is a senior partner at the Great Western medical practice in Aberdeen, who said at the weekend that as a result of the shortfall,

"There will be a deterioration of general practice and the service we can offer to patients."

Does the cabinet secretary agree with that comment? What—if any—contribution does she think the funding issue is making to the current difficulties with GP recruitment?

**Shona Robison:** I will add to what I already said to Richard Simpson. The draft budget for 2016-17 shows that we are investing an additional £45 million through the primary care fund, which means that the draft budget headline GP and primary care fund is increasing by 9.9 per cent over the year—a higher percentage than the increase in overall health spending and a higher percentage increase than territorial boards are receiving, so we are investing in primary care.

We will be tackling some of the issues in GP recruitment and retention. That is exactly what the primary care fund is for—to help to overcome some of those issues. It is important that we have a positive vision for primary care, which is why the new model is important, because we want Scotland to become an attractive place for GPs to come to work.

We also want young medical students to choose general practice as their specialty, which is why we are working hard with both the RCGP and the British Medical Association to develop the new model of care, which will put Scotland at the forefront—leading the way with our vision for primary care. **The Presiding Officer:** I call Jim Hume. You will need to be brief, Mr Hume.

Jim Hume (South Scotland) (LD): The cabinet secretary said that GPs are indispensable, but in January the RCGP stated that it believes that the "Government deems" general practice "to be 'dispensable'". Those were its words. It is the RCGP that is stating that the budget has been reduced over the past 10 years by £1.6 billion. Does the minister not believe that GPs need more than warm words if we are to avoid in four years a shortfall of 700 GPs, as forecast by the RCGP?

Shona Robison: We will get on with the job of reforming primary care here in Scotland, and we will work with the RCGP and with the BMA on the new contract to deliver that vision. Far from eroding the role of GPs, the new model will ensure that the role of the GP is as a clinical expert, which will allow GPs to spend more time with their patients. Surely that is something on which all of us can agree.

## **Fiscal Framework**

**The Presiding Officer (Tricia Marwick):** The next item of business is a statement by Nicola Sturgeon giving an update on the fiscal framework. The First Minister will take questions at the end of her statement, and there should therefore be no interventions or interruptions.

#### 14:22

The First Minister (Nicola Sturgeon): I want to take this opportunity to update Parliament on the progress of the negotiations to agree a fiscal framework to accompany the Scotland Bill. Over recent days we have continued to work with the United Kingdom Government to secure a fair deal. I am determined that that work should continue for as long as necessary to secure agreement, subject, of course, to the views of the Devolution (Further Powers) Committee and Parliament as a whole.

The Deputy First Minister updated the Devolution (Further Powers) Committee this morning and will update the Finance Committee tomorrow. It has always been our intention to allow Parliament adequate time to consider and scrutinise any agreement. In the continued absence of such an agreement, I think that it is right that I explain to Parliament why our discussions have not yet reached a satisfactory conclusion.

As members know, for the new powers contained in the Scotland Bill to be delivered, a fair fiscal framework has to be agreed between the Scottish and UK Governments. That framework will determine how the powers proposed by the Smith commission can be used, so it is as important as, if not more important than, the Scotland Bill itself.

In setting out the current position on the fiscal framework, I want to remind the Parliament of the key principles set out by the Smith commission. The Smith commission said that the Barnett formula should continue to determine the size of the block grant. That is the benchmark against which all the proposals for the block grant adjustment should be assessed. Crucially, Lord Smith set out his interpretation of the principle of no detriment-that Scotland's budget should be no larger or smaller simply as a result of devolution. That means that, if tax policy and economic performance in Scotland remain the same as in the rest of the UK, the Scottish budget should be no better or worse off than it would have been under the Barnett formula had tax powers not been devolved. Equally, the rest of the UK should be no better or worse off either.

It is about the appropriate transfer of risk and responsibility. We have always accepted that, if the Scottish Government changes tax policy, or if our economic performance diverges from that of the rest of the UK, the costs and benefits of that should fall to the Scottish budget. However, if nothing changes—if tax policy remains the same and we match UK economic performance—our overall budget should not change either. That embodies the Smith principle of economic responsibility.

The Scottish Government has engaged constructively in the negotiations. Since March last year, there have been 10 meetings between the Deputy First Minister and the Chief Secretary to Treasury through the joint exchequer the committee. The Deputy First Minister has also discussed the issue with the Chancellor of the Exchequer, and I have discussed it with the chancellor and the Prime Minister. I am pleased to advise Parliament that, as a result of all those discussions, we have now reached or are close to reaching an agreed position on all the main issues other than the block grant adjustment mechanism. For example, on the financial transfers required to meet implementation and administration costs, we have reached what I think is a fair resolution. On capital and resource borrowing, we have made good progress on ensuring that the Scottish Government will be able to manage tax volatility and economic shocks while also securing additional flexibility to invest in infrastructure.

Getting to this point has required compromise on both sides. However, I believe that we have secured results that are fair to Scotland and to the UK and that reflect the recommendations of the Smith commission. The key issue on which we have not yet reached agreement is the block grant adjustment. The Scottish Government has considered a number of proposals that have been put forward by the UK Government, all of which would deliver detriment to the Scottish budget. The method of adjusting the block grant that the Scottish Government has proposed—per capita indexed deduction—would deliver no detriment as set out by the Smith commission.

Per capita indexed deduction is predictable, transparent and sustainable, and it guarantees the outcome of no detriment regardless of changes in Scotland's population share. It is considered by distinguished economists such as Professor Anton Muscatelli and by the Scottish Trades Union Congress to be the best way of delivering no detriment. It also has the support of many members across this chamber and of the Finance Committee of this Parliament and the Scottish Affairs Committee of the House of Commons. In proposing per capita indexed deduction, we have listened to concerns from the UK Government about its implications for the second Smith principle—taxpayer fairness. As a result, we amended our proposal to ensure that Scotland would not benefit from any changes to devolved taxes in the rest of the UK.

In summary, the proposal that we have put forward guarantees no detriment to taxpayers both in Scotland and in the rest of the UK, but we remain unable to reach an agreement with the UK Government on the issue. In my view, the reason for that is not just that we have a difference of opinion on how to reach an agreed outcome; it is more that we have a difference of opinion about the outcome that we are seeking to achieve. In short, the UK Government does not share our interpretation of the principle of no detriment. Our interpretation of "no detriment" is as I have set it out, and I think that it has widespread support across Scotland. The UK Government's view is that, in the years following the transfer of powers, the Scottish budget should bear detriment as a result of relatively slower population growth even though we are gaining no new powers to influence population growth.

On a positive note, the UK Government has now signalled some movement towards our position. The Treasury has now offered to deliver—on a transitional basis—a no-detriment outcome for the period up to 2021-22. That would be achieved by annual adjustments to a Treasury-proposed methodology rather than by our preferred method of per capita indexed deduction. However, given that it would deliver exactly the same outcome as PCID, we would be prepared to accept that as welcome progress.

The key remaining question is: what happens at the end of that five-year period? In my view, that is now the only substantive issue standing in the way of agreement. Both Governments are prepared to agree a review after five years, but we do not yet agree on what the purpose of that review should be. The Scottish Government considers that the review should be to reach agreement on a longerterm block grant adjustment method that delivers results consistent with the Smith commission's recommendations, including the principle of no detriment that I have set out. We have put forward a proposal on that basis and discussions continue. However, so far, it appears that, as far as the UK Government is concerned, the purpose of the review is to decide how-not if, but how-we move to a position where the Scottish budget starts to bear population-driven detriment. Over the past couple of days, the Treasury has been suggesting that, if we cannot reach agreement on how to do that, there will be an automatic default to its preferred comparability model of block grant adjustment, without the transitional arrangements that deliver no detriment continuing to be in place.

I am well aware that this all sounds highly technical—it is technical—but it also has very real implications for Scotland's budget over the medium and longer term. I will spell out what those implications are.

If we were to agree the Treasury's preferred approach, over the 10 years from the end of the transitional period in 2022 Scotland's budget would be reduced systematically, compared with Barnett, by a cumulative total of £2.5 billion. That reduction would happen even if Scotland's tax rates and economic performance matched the UK's 100 per cent.

None of us knows exactly what the world will look like in future. It is no secret that I hope that Scotland will become an independent country in future, but I could not reach agreement in the full certain knowledge that, if current and constitutional arrangements remain in place, the deal will deliver an on-going, substantial and systematic cut to Scotland's budget, relative to the Barnett formula, after just a single parliamentary term. That would not live up to Smith, because it would not protect the Barnett formula. Therefore, I think that it would be a clear breach of the vow.

The Treasury's approach would instead see the UK Government extract a significant price in return for the powers that Scotland was promised. The only concession that it would be making is that it would give us five years before it started to collect the payments.

The powers that Scotland was promised did not have a price tag attached to them when the vow was made. The vow was made freely and unconditionally. The question remains: will it now be delivered? I continue to hope that it will be. I want the new powers. Regardless of whether we get a deal, I have made it clear that I will publish a manifesto that sets out what we would do with those new powers.

My Government will continue to work to secure agreement for as long as the Parliament allows us to do so. Indeed, even as we speak, discussions are on-going with the Treasury in an attempt to secure movement and find agreement. However, given that the vow was signed by the Prime Minister and that the Prime Minister established the Smith commission, today I am writing to David Cameron to suggest that, if agreement cannot be reached with the Treasury, he and I should seek to resolve the matter directly between us.

Let me be clear: I am prepared to sign up to a deal that includes a transitional arrangement followed by a fair review if, first, the review is governed by a shared and continuing commitment to the principles of Smith, including the principle of no detriment that I have set out; and, secondly, there is no assumption of a longer-term adoption of a model that delivers population-driven detriment, or any suggestion of an automatic default to such a model, in the event that no agreement is reached, but I will not sign up to a systematic cut to Scotland's budget, whether that cut is applied now or by a prejudged review in five years' time.

Within the past hour, we have received further proposals from the Treasury, which we will now take time to consider. It is against the test that I have set out that we will judge those proposals and take a reasonable view of them.

I am grateful for the opportunity to update Parliament. I think that it was appropriate for me to do so. I hope that the Scottish Government will have the full support of Parliament in seeking to secure—even at this 11th hour—a deal that is fair to Scotland and that lives up to the promise that was made to the Scottish people. [*Applause*.]

**The Presiding Officer:** I will now take questions on the issues that were raised in the First Minister's statement—or rather, the First Minister will take questions on the issues that were raised in her statement. I intend to allow 20 minutes for questions, after which we will move on to the next item of business.

Alex Rowley (Cowdenbeath) (Lab): I thank the First Minister for an advance copy of her statement.

We in the Scottish Labour Party support the First Minister fully as she works to secure a good and fair deal for Scotland in the negotiations. That means securing the new powers on top of those that have already been transferred and protecting the Barnett formula. The message should go out from everyone in the chamber that we stand behind Barnett and for Scotland.

There is a month until the Parliament dissolves and the business of government gives way to campaigning. Although it is disappointing that we do not have a deal on the fiscal framework, the First Minister has made it clear that she wants such a deal—a fair deal that is in line with the principles of Smith. We absolutely support that position.

Will she assure the Parliament that she and the Deputy First Minister, John Swinney, will stay at the table, however long it takes to secure these powers, which the majority of people in Scotland want for Scotland?

The First Minister: I thank Alex Rowley for his question and for the support that he expressed for the Scottish Government's position. I made it clear in my statement and I make it clear now that I want a deal and that I and the Deputy First Minister are prepared to stay at the table for as long as it takes to get a deal. Of course, it is up to this Parliament to decide how long it would require to scrutinise such a deal before giving legislative consent to the Scotland Bill prior to dissolution. That is a decision not for me, as First Minister, but for the Devolution (Further Powers) Committee and ultimately, of course, for the Parliament as a whole.

It should be said—this is an obvious point that I am about to make—that every day that passes without a deal is a day less that the Scottish Parliament will have to apply that scrutiny. That is a position that I think everybody will understand. I hope that we can get a deal, as I said in my statement; I apologise that the additional proposals were not in the advance copy of my statement but they came in after I circulated it. We have received additional proposals from the Treasury and we will consider them. I very much hope that they will move us closer to that deal.

However, as I said, although I want a deal, I am not prepared to sign up to a deal that is unfair to Scotland and does not deliver on the promises made. If I were to sign up to what has been on the table from the Treasury in recent days, then, frankly, the Scottish people should be seriously displeased. I will not, as First Minister, sign up to a deal that systematically cuts Scotland's budget.

Ruth Davidson (Glasgow) (Con): I thank the First Minister for early sight of her statement. I am encouraged to hear that on capital borrowing and financial transfers an agreement has been concluded and it is good to hear the First Minister's confirmation in her statement that both sides are close to an agreement on the fiscal framework and an acknowledgement of the movement of the Treasury throughout this process.

I said last week that I wanted both sides to go the extra mile in order to reach an agreement, and it seems that we have substantially less distance to travel now. I am sure that the First Minister's proposals in her statement on the question of a review will be considered, and I trust and believe that they will be examined without prejudice by the UK Government.

Following the update from the Treasury in the past hour, I understand that the Chancellor of the Exchequer is hoping to speak to the First Minister directly as soon as possible, and I am pleased that that is taking place. With an agreement so close within touching distance—will the First Minister work over the coming hours to find a compromise with the UK Government on the question of how a review is conducted?

The First Minister: I have always been willing to compromise. The Deputy First Minister has compromised in getting us to the position that we are in now. If we get a deal, as I hope we do, and when Parliament begins to scrutinise the deal, the evidence of that compromise on a range of issues will be clear. However, I have also said consistently that I will not compromise on the principle of no detriment, because once we compromise on that principle, we compromise on the delivery of the promise that was made to the Scottish people and I will not compromise on that.

The willingness of the Scottish Government to compromise has already been made clear by the fact that I have signalled that we would accept a transitional arrangement. It will not be based on our preferred model, but because it delivers the same outcome as our preferred model, we will compromise on that. However, the outcome—and the principle underpinning the outcome—of no detriment to the Scottish budget is the key one, and that is the principle that I do not think the Scottish people should be prepared to allow me or the Deputy First Minister to compromise on.

Bruce Crawford (Stirling) (SNP): First Minister, four out of five parties involved in the Smith commission, the STUC and almost all respected independent academic experts have argued for the per capita indexed reduction method as a means of ensuring that Scotland does not face a huge loss of income right from the start. First Minister, I am glad that you said that there has been progress and that discussions are on-going, but agreement is still to be achieved and the clock is ticking towards dissolution. The Prime Minister might have had other things on his mind of late, but does the First Minister agree that it is high time that he got himself fully engaged in the discussions to guarantee that his so-called vow is delivered?

The First Minister: Bruce Crawford is right to outline the breadth of support that there is for the Scottish Government's position. Let me say, though, that what has mattered and will continue to matter to the Scottish Government is the outcome that we reach. We have put forward a proposal that we think best delivers that outcome, but it is the outcome rather than the precise route to the outcome that is the most important thing of all. I hope that we can reach agreement with the Treasury, and I hope that we can do that sooner rather than later.

A couple of weeks ago, I spoke to the Prime Minister by telephone. I think that it is entirely understandable that he has been engaged in other matters over the last week or so. However, I am very clear that if we do not manage to reach agreement with the Treasury on the key issue of the principle of no detriment, it will be incumbent on the Prime Minister to seek—with me—to reach an agreement that delivers the promise that he made. I remind the chamber and the wider public that that promise—the vow that we are talking about—is not my vow; it is the Prime Minister's vow and it is incumbent on him to deliver it.

Jackie Baillie (Dumbarton) (Lab): I welcome the First Minister's statement and I support her and the Deputy First Minister in working to secure the best deal for Scotland. I agree that there can be no compromise on the fundamental principle of no detriment.

The First Minister is right to underline the importance of Barnett transfers to the funding of Scottish public services. What analysis does the Scottish Government have of the value of Barnett to Scottish spending?

The First Minister: I think that all of us accept that Barnett should continue while we remain in the current constitutional arrangements. That was the basis of the vow that was made. Once we get to a point at which we have a deal, or if we do not have a deal in time for the end of the session, we will, as the Deputy First Minister said, publish the analysis and correspondence that underpinned the negotiations.

Let us not get away from the key issue. The promise that was made was about Barnett, its continuation and the benchmarking of all the proposals against Barnett. The continuation of the Barnett formula was emblazoned all over the front page of the Daily Record. Therefore, it is right that we judge proposals against the Barnett formula.

Willie Rennie (Mid Scotland and Fife) (LD): I thank the First Minister for advance sight of her statement.

I want the First Minister to stick to the Scottish position. This morning, John Swinney told the Devolution (Further Powers) Committee that there was a fundamental difference. I am not sure what has changed in four hours. There now seems to be a compromise agreement based on the Treasury model that the First Minister disagrees with so fundamentally; a point that John Swinney has been making for a number of weeks.

If the First Minister says, as she does, that the model makes no difference for five years, why does she not stick to the Scottish position so that we can enter the uncertainty of the review in five years' time from a strong position, rather than from a position based on the Treasury model? Why is she asking us to abandon the fundamental principle of the model that she has been promoting for the last few weeks? Why is that the case?

**The First Minister:** I have made it clear that I want to deliver an outcome of no detriment. What is on the table would deliver that outcome for a transitional period. I think that that is significant progress and significant movement on the part of the Treasury.

If we have a review, it is absolutely vital that it is not prejudiced or based on an assumption such that, in the absence of agreement, we revert to a comparability model that would deliver detriment. That is the continuation of that application of principle. That is what will continue to guide the Scottish Government and I hope that the Treasury continues to move towards that position. We will make our judgment based on whether the deal that is on the table delivers that fundamental principle of no detriment.

Linda Fabiani (East Kilbride) (SNP): During the Smith process, certain principles were key. I, and others in the chamber, can confirm that the principle of no detriment was one of those key principles. Can the First Minister confirm that the approach taken by the Scottish Government will continue to reflect reasonableness, fairness and no detriment to Scotland?

The First Minister: No detriment is the principle that we have insisted on all along, and it is the principle that we will continue to insist on.

As I set out, no detriment is not about trying to avoid the responsibility of new powers. Under the no-detriment principle that we set out, we would take responsibility for exercising tax policy and for matching UK economic performance. That is not insignificant. However, we will not take on responsibility over population change, which we do not have the powers to determine.

The principle of no detriment drives everything that we have done, and it will continue to drive the position that we take.

Mark McDonald (Aberdeen Donside) (SNP): I thank the First Minister for her statement. Although it is encouraging to see progress being made, there is obviously concern that the Treasury seems to view the fiscal framework as a means by which to cut Scotland's budget in the longer term. Does the First Minister believe that the Treasury's approach thus far matches the so-called respect agenda that the Prime Minister has spoken of so often?

The First Minister: As I said in my statement, a promise was made freely and unconditionally. It did not have a £2 billion or £3 billion or however many billions of pounds price tag attached to it. In return for the devolution of the powers, the approach that has been taken thus far would see the Scottish budget being cut by a significant amount over a period of time. I do not think that that either shows respect or delivers on the promise that was made. We have seen some movement so that the principle of no detriment is being agreed for a transitional period, but we have to make sure that any review after that transitional period is also based on the important principle of no detriment. Jenny Marra (North East Scotland) (Lab): The Parliament clearly wants to see a deal as soon as possible. Bruce Crawford referred to the fact that dissolution is fast approaching. Is the First Minister prepared to negotiate on behalf of the Scottish people beyond dissolution if it takes a bit longer?

The First Minister: Let us concentrate on trying to negotiate to a successful conclusion in advance of dissolution. If we cannot do that, it will be for the Scottish people to express their view in a democratic election.

I am negotiating now, in good faith, to seek an agreement that will give us the powers that were promised. It is no secret that I do not think that the powers that are on the table go as far as they should, or indeed that they go as far as what was promised, but they are what is on the table right now, and it is essential that the UK Government lives up to its promise to deliver them. I will focus on trying to secure that agreement before dissolution so that we can get into the position that the Parliament was told it would be in.

Alex Salmond (Aberdeenshire East) (SNP): I join the Scottish Labour Party in giving full support to the First Minister's position. There are no sides in this; there is only Scotland's side.

Recently, the Prime Minister secured a prereferendum commitment from 27 other heads of state around Europe about what would happen after a European referendum. Had he not better hope that they keep their pledge to him rather better than he has kept his vow to Scotland thus far?

The First Minister: That is an important point. During the next few months, the Prime Minister will be campaigning in a referendum in which he will ask people to put faith in his commitments—the commitments that he has secured through the recent negotiations. It would not be helpful to what he wants to achieve in the forthcoming referendum—the same things that I want to see achieved, albeit that we are coming at it from different perspectives—if people see in this context that his word, given freely in a referendum campaign, cannot be trusted.

Rob Gibson (Caithness, Sutherland and Ross) (SNP): The First Minister has stressed the principles of no detriment. Will they apply to the multimillion pound cost of setting up the administration of Scottish welfare powers, which could take several years to work? The Deputy First Minister told the Devolution (Further Powers) Committee this morning that the Treasury's best offer on set-up costs for welfare is a figure below the Department for Work and Pensions's estimates for the costs of setting up welfare. Can the First Minister confirm that that is an example of an area in which the Scottish Government has been more than reasonable in the negotiations?

The First Minister: Yes, and that will be borne out as we get into the scrutiny of a deal or, indeed, why there is no deal. The Smith commission said that we should be paid a fair share of the costs of setting up new responsibilities. We have compromised on that, as we have compromised on a range of areas, in order to get to a deal that we think is fair and reasonable. That fairness and reasonableness approach is one that we will continue to take, but we cannot compromise on our core principles. No detriment is a core principle, which is why we have made it so central to the entire discussion.

Alison Johnstone (Lothian) (Green): Will Parliament be able to scrutinise the proposed transitional arrangement properly during the last few weeks of the parliamentary session? Following the suggested transitional period, who will be involved in any review? Will the Parliament and wider Scotland be more involved than it has been to date?

The First Minister: I want Parliament to have the ability to fully scrutinise all aspects of any deal that is forthcoming. That is why, notwithstanding what I have said about being prepared to stay at the table for as long as it takes, I am also mindful of the fact that every day that we remain at the table is a day less for Parliament to perform that essential scrutiny role.

On Alison Johnstone's question about who will undertake the review, such matters remain under discussion as we seek to ensure that we can get to a principle and an outcome that satisfy the tests that I have set out. However, I want this Parliament—and I am absolutely sure that this Parliament wants this Parliament—to have adequate time to properly scrutinise the outcome of the negotiation ahead of a vote on a legislative consent motion.

**Stewart Maxwell (West Scotland) (SNP):** The First Minister has previously said that the Scottish Government would put proposals on the table based on per capita index reduction but tweaked to ensure that, if the rest of the UK increased tax rates and spent it on rest of the UK services, none of that money would come to Scotland. Can the First Minister confirm that that delivers on the second no-detriment principle, sometimes referred to as the taxpayer fairness principle?

**The First Minister:** Yes. The UK Government said that, in its view, our original per capita index reduction proposal would not meet the second Smith commission principle of taxpayer fairness. We therefore modified that proposal to take account of that.

The proposal that we have put forward satisfies both the principle of no detriment and the principle of taxpayer fairness. I will repeat that it is those principles that we are seeking to satisfy and it is those principles that we will continue to seek to achieve in the remainder of the negotiations.

**Stuart McMillan (West Scotland) (SNP):** Professor Anton Muscatelli and others have put estimates in the public domain of how much the different methods of indexation would cut Scotland's budget by, ranging from £7 billion to around £2.5 billion. Will the First Minister tell members whether the UK Government has at any point put an option on the table that delivers Smith's principle of no detriment, or has it only ever put options on the table that would see Scotland's budget being cut?

The First Minister: Until recently, all the UK Government's proposals would have delivered detriment. To be fair to the UK Government, I do not think that it is trying to hide that to any great extent. It has been fairly explicit that it thinks that Scotland's budget should suffer detriment because of relatively slower population growth—although I am sure that it would not articulate it in that way.

That has changed in the past few days. As I said in my statement, we now have a proposal on the table that would guarantee no detriment for a transitional period, with the potential of a review. However, whether we can get to an agreement on a review that would continue to ensure that no detriment would be the guiding—or a guiding—principle is one of the issues that we continue to seek to resolve.

## "SNAP: Scotland's National Action Plan for Human Rights— Year Two Report"

**The Presiding Officer (Tricia Marwick):** The next item of business is a debate on motion S4M-15645, in the name of Christine Grahame, on behalf of the Justice Committee, on Scotland's national action plan for human rights.

#### 14:54

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): I rise to speak on behalf of the Justice Committee and am pleased to speak on the progress of SNAP, Scotland's national action plan for human rights, which is now in its second year.

A considerable amount of progress has been made in the 20 years since the international community agreed to promote national action plans for human rights, but despite the relatively strong laws and institutions to protect human rights in Scotland, that has not always translated into the everyday experiences of many people.

SNAP was introduced in 2013. It builds on the values of dignity, equality, freedom, autonomy and respect, which were first set out in the Universal Declaration of Human Rights, and it provides a framework for human rights in Scotland. SNAP's overall vision is of a Scotland where everyone can live with human dignity. To realise that vision, the Scottish Human Rights Commission has developed an action plan that seeks to make human rights law a reality in people's lives by responding to the distinct challenges that we face in Scotland.

The SNAP report allows us to take stock of our progress towards a sustainable human rights culture. It also maps out next steps in areas where the value of a human-rights-based approach is already recognised and, more important, it allows us to foster learning and innovation in areas of life in which the value of human rights has not yet been realised.

The Justice Committee engages with SNAP through our rapporteur, John Finnie, who will, I understand, sum up for the committee. Mr Finnie receives biannual updates from Professor Miller, which are then fed back to the committee for its consideration.

The Justice Committee and Justice Subcommittee on Policing have also sought to examine human rights as part of our scrutiny. Probably the most referred to article against which we test legislation is article 6 of the European convention on human rights, which is about the right to a fair trial. I use the word "trial", but it is called a hearing in civil cases. Article 6 states:

"In the determination of his civil rights and obligations or of any criminal charge against him, everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law."

That can refer to a simple hearing about which school a child goes to, or to something on a larger scale, such as criminal proceedings. The right to a fair hearing is an important part of Scots law and we test all proposed legislation that comes before the committee against that.

Another example is our consideration of the Abusive Behaviour and Sexual Harm (Scotland) Bill, during which we took evidence from a representative of the Scottish Human Rights Commission. The Justice Sub-Committee on Policing continues to scrutinise, within the context of human rights, Police Scotland's approach to stop and search and its use of surveillance. It is about the difficult balance that is to be struck between the rights of the individual and the requirements of society and the community as a whole.

With its focus on seven specific outcomes, SNAP offers a long-term vision for human rights all the way to 2030, but it is encouraging to note the progress that has already been made in the past two years. There is a new online portal that brings together resources that have been developed on human rights in health and social care. I am pleased to see that the cabinet secretary with responsibility for older people is here today, because the issue has an important application to older people. There is also the housing rights in practice project, which I will say more about later.

The progress that has been made is testament to the dedication of the commission, its staff and its partners: the committee commends them for their achievements to date. Special mention should go to Professor Alan Miller, who I believe is with us in the gallery today. As many members know, he is stepping down as chair of the commission this year. I take this opportunity to commend him on behalf of the committee for his commitment in driving forward the human rights agenda in Scotland and elsewhere. I understand that Scotland now enjoys an internationally recognised reputation for its approach to human rights, which is due in no small part to the work of Professor Miller.

The committee heard from Professor Miller back in January, and members were particularly interested in the work that is being done through SNAP at local level. We in Scotland enjoy a relatively high standard of living, so it is easy to take for granted the intrinsic role that human rights play in our everyday lives. Eleanor Roosevelt, in her speech marking the tenth anniversary of the Universal Declaration of Human Rights, asked where human rights begin. For her, the answer was that they are found not in some philosophical ideal, at the negotiating table or in some international forum, important though those are, but in the small places, close to home. They are in the world of the individual person, the neighbourhood we live in, the school or college that we attend, the factory, farm or office where we work or the hospital and care home. She said:

"Unless these rights have meaning there, they have little meaning anywhere."

I mentioned the housing rights in practice project, which is being conducted just down the road in Leith. That pilot project is helping residents in Edinburgh to use human rights to tackle substandard housing and living conditions. The Justice Committee was surprised to learn that the chair of the commission, Professor Miller, was busy with a small project like that, but that is where it matters. It is such projects that demonstrate the need for us to move beyond the preconceived notion of human rights as being something that is separate and academic or esoteric, and instead to see them as being practical and relevant to the everyday.

A tenant who is involved in the project had this to say about the value of considering local issues in the context of human rights:

"Before, I had no idea that I had any human rights regarding my housing conditions. I had contacted the Council on many occasions to try and improve conditions in my home and in my community. On some occasions I succeeded however, in the majority I failed.

Through the organisations involved I have learned a lot. They have encouraged me to involve the community as a whole and to discuss our problems in regards to our homes and environment. As a result the residents association has reformed. I have learned that housing conditions not only impact on physical health but also on our mental health.

The process is currently in the early stages and I look forward to working ... to make our community a peaceful and happier place."

It is encouraging to see how the commission's work is contributing to the lives of constituents. The committee will continue to monitor its progress.

Under SNAP, the commission is also working to ensure that human rights inform our approach in a number of other important areas. It has continued its focus on justice and safety issues by holding a series of accountability round tables to scrutinise the commitments that have been made by the Scottish Government, Police Scotland and others. By involving people whose rights have been affected through a series of stakeholder roundtable meetings under SNAP, the commission has created an open and frank space for organisations to account for their record on human rights issues.

Another important area is the commission's work with the Scottish Government under SNAP to monitor implementation of the action plan on historic abuse. By using human rights to inform how survivors interact with authorities, SNAP has encouraged parties to take a structured approach that is based on the delivery of 10 key outcomes. Those include exploration of options for a national survivor support fund, consideration of the merits of an apology law-my colleague Margaret Mitchell has made progress on that-and consideration of the value of a national inquiry. All those areas of work help to foster a human rights approach across our public institutions, and will inevitably embed in the public consciousness the principles that are advocated by SNAP. It is for SNAP to build on those important achievements and to maintain momentum in order to realise successfully its long-term goals.

Human rights are an effective means of achieving many of Scotland's other policy goals and, through SNAP, the commission has already forged excellent relationships with many of Scotland's public authorities. Although substantial progress has been made, more action is needed to ensure that human rights are successfully embedded in the fabric of Scottish society. If they have not already done so, I encourage all Scotland's public authorities to reflect on SNAP's year 2 report and to consider how human rights can be embedded throughout their organisations.

SNAP will play an ever-increasing role in the wider debate about human rights law and—more important and more relevant at the moment—our relationship with the European Union. I am confident that the progressive approach that has been taken under SNAP will be invaluable in ensuring that human rights continue to be the foundation on which our society is built.

I look forward to listening to members' speeches and to reflecting on positive and constructive debate on SNAP. It is encouraging to note the progress that has been made in the space of two years, but we should not be complacent in our pursuit—or, indeed, our defence—of the principles that are advocated by SNAP.

I again congratulate Professor Miller and his team for all their hard work. I am confident that the commission will continue to maintain Scotland's reputation as a leader in human rights on the international stage.

I move,

That the Parliament notes the publication on 10 December 2015 of the second annual report on Scotland's National Action Plan for Human Rights (SNAP), *SNAP: Scotland's National Action Plan for Human Rights - Year Two Report.* 

15:04

The Cabinet Secretary for Social Justice, Communities and Pensioners' Rights (Alex Neil): I thank Christine Grahame and the Justice Committee for promoting the debate. It provides a timely opportunity to reflect on the journey that we have all taken in giving further and better effect to human rights over the fourth session of the Scottish Parliament. It provides, too, a chance to reflect on the work that remains to be done, and serves as a sobering opportunity to recall the real and present danger to our human rights—not least from some of the illiberal and regressive policies that the current United Kingdom Government promotes. I will say more about our response to that continuing threat in my closing remarks.

First I want to talk about Scotland's achievements. I want to recognise the actions that the Scottish Government, this Parliament, Scotland's wider public sector and Scottish civil society as a whole have taken in order to acknowledge Scotland's international human rights obligations. We have a shared vision: a vision for a Scotland in which respecting, protecting and realising human rights enables everyone in our society to live with human dignity. We are, in this Parliament, united in the belief that all human beings have equal worth, and that all of us are entitled to the same fundamental protections and freedoms.

As a Government, we have argued that the cause of human rights is also the cause of social justice. A socially just society is one that embeds human rights at every level, one in which every one of us enjoys genuine equality of opportunity, and one in which we acknowledge a fundamental bond of solidarity and the principle that no member of our society should be left behind. Those principles transcend political divisions. At their heart lies the fundamental challenge of making rights real in everyday life for individuals and communities across the whole of Scotland. That means embedding human rights not in some abstract theoretical sense, but-as Christine Grahame said—as part and parcel of how Scotland functions at every level. It means addressing not merely the important civil and political rights that historically have received greatest attention, but the economic, social and cultural rights that are every bit as essential to our ability to function as an inclusive, successful and socially just nation.

The renewed emphasis that has been given to the full spectrum of human rights—civil, political, economic, social and cultural—provides some of the most powerful evidence of the progress that we have made. By reasserting the importance of the full spectrum of human rights, and by recognising the direct connection between rights and real-life concerns, we are working to strengthen our devolved democracy.

We are working to build a Scotland in which fairness, equality, social justice and fundamental human dignity can genuinely be regarded as normal features of everyday life for all members of our society. As a Government we have made our own contribution to realising that vision. The action that we are taking to promote fair work and a living wage is a good example of our work towards that vision. We have emphasised the importance of not just economic growth, but growth that is also sustainable and inclusive. We have been working to close the education attainment gap and to address gender stereotypes. A rights-based approach is one reason why we have opposed the UK Government's Trade Union Bill, and we are committed to ensuring that disabled people have the same freedom, choice, dignity and control that we all expect to enjoy in our daily lives. We have recently consulted on a draft disability delivery plan, which will contribute to implementation of the United Nations Convention on the Rights of Persons with Disabilities, and Scotland has directly recognised the United Nations Convention on the Rights of the Child in law through the Children and Young People (Scotland) Act 2014.

Perhaps the clearest possible example of the need for human rights to inform action is the refugee crisis. As a nation, we recognise our obligation to those who are fleeing war and persecution, which is why Scotland has already promised to play a full part in offering sanctuary to those who need it. Such work demonstrates that the key challenge for any progressive modern democracy lies not in finding ways to avoid human rights responsibilities, but in finding ways to embed those responsibilities throughout our work.

As members know, 2016 marks the 50th anniversary of two of the core treaties of the international human rights framework: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. Those covenants remain as relevant today as they were when they were originally drafted. Today's debate provides a welcome reminder of their salience, and of the importance of our efforts here in Scotland to give further and better effect to those obligations.

I therefore invite members around the chamber to look back with pride on our achievements and the progress that Scotland has made. Let us also look ahead with confidence and commitment, and with a belief in the value of collaborative action, to continuing that work in the next session of the Scottish Parliament and beyond.

#### 15:10

Graeme Pearson (South Scotland) (Lab): I thank Christine Grahame for introducing this afternoon's debate. I identify entirely with the comments of the cabinet secretary and of the convener of the Justice Committee.

The work on human rights as they impact on Scotland lies at the very heart of all that the Parliament is about. I know that members are busy elsewhere in the building currently, but it is unfortunate that there is not more time for members to participate in this very important debate.

I acknowledge Professor Alan Miller's presence. SNAP is a personal triumph not only for him—he has worked hard for that in all the years that I have known him—but for his colleagues who sit with him today in the chamber and for those in the drafting group and the advisory council of members from civic life and elsewhere. All have contributed to bringing us to where we are today.

This afternoon's meeting of the Parliament was opened by Dr Angus Morrison, the moderator of the General Assembly of the Church of Scotland. He mentioned the essential mutual dependence at every level of our society, and a community dedicated to love, justice and compassion.

In the foreword to SNAP, there is an acknowledgement of

"Scotland's own historical approach to rights, our vision of limited sovereignty of the state, and the relationship between the individual and community",

#### which

"resonate with present day values of fairness, empathy and dignity."

The moderator's words this afternoon and the words in the foreword to SNAP speak in the widest terms about delivering justice. That is not justice solely in connection with what happens in our courts and in our criminal justice system. It is justice not only in small places but, if I can describe them in this way, for small people— people who are not empowered and who cannot stand up in the Parliament and make themselves heard, but who would expect the Government and those in positions of power, who act on the decisions made in the Parliament, to act in good faith and with openness in delivering the way forward.

To that extent, the contents of the action plan and the changes in outcomes that are delivered within that action plan for consideration by the Government and by those in public services and elsewhere are important steps forward. The action plan gives the Government a clue on how to go forward in developing further human rights in our country. As the cabinet secretary knows, in my time in Parliament I have spoken to him about constituency matters on health. People who are suffering the worst of all outcomes because of ill health have found it very difficult to access the information that they need in order to take forward the justice of their own case. Constituents have also approached me about outcomes from planning. Again, they have found it very difficult to access the basic information that is necessary to know whether their situation is being dealt with properly.

The cabinet secretary and the convener mentioned Police Scotland and the way forward for that organisation. At the heart of the problems that we face there lies the ability of ordinary members of the public to be assured that proper governance is in place and that information is shared to the extent that would give confidence that public services and Government operated not in the Government's interest but in the interests of the citizen.

Those issues are central to our discussion this afternoon. The cabinet secretary in particular, and his colleagues in the Government, must take those issues to heart as we go forward. In a new session of Parliament, a new Government will need to read the action plan and ministers will have to ensure that their officials and those who work alongside them operate with human rights requirements in mind, not only in writing and in plans but in the way in which they make decisions. Only when ministers operate with openness and candour can citizens believe that they have a part to play in civil society in Scotland.

In order for human rights to be respected, Government must comply with the timescales that are set down in freedom of information requests and so forth. Further, when replies are obtained, the Government must respond with candour to the members of the public who are seeking the information. I have no doubt that there will be times when information cannot be shared because of legal or confidentiality requirements, but there will not be a member of this Parliament who has not taken part in what I see as intellectual chess, in which we find a way to phrase a question in order to ascertain information that a citizen should have been given without challenge.

I welcome the plan and applaud Professor Miller and his staff on what they have done on behalf of the Parliament. I look forward to a new Government taking it to the next level.

#### 15:16

Margaret Mitchell (Central Scotland) (Con): It is a pleasure to participate in today's debate to mark the publication of the second annual report on Scotland's national action plan for human rights. SNAP is a road map for collective action across Scotland to make human rights a reality for everyone.

The Scottish Human Rights Commission described SNAP's first year as being mainly about "setting the stage". Since then, however, SNAP has moved "off the page" in the action that has been taken to ensure that human rights become very much a reality for everyone. To achieve that objective, a diverse range of events and "hub" and "spoke" projects have been adopted on health, justice, housing and other areas. However, while significant progress has been made during the two years since SNAP was launched, it is fair to say that there is still much more to be done. In particular, the report points out that

"A step-change is needed across the Scottish public sector"

#### and that

"those in power with a responsibility to protect, respect and fulfil people's rights must step up to discharge their duties."

The SHRC says that that, in turn, means that SNAP

"must become firmly embedded in Scotland's institutional fabric rather than sitting separately in a silo."

That joined-up, holistic approach makes sense. It can be seen in the efforts that have been made so far to cement it in the foundations of Scotland's public services. One striking example of that is the mechanism that SNAP has become for holding Police Scotland to account. That is good news, given the now self-evident absence of proper and effective oversight of the single force. That issue was warned against by the Scottish Conservatives and was a major factor in our rejecting the creation of Police Scotland in the first place.

It is very much to be welcomed that accountability here is being delivered through SNAP in a number of ways, including the SNAP accountability round-table events that have been held over the past year. Those events have focused on justice and safety, and have covered Police Scotland's commitment to embed human rights in the structures and culture of policing.

The commission recognises that people in Scotland do not know a lot about their rights. It is therefore extremely positive that a dedicated round-table meeting was held to examine how Police Scotland can ensure that the experience of everyone who comes into contact with the police is underpinned by a recognition of their human rights. It is also positive that a separate session was held on proportionality in stop and search and the use of force.

In addition, the SHRC's action in July last year in reporting the disproportionate use of consensual stop and search to the United Nations Human Rights Committee helped to concentrate the Scottish Government's mind on ending the controversy.

There is no doubt that, by focusing attention on those issues through SNAP, the SHRC is helping to provide the vital checks and balances that are by and large absent under a Scottish Parliament majority Government. As Professor Miller explained in his recent evidence to the Justice Committee:

"A lot of the earlier work of the commission had to be about increasing awareness and understanding of how to apply human rights on a day-to-day basis ... We are getting to a stage where those bodies have to be increasingly held to account—where they actually need to do it."—[Official Report, Justice Committee, 26 January 2016; c 38.]

In my closing remarks, I will say more about Professor Miller's outstanding record as the chair of the SHRC.

As the new parliamentary session approaches, it is imperative that the Parliament continues to support SNAP and that Professor Miller's impressive legacy is delivered through his successor, Judith Robertson, when she takes up her position as the new chair of the SHRC.

The Deputy Presiding Officer (Elaine Smith): We turn to the open debate. Speeches should be four minutes, please.

#### 15:21

Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP): I am very happy to speak in this debate. I add my voice to the voices of everybody else in the chamber in congratulating Professor Alan Miller on getting out alive at the end of his tenure, and on that fantastic tenure, which has left a mark on all of us. I wish him well.

We are now in the third year of Scotland's national action plan for human rights, and the second annual report has been delivered. As we have already heard, it has had a huge impact. However, many folk will not realise that it has been heralded at the Council of Europe as an exemplar for other member states to follow in implementing and extending basic human rights.

The Parliament's European and External Relations Committee is conducting an inquiry into the possible effect on Scotland of a repeal of the Human Rights Act 1998. I have heard no verbal evidence and have read no written evidence from anyone who supports that repeal; indeed, quite the opposite is the case. The people whom we have spoken to—in the trade unions, the third sector and civic Scotland—would like an extension to the human rights legislation to further protect everyone's rights. One example of Scotland's national action plan for human rights work, which has been talked about a lot in our committee inquiry, is that on testing methodology for building a better human rights culture and capacity, especially at the local level for people with disabilities and mental health issues, young people, children and our elderly. If we can incorporate a culture of human rights practice into our everyday work, we will make life better for everyone—not just for the people who receive the service, but for the people who deliver it.

Equality impact assessments are the basic drivers for making the policy at the local level to ensure that it works best for people. However, the quality of some of those assessments leaves a lot to be desired. Maybe a bit of work could be done to look at some of them, and maybe some training and understanding could be offered to the staff who do them. With a good equality impact assessment, there will be success for the person who needs the service.

Our First Minister has said:

"progressive governments"

should be

"finding ways to embed"

human rights

"responsibilities across different areas of policy"

and not trying to find ways to avoid them. I wholeheartedly agree with her.

I have led many debates over many years on human rights and how important they are to our everyday work; in fact, the Deputy Presiding Officer has taken part in some of them. We have a First Minister who came up with that quote, so we have made a bit of progress.

This Government supports human rights, and I believe that all parties in this Parliament support the Human Rights Act 1998. Let us remember that that act means the right to life, to liberty and security, to education, to free elections, to a fair trial, to marriage, to privacy and family life, and to property. It means that people have the right not to be tortured, not to be sold into slavery, not to be discriminated against and not to face a death penalty, and my favourite part is that it gives people freedom of assembly and association, of expression, of thought, of conscience and of religion.

It ill behoves any Government to attempt to undermine those hard-fought-for rights and freedoms, and any Government that does so has serious questions to answer. However, the philosophy of the UK Government seems to be to gag charities, introduce anti-trade-union laws, strip rights from disabled people and take us out of the EU.

I welcome the continued work on Scotland's national action plan for human rights. I welcome and commend the work of the Scottish Human Rights Commission and hope to see many years of that work in the future. I offer Judith Robertson my help, my support and my best wishes for her endeavours.

#### 15:26

Elaine Murray (Dumfriesshire) (Lab): When Professor Alan Miller, the outgoing chair of the Scottish Human Rights Commission, came before the Justice Committee, he explained to us that, in developing the Scottish national action plan for human rights, the SHRC had benefited from international experience and best practice. He advised us that the UN's Paris principles require national human rights organisations to act as a bridge between their country and the international human rights system.

As Margaret Mitchell said, the first year of the action plan was principally about raising awareness of how human rights should impact on daily experiences in hospitals, care homes, the justice system and the delivery of public services, and about developing an understanding of how a human rights approach should change the way in which services are provided. In the second year, SNAP has reached the point at which service providers can and, we hope, will be held accountable. In getting there, the SHRC has worked with individuals and organisations on the implementation of SNAP. Some 1,000 care providers have received training, which has been independently evaluated and considered to be extremely successful, and that training is being scaled up to be available to all care homes.

The convener of the Justice Committee told us about the housing project in Leith, where residents in poor housing conditions were made aware of their rights to adequate housing and enabled to participate in decisions. Christine Grahame also spoke about the work that uses a human rights approach to place survivors of historical sexual abuse at the centre and provides a framework that can be used to enable them to access justice. That work is relevant in the context of the current inquiry. In another example, Perth and Kinross Council has run a pilot project to promote a human rights culture at a local level, which has involved communities and public services coming together at three participative events.

Following the passage of the Human Trafficking and Exploitation (Scotland) Bill last year, the Scottish Prison Service is working on a research project on the experiences of the victims of trafficking, using a whole-system approach. Police Scotland, too, is committed to improving the human rights training that is provided to officers, and to cultural change within the organisation.

The SHRC has twice been awarded "A" status, which is the top award, and it therefore has the right to speak at the United Nations, the UN Human Rights Council and treaty bodies. Professor Miller has spoken to the UN Human Rights Council on matters such as the right to housing and the bedroom tax, and he supported the special rapporteur who was critical of the UK Government on that issue.

However, human rights in Scotland still face challenges, not the least of which is the perception—which is encouraged by some of the right-wing media—that a human rights approach favours the bad guys over the ordinary citizen, whether that is in relation to the treatment of offenders in prisons or the mythology, which is perpetuated by the likes of Theresa May, that illegal immigrants are being allowed to stay in the UK because they have a cat.

There is still work to be done, not just by the SHRC through SNAP but by all of us who support human rights, to develop people's understanding that human rights are fundamental to us all and are essential to the way we treat each other. Here, I might surprise Alex Neil by saying that I agree with him, because I too believe that the UK Government's intention to repeal the Human Rights Act 1998 and replace it with a watereddown British bill of rights represents a significant threat to progress.

As I said, Professor Miller is about to vacate his position as chair of the SHRC, and he will be succeeded by Judith Robertson. I was very pleased to be one of the parliamentarians on the panel that appointed Judith Robertson, from a strong field of candidates. Judith has worked for Oxfam and the see me programme and has done valuable human rights work in that regard. It is clear that she is hugely committed to public engagement with human rights, and I am certain that she will carry on the good work that Professor Miller started, while bringing her extensive experience to the role.

I am sure that everyone in the Parliament wishes Judith Robertson all the best in her challenging but exciting new role. I am sure that we also wish Professor Miller all the best in his retirement from the position.

#### 15:30

**Margaret Mitchell:** I thank all members who have contributed to a good debate this afternoon. From the tenor of the speeches, it is clear that there is a strong degree of consensus around the

positive impact of SNAP since its inauguration. The success and value of SNAP is testament to the hard work of the Scottish Human Rights Commission and its chair, Professor Alan Miller.

In his recent evidence to the Justice Committee, Professor Miller reminded us that, when the Scottish Parliament established the SHRC in 2007, it did so

"with a fair degree of hesitation."

He went on to acknowledge that the commission's

"relevance and credibility are now beyond question."— [Official Report, Justice Committee, 26 January 2016; c 39.]

That is an important legacy, and one of which he and his team can be justifiably proud.

On a personal note, I benefited hugely from Professor Miller's experience and wisdom during the passage of my Apologies (Scotland) Bill, which he recognised would help to deliver effective remedies for survivors of historical child abuse. Members might be interested to know that the Apologies (Scotland) Act 2016 received royal assent today.

Christine Grahame: Well done.

**Margaret Mitchell:** As Professor Miller prepares to step down from the SHRC at the end of March, I wish him every success in his future endeavours.

Even in its fledgling first year, SNAP attracted considerable international interest. As we heard in the Justice Committee,

"It is now recognised internationally that SNAP has set the bar for how a plan should be put together and how its potential should be realised."

Given that human rights institutions are established in more than 100 countries, that is quite an achievement.

During the evidence session, I was also interested to learn about how the SHRC balances its international interests with its focus on domestic work. Professor Miller explained that that is a "twoway street", with the SHRC acting as

"a bridge between"

Scotland

"and the international human rights system."

Professor Miller went on to say that one example in that regard is the area of survivors of historical child abuse, and he told the committee that the approach that we have adopted to help to bring about much-needed closure for victims

"is of considerable interest to many other countries around the world."—[*Official Report, Justice Committee*, 26 January 2016; c 37-8.]

I am pleased that others can begin to build on what we have achieved so far in Scotland, in what is an incredibly complex and sensitive area. It is important to understand that in year 2, as a result of research that was undertaken in an effort to get SNAP right, it was recognised that people in Scotland do not know a lot about their economic, social and cultural rights. Furthermore it was revealed that people who, by virtue of their occupation, have a duty to protect human rights often worry about how that can be done.

There is therefore a need to bridge the gap in people's understanding of human rights. That has led to a big focus on generating and sharing accessible information about human rights, for the wider public and for people who work for organisations that have human rights duties.

I welcome the Scottish Government's achievement in co-ordinating and funding a public awareness campaign about human rights. The campaign took place in the run-up to 10 December, which was international human rights day. However, I echo the Equality and Human Rights Commission's call for the Scottish Government to provide further indication of how the First Minister's commitment to better incorporate human rights into devolved policy areas will be achieved.

I look forward to following the work of the SHRC and SNAP as the plan enters its third year, and I wish Judith Robertson well in her new post.

#### 15:34

**Graeme Pearson:** I am pleased to close on behalf of the Scottish Labour Party. I am also pleased to recognise the tone of the contributions from all sides of the chamber. This is one of those debates where there is nothing to argue about. Human rights lie at the very heart of who we are and what we seek to achieve in our lifetimes—to treat others as we would want ourselves to be treated.

I thank members of the Justice Committee for the work that they have done on behalf of the Parliament in considering the plan that we have debated this afternoon, and I join other members of the Parliament in welcoming Judith Robertson as the new Alan Miller for Scotland. I wish her as much luck and as much success as Mr Miller enjoyed during his time in the post.

Christine Grahame quite rightly focused on the fair hearing and the need for legislation in developing a criminal justice system that reflects at its heart a recognition of human rights and respect for those rights. She gave some examples of how those things have been developed in new legislation and in our approach to a new national police force. She went on to point out how important it is to take human rights to small places. I acknowledge that whole-heartedly, and I hope that she equally acknowledges the small people I spoke about earlier.

One of the key statements made this afternoon, during what was necessarily a truncated debate, was made by the cabinet secretary himself. He said that he acknowledged that there was much more work to be done. Although everyone feels good commenting on the positive aspects of human rights, the comfort that we gain from being able to say those things in this chamber can continue to be comfortable only if Government takes truly seriously its responsibilities in relation to human rights and what that means for the future and only if it works hard to ensure that a culture of openness and frankness with the citizen is delivered.

**Christine Grahame:** I agree with that, but a lot is about what happens in practice. If people at work on the front line, in policing, hospitals or schools, or even in our shops, practised that culture of openness, as my colleague Christina McKelvie has said, the world would be a better place. The person who is giving that kind of respect, as well as receiving it, would also be in a better place.

**Graeme Pearson:** I acknowledge what the member has said. The lead from Government not only in saying those things but in ensuring that they are delivered will give the individual public servant the confidence to know that they will not be blamed for their openness and will not feel any pressure because of being frank. In future, we will not need whistleblowing lines and the like, because every citizen will feel free to operate within the law and to be frank with their views.

I am conscious that time is short. In closing, I say that I hope that SNAP will become an attractive early project for the new Government and that we can continue to work so that internationally, as Christina McKelvie has said, we continue to be respected for the work that is done here in Scotland. I hope that this subject matter never becomes political, because it is important that we work together as human beings to deliver human rights.

#### 15:38

Alex Neil: Although this has been a truncated debate, it has nevertheless been one in which there is a broad consensus across the chamber on the importance of human rights. As Graeme Pearson said, it is important that the Government—in particular the new Government when elected in May, whoever may be in it—should agree to embed human rights in every aspect of our work in Scotland and to take forward that agenda.

I join in the chorus of congratulations and thanks that have quite rightly been offered to Professor Alan Miller, who is an outstanding public servant. I wish Judith Robertson all the best, but Alan Miller will be a hard act to follow. Not only has he established the Scottish Human Rights Commission but he has, more importantly, established the human rights agenda in Scotland and, through SNAP, is embedding that throughout the entire life of our nation. Alan has gained huge respect not just in Scotland but internationally, and he is recognised as one of the global leaders in human rights-rightly so.

It is important to recognise what SNAP says about the likely areas of activity in its third year. There are too many for me to mention them all, but they include:

"developing a greater range of case studies ... evaluating the impact of awareness raising efforts"

#### and

"rolling out a local model and process to empower people and organisations to develop a shared approach to building a human rights culture".

Those are just three out of a long list of actions that are to be undertaken in year 3 of SNAP, which underlines the point that everybody has made—that, despite the progress that we have made, there is still a great deal to be done.

The plan also outlines four main challenges for the period ahead. First, public authorities must

"demonstrate how they are protecting human rights in practice through the design and delivery of their services."

I commit the Government to working full-out on achieving that and taking forward that agenda. Secondly,

"monitoring and reporting on human rights, and on SNAP itself, must become firmly embedded in Scotland's institutional fabric rather than sitting separately".

I wholly endorse and agree with that. Thirdly,

"wider resources need to be harnessed and redirected towards"

SNAP's aims. I think that we all accept that, even in these difficult financial times, we must prioritise resources for the development of human rights. Fourthly, the report states that we must resist what it calls

"the toxic influence of regressive debates about human rights laws at Westminster".

I will say a few words on the last of those challenges. Although this Parliament is united on the human rights agenda, unfortunately the Parliament in London is not united on the way forward. As I noted in my opening remarks—I scarcely need to remind members of this—our fundamental rights will remain under direct threat if the UK Government proceeds with its plans to repeal the Human Rights Act 1998. We, as a Parliament, have made our views clear, and those views have been repeated in the Welsh Assembly and the Northern Ireland Assembly.

In making our views known, it is critical that we can influence opinion not just here in the UK but further afield, particularly because we are now in the run-up to a referendum on the future of Europe and the European Union. The prospect of the legislation at Westminster endangers the UK's international reputation for being at the forefront of human rights, which is all the more reason for us, as a country, to dissociate ourselves from any such plans.

**Margaret Mitchell:** The cabinet secretary will recognise that Scotland has the power to implement human rights. Does he accept that there are various instances of the UK's having a better record of implementing human rights, including on non-statutory stop and search—stop and search was never statutory but has always been consensual in England—and on the right to congregate, with six days' notice required in the rest of the UK but 28 days' notice needed here? There are various other examples. It is far from the case that Scotland has an exemplary record while the UK does not.

Alex Neil: That exemplifies the tragedy that, although a lot of progress has been made in some areas, the Trade Union Bill is travelling in the opposite direction. The threat to the human rights legislation and, in particular, the role of the European Court of Human Rights is doing a lot of damage not just to the UK and the UK Government but to the international human rights agenda at a very sensitive time when we should be championing human rights in the middle east, Africa and elsewhere, where there are major violations on a daily basis.

I know Michael Gove and I regard him as a very civilised individual. I will be surprised and disappointed if he does not ditch the proposals, which are, frankly, unworkable. It is also clear that the European convention on human rights is written into the statute that set up the Scottish Parliament and the good Friday agreement in Northern Ireland. The proposed legislation cannot go through without the explicit approval of the Scottish Parliament, and I would bet my bottom dollar that the Parliament will utterly refuse to endorse any such proposal.

I hope that Michael Gove and his colleagues will look again at the damage that has been done in Europe to the UK Government's reputation which, unfortunately, outflanks all the good work that has been done in some areas—and will come to the conclusion that the proposals ain't worth the candle and the quicker they are ditched, the better. There could be no greater signal of a commitment to human rights than for Michael Gove and his colleagues to take that decision.

I hope that the issue will not divide members here, because it is divisive in the Westminster Parliament, and it is certainly divisive in the country. I think that there will be strong, uniform opposition to any such legislation. I have had discussions with people such as Dominic Grieve, and it is clear that a significant number of Tory back benchers at Westminster are utterly opposed to the proposals and will go out of their way to frustrate them as much as they can.

I know that the Parliament is absolutely united on not just the principles of human rights but progressing the agenda that has been laid out by the SNAP report, by the commission, by Alan Miller and now by Judith Robertson. As a member of the present Scottish Government—and, I hope, the next Scottish Government—I look forward to taking forward that agenda on a very proactive basis.

**The Deputy Presiding Officer:** I call John Finnie to wind up the debate on behalf of the Justice Committee.

#### 15:46

John Finnie (Highlands and Islands) (Ind): I am delighted to close the debate on behalf of the Justice Committee. I thank all participants for their contributions; it has been a largely consensual debate. It started with the committee's convener talking about a fair hearing, which is what everyone wants. A theme that kept cropping up is people's desire to understand the relationship between their rights and their expectations.

The convener mentioned the rights of the individual and how those rights relate to the rights of wider society. She also talked about police stop and search. We would all want citizens to understand their rights. New police officers swear an oath to uphold human rights and, for that reason, I was very impressed when John Scott, who undertook the inquiry into stop and search, said that he wanted the police to be the front-line defenders of citizens' rights. That is the approach that I want the police to take.

The convener encouraged public bodies to reflect on the importance of human rights. That was a recurring theme, as was reference to the plans of the UK Government in relation to Europe. I commend to everyone as a good reference point the evidence that the SHRC gave to the European and External Relations Committee in November of last year, which the convener mentioned.

The cabinet secretary talked about the journey that we have taken, which has been significant. He acknowledged, in both his opening and his closing speeches, that there is work to be done, and I think that we would all agree. He made the point that there are common principles that are shared across the UK, including those of ensuring that there is genuine equality of opportunity, making rights real, which was another recurring theme, and looking at rights and real-life concerns. He also talked about how we function.

Economic, social and cultural rights were mentioned. The cabinet secretary gave the example of fair work and the living wage, and he talked of the on-going need to improve things in that area. The Trade Union Bill, which several members mentioned, is clearly a cause for concern. It was a cause for concern for Professor Miller when he was asked about it. He told us that it was a frustration that not all such matters can be dealt with by the SHRC, which works closely with the Equality and Human Rights Commission. That is important to remember.

Various members talked about finding ways to embed human rights, and the cabinet secretary mentioned the covenants and their continuing relevance. We face the danger that, if there is any change, the long-standing covenants will be set aside. It is very important that there is collaborative action in the next session, regardless of who is in Parliament.

Graeme Pearson spoke about openness and consensus, and he was right to describe SNAP as a personal triumph for Professor Miller-I think that we would all agree with that-and his colleagues and the wider participants. Graeme Pearson also used the phrase "small people", which I thought was very telling and important. He gave examples from health and planning where access to information meant, in fact, that the individual was unable to understand whether their rights were being met, which is an important point. He also referred to police governance and the confidence that people must have in the police service. He commended SNAP to the postelection Government, which he hoped would operate with openness and candour-something that we would all hope for.

Margaret Mitchell spoke about setting the stage and the reality of where we are. She talked about the events that have been held and how they had contributed to the national action plan. She said that those in power must step up. Again, her reference to Police Scotland was important in terms of the accountability that can be put in place for public bodies through SNAP. There was also reference to embedding rights and the use of proportionality in relation to rights. Specifically, there was reference to concerns that proportionality was not being applied in any sense on stop and search.

Christina McKelvie talked about Professor Alan Miller getting out alive. He has a wee while to survive yet, but it is certainly the case that his work has been acknowledged way beyond our boundaries. It is very telling that the Council of Europe has commended his work as an exemplar.

Christina McKelvie's reference to the embedding of rights in everyday living has been a recurring theme, and she make a telling point about the role that equality impact assessments would play in the success of that. She also mentioned the First Minister's endorsement of the national action plan, and that high-level endorsement for the SNAP approach should not be underestimated. Christina McKelvie also listed a number of rights and freedoms that she would chide any Government for setting aside. I think that she had a particular Government in sight, but given the nature of my job here I will not go into that in any detail.

Elaine Murray talked about care and housing and about victims being at the centre of justice, which is the practical application of human rights that a lot of people want to see. She also mentioned Police Scotland and the Scottish Prison Service, and it is important that all aspects of rights work are covered by them. Again, mention was made of the "A" status and what that involves, and the role of the UN rapporteur. We understand that the UN rapporteur had robust things to say about the bedroom tax and housing.

Margaret Mitchell mentioned in her summing up the success with the Apologies (Scotland) Bill, and we would all look to ways of resolving matters short of formal procedures.

Professor Miller has fulfilled an ambassadorial role, and he was before the Justice Committee just a few weeks ago. We welcome his successor, Judith Robertson, and we wish them both every success. It is the case that Scotland's position on human rights, not just the national action plan, has an international reputation. The "A" status has not come about lightly but is given through assessment by peers; it gives an organisation speaking rights at the UN and treaty bodies. Professor Miller told us that that means that a rights organisation can hold its state to account, which is what we want from the SHRC.

I understand that, although there were very robust things to say about the bedroom tax, the UK Government gave the UN rapporteur "short shrift", in Professor Miller's diplomatic words. However, that did in fact lead to increased debate. Lest we get complacent, though, I asked Professor Miller about our position on Gypsy Travellers, because we in Scotland have a way to travel, too.

We need to look forward, and it is hoped that by 2030—15 years on from the publication of the

report—SNAP will have made visible and significant progress towards achieving seven specific changes in Scotland. I will put them swiftly on the record: one, each of us is empowered to understand and embrace the value of human rights, asserting them in all parts of our lives; two, each of us can participate in shaping and directing decisions that affect our human rights; three, organisations providing public services contribute to a human rights culture by valuing and putting human rights at the heart of what they do; four, Scotland increasingly implements its international human rights obligations, influences and learns from international experience, and promotes human rights in all its international engagements; five, all organisations are held to account for the realisation of people's rights through international and domestic laws, regulation and monitoring; six, each of us has access to and can enjoy quality public services that respect our dignity, irrespective of who we are or where we live; and, seven, each of us experiences improved opportunities and life outcomes, while Scotland experiences an overall reduction in inequality of opportunity and outcomes. Who could object to all that?

It has been a consensual debate. We have far more in common than we have differences, and I think that we should marshal around Scotland's national action plan. Again, I send our best wishes to Professor Miller. **The Deputy Presiding Officer (Elaine Smith):** The next item is a debate on motion S4M-15695, in the name of Fiona Hyslop, on the BBC charter renewal process.

#### 15:55

The Cabinet Secretary for Culture, Europe and External Affairs (Fiona Hyslop): I am delighted to open this debate on the BBC charter renewal process. I thank the Parliament for the key role that it has played in the process. From the outset, the work of the Devolution (Further Powers) Committee was vital, not only in ensuring that the Scottish people are properly represented for the duration of the renewal process but in engendering a collaborative and consensual approach to what could have been a very partisan issue.

The quality of that committee's work and the commitment to securing the very best for Scotland were reflected in the Parliament passing-without opposition-a motion to agree the to memorandum of understanding between the Scottish Government, the United Kingdom Government, the BBC and this Parliament, Likewise, the work of the Education and Culture Committee has been a perfect example of how our committee system can work across party lines to provide a depth of consideration and forensic expertise to tease out important new strands of the debate that had previously been elusive.

It is worth sharing that, in feedback from my meetings with representatives from across Scotland and beyond, I repeatedly heard that our approach in Scotland has been considered refreshing and that the debate has been of high quality and genuinely meaningful. I congratulate everyone who has been involved in the debate on that; it is a testament to the value of the participative approach that we take in Scotland, which I hope will continue. In that regard, I am happy to acknowledge all in the debate, and I am minded to accept Labour's amendment.

A key reason why a broad consensus has been reached is that the principles of what Scotland wants from the charter renewal process are well established. They are

"To empower BBC Scotland to address the concerns of audiences and deliver better outcomes for audiences, including more representative content across all outputs ... To ensure that the governance and structure of the BBC is more responsive, and that, by reflecting the changing political structures of the UK, it is able to deliver similarly decentralised decision making" "That through these structures the BBC is not only able to deliver better outcomes for audiences in Scotland but also implement commissioning and editorial practices which will support Scotland's creative industries."

John Finnie (Highlands and Islands) (Ind): I am grateful to the cabinet secretary for taking an intervention. Parity of esteem between the Gaelic and Welsh languages is an important factor. Would she care to comment on MG Alba's view that we should move to having at least 10 hours of original programming a week?

**Fiona Hyslop:** I will not just comment on that, because the idea is part of our proposals, as the member will know if he has read our document. Only yesterday, I raised directly with the BBC the issue of ensuring an extra 10 hours of original content for MG Alba. That is part of on-going discussions.

In its policy paper, the Royal Society of Edinburgh pointed out that the ability of a publicly funded BBC to continue making high-quality content that is relevant to audiences and maintaining universality of access and provision in a way that is transparent and accountable to Scotland and the Scottish Parliament is core to the issue. Such accountability will allow the BBC to catch up with significant changes that we have seen in the political structure of the UK. That becomes more critical as we approach the referendum on membership of the European Union and, for example, when striking junior doctors fill the news in Scotland while our own junior doctors are not on strike.

I am pleased that the BBC shares that view. That was outlined in Lord Hall's recent appearance before the Education and Culture Committee, when he said:

"We all recognise the pace of change in devolution, and that it is changing asymmetrically across the United Kingdom ... That is why I stress hugely my wanting an open BBC: not an arrogant BBC, but a BBC that works as a partner with people, that supports the creative industries and which is also an open platform, where that is right, to help others to get visibility not only in Scotland or the UK, but globally."—[Official Report, Education and Culture Committee, 12 January 2016; c 8-9.]

I think that we can all share Lord Hall's vision, which is of a BBC that represents the people it serves, which provides a platform for their views and creativity to be reflected not just in Scotland but across the UK and beyond, and which underpins all our policy thinking on the charter process.

I fundamentally agree with the importance of the editorial and management independence of the BBC from the Government and politicians, and I will therefore accept the Conservatives' amendment.

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Just last week, I was pleased to publish a comprehensive vision of what the Scottish Government sees as priorities for the BBC during the charter review period and to set out the strategic and wider issues that could be addressed at any time outside charter renewal. Our vision has been well received by the sector in Scotland and has gained a cautious welcome from the BBC, which demonstrates how far relations have progressed since last year. I welcome its appetite for collaboration to achieve the best possible outcome from the process for the people of Scotland.

I have taken the vision to the UK Government and I discussed the policy positively with the Secretary of State for Culture, Media and Sport at Westminster yesterday. I have also had a separate meeting with senior members of BBC staff. I will sit down with the director general next week for a detailed discussion about how we can realise the ambition that we share for the BBC in Scotland.

Scotland can add real value to the debate about the BBC across the UK by raising issues for discussion. Decentralisation of budget decision making would empower Scotland and other areas of the UK that feel that they are not being well represented by the current model. A BBC in Scotland that could develop high-quality content that represents its audiences but is also valuable to the UK network would enhance the BBC's reputation nationally and internationally. That is critical to keeping the BBC at the heart of our cultural and social life and would deliver economic benefits that helped to drive forward our creative industries. It is a win-win that would involve better content for our audiences, more support for our creative industries and a stronger and more diverse BBC.

The high level of content output from Scotland would support the BBC's development of additional platforms, perhaps initially online, through which the content could be promoted to viewers in Scotland and to wider national and international audiences. In that context, the observations of the Education and Culture Committee on the pace and opportunity of rapid technological change are welcome and bring to the debate another aspect of the future proofing of the BBC that needs to be achieved through the charter.

Let me be specific about what I mean by a decentralised model. At a practical level, it amounts to a restructuring that would bring the BBC's governance, editorial and commissioning decision-making and budget responsibilities into line with the devolved nature of the UK and would give Scotland greater autonomy while maintaining an appropriate and strategic link to the wider BBC.

The BBC's activities are not developed and delivered in a vacuum and we believe that a longterm strategic vision for the nations and regions is required if we are to improve audience satisfaction levels in Scotland. That vision needs to be held to account in Scotland by audiences and the Parliament through a unitary board structure.

Much of the debate so far has focused on the future governance of the BBC and the prospect of a service licence for Scotland. Such a licence would be a welcome development and would not necessarily require a new charter. A service level agreement would need careful implementation to ensure that it delivered for Scotland.

I welcomed Anne Bulford's statement in her evidence to the Education and Culture Committee that there is an opportunity to use a service licence to set out aims and objectives for the BBC in Scotland and for that to form a framework for monitoring. It is critical that that is supplemented by an appropriate up-front allocation of funds to allow BBC Scotland to make strategic decisions about how those funds are invested.

A BBC Scotland board would have oversight of the editorial and commissioning control that was vested in the executive team. As a consequence, BBC Scotland would have direct control over a level of funding that approximated to the revenue that is generated from the licence fee in Scotland, less a proportionate contribution for centrally developed content from services that would ensure continued access to UK network content such as "War and Peace". That is not dissimilar to the current position, except that budgets would be allocated in advance.

Mark Griffin (Central Scotland) (Lab): Does the cabinet secretary have an idea of what the proportionate contribution to the central resource would be?

**Fiona Hyslop:** Part of the investigation that was done by the committee of which Mark Griffin is a member looked at the provision of funding from the BBC. We identified about £100 million of additional funding that we could get into Scotland. What is not as clear for the network provision that we have from Scotland is how much we can produce in Scotland. Part of the debate that I had yesterday and the discussions that I am having with the BBC is about how we achieve decentralisation. Is it by subject and content, genre or country?

I think that decentralising the budget on a Scotland basis is the way forward, but there are different ways of proceeding. That needs to be part of the on-going discussions that we can and should have and will be part of the discussions that I have with Tony Hall next Monday. Our proposal would require not new money but the reallocation of funds to Scotland up front, instead of the spend that is allocated to Scotland being qualified retrospectively, as is currently the case. Our approach would allow BBC Scotland to develop and implement a strategic plan and to be held to account for its strategic decision making in Scotland by audiences and by the Parliament in a much more accountable way than is currently the case. That would transform how the BBC operates in Scotland and empower it to play a central role in supporting a sustainable production sector by providing up to an additional £1 billion of investment in our creative sector over the 10-year period of the charter.

A further product of decentralising the structure, decision making and funding of the BBC would be the opportunity to deliver benefits for audiences in Scotland through the provision, over the charter period, of additional linear or digital channels across radio and TV for listeners and viewers in Scotland. Initially, as the BBC suggested, that could be through a specific iPlayer splash page for Scotland that highlighted Scotland-produced content. However, over time, additional production should support further channels over the next charter period.

It is surely not too much to expect that, with the current degree of technological innovation, the iPlayer should be able to be tailored to the user's location, so if I chose to watch the BBC 10 o'clock news via the iPlayer in Scotland, I would get "Reporting Scotland" at the end rather than the BBC London news as is currently the case.

At the centre of the proposal—and as a product of increased production in Scotland—would be additional content, which would support new TV and radio channels as well as providing more content that was produced in Scotland for UK TV and radio networks.

The director general of the BBC referred to the delivery of additional platforms for Scotland. He said:

"However ... we also need to think about how we ensure that the audiences of the future can have the content that they want where they want it. That applies to younger audiences in particular, but it includes many of us, too. In that respect, it seems that building an online channel is important."—[Official Report, Education and Culture Committee, 12 January 2016; c 14.]

Let me be clear that this is a great opportunity for Scotland, but we must not lose our focus. Changes to the delivery of news would be welcome, for example, but we do not need the charter review to deliver those changes. The BBC should be seeking to constantly improve its output and we have set out in the policy paper such areas, which include news and current affairs. I am sure that we can all recall the bad old days and the frustration of hearing the dreaded words, "Except for viewers in Scotland." That was an offhand phrase, but it starkly illustrated just how the BBC in Scotland really viewed its viewers here. Therefore I am pleased that the BBC in Scotland is consciously working to make itself more relevant and representative. However, there is still much to do.

I reassure members that my vision for charter renewal is born from my unerring support of the value of the BBC, of the need for a strong, independent BBC and, crucially, of the need for a BBC that can deliver better outcomes for Scotland. I look forward to the debate and to the speeches from across the chamber, which will contribute to shaping how we continue to play a central role in the next crucial phases of the BBC charter renewal process.

I move,

That the Parliament notes its own new formal role in the BBC charter renewal process and that of the Scottish Government, which is to be consulted throughout the process of developing the BBC charter by the UK Government; recognises the important role that publiclyfunded, public service broadcasting plays in reflecting a nation to itself and to the wider world; agrees with the recommendations of the Education and Culture Committee regarding BBC charter renewal and the future of broadcasting in Scotland; notes the Scottish Government's recent policy paper informing the ongoing development of the BBC charter; welcomes the emerging consensus for more decentralised decision making for the BBC, and urges the Scottish Government to reflect these views fully in its ongoing discussions with the UK Government in the development of its white paper on BBC charter renewal.

#### 16:08

**Claire Baker (Mid Scotland and Fife) (Lab):** The BBC is one of our most valued and trusted institutions. Generations of families have grown up watching and enjoying BBC content. From the election night results to the world cup finals, and from children's TV to the Open University, the BBC has educated, entertained, informed and united this country since it was founded in 1922. It is admired throughout the world as a public broadcaster funded by everyone that produces quality programming with a depth and a breadth that are not matched by any other broadcaster.

The charter process provides us with an opportunity to deliver a sustainable future for the BBC in an increasingly competitive landscape. The way in which content is viewed and shared has changed dramatically since the previous charter. The BBC must stay relevant in a time of smartphones, streaming and social media. This is a crucial charter for the corporation and we must rise to the challenge and ensure that it is forward looking. We also have the opportunity to secure a good deal for BBC Scotland and the Scottish broadcasting industry. We have a lot of talent in Scotland and we need to look for opportunities to secure more commissioning and production in Scotland for network broadcast as well as for BBC Scotland. I will continue to argue for increased investment for Scotland, partly through a more effective quota system for production and commissioning, so that the benefits and effects are felt in Scotland.

We cannot ignore the fact that the charter renewal process takes place in a challenging financial context for the BBC. The UK Government's decision that the BBC will fully cover the cost of the licence fee for over-75s will be the primary factor in the reduction of the BBC budget by almost 20 per cent by 2020-21. That will leave the BBC with a decade of declining resources, and the debate must take place in that context.

In recent months, I have welcomed the cabinet secretary's invitations to take part in stakeholder events, and today I am content to work towards a common view in the Scottish Parliament in order to increase our influence over the charter process. I welcome the Education and Culture Committee's report, which has made sensible and achievable recommendations, particularly in the light of the recent BBC settlement. The committee highlights the need for greater transparency from BBC Scotland and the BBC. I realise that the BBC has not always provided the most willing parliamentary witnesses, but the report has demonstrated a new relationship between the BBC and the Scottish Parliament, which must be welcomed.

The committee considered the proposal for a new service licence for the BBC's services in Scotland and argued that that would provide greater budget transparency and accountability. Significantly, it would also give BBC Scotland greater flexibility and control, more opportunities for collaboration and the chance to generate savings that could be reinvested in more programming.

A common theme that has emerged from the charter process is that the BBC is too Londoncentric and that we need more investment in the regions and in Scotland through more decentralised decision making. In particular, the commissioning process is seen as too London based. It is thought that it does not give enough opportunities outwith the centre, which makes it difficult to build confidence and reputation, and that in turn leads to fewer commissioning opportunities.

Although the current charter committed to decentralisation of expenditure, the Ofcom definition of regional production has led to the

spirit of that quota not being fulfilled—hence the term "lift and shift". There is an argument that that model brings financial benefit to Scotland and utilises our studio space, but it does not do as much as it could to support the creative industries in Scotland.

The BBC can and should go further on commissioning and production and in addressing the flaws in the lift-and-shift model. The charter renewal process is the right time for the BBC to show that it is listening and to take action. It must improve the quota system in Scotland. The committee makes fair points about further decentralisation of decision making, commissioning and accompanying budgets.

A great expectation is being put on the BBC about what it can deliver for Scotland. I have a couple of comments on that. We should recognise what the BBC already delivers for Scotland and primarily what it delivers for the viewer. It delivers world-class broadcasting, online services and Scottish news and sport. Viewers in Scotland can watch "War and Peace" as easily as they can watch "Shetland". In fact, 19 of every 20 adults in Scotland consume BBC content every week. The BBC offers a unique service that delivers a great deal for our creative industries. For example, the BBC is the most significant producer of live music for broadcasting. Much more can of course be done, but the BBC already does more than any other broadcaster.

The cabinet secretary was unfair yesterday when she said:

"Audience satisfaction ratings show the BBC has lost its way, and that Scots do not feel the corporation fully represents their views and interests."

I have to ask where the evidence is for that statement. The Government frequently uses a figure from the BBC trust on whether people feel that their lives are reflected in the BBC and particularly in the news. The figure for Scotland of 48 per cent, which is not much different from the figures in other regions, comes from a poll with a relatively low sample size that lacked any context on why respondents felt that their lives were not being reflected. Was that because there is not enough Scottish content or because the Scottish content is too focused on the central belt? Alternatively, is there not enough ethnic minority or female representation?

It would be wrong to draw too many conclusions from the figure. For example, BBC audiences tell a different story. The figures for "Reporting Scotland" are increasing and it now has close to 600,000 viewers. The 2015 quarter 4 figures for "Good Morning Scotland" are the highest in 18 months. I welcome the BBC's review of news coverage in Scotland, but any changes have to balance expanding the Scottish news coverage in response to changes in the Scottish Parliament with the continuing demand for quality international and European reporting, relevant United Kingdom political news, UK-wide sports coverage and shared-interest UK reporting.

The Education and Culture Committee report must be seen in the light of the report on the creative industries by the Economy, Energy and Tourism Committee. At times during the charter debate, there has been an assumption that it is the BBC's responsibility to shape and grow our creative industries, but that cannot be seen as the only solution. We are still waiting for progress on a film and television studio—a proposal that is now stuck in the opaqueness of contract confidentiality and planning applications.

Creative Scotland, Scottish Enterprise and the Scottish Government have, so far, failed to deliver a film and TV studio. Not only Wales and Northern Ireland but now Liverpool and Yorkshire are overtaking us. The BBC must not be seen in isolation with regard to the creative industries; there is a role for us all to play.

The motion notes the Scottish Government's policy paper. Although I agree with areas of the paper, there are proposals in it that I do not support. I strongly disagree with its opening comment that,

"In the absence of this current level of constitutional change, the BBC Charter process provides the opportunity to deliver elements of the policy vision for broadcasting in Scotland, which may eventually build towards a more significant level of constitutional change in this area."

That is unacceptable politicisation of the BBC. The charter review is not about advancing the political agenda of the Scottish Government or the Scottish National Party. Changes to BBC governance are not designed to facilitate constitutional change. The Government's paper loses sight of the viewer and, again, misinterprets the satisfaction ratings to justify a political position.

The Government's key proposal, which the cabinet secretary outlined, for the BBC to move to a federal structure does not command support, as the Education and Culture Committee's work showed. I do not believe that the majority of licence fee payers in Scotland would like that level of radical change and I am not convinced that it would benefit Scottish viewers. It would dilute the offer and quality for Scottish viewers and introduce a complex system of fees for network programming.

Many viewers in Scotland still remember the controversy about STV not showing programmes such as "Downton Abbey" and "Doc Martin". People are likely to be concerned that the Scottish Government's proposal could lead to a similar scenario in which an executive in Pacific Quay decides to prioritise one area at the expense of network content.

strength extent of The and network programming are strong arguments against a percentage licence fee figure being calculated for BBC Scotland. I support more investment in Scotland, but the Government's proposal involves a blunt figure that does not reflect what we get in return for the licence fee: full BBC programming, radio, iPlayer and website content. It is right and fair that a proportion of our licence fee contributes towards that. To create an internal market for those services would be a disaster.

There will be robust exchanges over the BBC's longer-term future, but I welcome the cabinet secretary's intention to seek consensus for the task in hand, which is to ensure that the interests of Scottish licence fee payers, as well as those of the Parliament, BBC Scotland and our creative industries, are represented in the charter renewal process.

I move amendment S4M-15695.3, to leave out from "Scottish Government's recent" to end and insert:

"views of the Scottish Government in its recent policy paper, alongside the views of all political parties, creative industries and licence fee-payers in Scotland on the ongoing development of the BBC charter; welcomes the emerging consensus for more decentralised decision making for the BBC, and urges the Scottish Government to reflect the Parliament's views fully in its ongoing discussions with the UK Government in the development of its white paper on BBC charter renewal."

#### 16:17

Liz Smith (Mid Scotland and Fife) (Con): I issue the apologies of my colleague Mary Scanlon, who had hoped to take part in the debate but, unfortunately, is not well.

This is an important debate, which is reflected in the tone of the Scottish Government's motion, which the Conservatives have no hesitation in supporting. That tone is also in the other amendments, which we also support, and in the Education and Culture Committee's report. We particularly welcome the positive engagement from the BBC and the recognition that the current governance arrangements are not fit for purpose in the age of maturing devolution and in a competitive, technologically changing and diverse media environment that puts many challenges in the way of any broadcaster, whether the BBC or anyone else.

Whatever happens in the charter renewal process, the cabinet secretary is right to say that the BBC must emerge able to maintain the high quality of production and the marketable programmes that have given it its great distinction as an institution. It also must serve all parts of the UK, as well as the international community, and be able to keep pace with—indeed, to lead technological advances so that it is not left behind its commercial rivals.

The BBC knows that it must continue to strive for excellence across all its services. It must do that by taking into account the increasingly diverse range of audiences throughout the United Kingdom, Scotland included. On that note, it has been encouraging to hear about the positive relationship that has developed on the future of BBC Alba, especially when measured against its counterparts in Wales. I say to the cabinet secretary that that commitment is good news.

Above all, there must be greater transparency when it comes to the spending of public money. In that context, it is right that the Scottish Parliament has an enhanced ability to hold BBC Scotland to account.

It was good to hear the BBC acknowledge that in some respects it had failed Scotland. In education committee meetings some years back, we saw that senior figures in the BBC clearly did not have sufficient respect for the role that the Scottish Parliament could play, nor did they appreciate the detrimental effect of London-centric bias. It was encouraging to hear the cabinet secretary describe Lord Hall speaking of "excellence without arrogance". That is good news. Lord Hall also said:

"As director general of the BBC, I want to achieve a strong and vibrant BBC that reflects the nation that it serves, is full of confidence in its output and is properly fearless in its journalism."—[Official Report, Education and Culture Committee, 12 January 2016; c 8.]

It was good to hear that from the BBC. Lord Hall has fully recognised the pace of devolution, and that it is "changing asymmetrically", as he described it. I will come back to that comment.

Several members in the chamber will recall previous controversies at education committee meetings, when some unseemly party politics prevented the focus from being purely on the running of the BBC and what was best for Scotland. For that reason, I am pleased that the cabinet secretary accepts the Conservative amendment, because at the heart of the debate is that the BBC must be wholly independent of Government and politicians.

I come to some of the details. There is general agreement that a more robust news service is required for Scotland. There is an important debate to be had about how to achieve that without diminishing the scope of UK BBC broadcasting in Scotland, some of which produces the Scottish audience's best-loved programmes.

The Royal Society of Edinburgh's submission rightly says:

"Advances in technology, increased competition and changes in the methods through which the public consume content mean the BBC faces more challenges than ever before in fulfilling its remit to inform, educate and entertain."

Discussions on those issues in the devolution context are interesting. How we take them further within the charter renewal process is a particularly interesting debate.

The BBC faces particular challenges around how different resources are deployed. Both the cabinet secretary and Claire Baker outlined that the issue is not necessarily about having more resources but about redeploying them, which necessarily must reflect different structures. That is a particularly interesting point.

Audience demands are clearly changing, and the BBC will have to compete with other broadcasters to ensure that it is fit for purpose in the decades ahead. I will say more in my summing-up speech about how that relates to funding.

There is a debate to be had about how Scottish we want the BBC to be in Scotland and what the percentage share should be against traditional UK input. That debate must be had in the context of considering the best way in which to maintain the quality of an independent broadcaster. Claire Baker is quite right: we must have evidence to show what audiences actually want in Scotland. There is an interesting debate to be had, and I will come back to some of these points in my summing-up speech.

I move amendment S4M-15695.1, to insert at end:

"in a way that does not undermine the BBC's independence from governments and politicians".

#### 16:23

Liam McArthur (Orkney Islands) (LD): As I have family members who are current and former BBC employees, I start by declaring an interest.

I am acutely aware that the institution has its shortcomings, but it is commendably honest about them-more so than most, perhaps. At the same time, it is an institution for which I, like countless millions in this country and across the world, have enormous admiration and affection. Like the various witnesses who gave evidence to the Education and Culture Committee over recent weeks, to whom I extend my thanks, I consider myself to be a BBC loyalist. That, in essence, is the motivation behind my amendment. I would like Parliament to state unequivocally that when it pursues legitimate claims for change and reform, those are intended to enhance and strengthen an institution that is the envy of most around the world and one that we take for granted at our peril.

The Government's motion says nothing that explicitly endangers that institution. It asks merely that Parliament notes the Scottish National Party's proposal. I presume that it has been drafted to try to secure a united position around which Parliament could coalesce, which is laudable. I welcome the tone of the cabinet secretary's comments, but we cannot ignore some of the rhetoric that has been used by ministers and SNP back benchers over recent years, who have levelled accusations at the BBC. Alex Salmond still nurses his wrath and unashamedly holds the BBC responsible for his defeat in the referendum. For some within the wider nationalist movement. their motivation is less than altruistic with regard to the BBC.

That is why I believe that, if Parliament is to unite around a common view at decision time, it should do so by being unambiguous about the value of the BBC and the imperative for it to remain impartial and challenging, and about our collective desire to see change safeguard and enhance that position.

Liz Smith's amendment makes very much the same point, drawing on concerns about the socalled joyous demonstrations outside the BBC studios in Glasgow or the appalling treatment meted out to individual BBC journalists during the referendum.

This is not about resisting change. No one is seriously arguing that change is not needed, as was clear from the evidence considered by the committee. Lord Hall himself accepted, very willingly and convincingly, that greater decentralisation of decision making is both required and desirable.

The full detail of what that should look like still seems some way off, but change is already under way. Parliament has a voice within the charter renewal process. That is a step forward, although it should be about recognising the diverse voices and views of the Scottish people, not simply the settled will of a single party—a point made fairly by Claire Baker in her amendment and acknowledged by the cabinet secretary in her remarks.

In passing, I add that I also believe that future charter renewal processes should be decoupled from the electoral cycles of Westminster and the devolved nations.

Greater transparency over budgeting is also on the cards. That is welcome, not least given the extent to which it is being asserted that Scotland is somehow short changed by the BBC. That was a constant refrain in our evidence taking, yet figures show that a higher proportion of adults in Scotland view BBC One and Two than in other parts of the UK, and 88 per cent of that content is UK network content. It is not as if there is not a choicealternative options have scarcely ever been more available than they are now. Delivering that content, however, does and will continue to require investment from across the UK. Therein lies the conundrum for the cabinet secretary and for others who argue for a federal structure: how to square the determination to have separate Scottish television channels, radio stations and more Scottish content while simultaneously retaining the same access to UK network and content.

In support of the flowering of stations and channels, various models from across Europe were cited, although none is renowned for matching the BBC's quality and range. Indeed, some rely heavily on importing content and therefore provide limited additional opportunities for domestic production or artistic talent. That said, as the committee concluded, there is scope for reforming the commissioning process to help grow a strong, sustainable and competitive creative industries sector in Scotland. Again, Lord Hall acknowledged and accepted that proposition.

Such reform would need to recognise the growing complexity of and collaborative nature involved in putting productions together, which make applying quotas—the mechanism of choice over recent years—increasingly difficult. That approach has delivered economic benefits to Scotland, including through the development of skills, but now is in need of change. A greater degree of decentralisation of and accountability for commissioning and budgets should lead to improvements, in relation to not just the effect on creative industries but the way in which the BBC portrays the diversity of Scottish culture and identity.

Care must be taken as to how and the extent to which that is done. For example, demands for 100 per cent of the licence fee raised in Scotland to be devolved appear to show inadequate concern for what that could actually deliver or its likely effect on the capacity of the wider BBC.

As for the idea of a federal structure, I remain to be convinced. The committee recognised that improvements do not require the BBC to be federalised. Indeed, it was interesting how often those advocating such an approach—

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

**The Deputy Presiding Officer (John Scott):** The member is in his last 20 seconds.

Liam McArthur: —appeared to distance themselves from it under questioning from the committee. In part, that may have been because no one appeared to have a detailed assessment of what it would mean. Even within the context of devolved budgets, about which there is now remarkably little controversy, a cautionary note needs to be sounded.

**The Deputy Presiding Officer:** Will the member draw to a close, please?

Liam McArthur: I know that Fiona Hyslop feels that accepting my amendment would result in a rather clumsy motion. That is not something that has concerned Parliament unduly in past years, and without my amendment we risk agreeing to a motion that fails to properly acknowledge the value, quality and contribution of the BBC. That would be a mistake.

I move amendment S4M-15695.2, to insert at end

"; notes that the Education and Culture Committee concluded that a greater degree of decentralisation and accountability can be achieved without adopting a federal structure, and believes that any reforms to the BBC must be sustainable, protecting and enhancing its status as a world-class impartial public service broadcaster, and not undermine its ability to deliver the high-quality programmes and other output that its audience in Scotland, the rest of the UK and around the world expects and values".

The Deputy Presiding Officer: We come to the open debate. I call Stewart Maxwell, who will speak on behalf of the Education and Culture Committee. Mr Maxwell, you have up to six minutes.

#### 16:29

**Stewart Maxwell (West Scotland) (SNP):** As the Presiding Officer mentioned, I take the slightly unusual step of speaking, in a Government debate, as convener of the Education and Culture Committee. I do so to ensure that the significance of the committee's report on the BBC charter renewal process and, more important, our recommendations is not lost.

As the cabinet secretary and others have acknowledged, the Scottish Parliament has, for the first time, a formal role in the charter renewal process. That is important. It reflects the changing constitutional position in Scotland and a new role for this Parliament. As the committee saw during our inquiry, there is an appetite for more public engagement in the charter renewal process. It is also right and proper that the BBC is held to account by this Parliament. In our report, we make some suggestions for improving the accountability and scrutiny of the BBC. I will come to those later.

The unanimous view of the committee is that the BBC is a hugely important cultural institution. Committee members will agree with me when I say that we all want to ensure that the BBC is relevant to the people of Scotland. The BBC is the single most important contributor to public service broadcasting in the UK and, through commissioning programmes and investing in skills and training, it plays an important role in supporting the wider creative economy.

However, as our report clearly sets out, the BBC must do more to represent Scotland and the diversity of Scottish culture. It must also change the way it works with and supports the creative industries in Scotland. It is clear that the BBC itself recognises that it needs to do better. When Lord Hall gave evidence to the committee, he told us that he

"would like to see more of what we currently do centrally in London move out of London."

He also emphasised the importance of having

"a strong and thriving Scottish production sector".—[Official Report, Education and Culture Committee, 12 January 2016; c 31, 9.]

As we say in our report,

"We welcome the BBC's continuing commitment to seek to improve how it represents and portrays Scotland across its services."

However, we consider that "significant change" is required to improve the way the BBC commissions programmes. The report makes it clear that we need to decentralise decision making and the associated expenditure.

Some members have referred to the production quota for Scotland. Concerns about that are central to the need for change. We were told in evidence that the quota rules can be subverted by production companies who relocate a small part of their operation temporarily to Scotland in order to meet the criteria. Those so-called lift and shift practices have led to suggestions that producers need spend very little of the production budget in Scotland for 100 per cent of the budget to be counted as Scottish spend and therefore set against the quota. We were also told of concerns about the commissioning process and difficulties experienced by Scottish companies in gaining access and recognition from London-based commissioners.

Those practices do not help to develop a sustainable television production sector in Scotland. In fact, they do quite the opposite. The criticisms are not new; they have been highlighted on numerous occasions. The audience council Scotland has been advising the BBC trust about them for years. The criticisms were also raised by two parliamentary committees. This Parliament's Economy, Energy and Tourism Committee and Westminster's Scottish Affairs Committee both recommended action to ensure that indigenous Scottish production companies benefited fully from the quota and from improved access to commissioners.

In our report, we suggest that the current quota system for regional production for the network is

inadequate. It is an artificial mechanism that, as others have said, has helped, but it has not done enough to encourage a sustainable production sector in Scotland. The committee unanimously agreed that a proportionate amount of BBC spending should be guaranteed to directly benefit the creative industries in Scotland. To enable that to happen, we believe that the budget for the BBC's network content spend should be decentralised to BBC Scotland. We believe that BBC Scotland is best placed to make judgments on how to assist the creative sector in Scotland.

Transferring that budget to BBC Scotland would make a big difference, particularly when we consider that BBC Scotland's commissioning budget currently amounts to £35 million. Of course, that money is combined with additional production costs that allow programmes to be made. Taken together, that constitutes the local content spend by the BBC in Scotland, which is around £73 million. The fundamental point that our report makes is that there must be decentralisation of decision making, commissioning and the accompanying budgets to BBC Scotland. That will help to rebalance the criticism that some have made that the BBC is too centralised inside the M25, and will lead to improvements in the way in which the BBC portrays Scotland and the diversity of Scottish culture. It would seem reasonable to expect that, as a result, that would benefit the creative industries in Scotland by attracting, developing and retaining talent, thus helping the sector to become strong, sustainable and competitive.

The BBC has acknowledged that its commissioning practices need to change. We welcome Lord Hall's decision to review the set-up, and we hope and expect that decentralisation will be part of the solution.

I mentioned earlier that the committee considered the accountability and scrutiny of the BBC. In our report, we suggested improvements that relate to the openness and transparency of the BBC's practices and operations and its accountability to the people of Scotland and the Scottish Parliament. Specifically, we want the BBC to be required to provide detailed financial information about its operations in Scotland. Frankly, we found it impossible to disentangle spending in Scotland from the wider consolidated UK accounts.

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

**Stewart Maxwell:** The BBC seemed to recognise those difficulties. We welcome Lord Hall's commitments in that area.

It is vital that the BBC makes a firm commitment to maintaining a Gaelic language channel and, indeed, to increasing what it produces for BBC Alba to the same level as that which is produced for the Welsh language channel.

This debate offers us an opportunity to unite and speak with one voice as Scotland's Parliament in our desire to see a better outcome for BBC Scotland, our creative industries and the people of Scotland.

#### 16:36

Ken Macintosh (Eastwood) (Lab): I am pleased and relieved that this is a relatively consensual debate about the future of the BBC. I am relieved because—I make no bones about this—I take a personal as well as a public interest in the corporation's future. Before I was elected to the Scottish Parliament in 1999, I worked for the BBC for 13 years as a TV producer in news and current affairs. Most of that time was spent in London, although for the last two years I was in charge of the Scottish output on national news programmes.

I have been struck by how similar the content of much of this debate, the Government's policy paper and the committee's report is to that of the discussions that we had about the BBC over two decades ago. Over that period, the technology, our viewing habits, the number of channels and other available media have changed out of all recognition.

I will give just one example. I noticed this year that the television figures for Christmas day revealed that peak viewing did not exceed 7 million for any one programme. Over the following fortnight into January, that was boosted by almost 4 million by those who watched on various forms of catch-up television, but that total still does not come close to the audience figures that were pulled in 20 or 30 years ago. The audience is smaller, and that also reveals a little about the way in which many people watch TV. They do so on their own devices and at times that are convenient to them.

I said that because it makes discussions around the idea or importance of a Scottish 6 o'clock news, for example, sound a little arcane. Delivering impartial, trusted and high-quality news will remain one of the most important services that we expect of the BBC, but the issue that we need to wrestle with as part of charter renewal is more about how to reach an increasingly diverse audience, rather than how Scottish a fixed programme at 6 o'clock may be. If families are not sitting down together to watch the same programmes that they used to watch and there is a decline in so-called linear viewing habits, that is the challenge that we need the BBC to rise to.

Politicians, such as we are, are particularly concerned with the news agenda, but our obsession is not necessarily shared by most of the public, nor does it reflect the changing media landscape. More and more people are getting their news online and the BBC iPlayer has been biggest success of recent years. If we are interested in preserving and holding on to the independence, trust, reliability, creativity, balance and watchability of the phenomenally important institution that is the BBC, we need to reflect and cater for that wider interest, not just our own potentially narrower focus. We need to think a bit more about the habits of the viewers and listeners and less about our own political agendas. I am therefore relieved that, today, we are putting the emphasis on where we can agree rather than on where we disagree, although I am conscious and wary of those other agendas.

It would help if we could acknowledge that the BBC is and always has been surrounded by people and interest groups who do not necessarily have its best interests at heart. The free marketeers would like to dismantle it and sell off Radio 1 or Radio 2, which they say could equally well be provided by the commercial sector. The Conservative Government has cut £700 million from the BBC's budget without even the facesaving pretence of a consultation. Right wingers like to portray an objective public service broadcaster as a nest of leftie sympathisers, and they have their appetites whetted by anti-BBC stories in the Daily Mail and elsewhere. The Murdoch press rants without a trace of irony about the BBC's dominant media position.

What is the situation in Scotland? On the one hand, there is a well of support and good will for this altruistic organisation. Perhaps it goes back as far as Lord Reith, the first director general of the BBC, who left his Presbyterian mark on the corporation. To this day, the BBC holds true to his values to inform, educate and entertain, and long may that continue.

On the other hand, many of us were pretty appalled by the behaviour of some in the SNP during the referendum campaign. I echo the sentiments that Liam McArthur expressed. There is, unfortunately, a vein of illiberal, book-burning intolerance among a minority of SNP members or supporters, and Alex Salmond's bizarre dispute with the BBC's political editor, Nick Robinson, and the protests outside BBC Scotland were the most high-profile and worrying examples of that. Today's support for the BBC from the Scottish Government is welcome, although I am sure that the minister and members across the Parliament will understand if some of us remain suspicious about the SNP's long-term goals. Just to be clear, I do not wish any Government or any political party to bully, cajole or otherwise dominate the editorial or broadcasting freedom of the BBC.

What can we agree on? I think that we all want more high-quality and larger-budget programmes to be made here in Scotland. The creative industries are essential to our country's future, and we do not have to look far to see the talent and ability that is pouring forth from our schools, displayed in our art colleges and heard on our music scene. I would like anyone with that talent to be able to fulfil their potential here in Scotland and not to feel obliged to move elsewhere.

Just to be clear, I believe that more programmes should be commissioned and made here in Scotland, but they do not have to be about Scotland. They should be network programmes that are aimed at a UK and potentially an international audience, but commissioned and produced here in Scotland. I say yes to greater decentralisation—I am pleased that the process is already in place in the BBC—but that does not mean breaking up the BBC into a federal structure, and it certainly does not mean divvying up the licence fee along similar lines.

I see that the Presiding Officer is asking me to wind up. I am certainly not alone in my affection and regard for the BBC, but more important is the trust that most of us in Scotland place in the organisation and the public service that it provides.

#### 16:41

Chic Brodie (South Scotland) (SNP): The BBC has been a foundation of our community for the past century, and it will remain so. Inevitably, though, a large communication company that covers all features of our society will come under attack. Sometimes, the attack will be valid, but in general the organisation's professionalism has prevailed.

Change is a constant. There has been pressure for Scotland to have a more formal role in the charter renewal process, and the agreement of that, which is underpinned by the memorandum of understanding, is welcome.

There is no such thing as a coincidence, and I have no doubt that, as we discuss the issue over the next few months in a period of major political debate, voices will be raised and there will be a focus on the proportionality of the BBC's reporting on Scotland and Europe. However, given Scotland's role in the charter renewal process, I feel sure that the corporation will rise to the occasion, and I feel sure—indeed, I feel confident—that the director general will ensure that we have the fairness that we seek.
Of course, proportionality is not just about news and political views. We also need a fair reflection of the wider issues of diversity, opportunity and relative equality, and a recognition and understanding of the cultural differences not just between the nations but within the regions of the nations of these islands.

Although I agree whole-heartedly with the proposals that the cabinet secretary outlined in December and in her speech on 12 February, I venture that there will inevitably be an extension of the proposed quasi-federal, decentralised structure with, at some time in the future, the creation of a BBC organisation in Scotland, albeit under a unitary UK BBC board. Such an organisation would be responsible for its overall strategy, its financial performance and its outcomes related to revenue, expenditure and asset management, and above all it would be responsible for optimising its creative output and operations.

The Education and Culture Committee was frustrated that it was unable to determine the BBC's financial and other outcomes, but I will leave it to my colleague Gordon MacDonald to enumerate some of the issues. If an organisation does not own the strategic finances, the features and the forecasts for its business, how it can determine competitive investment or even disinvestment is a conundrum.

I howled—or was it Hjuled—on Friday, when I read an exposition in one of our national broadsheets that suggested that there is little need for substantial change, because we are not of different races. I presume that the writer meant that there are not differences between Scotland and the rest of the UK. Of course there are. There are differences in culture, and there is diversity even within the regions of Scotland, all of which are covered by elements of the BBC.

Ken Macintosh: Will the member take an intervention?

### Chic Brodie: No, I will not.

The charter renewal process should and must embrace our input, in the context of proportionality, identity, diversity, creativity and cultural focus, and it must be economically productive.

We must reflect on the survey that found that 74 per cent of viewers and listeners want more local and Scottish news. I am sure that it is within the professional capabilities of the Brians, the Jackies, the Glens, the Davids and so on, and their respective production teams, to deliver such an outcome within a refined overall BBC strategy for broadcast TV news and current affairs.

News is but one area. To that, we add meaningful and robust sub-strategies for production and programme commissioning, which can be applied in a decentralised, federal structure. We need a strategy that relates responsibility to the accountability for delivering sub-strategies-and delivering them those profitably. That is what we are all aboutdelivering the best outcome at the best cost for our customers.

That cannot be the approach for much longer in the current situation. Doing things as they are currently being done will not achieve the growth that I am sure that the corporation's centralised and devolved elements seek. That cannot be achieved with a London-centric management, a London-centric strategy and London-centric funding. The BBC is far too important to have such an approach.

Now that we in Scotland have a formal and constructive role in the charter renewal process, let us determine a meaningful devolved role for BBC Scotland, partnering with—but not only with—producers in the independent sector, for example, to produce content that is marketable internationally and resonates with the Scottish diaspora.

Let us determine that the service licence, and the strategy, management and commissioning that result from that in a federalised Scottish operation will be buttressed by ensuring that a greater amount of the BBC licence fee that is raised in Scotland is spent in Scotland.

**The Deputy Presiding Officer:** Many thanks for your brevity.

### 16:47

Gordon MacDonald (Edinburgh Pentlands) (SNP): Over the past year, two parliamentary committees have conducted inquiries into the BBC's performance in Scotland and, with crossparty support, concluded that we get a raw deal from the existing BBC production arrangements.

The Economy, Energy and Tourism Committee said:

"The Committee supports the call from the Scottish Government for the BBC to increase support for independent TV production based in Scotland."

The Education and Culture Committee said:

"We also want the BBC to do more to support BBC Scotland's in-house production arm and the creative industries in Scotland."

What is the current situation on licence fees, and how much is spent on sustaining our indigenous television sector? The BBC informed us that the licence fee raises £323 million, although the Culture, Media and Sport Committee at Westminster said that the amount collected is £335 million, excluding our share of the worldwide television sales that we help to fund. BBC commercial revenue amounts to £1.1 billion per annum; our population share would be £94 million. That would result in an overall Scottish budget of £429 million.

In Ireland, Raidió Teilifís Éireann has a budget of £242 million and provides five television channels and nine radio stations. What do we get? We get an opt-out BBC Scotland, 80 per cent of whose output is news, current affairs and sport, plus BBC Alba, which has had its funding cut by the UK Government, and BBC Radio Scotland, which defaults to BBC Radio 5 Live during the night.

How is our contribution to the BBC spent? The BBC informed us that it is spent on a combination of local output, television for the network and other BBC channels and services.

Ken Macintosh: Will the member give way?

**Gordon MacDonald:** No, I want to get through the numbers.

Does the BBC really spend our contribution on those things? The BBC could not provide any detail on how it arrived at the total expenditure, as it does not produce accounts for Scotland. That raises the question of how it arrived at the total of £337 million. The BBC website claims that £123 million is spent here on local content, yet the committee was told by the managing director of finance and operations at the BBC that the figure available to BBC Scotland to commission local content was around £35 million. That sum would also be supported by around another £35 million of largely fixed costs. The cash budget available to make programmes for local consumption, however, remains at a lowly 8 per cent of our share of BBC revenue.

Then there is the network spend that the BBC is supposed to use to represent and cater for the different nations, regions and communities across the UK. The BBC claims to have a network spend here of £82 million, making those well-known Scottish programmes such as "Homes Under the Hammer", "Question Time" and the lottery show, to name but three, but is it really spending that amount on Scottish network television, albeit on mainly lift-and-shift programmes transferred from other parts of the UK? The guidelines that the BBC abides by in determining nations and regions spend are set by Ofcom, which highlights the following in its regional definition guidelines. If a Scottish-based TV production company wins a commission from the north of England and spends 60 per cent of the budget in that area and only 10 per cent in Scotland, the total budget is attributed to Scotland. If, however, a London-based production company wins a commission in Scotland, it can spend 30 per of the total budget and 50 per cent of the crew budget outwith Scotland and the total is still attributed to Scotland. Therefore, actual network money spent here could be £82 million or it could be as low as £8 million.

Then there is the £132 million covering the other services that we get from the wider BBC. It would seem on the face of it to be value for money, until you realise that Ireland has been receiving the same BBC programmes for a fraction of the cost. The commercial director of BBC Worldwide, speaking in 2014 after a new licence deal was agreed with Ireland, stated:

"We've enjoyed a really productive partnership with RTÉ over the last twenty years and I'm delighted that this is set to continue. It's great to know that as a result of this deal RTÉ viewers will be able to continue to enjoy the BBC programmes they love for years to come."

The RTÉ accounts state that overseas programming cost nearly £16 million covering all foreign programmes including what is acquired from the BBC. Ireland pays the BBC, at most, an eighth of what we are being charged.

We need the BBC to provide some clarity around the actual level of spend in Scotland and to tackle the production shortfall. The BBC finance director did suggest a way forward, saying that

"we can move towards an overall service licence for Scotland, that would be helpful and would give us a framework that could be used for monitoring."—[Official Report, Education and Culture Committee, 12 January 2016; c 27.]

With a service licence for Scotland we could utilise the former BBC Three channel to create a proper TV station with full commissioning and editorial rights with its own controller, based here and free from political control. Nobody would lose any existing TV programmes, as BBC One and BBC Two would still be broadcasting. We could then support and sustain the wealth of creative talent that we have here and have the best of both worlds.

### 16:54

John Pentland (Motherwell and Wishaw) (Lab): Being politicians, it is natural that a lot of what we think about the BBC is determined by its political output. After all, what could be more important than what we have to say here in the Scottish Parliament? UK and international news should get a look-in, but preferably from a Scottish perspective. The BBC in particular, as the nation's main public service broadcaster, is expected to fulfil the task of political reporting and to do so in a fair and even-handed way.

In trying to strike the right balance it is impossible to please everybody, especially in the

current polarised political climate in which people strongly divided by their views are on constitutional issues. It is all too easy for politicians and activists to think that if the BBC is not a mirror reflecting their views, it must be pursuing its own political agenda or-worse stillthe political agenda of another party. My feeling is that if people from all political perspectives think that the BBC is biased, it is probably doing an okay job of being relatively balanced-if not neutral.

Moving beyond news coverage, I say that there are also demands for more Scottish cultural content. That is not just a demand for more programmes that are Scottish; there is also, in some quarters, a demand for programmes that are "more Scottish", with a dedicated Scottish channel as a home for them. That inevitably prompts on social media recollections of "The White Heather Club". Of course, there is more to Scottish culture than that, and the vibrant contemporary culture of Scotland deserves a fair share of our airtime. What the social media reaction highlights is that reforms of the BBC's output should be about what viewers want, and not about giving politicians more power over broadcasting. The public do not want state-controlled TV-federal or otherwise.

There is more to the Scottish broadcasting industry than Scottish output; there is a bigger picture that encompasses not just programmes that are made in Scotland for Scotland, but programmes that are made here for the United Kingdom and international markets. I will concentrate on that bigger picture. The expansion of BBC activity in Scotland should not just be about filling a perceived gap in Scottish needs but about expanding our contribution to the broader world of broadcasting. Indeed, as many people who gave evidence made clear, only by bringing in work for the market beyond Scotland can we safeguard and underpin production for Scotland. Paul McManus, for example, said that

"Scotland could sustain a commercial studio operation that sells its products abroad and helps to build the industry in Scotland."—[Official Report, Education and Culture Committee, 5 January 2016; c 36.]

I would like to see more television programmes being made in Scotland for the UK and beyond programmes that would put Scottish broadcasting on the global TV map in the way that "Dr Who" has put Wales on the map. I believe that we should make more programmes that serve bigger audiences.

In doing that, we must address long-standing issues about how the BBC quota system lifts and shifts financing and intellectual property rights to London-based companies. We must also address the BBC commissioning processes in which the ultimate decision-making power lies in London, which puts Scottish companies at a disadvantage. We need increased investment in Scotland and significant improvement of the quota system for commissioning. We can make programmes that travel the world—and not just sport and daytime TV shows, worth while though they may be. What about a Scottish Government-based drama that is like "Borgen" or "House of Cards"? The very mention of those programmes should be enough to set the parliamentary sketch writers scribbling.

We need both to foster and to attract talent and we need apprenticeships and training to sustain our broadcasting and film industries. Those are crucial to the growth and success of the Scottish industry, and the BBC should provide a fair share of such opportunities for Scotland in Scotland. We need young Scots to be given the opportunity to get into and to develop within Scottish broadcasting. Nevertheless, Scottish broadcasting should not be just a training ground and a staging post; it should be a destination to which others aspire, with the BBC being instrumental in achieving that.

#### 16:59

George Adam (Paisley) (SNP): This has been an interesting debate in which, at times, we seem to have veered away from the issue that we are here to discuss. I do not want any political or personal control of the BBC; I want good-quality TV and radio that reflects the community that I represent and that represents value for the people of Scotland.

From the initial investigations of the Education and Culture Committee up to and including today's debate, the one thing that everyone—witnesses who came before the committee and contributors to the debate—has agreed on is that the BBC is valued. Some people expressed to the committee their great affection for the BBC, because it provides a unique broadcasting service and does so across platforms, and many of those who gave evidence that could have been deemed to have been critical of the BBC did so in a very positive manner. In effect, they were asking how a very good public broadcaster could be made even better and how the BBC could serve modern Scotland's needs.

Therefore, what we are considering today is the continued evolution of the BBC in Scotland. As many of my colleagues have said, this is the first time that the Scottish Government and Parliament have had a formal role in the charter renewal process, so we must ensure that Scotland's voice is heard during that process. It is important that the amount of licence fee that is raised here, whether it is £323 million or the £335 million that my colleague Gordon MacDonald mentioned—part of the problem appears to be that the BBC

does not know what the figure is—fully delivers for Scotland.

There was much said at committee by people in television production about how BBC Scotland's having commissioning powers could make a difference to local production, and they were correct. It is time for us to be bold and to look at things in a different way. In its written submission, Independent Producers Scotland said:

"We are subject to the imperial power of the BBC, centred in London. They do not 'get' the new Scotland and its independent spirit. We want to see change, a shift in emphasis in the relationship between the BBC and BBC Scotland, between BBC Scotland and independent producers in Scotland, between BBC Scotland and its audience. This is an opportunity to be bold, taking initiatives that are sustainable and for the long term rather than a 'quick fix' in response to the immediate political situation."

That shows that people want to work with the BBC to take a different approach.

**Ken Macintosh:** Does George Adam believe that all the money that is raised in Scotland should be spent in Scotland, or does he believe that some of it should be spent on, for example, "The Ken Bruce Show" on Radio 2?

**George Adam:** I think that a contribution should be made to all that, as well. By its very nature, the BBC is that type of organisation. I am saying, as I have right from the start, that I want good-quality television and radio that represents the people of Scotland to be produced. For me, how we go about delivering that is the important debate.

The problem that we have at the moment is that we have so-called lift and shift. The BBC's spending figures in Scotland include the practice of lift and shift, which can mean that staff are sometimes brought in just to use studio space in Pacific Quay before returning to London. That does not help production in Scotland, nor does it help the dramatic arts in Scotland. In effect, some of the production companies that we are talking about are simply a brass plate on a door. We need to ensure that we get the investment and that it delivers something more positive, more constructive and more solid for companies in Scotland.

John Pentland mentioned the difference that "Dr Who" made to BBC Wales. Members know that I am a science fiction fan. One of the longest running science-fiction TV series is a BBC production that has been made in Wales since 2005. The movement of the production of "Dr Who" to Wales has made an incredible difference to television production in that country. That did not happen because the BBC had a wonderful way of commissioning drama; it happened only because the BBC decided that it wanted Russell T Davies to bring the show back, and he said that he would not do it unless the programme was produced in Wales.

My argument is that we need to move beyond the situation in which such decisions are made by individual producers. We need to get to a stage at which we have a system that allows commissioning to be based in BBC Scotland and we can get the type of productions that we want and need. That does not mean that productions will have to be wrapped in tartan; they need not be Scottish dramas. They could be in any television genre—including science fiction. We must ensure that we find a way to make that happen, and I think that the charter renewal process gives us an opportunity to do that.

Personally, I do not care which platform delivers productions—TV, radio or digital—because it is about empowering BBC Scotland. If we can find a way to do that, we can do the production companies and the people involved in the arts in Scotland a service.

The Deputy Presiding Officer: We move to closing speeches. I call Liam McArthur. You have up to six minutes, please, Mr McArthur.

### 17:05

Liam McArthur: I start by thanking Stewart Maxwell for expounding on the Education and Culture Committee's findings on the inquiry. He fairly summed up the evidence that we heard. As a number of committee colleagues have indicated, the evidence was broadly consensual around the need for change. However, once we dug into the detail, some of that consensus started to splinter. Nevertheless, I think that it is accepted that change is coming.

Lord Hall, who has been quoted in several speeches so far, summed that up and acknowledged the need to strive for "excellence without arrogance". I thought that his contribution to the committee's evidence gathering was extremely constructive. Of course, some of that change is already under way. The mere fact that we are considering charter renewal is symptomatic of that. There is also greater transparency on the way about budgets. I certainly share some of the frustrations about that that have been expressed—probably more volubly by SNP colleagues on the back benches—so it is welcome that greater transparency is forthcoming.

There is also the fact that change is inevitable because of technological changes and how content is consumed. Ken Macintosh made that point very fairly, drawing on his inside experience and looking at the consumption figures.

I have to say that Chic Brodie made a very pertinent point in relation to diversity within not just

the nations and regions of the UK but within Scotland. That is a drum that I constantly banged in committee, as colleagues will remember.

However, although there is consensus for change, we need to take care: as Ken Macintosh said, we need to be wary about the different agendas. I very much welcomed the tone and tenor of the cabinet secretary's comments earlier, and I accept the point in Claire Baker's amendment about the need to draw not just on the views of all the political parties in the Scottish Parliament but the wider views of the public at large. There is not a settled Scottish view on the matter. Scots pride ourselves on being fairly contrary and adopting a range of different views, and the fact that that is acknowledged in the debate is to be welcomed. We need also to reflect on the fact that it is not really about political imperatives but about the needs, desires and expectations of the public-not just viewers and listeners, but the wider public.

There is consensus about having a more decentralised approach. A number of witnesses expressed to the committee criticisms that have been echoed during the debate about what is seen as a London-centric model. Proposals for change have been made over many years, but they have not all borne the fruit that we wanted. The devolution of some commissioning, budgets, and decision making is inevitable and is to be welcomed, but we need to be careful what we wish for. There is a seductive simplicity about the federal model, but it overlooks the complexity of how productions are put together and their collaborative nature. A proposition that is inherent in my amendment is that we need to see change that safeguards and enhances an institution that is-or should be-a source of pride for us in the UK, and which is held in the highest regard worldwide. Anything that detracts from that should be avoided at all costs.

Gordon MacDonald certainly honoured his promise to Chic Brodie that he would deal with the figures—he provided a veritable snowstorm of them. He talked about having the best of both worlds, but it struck me as being a case of having your cake and eating it rather than one of having the best of both worlds.

I think that the accusation that the BBC has somehow lost its way needs to be taken with a pinch of salt. The viewing figures illustrate that consumption patterns in Scotland may be changing, but the extent to which people in Scotland rely on and, clearly, value the BBC's content is there for all to see. The figures need to be drilled down into, because there will be more underlying them.

Let us not misdiagnose the problem that we are trying to address. Change is needed, change is

happening, and—inevitably—more change will come. Some of that change is driven by technological changes, and some is driven by consumer expectations. Some of it will reflect the change in political circumstances and cultural changes. However, those changes have to be seen in the context of enhancing an institution that is held in affection and in the highest regard, not just in Scotland and the wider UK but internationally. Anything that detracts from that should be guarded against with the greatest vigour. In that respect, even at this last stage—

The Deputy Presiding Officer: Close, please.

**Liam McArthur:** I hope that the cabinet secretary can back my amendment this afternoon, despite our concerns about the motion that may result from it.

The Deputy Presiding Officer: Many thanks. I call Liz Smith, who has up to six minutes although less would be more, please.

## 17:10

Liz Smith: I think that this has been a good debate, because it has been set against the context of much greater co-operation. The cabinet secretary spoke about the memorandum of understanding that has been agreed by her and her counterpart in Westminster, and by the BBC. That situation is vastly different from education committee sessions that I recall from many years ago when that was not the case—we had a very difficult scenario then. As I said in my opening speech, that led to a lot of party politics and took the focus off what we were trying to do.

We are now on a different plain, which is good news because there are some very serious debates to be had. One of the most interesting of those debates relates to the suggestion, made by the Scottish Government, about the possibility of introducing a federal structure. Like Liam McArthur, I am not absolutely convinced of that, and the committee—under Stewart Maxwell picked up on that point too.

There are debates to be had, not least because there is a need for bona fide evidence to support exactly what different audiences in different parts of Scotland—and, indeed, in different regions in Scotland—actually want to be delivered. There are lessons to be learned from BBC Alba and some of the other more local broadcasters about where the BBC should look to address what audiences actually want. I know that that takes up the funding model, which is a difficult situation. That comes back to Lord Hall's comment about there being an asymmetry about devolution. He is right that devolution across the UK does not have symmetry, and that is for very good reasons. Therefore, the evolution of the BBC might not have that asymmetry, and it certainly might not have a symmetry of funding.

These debates are interesting because they try to ensure that, if we go for an alternative to the licence fee model, it absolutely has to be tested against the ability to maintain the British system of content creation, while at the same time allowing Scotland to do what it wants to do with the BBC and, more importantly, for the BBC to reflect what is happening in Scotland. These are very interesting debates, and I was pleased to hear about that.

Putting on my sports cap for a minute, I would be interested in hearing the cabinet secretary's thoughts on what role sport has in this. Having spoken to many people who are involved in discussions about the charter, I understand that sport is an issue that has quite big implications. The success of the BBC is partly related to that, and I would be interested to know about it. For many people, if there is anything that is precious about the BBC, it is its ability to broadcast topquality sporting events. We have had discussions about what has happened to golf and-in some ways-to cricket. That needs to be written into what audiences want. These debates will be better for anything that the cabinet secretary can do to prove that good-quality evidence is coming forward to support some of the ideas.

The cabinet secretary talked about whether decentralisation should be done by subject, genre or funding, and I think that that is also an interesting debate to have. It is important, when looking at focus groups, that that relates to what people want from the BBC overall. That would have some bearing on whether we pursue a federal structure.

Many different people across the audience feel quite strongly—this has been reflected in the speeches in Parliament today—that the core issue is about quality of delivery. I thought for a minute that Gordon MacDonald was going to be a bit party political, but he raised a good point about where accountability should lie. The sums that Gordon MacDonald mentioned are indicative of the new transparency and accountability that we need to get into. We need to spend a lot of time debating that before we take anything forward.

In conclusion, the debate has been good and we are happy to support the amendments. As I said, the driving force is all about the quality that can be delivered well into the future in a fastchanging world. That will not necessarily be very easy but, this time, there is a much better spirit in Parliament about how to go forward. 17:16

Mark Griffin (Central Scotland) (Lab): The evidence sessions, the committee's report and the debate have been helpful in looking at what we expect from our public broadcaster. The committee's evidence was clear that the BBC is one of our most valued and trusted institutions. To hear witness after witness describe themselves using the term that Liam McArthur used—"a BBC loyalist", or a variation thereof—was a fairly new experience for me, given that committee meetings are deliberately set up to have panel members who have competing and contrasting views.

However, it is no surprise that the BBC is valued so highly. As Claire Baker said in her opening remarks, generations of families have grown up watching and enjoying BBC content. Given the strength of support and the extent to which people value the BBC, it is only right that further public consultation should take place before any decisions are made about the future funding and scope of the BBC in Scotland.

The BBC receives £3.73 billion of public investment each year from the television licence fee, of which around £323 million is collected in Scotland. The £3.73 billion is supplemented by commercial revenue. Those figures are set against a backdrop of impending financial cuts at the BBC, and of bearing the responsibility and costs of providing free TV licences to over-75s, which means that the corporation will face significant challenges. However, it was difficult for the committee to work out the full extent of the cuts and the impact that they would have on services in the upcoming charter period, particularly with varying announcements being made by the chancellor.

We welcomed the additional financial information that the BBC was able to provide on spending in Scotland, and Lord Hall's commitment to making the financial information more transparent and accountable to licence fee payers in Scotland. The committee felt that it is only right and proper that a share of that funding should be decentralised to support the creative industries across the nations and regions of the UK, and our report called for that. We recognised that the quota system for regional production for the helped to increase economic network has investment in Scotland and the Broadcasting, Entertainment. Cinematograph and Theatre Union's evidence made it clear that that has sustained jobs and training opportunities.

However, the committee decided that the system is inadequate in its current form. It is an artificial mechanism that has not done enough to encourage a sustainable broadcasting and production sector in Scotland. Allegations were made in evidence that the BBC's commissioning

practice has sometimes operated to subvert the spirit of the guota, which can mean that the guota spend does not benefit Scotland. Although that gave the committee serious cause for concern, the BBC said that all spending is evaluated pre and post-production before it is allocated to a particular nation's or region's quota. We believe that change required substantial is for the commissioning process to grow a strong, sustainable and competitive creative industries sector in Scotland.

greater L would expect а degree of decentralisation of and accountability for commissioning and accompanying budgets across the nations and regions to address the concern that the BBC has a London bias. That would lead to improvements in how the BBC portrays Scotland and the diversity of Scottish culture and identity.

The committee stated in its report:

"Implementing these improvements would not necessarily require the BBC to adopt a federal structure, but would require greater decentralisation of decision making, commissioning and accompanying budgets."

That, I think, puts us at odds with the Government position of fully devolving broadcasting and moving towards a more significant level of constitutional change. There are issues with a federal BBC that the Government has spoken about, not least that I cannot see any public appetite for such a move.

I said during our consideration of the evidence that although the committee had rightly considered the impact of BBC spending on the creative industries in Scotland, I did not think that we had fully reported on the potential impact on viewers of any alternative model.

Claire Baker mentioned the controversy of STV not showing "Downton Abbey" in Scotland and I think that viewers would be concerned if a similar situation were to arise with the BBC.

If the licence fee funding raised in Scotland were to be held by a federated BBC Scotland, it would inevitably have to make choices on which services and programmes it would choose to buy in and which home-grown products it would produce. What impact would that have on the viewing of big, expensive sporting events such as the world cup, Wimbledon or six nations rugby, which are screened across all nations of the UK on the BBC at the moment? What impact would it have on a Scottish audience's ability to watch "Dr Who", "Sherlock", "The Great British Bake Off", "Match of the Day" and "EastEnders"? Just how much of a federated BBC Scotland's budget would be spent on productions such as those, the BBC website or the iPlayer and how much would be left to stimulate the creative industries here in Scotland? That is a key question to consider before the debate on a fully federated or devolved BBC goes any further.

We have to bear in mind that we are debating a BBC charter that will last for 10 years. The BBC will have to adapt to the growing consumption of media online through smartphones or tablets and to the use of catch-up services such as the iPlayer on TVs at home, where people expect their viewing to match their lifestyles rather than having to stick to the rigid TV schedules that we were used to in the past, as Ken Macintosh pointed out.

I think that the BBC is up to that challenge. I welcome the debate and the committee report and ask members to support Claire Baker's amendment.

## 17:23

**Fiona Hyslop:** I thank all the members who have contributed to the debate. Collectively, we can seize this opportunity to make sure that the BBC is able to deliver for the people of Scotland. The speeches today, which I have listened to carefully, will help to inform that debate as we go forward.

The decision of the Parliament on the motion before us is an important moment in our new role in BBC charter renewal. The UK Government will publish a white paper in the spring, probably in May, setting out the parameters for the drafting of the charter itself, which will follow closely after. Today, Parliament has been asked to give the Scottish Government a mandate to ensure that we are able to argue a strong case, as has been set out across the chamber by members from different parties, for our collective proposals for the BBC to be included in the white paper.

Many of the arguments have been about decentralisation. The Scottish Government's point of view is quite clear—we would prefer a federal model. I acknowledge that there is not a consensus on a federal model. There is a consensus on decentralisation—the key issue is the degree of decentralisation and what that means.

It might be helpful to share with members that similar debates are taking place across the UK. I conducted a videoconference with the Welsh and Northern Irish culture ministers, along with the Scottish, Welsh and Northern Irish directors of the BBC. There are common interests and there are different interests. We recognise that there is an asymmetrical nature not only to our devolution settlement, but to what each of those nations and areas requires from the BBC charter. I am very conscious of that. Liam McArthur's amendment would make the motion not as clear as it would otherwise be. He states factual information in the amendment, but it is unnecessary, in that I do not think that anybody in the debate has said anything that tries to undermine the BBC. On the contrary, there have been positive contributions about the opportunities.

I can crystallise the debate by saying that we are trying to deal with three issues—audience, access and accountability. On audiences, as Claire Baker made clear, it is important that we ensure that there is quality and that we understand what audiences want. However, everybody agrees that audiences in Scotland need better representation in some degree. The BBC has said that through Tony Hall's remarks, and there is an acceptance that changes are required in that area.

There is also an issue about access to funding. The forensic accounting analysis from Gordon MacDonald in the committee and again today showed how we can make better use of existing resources if we know where they are, what contributes to the central network production and what can be used here. A simple accounting approach that measures the Scottish context at the end of the process cannot serve Scotland as well as a process that ensures that the BBC allocates the funding for Scotland up front to allow strategic commissioning. That was the subject of not only the Education and Culture Committee report but the report of Murdo Fraser's Economy, Energy and Tourism Committee, which made a similar proposal about how we can better use existing resources to stimulate the creative industries in Scotland.

That goes back to the issue of accountability. I will praise Mary Scanlon when she is not here she would be too shocked if she were here. Along with others, she has made a point about how the Parliament can ensure that the BBC can account for the money that is spent in Scotland and its purpose. We were in the process of considering that. It is helpful that the BBC has shared information on that, because we are not arguing about the figures any more and there is now a common understanding, but it is important that we make better use of that. Providing accountability on that issue is a key part of what we in the Parliament can do.

I agree with Liam McArthur about sustainability. I think that we in the Parliament believe in public service broadcasting. However, if we were debating the BBC at Westminster, part of the argument would be whether we should have public service broadcasting in the form of the BBC. Here, there is an absolute agreement that we want quality public service broadcasting and that we believe in the BBC delivering that for audiences not just in Scotland or the rest of the UK but globally. The issue is how we ensure that we have a sustainable solution for public service broadcasting and for the creative industries in Scotland. I think that we can marry those in a way that better serves Scotland. That is an argument that I can take forward—I think that we can get better economic impact and the diversity that we have talked about.

I suggest that a future committee might come back to the issues of diversity and sport and the agenda on women's representation in the media. I raised that with the BBC yesterday, but perhaps we should come back to it as part of the charter process.

On where we go next, as I said, yesterday I met the secretary of state, John Whittingdale, and the BBC's executive team. Next week, when I meet the BBC's director-general, Tony Hall, I will reflect the views that have been expressed here. I think that we can make progress on the charter and on some of the non-charter issues that must be dealt with to improve the output of the BBC for Scotland. The BBC already offers a great deal to Scotland, but there is an opportunity for improvement, and everybody is up for that change.

The debate will be closely monitored and watched, which is why it is right to accept the Conservative and Labour amendments to our motion. People will be watching the debate, because Scotland has had a mature, reasoned, strong and articulate voice in the process. We are in a critical period for public service broadcasting. I am determined that we will use the opportunity to deliver not only for the people of Scotland but for the BBC. Support from across the chamber will be critical to our success. I am therefore pleased that we have had such a consensual debate. Important points have been made. We know the process for where we go with the BBC charter. The activity of the Parliament has shown what we are capable of and it will stand us in good stead as we work towards the completion of the BBC charter renewal.

## **Fiscal Framework**

The Presiding Officer (Tricia Marwick): I have accepted a request from the First Minister to make an urgent statement to update the Parliament on the fiscal framework. I will allow around five minutes for the statement and perhaps 10 minutes for questions. The First Minister will take questions at the end of her statement. Therefore, there should be no interventions or interruptions.

### 17:30

**The First Minister (Nicola Sturgeon):** I provided an update to Parliament earlier today on the negotiations between the United Kingdom and Scottish Governments to reach a deal on the fiscal framework that is required to accompany the Scotland Bill. At that time, I confirmed that we had made significant progress on a range of issues but the negotiations on the key issue of the block grant adjustment mechanism were on-going and that further proposals had recently been received from the Treasury.

I made it clear this afternoon that, for this Government to sign up to a deal on the basis of a transitional arrangement, we also required there to be a fair review mechanism that did not prejudge the outcome and that would not default to a funding proposal that delivered population-driven detriment to the Scottish budget. I have been clear throughout that I would not sign up to a systematic cut to Scotland's budget, whether that cut was applied today or by a prejudged review in five or six years' time.

During the afternoon, negotiations have continued on that basis, and I have spoken to the Chancellor of the Exchequer. As a result of those conversations, I can report to Parliament that there is now an agreement in principle that I believe we can recommend to Parliament. Draft heads of agreement will be published for scrutiny by Parliament by the end of this week.

That agreement, if it is supported by the Parliament, will secure the following outcome. There will be not a single penny of detriment to the Scottish Government's budget as a result of the devolution of powers during the transition period for the next six years to March 2022. The UK Government will guarantee that the outcome of the Scottish Government's preferred funding model, which is per capita indexed deduction, is delivered in each of those years. In addition, we have agreed that, at the point of review, the conditions that I set out to Parliament this afternoon will be met in full.

The transitional funding arrangement will be reviewed following the UK and Scottish Parliament elections in 2020 and 2021 respectively. The review will be informed by an independent report, with recommendations presented to both Governments by the end of 2021. Crucially, the fiscal framework will not include or assume the method for adjusting the block grant beyond that transitional period. The two Governments will require to jointly agree that method as part of the review.

We have also agreed that the method adopted will deliver results consistent with the Smith commission's recommendations, including the principles of taxpayer fairness, economic responsibility and, crucially, no detriment.

The agreement that we have reached on the block grant adjustment ensures that there will be no detriment for the next six years and that there can be no default by the UK Government to a funding model that would deliver detriment in the future. We have secured no detriment now and for the next six years, and we have ensured that there can be no detriment imposed on Scotland at any point in the future.

As the Deputy First Minister and I have made clear, there has been give and take in the negotiations. We did not get everything that we wanted but, when the discussions began in June last year, the Deputy First Minister faced a proposal from the Treasury that would have delivered £7 billion of detriment to the Scottish budget over the next 10 years. During the negotiations, we have made absolutely sure that there will not be £7 billion or £3 billion of detriment; the deal will not allow a single pound or even a penny to be taken from the Scottish Government's budget. [*Applause*.]

The deal will ensure that the funding for Scotland cannot be changed without the Scottish Government's agreement. It protects the Barnett formula and will allow the powers in the Scotland Bill to be delivered.

Alex Rowley (Cowdenbeath) (Lab): I very much welcome the statement, and I congratulate both Governments on coming together to deliver on the promises made by all parties in this chamber to deliver powers and protect the Barnett formula. I also recognise, and the Parliament should recognise, the personal commitment that the Deputy First Minister has put into the process. [Applause.]

We have new powers and more powers are guaranteed, and we have a progressive majority in this Parliament. Does the First Minister agree that rather than leaving the powers to gather dust we have a responsibility to use them to break from austerity and build a better Scotland for everyone in it?

The First Minister: I thank Alex Rowley for his question and his support for the position that I

have outlined today. I also take the opportunity to record my sincere thanks to the Deputy First Minister. Over the past number of months, he has been absolutely resolute in defending Scotland's interests. The position that we have reached today is in no small measure down to the perseverance, determination and skill of the Deputy First Minister, and I thank him for it.

It is no secret that I think that the more powers that this Parliament has, the better we can deliver for the people of Scotland. That is why I want this Parliament, in the future, to be an independent Parliament. This Government will continue to do what we consider to be in the best interests of Scotland, and the party that I lead will bring forward a manifesto for the coming election that will seek to win the trust of the people of Scotland on building an economy that is more prosperous and a society that is fairer.

Ruth Davidson (Glasgow) (Con): I welcome the First Minister's statement. Having spoken to the chancellor after the deal was signed, I know that the UK Government welcomes this positive outcome.

The agreement delivers the stronger, more responsible Scottish Parliament that the people of Scotland were promised. It is devolution delivered, and I congratulate our two Governments on agreeing the deal. Despite some rather unhelpful noises off from parties that were not involved in the discussions, which seemed keener to score points than see a deal done, the agreement shows that our two Governments can work together for the good of Scotland. It also provides for exactly the kind of Scotland that most people want: a Scotland that is not separated from our neighbours but has more power and control over its own affairs and is still backed up by the strength and security of the UK.

In the longer term, the agreement also throws a major challenge to the Scottish National Party Government, because grudge and grievance will no longer wash. On tax, welfare and our public services, the buck stops with it. With that in mind, will the First Minister confirm that she will outline at the very earliest opportunity what she plans to do with the powers that will soon make Holyrood the most powerful sub-state legislature anywhere in the world?

**The First Minister:** Let me tell members one thing that I will never do: describe our national Parliament as a "sub-state legislature". That probably sums up one of the many differences between me and Ruth Davidson.

Ruth Davidson talks about the Scottish and UK Governments working together. I am glad that we have got to the point of a deal in principle today, but let me say this: it has been much harder work than it should have been to avoid the Treasury trying to cash grab from the Scottish Government to the tune of £7 billion. Perhaps the biggest tribute of all to the Deputy First Minister is the fact that, as a result of what I have just announced to Parliament, he is probably the person who has had more success than anybody else in seeing off a cash grab from Her Majesty's Treasury.

I look forward to bringing forward proposals in a manifesto that I will put to the people of Scotland in just a couple of months' time. Ruth Davidson must do likewise. She likes to parade herself as a tax cutter, notwithstanding the fact that she wants to reintroduce prescription charges and charge a graduate tax on our students. The responsibility that she faces is that, if she wants to go around saying that she will cut taxes, she must tell us from where in our public services that money will come.

Willie Rennie (Mid Scotland and Fife) (LD): On the substance of the agreement, does the First Minister not accept that it will be a lot more difficult to get the Treasury model out of the fiscal framework in 2021 when it has been inserted into it today? Why has she therefore agreed to that Treasury model in the fiscal framework when she has rightly opposed it for months? Surely we should not have given way on that important principle.

The First Minister: Willie Rennie should have listened more carefully to what I said. We have not allowed the Treasury model—any Treasury model—to become a default position. That was actually one of the points we were seeking to secure before signalling agreement in principle.

The fiscal framework will not include or assume the method for adjusting the block grant beyond the transitional period, and the two Governments will require to jointly agree that method as part of the review. That was one of the tests that I set this afternoon—that, at the end of the transitional period, when we go into a review, there should be no default model. We have been successful in securing that, as well as successful in securing not a single penny of detriment. I would have thought that Willie Rennie might want to welcome that.

Bruce Crawford (Stirling) (SNP): I am very pleased that the agreement has been reached by the two Governments.

Does the First Minister agree that it is now time for the Devolution (Further Powers) Committee to comprehensively scrutinise the contents of the agreement and come to its own conclusions on whether it represents a good deal for Scotland? In the light of that, will the First Minister also commit to publishing the full details of the agreement as early as possible? Does she also agree that it is important that the Deputy First Minister comes before the committee again at the earliest possible date?

**The First Minister:** I am sure that the Deputy First Minister is already looking forward to that date with the Devolution (Further Powers) Committee. [*Laughter*.] Of course, the Deputy First Minister will appear before the committee.

The Parliament needs to have time to scrutinise the deal, which is why I am glad that we have reached the point that we have today, as that does afford that time. The Devolution (Further Powers) Committee, the Finance Committee, other committees and the Parliament as a whole will want to look at the detail of the deal.

As I said in my statement, we will publish the draft heads of agreement by the end of the week, and that will allow scrutiny to take place. The Scottish Government will recommend a position to the Scottish Parliament. Ultimately, it is for the Parliament to decide whether it constitutes a good deal for Scotland. I believe that it does.

Jackie Baillie (Dumbarton) (Lab): I offer my congratulations to both Governments, and in particular I single out the Deputy First Minister, who did much of the heavy lifting in the negotiations.

There is one piece of unfinished business. The Smith commission called for independent scrutiny of Scotland's public finances. Will the First Minister think again and give the fiscal commission teeth with responsibility for forecasting and for reporting on the sustainability of our public finances? I see the Deputy First Minister shaking his head. What a disappointment that is. I hope that on this occasion the First Minister might overrule him.

The First Minister: As I said this afternoon, and have said again now, there has had to be give and take on both sides in reaching the agreement. When the draft heads of agreement are published, Parliament will be able to see the positions that have been reached on all of the issues. Although it no doubt pains me to say it, I suspect that Jackie Baillie will not be too disappointed.

Alex Salmond (Aberdeenshire East) (SNP): Every Chief Secretary to the Treasury since 1999 has sought to erode the funding of this Parliament, and every single First Minister has faced that situation on occasion. This time, the Treasury has been sent homewards to think again, thanks to the experience of the finance minister and the strength of the First Minister. They deserve the thanks and congratulations of every single member of the Parliament.

The Presiding Officer: I am not sure that there was a question there, First Minister.

The First Minister: I heard a question, Presiding Officer. I thank Alex Salmond for those

comments and simply say, in a completely dispassionate and objective way, that I am only building on the legacy that I was left.

Alison Johnstone (Lothian) (Green): I, too, thank the Deputy First Minister and all those who have worked hard to reach this point. Concerns have been raised, though, about the way in which much of the discussion has taken place behind closed doors. I ask the First Minister to commit to an inclusive, participative process in the run-up to the review in five years' time.

**The First Minister:** I thank the member for the assumption—I gratefully receive it—that I will still be First Minister at that time. I certainly give an undertaking to do that, should I still be First Minister then.

By necessity, much of what has been discussed in the past weeks and months has been behind closed doors in the private space of negotiations. However, the Scottish Government has, over the past few weeks in particular, deliberately decided to flush much of what was being discussed into the open because we felt that that was a healthier place for it to be.

We have to learn lessons ahead of a review and ensure that the review process, as well as being independently informed, is as transparent as possible.

Linda Fabiani (East Kilbride) (SNP): In relation to that agreed review, will the First Minister reconfirm that, just as in the Smith process, decisions will rely on joint agreement, the Scottish Government and the Westminster Government being equal partners in the review process?

**The First Minister:** The principle of joint agreement is extremely important. As I said, beyond the transition period that we are agreeing—which of course guarantees the no-detriment position that has been so important to us—we have built into the agreement the principle of joint agreement. The fiscal framework does not make an assumption about the model that will follow the transitional arrangement. The two Governments will require to jointly agree that method as part of the review. That principle of joint agreement is so important, not just to this issue but to all of the other issues that require to be discussed and decided between our two Governments.

# Land and Buildings Transaction Tax (Amendment) (Scotland) Bill: Stage 1

**The Presiding Officer (Tricia Marwick):** The next item of business is a debate on motion S4M-15694, in the name of John Swinney, on the Land and Buildings Transaction Tax (Amendment) (Scotland) Bill. I ask members who are leaving the chamber to do so quickly and quietly.

## 17:46

The Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy (John Swinney): I am pleased to open the debate on the general principles of the Land and Buildings Transaction Tax (Amendment) (Scotland) Bill, which I introduced on 27 January this year. I begin by thanking all those who gave evidence—written and oral—to the Finance Committee and those, such as the Law Society of Scotland and Revenue Scotland, who have given and continue to give freely of their time to work collaboratively with the bill team to resolve some of the more thorny technical matters in order to ensure, as far as practical, the bill's smooth implementation.

I am grateful to the convener and members of the Finance Committee for their scrutiny of the bill at stage 1 and particularly for committee members' co-operation in working to an expedited timetable for the bill. I welcome the committee's support for the general principles of the bill. In light of the expedited bill timetable, I wrote yesterday to the convener of the Finance Committee setting out the Government's response Scottish to the committee's stage 1 report. I hope that it was helpful to have that response in advance of the debate.

The Land and Buildings Transaction Tax (Amendment) (Scotland) Bill introduces a 3 per cent land and buildings transaction tax supplement payable on the purchase of additional dwellings, such as buy-to-let or second homes. Subject to parliamentary approval, that means that, from 1 April 2016, anyone buying a residential property in Scotland of £40,000 and above who already owns a residential property, here or anywhere in the world, will pay an additional 3 per cent land and buildings transaction tax on the whole purchase price of the property, unless they are simply replacing their existing main residence.

The Scottish Government wishes to maximise the opportunities for first-time buyers to get a foot on the property ladder in Scotland. The bill will counteract the potential distortive effect of the introduction of a new stamp duty land tax higher rate of tax in the rest of the United Kingdom from 1 April 2016. Without a land and buildings transaction tax supplement, it is likely that the stamp duty land tax higher rate of tax would make it relatively more attractive for investors to buy up homes in Scotland, particularly at the lower end of the market, thus increasing competition for firsttime buyers and therefore the danger of undermining the Scottish Government's policy objectives in this area. The Government's motivation has therefore been clearly expressed to deal with circumstances that we believe are made more likely by the tax changes that are being made in the rest of the United Kingdom.

I am aware from the evidence that was presented to the Finance Committee during its stage 1 scrutiny of the bill that some stakeholders have expressed disappointment at the 3 per cent supplement that applies to the whole purchase price, and that they view that as a return to a form of slab tax, which prevailed in the former stamp duty land tax in Scotland. As I have already indicated, the Scottish Government wishes to do all that it can to empower first-time buyers to purchase their first home. The rationale for applying the supplement to the whole purchase price is that it will impose a greater tax charge on purchases of additional property at lower-value transactions. That is where the demand for properties for investment purchases or holiday homes could make it difficult for first-time buyers to enter the market to purchase a main residence. For example, someone who buys a property as their main residence for £100,000 will not pay any land and buildings transaction tax, but someone who buys the same property for an investment or as a second home will pay £3,000.

As I indicated in my statement on the draft budget last December, it is estimated that the supplement will raise between £17 million and £29 million in 2016-17 after taking account of behavioural effects, including any impact on underlying LBTT revenues. The Scottish Fiscal Commission has endorsed the estimate as reasonable, recognising the uncertainties that are posed by the lack of Scottish data on such transactions. I have discussed those issues with the Finance Committee, and the Government has erred on the side of caution in estimating the volume of revenues that could arise from the tax given the potential behavioural change. implications of the application of the tax charge.

The Scottish Government considers that the housing system should cater for a variety of needs and demands across all tenures. I certainly recognise the need to balance support for home ownership and first-time buyers without discouraging significant and beneficial investment in residential property for rent. The Scottish Government has supported the purpose-built private rented sector since 2013; we funded the "Building the Rented Sector in Scotland" study; and we provided funding for a dedicated private rented sector champion tasked with ensuring that action is taken to boost the supply of high-quality private rented sector homes at scale.

After reviewing and reflecting on the stage 1 evidence, I am pleased to say that the Scottish Government concurs with the recommendation in the Finance Committee's stage 1 report that provision should be made in the bill for a relief from the land and buildings transaction tax supplement for buyers who are purchasing six or more residential properties in one transaction. The Scottish Government intends to lodge a stage 2 amendment to give effect to that.

On reliefs in general, I note from reviewing the stage 1 evidence that there are suggestions for a variety of reliefs from the supplement. The Scottish Government recognises that the housing market changes over time and, where practical and affordable, it wishes to do what it can to create sound and sustainable market conditions. However, I am firmly of the view that, as with the land and buildings transaction tax system, a period of time will be required to enable the land and buildings transaction tax supplement to become embedded and for sufficient financial and statistical data to be collected to enable informed policy decisions to be made in the future. The position on reliefs with particular reference to the land and buildings transaction tax supplement will be kept under review as part of the on-going process of devolved tax planning and management. However, I hope that the specific relief that I have set out in relation to the bulk purchase of properties gives further clarity to the marketplace and can enable commitments to be made, with the assurance that I have given.

When I gave oral evidence to the Finance Committee, I did not close the door on implementing a grace period for transactions. I have carefully reviewed the stage 1 evidence and considered further helpful input from the Law Society of Scotland and Revenue Scotland. I am not convinced of the strength of that evidence as yet, but I do not want to entirely close the door on implementing a grace period.

The approach that I have elected to take is to ask Revenue Scotland to monitor the position between the LBTT supplement provisions coming into force and 30 October 2016. The data that is collected will enable the Scottish Government to take an informed view as to the need or otherwise for a grace period and what such a period should be. There are provisions in the bill that enable individuals to claw back charges that may have been applied over an 18-month period. I hope that that provides sufficient reassurance to Parliament, but I reiterate that I remain open to considering the matter in due course.

I am aware that a number of stakeholders have called for an early and comprehensive review of the impact of the supplement. I welcome the Finance Committee's comment in its stage 1 report that

"developing an understanding of the impact of the supplement will be complex and will take time."

I concur with that view. To review the impact of the supplement will require at least one complete year of data, given the seasonality of housing transactions, the likely forestalling behaviours and the longer-term trends in the housing market. The Scottish Government intends to update Parliament on the outcome of that review in the 2018-19 draft budget, in accordance with our undertaking in the written agreement on the budget process to provide

"a commentary on outturn figures for the devolved taxes for the most recent year, including any variance between outturn and forecasts."

The bill as introduced proposes that the supplement will not apply to the purchase of a residential property where missives were concluded before 16 December 2015—the date of the Scottish draft budget statement—even when the transaction does not settle until after 1 April 2016. Where the missives for the transaction were concluded on or after 16 December 2015, the supplement is proposed to apply if the transaction settles on or after 1 April 2016.

The Scottish Government has listened carefully to the stakeholder community and intends to lodge amendment at stage 2 whereby the an supplement will not apply to the purchase of a residential property where missives were concluded before 28 January 2016 but the transaction does not settle until on or after 1 April 2016. That adjustment delivers a fairer result for buyers who may have been putting in offers for property or making reservations for new-build property before the detail of the proposed supplement was in the public domain-that is, when the bill and accompanying documents were published on the Scottish Parliament's website.

I move,

That the Parliament agrees to the general principles of the Land and Buildings Transactions Tax (Amendment) (Scotland) Bill.

**The Presiding Officer:** I call on Kenneth Gibson to speak on behalf of the Finance Committee.

## 17:57

Kenneth Gibson (Cunninghame North) (SNP): It is with pleasure that I speak on behalf of

the Finance Committee in this stage 1 debate on the Land and Buildings Transaction Tax (Amendment) (Scotland) Bill. I thank the members of the Finance Committee, the clerks and those who gave evidence to help us to reach our conclusions expeditiously, along with our adviser, Professor McEwen, who produced an excellent summary of the responses while working to a particularly tight deadline.

Following publication of the UK autumn statement, in which the chancellor set out plans to introduce a 3 per cent stamp duty land tax supplement on the purchase of additional homes from 1 April 2016, the Scottish Government set out similar proposals in its draft budget. It has emphasised the need to introduce the supplement at the same time as the supplement comes into force in England and Wales in order to mitigate the risk of any related impact on the Scottish property market. That meant that the usual consultation process could not be undertaken and standing orders were suspended to facilitate a truncated timetable for parliamentary consideration of the bill.

The committee notes that those circumstances were far from ideal, but we recognise the reasons behind them and we accept there must be an element of flexibility in the scrutiny arrangements. In essence, there is a need to balance the risk of not responding immediately to UK tax changes and the risk of unintended consequences arising if we enact legislation without first conducting full consultation and comprehensive parliamentary scrutiny. The need to achieve such a balance is clearly an issue of real importance to Scotland's public finances, and it might arise more frequently in future. We intend to reflect carefully before setting out in our legacy report recommendations on how best to balance the competing priorities.

We issued our own consultation, albeit that it was shorter than usual, and we received over 50 responses ranging from those from professional bodies to those from individuals who were concerned about the bill's potential impact on their property dealings. We then took evidence from a range of stakeholders before hearing from the Deputy First Minister.

On the bill's policy objectives, the key intention is to ameliorate market distortions that will potentially arise from the proposed UK supplement and have an impact on first-time buyers, in particular. Some stakeholders expressed concern that no impact assessment has been undertaken and that there is a lack of data on the Scottish second home and buy-to-let markets. We have therefore recommended that the Government commission research and take steps to improve the data on those areas. Ministers should closely monitor the supplement's impact on the housing market and conduct a comprehensive review when sufficient information is available. We also recommend that the Scottish Fiscal Commission provide a commentary on the first six months of the supplement's operation, including on the impact of forestalling, by the end of November. I note that the Deputy First Minister said today that it might be more appropriate to wait until we have a full year's data. We will deliberate on that.

We heard mixed views on the policy's potential impact on first-time buyers. Some stakeholders expressed concern that the supplement would act as a deterrent to investment in new housing developments; others suggested that if the supplement is not introduced, investors from outside Scotland could push up property prices.

The committee recognises the Government's policy intentions regarding first-time buyers, but we are also conscious of the need to protect housing supply for those who rent their homes through choice or necessity. We heard that the vast majority of landlords own fewer than five homes, with large numbers owning just a single buy-to-let property. Concern was expressed that the supplement might not deter investment in housing and might simply result in additional costs being passed on to tenants via higher rents. We consider it essential that the Government closely monitor the supplement's impact on rent levels, particularly in areas where rents are already high.

To mitigate the possible deterrent effect on investment Scotland's in housina stock. stakeholders suggested numerous reliefs. Unfortunately, it was not possible for us to scrutinise every proposal in the time that was available, and we remain conscious that exemptions and reliefs have the potential to provide loopholes and opportunities for tax avoidance. We therefore invite the Government to comment on stakeholders' suggestions.

The committee was convinced of the case for introducing specific reliefs for registered social landlords, local authorities and student halls of residence. The availability of quality, affordable housing for people on lower incomes is a key challenge in Scotland, and we heard that many local authorities and registered social landlords have engaged in significant house purchase activity, which has helped to support the construction industry during the recent period of market recovery. It is clear that student halls of residence are designed in a way that makes them unsuitable for anyone who is seeking to buy a home. We therefore recommend that reliefs be introduced for those types of properties, which should mirror the reliefs that are provided for in the

Land and Buildings Transaction Tax (Scotland) Act 2013.

We also support a relief for larger-scale investors who purchase six properties or more. Such a relief was proposed by numerous professional bodies and would be consistent with the provisions of the 2013 act, which provides:

"Where six or more separate dwellings are the subject of a single transaction ... those dwellings are treated as not being residential property"

## for tax purposes.

The UK Government consultation seeks views on reliefs for bulk property purchases. We are mindful that the provision of such a relief south of the border but not in Scotland could adversely affect investment in the Scottish market. Furthermore, we consider it unlikely that such a relief would cover small-scale investors, who are more likely to be in direct competition with firsttime buyers to purchase properties. Nevertheless, we remain mindful that the relief might need to be reviewed if there are signs of a negative impact on the number of new housing developments, due to a decrease in the number of buy-to-let properties being purchased by smaller investors.

We are also clear that a grace period should be provided to cover circumstances in which a purchaser temporarily and unintentionally owns two properties simultaneously as a result of a sale being delayed or falling through.

I am pleased that the Government has confirmed its intention to amend the bill to introduce such reliefs and I look forward to discussing the issues further with the Deputy First Minister at next week's stage 2 proceedings.

The committee supports the general principles of the bill but remains conscious that, although the proposed supplement might appear relatively straightforward, a number of potentially complex issues remain, which will require careful consideration at stages 2 and 3.

In particular, there is a need to introduce appropriate reliefs that balance the needs of firsttime buyers, the needs of people who rent their home and the interests of house builders and investors. That will not be easy, especially given the insufficient data on the current structure of the housing market in Scotland. It is therefore essential that the impact of the bill is closely monitored and a comprehensive review carried out when sufficient data are available.

I look forward to considering those important issues further at stage 2 and I look forward to hearing members' speeches in the debate.

18:04

Jackie Baillie (Dumbarton) (Lab): I welcome much of what the cabinet secretary had to say in his speech, and his recognition of the Finance Committee's recommendations and the concerns expressed by stakeholders. It is important to take a step back and consider the context, because land and buildings transaction tax was levied for the first time last year, and when the cabinet secretary set out his quite comprehensive plans for the tax-well over a year ago now-it was a matter of a couple of months before he had to think again and bring new proposals back to the Parliament, to respond to George Osborne's proposals for stamp duty land tax. Although I would observe that that was probably the fastest change of tax policy in history, I do understand the cabinet secretary's desire to have a similar fiscal position in Scotland to that in the rest of the UK.

Now we are being presented with the land and buildings transaction tax supplement. Yes, it was indeed the self-same chancellor, George Osborne, who introduced that in his autumn statement—a new 3 per cent supplement for stamp duty land tax—and the cabinet secretary moved quickly to copy it. There is now to be a land and buildings transaction tax supplement of 3 per cent on purchases of additional residential properties for those transactions over £40,000.

I know and accept that there are strong arguments for us to have the same fiscal regime both north and south of the border. Our housing markets are similar and they can and will be influenced by each other, but there are times when we might choose to do things differently. There are obviously times when we want to respond very quickly, so that behavioural responses to tax changes are minimised. That has implications for consultation with stakeholders and for scrutiny by this Parliament, and I know that it has not been an entirely satisfactory process for stakeholders, or indeed for members of the Finance Committee, because of the speed at which things have been done.

I hope that the Government and the Finance Committee will consider that in the future so that we get the balance right. I think that it is an issue that we will want to return to, because I can foresee circumstances in which that could happen time and again, and I do not think that any of us want a situation in which speed means bad legislation with unintended consequences.

In that context, I draw members' attention to the House of Commons Treasury Committee report not something that I read often, but it is now on my list. It is fair to say that members of that committee are not at all enamoured by the stamp duty land tax supplement and there is a strong suggestion from them that there should be no rush to implementation because of its complexity and because of the possibility of unintended consequences. They also feel that it would actually be detrimental to the buy-to-let property market and they recognise the importance of that sector for labour mobility, which is a point that I will return to in a minute.

I am not sure-and I do not know whether the Deputy First Minister is any clearer than I amwhether there is a possibility that George Osborne might delay implementation, or indeed substantially change the proposal, but it raises some really interesting questions. Given that the Scottish Government has aligned itself with the proposal from the UK Government, does that mean that the introduction will be delayed in Scotland if it is delayed in the rest of the UK, or does the Deputy First Minister intend to proceed regardless? Perhaps it provides an opportunity to think things through, but in any event we need stability and certainty, not chop and change.

I know that there are real issues that the Government must grapple with, but we will decide on the Scottish budget for 2016-17 tomorrow. Assumptions have been made about the revenue that will be generated by the supplement, but we will have no idea what the UK Government's response to the Treasury Committee's report will be until at least mid-March. That is my understanding.

John Mason (Glasgow Shettleston) (SNP): Does Jackie Baillie accept that the supplement is a good method by which to protect local people from second home owners?

Jackie Baillie: I do, and if there was any lack of clarity about that, I apologise to the member. I absolutely accept that, but there are unintended consequences that we should be alive to, and we should not simply look narrowly at the principle and nothing else.

There are wider questions and there are issues in the bill that need to be addressed. There are areas for exemption that the Scottish Government has said that it will think about further before coming back to the committee at stages 2 and 3. I would like to consider a couple of those areas. There are many more that the committee has spelled out in pages and pages of possible reliefs.

The Scottish Government has a laudable intention of attracting new skilled workers to Scotland. Will any such person who is a home owner abroad and who wants to buy a home here be liable for the additional 3 per cent? If that is the case, I do not think that that sends out the message that the Government wants to send, which is that we would welcome to this country those with the skills that we need. How will ownership abroad be identified and the additional tax be enforced? Alternatively, will Scots who want to buy a second home abroad be liable for 3 per cent of the purchase price? I think that the answer is yes, although that could well be unpopular. However, how would it be checked and enforced? The issue is the practical implementation.

What about women leaving abusive relationships, when, for whatever reason, the woman's name remains on the ownership of the house that she leaves? Will she be liable for the additional 3 per cent? If a person who is a home owner purchases a half-stake in a flat that is valued at £75,000, will they become liable for 3 per cent of £75,000, liable for 3 per cent of £37,500 or not liable at all? I suggest that there is a complexity that we need to understand, and I wonder whether, in a short period of time, we would not arrive at unintended consequences.

In conclusion, I turn to the revenue that the tax is likely to raise. It is fair to say that the amount raised with residential LBTT is less than expected. So far, we have nine months of outturn data but the modelling of behavioural impacts is critical. The LBTT supplement would have benefited from more assessment but the Scottish Government keeps telling us that there is limited data available. We clearly need more. We want to know the Government's forecasting methodology. The yield was anticipated to be between £45 million and £70 million, but it has been revised down dramatically to between £17 million and £29 million. If it is simply a tax to generate more income, it is a very inefficient way of doing that.

Perhaps the House of Commons Treasury Committee has got it right and we should proceed with less haste. However, I recognise the dilemma for the Scottish Government, so we will support the general principles of the bill at decision time.

## 18:12

Gavin Brown (Lothian) (Con): It appears that, both north and south of the border, the measure is far more complex than it first appeared when it was announced in the autumn statement. I had the voice of former minister Jim Mather ringing in my ears as I reviewed the bill. Mr Mather once said to me, "Gavin, there is no such thing as unintended consequences; there is only lazy thinking." That had an impact on me then, and it has had an impact on me since.

Having thought carefully about the bill, I am of the view that the risk of inaction is greater than the risk of unintended consequences flowing from legislative action. On that basis, I was prepared to support the bill at the committee stage and we will vote in favour of the principles of the bill come decision time today. That said, there are clearly significant issues to resolve—I think that the Government would accept that. However, if the UK Government were to delay the legislation south of the border—I have no inside information on that—we should give serious consideration to delaying it here as well. Mr Swinney would face no criticism from this side of the chamber were that to happen. Nevertheless, I assume that the bill will be passed south of the border within the current timescale, and my working assumption is that the same will happen here.

There are risks, and Kenneth Gibson captured one of them guite neatly. In trying to help first-time buyers, we must be sure that we do not end up making them worse off if we see a reduction in development. One of the arguments that was put to the committee was that a number of developments that go ahead rely on what are called off-plan sales-pre-sales that are made in advance of the development being built-and it is much more likely that anyone involved in a presale will be a buy-to-let operator or a second home owner as opposed to somebody on their first mortgage. Some developments rely on pre-sales to secure funding, and if some of those developments do not go ahead, there could be a greater danger of lack of supply than we currently face. As much analysis of that as can be done ought to be done.

Mark McDonald (Aberdeen Donside) (SNP): Gavin Brown will accept that, in committee, I asked for empirical evidence to support that supposition but none was forthcoming. Therefore, although the suggestion has been made, there is currently no data—at least, none was made available to the committee—to back it up.

**Gavin Brown:** Mr McDonald makes a fair point. We do not have empirical evidence, but there is anecdotal evidence, which we got from a number of witnesses. That is one of the reasons why all members of the committee took the view that the Government should commission specific research on the impact of buy-to-let properties and second homes on the property market as a whole. So far, the Government does not seem to be minded to do that, but I encourage it to do so as it progresses the bill.

I welcome a number of the comments that the Deputy First Minister made, particularly those that he made in relation to local authorities and registered social landlords, large-scale investors and changes to the transitional period, all of which were sensible and fair.

In my final minute or so, I want to focus strongly on the concept of the accidental second home owner. The Deputy First Minister is not minded to make changes in that regard at this stage, but he said that the door was not entirely closed. That gives me great satisfaction and I will push hard against that door to ensure that it reopens, because the issue stuck out like a sore thumb. It is a specific objective of the bill not to capture those who simply replace their existing main residence, but it is obvious to me that there is a severe risk that a significant number of people in that category will be captured. If a family that has grown and wants to move to a bigger house to accommodate that purchases a new house first and the sale of their existing home does not take place on the same day, whether because it falls through or simply takes longer to happen, as well as having to get some form of bridging loan, the family would immediately be liable for the 3 per cent surcharge, which could amount to thousands upon thousands of pounds. Even purchases that are currently outwith LBTT entirely because they are below the threshold could be affected. That is a severe risk.

I see that my time is up. I will return to that significant issue, because I think that it is the biggest weakness in the bill, and I genuinely want to work with the Government to get it right at stage 2.

**The Presiding Officer:** You will have the opportunity to return to that issue in about four minutes' time, Mr Brown. [*Laughter.*]

I call Mark McDonald. You have four minutes, but you could perhaps push it to five.

#### 18:17

Mark McDonald (Aberdeen Donside) (SNP): Oh, gosh. I am now under pressure to give Gavin Brown time to collect his thoughts for his summing-up speech, and perhaps—who knows?—to give him some content for it.

There are a few points that need to be highlighted. The committee took a great deal of evidence in a very short space of time, and some of the evidence that we received was very interesting. Jackie Baillie asked whether the bill was just one that was designed to generate more revenue. That belies the fact that the genesis of the bill lay in a desire to ensure, first, that a policy change at UK level would not have a detrimental impact and, secondly, that first-time buyers would be protected against buy-to-let investment.

A point that I made in my intervention on Gavin Brown—this is something that I became slightly frustrated by during the course of the committee's evidence taking—is that a great deal of certainty was being derived from supposition and anecdotal evidence. There did not seem to be a lot of hard data and empirical evidence to back it up. That made it very difficult for the committee to reach a true value judgment on some of the issues that were raised by the witnesses who appeared before us. That is why it is critical, as Gavin Brown said, that we get some more data to serve as a bedrock for analysis of impacts on the housing market. As the policy rolls out alongside LBTT over a period of time, we will have the opportunity to bottom out forestalling effects and other variations. That will give us a better idea of the impact and will help us to build a slightly better picture of what is happening in the housing market.

We had some discussion about how to deal with reliefs in the committee report, but it does go into great detail about the range of reliefs that have been suggested from various quarters. In bringing in any system of reliefs, there is an inherent risk of creating significant loopholes that could undermine the policy intention of the legislation. The committee has very properly asked the Scottish Government for its view on the basket of reliefs, but at the same time it has focused on a couple of specific reliefs that it feels are necessary. The Deputy First Minister has responded very fairly to those suggestions.

The third issue that I have wrestled with and which I mentioned during evidence taking at committee is the flexibility that the process that we currently go through in Parliament affords to the Scottish Government. That point does not necessarily relate to this specific piece of legislation. Let us compare the flexibility afforded to the Scottish Government in announcing or reacting to tax changes with that afforded to the Chancellor of the Exchequer. The chancellor can stand up at his dispatch box and announce a change that will take effect at midnight that evening, should he choose to do so, but under the processes in this Parliament the Scottish Government has to signal its intention some months in advance of changes taking place. We can compare the opportunity that our process allows for behavioural change and forestalling to take place with that which exists at Westminster.

That is something that needs to be explored in more detail in future, perhaps by a successor finance committee, but it would also be welcome in the next session of Parliament to get some more thinking from the Scottish Government on the issue.

The main thrust of LBTT is that, first and foremost, first-time buyers are protected in terms of their purchases.

I see from the Presiding Officer that, despite being told that I could push my speech to five minutes, I am now being told to hurry up. I will do so.

When LBTT was first proposed, I noted that one of its intentions was to stimulate purchases at the lower end of the market. Anecdotally, estate agents in my constituency tell me that they are seeing a stimulation of the market at the lower end. I am confident that that is happening, but I think that the bill is a necessary measure to ensure that that situation is protected.

Thank you, Presiding Officer.

**The Presiding Officer:** Thank you, Mr McDonald. You actually got to four minutes and 45 seconds, so you did quite well. We now go to the wind-up speeches—Gavin Brown has four minutes.

### 18:22

**Gavin Brown:** I have to say that it has been a fairly short debate.

I want to return to the issue of the accidental second-home owner, because I genuinely think that that could be a pretty big problem and one that, both south of the border and here, has not been considered enough.

As we heard in the policy memorandum, we deliberately want to exclude from the tax those people who are just replacing their existing main residence. In the scenario where a family is selling their house but the sale does not go through—it can fall through for any reason—or the scenario where the house just takes longer to sell than anticipated, they would be liable to pay a sum of money for LBTT, ranging from a few hundred pounds to potentially tens of thousands of pounds. Of course, that money could ultimately be clawed back, but it would have to be paid in the first instance.

In my view, that process is wrong for a number of reasons. First, it seems to me unduly punitive because not only are people in those scenarios likely to need some form of emergency finance or bridging loan, but they will have the additional stress of an instant bill that has to be paid before the transaction can go ahead. In many cases, that might just take them to the financial brink and result in a transaction not going ahead, which could have implications elsewhere in the housing chain.

Very few transactions take place in a vacuum, unless a first-time buyer is involved. There are quite often chains, as they are called, where a number of transactions rely on another transaction taking place; if one of those falls through because of the tax having to be paid up front, it could take people over the financial brink, which could have a wider impact on the housing market. It strikes me is unduly that the process bureaucratic, particularly when the Government's stated intention is not to bring those people within the realms of the legislation.

I feel that it could be a deterrent for the market as a whole. Many of our constituents are cautious, and we could end up with a scenario whereby, just as a matter of fact, people buy only once they have sold. We could end up with a market in which people sell their house first and consider buying only after they have sold, to make absolutely sure that they are not liable for those thousands of pounds.

In some cases, that might be the right decision, but if that were the effect on the marketplace, I think that it could have a detrimental effect on the economy, and it could slow down parts of the housing market in a way that we do not want. If we allow that to continue for six months, it may take some time to right the market. Therefore, I think that we are better to look carefully at it now.

Of course, Revenue Scotland may prefer the option that Mr Swinney suggested. That would make it cleaner and simpler for it. However, I urge Mr Swinney, in his closing speech, to say that he will at least speak, in particular, to more of the legal profession—those who represent consumers and house buyers—to get as much data as he possibly can before taking a final view. If he does that, I am convinced that he will hear from some of them—expressed strongly—that something needs to be done.

In the committee, we heard that one option is to have a grace period. I certainly think that that is one way of working, although I do not think that the suggestion of a 30-day grace period goes anywhere near far enough. If a housing sale falls through, it is pretty unlikely—although not impossible—that the average house sale will then happen in 30 days. Looking at different websites, it seems to take on average eight to 12 weeks to sell a house, so if the grace period were to be 30 days, a lot of people would be captured.

I urge the Deputy First Minister to give serious consideration to the issue. He said that he is not closed to the idea, and I would personally commit to working with him to find a solution. Although I will not have any constituents post-April, I genuinely believe that a number of constituents would see the issue as a huge matter of regret. We would then have to take emergency action to deal with it. Therefore, I urge the Deputy First Minister to indicate in his closing speech that he would be willing to discuss that matter.

**The Presiding Officer:** Thank you, Mr Brown. Come May, I will not have any constituents either.

## 18:27

## Lesley Brennan (North East Scotland) (Lab): I will sum up for the Labour group.

It has been a very short debate, but we have heard the key points. During evidence sessions, the Finance Committee heard about the stated aim of the policy, which is to minimise market distortion in Scotland due to inward investment from the rest of the UK, given the Tories' introduction of a similar initiative there. The Scottish Government considers that such inward investment could crowd out first-time buyers.

We support the principles underpinning the tax, which are to reduce rent-seeking behaviour whether to crowded-out first-time buyers from buyto-let landlords or others, or to second-time home owners.

The draft budget estimates that the additional dwelling supplement would raise about £23 million in the first year. That sum is equal to the shortfall at Dundee City Council. If Mr Swinney wanted to earmark it for Dundee City Council, I would be very happy about that. Seriously, though, the Chartered Institute of Housing suggested earmarking that revenue for housing, and I suggest that the Scottish Government ought to consider that. I read in the cabinet secretary's response to the committee about how the Scottish Government is trying to promote home ownership and about how it has initiatives. If it puts the money raised—the £23 million—into that, it would help more people to get into housing.

I have some concerns about the bill. As everybody said, there is a lack of credible data. The data used is largely anecdotal. I have mentioned that, in 2009, colleagues and I were involved in the Scottish Government report that produced a baseline of the private rented sector. One of the recommendations in that report was about improving the data, and I see that there have been very small improvements. However, to understand how the market works, we need to understand the motivations for people owning more than one home and renting it out—whether that is accidental landlords or people who have inherited property. We just need to understand how the private rented sector is evolving.

The proportion of households in the private rented sector has increased, from 5 per cent in 1999 to 14 per cent now. That expansion has been encouraged by the Scottish Government. Rent increases in Scotland over the last year were 1.6 per cent in the private rented sector. If we are concerned about market distortion, a rental increase of 1.6 per cent might not be as competitive as down south.

Registers of Scotland noted that, between 2005 and 2015, approximately one in five purchases with a mortgage in Scotland was made by firsttime buyers. However, it is important to be mindful of the context. Annual house price inflation was 5.6 per cent in England, 0.8 per cent in Wales, 2.9 per cent in Northern Ireland and -0.9 per cent in Scotland. That is the latest data from the Office for National Statistics. The price of properties for firsttime buyers is also increasing but at a decreasing rate, which suggests a slowdown in the housing market. I am a bit concerned that there might be unintended consequences.

There is a question of whether the lack of firsttime buyers is a supply-side issue. It might also be a demand-side issue because of the general state of the economy and employment. Revenue Scotland is currently preparing guidance to help taxpayers and their agents to understand the additional dwelling supplement.

Like Gavin Brown, I have concerns about accidental second home owners. I urge the cabinet secretary to think about the grace period. A family who buys a house that takes a couple of months to renovate would be affected by the additional dwelling supplement. Other people might be affected by the supplement if they have accidentally ended up owning a house because something has happened down the chain. A family who are relocating to Scotland from England and have bought a home in Scotland while trying to sell their home in England might be affected.

I know that the cabinet secretary said that he is going to take evidence over the first six months, but there should be a longer grace period, especially given how quickly the LBTT has been implemented. I welcome his comments about the provision in relation to 28 January, but I really hope that he extends the grace period further.

There are some questions that the cabinet secretary ought to address. What will happen if the Conservative Government at Westminster decides to delay the implementation of the tax? How confident is the cabinet secretary that the 3 per cent supplement will change behaviour, prevent second home ownership, and prevent the crowding-out of first-time buyers? I look forward to hearing the cabinet secretary's comments on those questions.

## 18:33

John Swinney: I am always delighted to be able to provide Jackie Baillie with helpful advice. I am not sure whether she was seeking advice, but she asked me whether a charge will be applied when someone is buying a home overseas. I am not sure whether she was just looking for advice to enable her to undertake her financial planningperhaps for her retirement, which is, of course, a long way off. The tax will be chargeable only if the additional home is in Scotland. If somebody who lives overseas buys an additional home in Scotland, the charge will require to be paid in Scotland and, of course, the buyer will be required by law to report that through Revenue Scotland returns. If an individual who is not normally resident here buys a property in Scotland, they will have to indicate on their return whether they own other property somewhere else in the world.

Jackie Baillie: Will the Deputy First Minister give way?

**John Swinney:** I will be happy to provide Jackie Baillie with more advice.

**Jackie Baillie:** Does that mean than an incoming worker, who might be ordinarily resident somewhere else and is buying a property in Scotland, will be liable? Does the Deputy First Minister think that that will discourage people from coming to Scotland in the first place?

John Swinney: If that person owns a home in another country, the charge will apply. People will have to weigh up all the different issues. Many individual circumstances could be applied in the debate but the ones that we have just discussed will apply in the scenario that Jackie Baillie proposes.

Jackie Baillie, Lesley Brennan and Gavin Brown all made reference to the grace period, which I want to address. I have weighed up the evidence and I am not satisfied that the bill does not provide sufficient flexibility to address the issue. However, I am happy to have further discussions about it in the run-up to stages 2 and 3 to enable me to consider further some of the issues that are involved. There is, of course, provision in the bill for ministers to introduce a relief from the supplement, so we can make such provision in due course. That would not ordinarily require to be undertaken as part of stage 2 or stage 3. As I have said, I want a period for us to monitor the issueuntil 30 October. We will at that point have a better impression of what is involved.

Jackie Baillie mentioned a possible delay to the UK legislation. I have no information about that, but I certainly have no intention of delaying legislation in Scotland. We took the decision that was prompted by the decision of the UK Government because I could foresee market distortion as a consequence of its decision. We have established the approach and it supports our general policy approach of wishing to protect individuals' opportunities to access the property market. It is important that that is reflected in the bill.

One of the other issues that came up in the debate was raised by the convener of the Finance Committee and by Mark McDonald, relating to arrangements that we will increasingly have to consider. Of course, we will have to consider them for ever more, now that it is clear that we will have the powers that were envisaged under the Smith commission and the associated tax powers that will come from that. We will have to consider, in our own budgeting and financial process, how we make timeous changes to our legislation to ensure that we have in place appropriate tax arrangements. I cannot pretend that it is ideal that we have made the changes in such a short time, but we have given them a lot of thought and I am committed to further consideration of the detail during stage 2 and stage 3 to ensure that we cover any circumstances and scenarios that may arise that would require us to make more changes to legislation.

I am confident that the Government has listened carefully to stakeholders' feedback to ensure that we are properly prepared and equipped to address further issues. However, it would be helpful for the Government—and for the incoming Government after the election in May—to have the benefit of the reflections of the Finance Committee on processes and procedures for Parliament to ensure that we can scrutinise as effectively as possible.

Mark McDonald also talked about the wider question of reliefs that would be envisaged under the legislation. I have set out some of my thinking and am committed to reflecting further on that as the bill takes its course through Parliament.

Jackie Baillie also mentioned a number of points and scenarios in respect of the detail and complexity of the legislation. I accept that there is complexity, but I think that it is incumbent on the Government to ensure that we explore as many scenarios as we can, and I am satisfied that we have in place the processes to enable that.

Mention has been made of the Government's revenue estimates. We had what were, essentially, headline estimates of between £45 million and £70 million of expected revenue from the supplement. I have settled on £23 million—a mid-range estimate that takes into account the effects of forestalling and of behaviour changes. I believe that it is a prudent assessment for the Government to have made and one that is relevant to the budget that we have set out.

I reaffirm to Parliament the willingness of the Government to engage in detailed scrutiny on those questions and to ensure that the issues that are raised with us by stakeholders are fully and adequately addressed as we take the bill through its remaining stages.

# Land and Buildings Transaction Tax (Amendment) (Scotland) Bill: Financial Resolution

### 18:40

The Presiding Officer (Tricia Marwick): The next item of business is consideration of motion S4M-15563, in the name of John Swinney, on the financial resolution for the Land and Buildings Transaction Tax (Amendment) (Scotland) Bill. I call John Swinney to move the motion.

#### Motion moved,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Land and Buildings Transaction Tax (Amendment) (Scotland) Bill, agrees to—

(a) any expenditure of a kind referred to in Rule 9.12.3(b) of the Parliament's Standing Orders arising in consequence of the Act, and

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

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

## **Decision Time**

### 18:40

The Presiding Officer (Tricia Marwick): There are seven questions to be put as a result of today's business. The first question is, that motion S4M-15645, in the name of Christine Grahame, on Scotland's national action plan for human rights, be agreed to.

### Motion agreed to,

That the Parliament notes the publication on 10 December 2015 of the second annual report on Scotland's National Action Plan for Human Rights (SNAP), *SNAP: Scotland's National Action Plan for Human Rights - Year Two Report.* 

**The Presiding Officer:** The next question is, that amendment S4M-15695.3, in the name of Claire Baker, which seeks to amend motion S4M-15695, in the name of Fiona Hyslop, on the BBC charter renewal process, be agreed to.

## Amendment agreed to.

**The Presiding Officer:** The next question is, that amendment S4M-15695.1, in the name of Liz Smith, which seeks to amend motion S4M-15695, in the name of Fiona Hyslop, on the BBC charter renewal process, be agreed to.

## Amendment agreed to.

**The Presiding Officer:** The next question is, that amendment S4M-15695.2, in the name of Liam McArthur, which seeks to amend motion S4M-15695, in the name of Fiona Hyslop, on the BBC charter renewal process, be agreed to. Are we agreed?

## Members: No.

The Presiding Officer: There will be a division.

## For

Baillie, Jackie (Dumbarton) (Lab) Baker, Claire (Mid Scotland and Fife) (Lab) Beamish, Claudia (South Scotland) (Lab) Boyack, Sarah (Lothian) (Lab) Brennan, Lesley (North East Scotland) (Lab) Brown, Gavin (Lothian) (Con) Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab) Fee, Mary (West Scotland) (Lab) Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab) Fergusson, Alex (Galloway and West Dumfries) (Con) Fraser, Murdo (Mid Scotland and Fife) (Con) Gray, Iain (East Lothian) (Lab) Griffin, Mark (Central Scotland) (Lab) Henry, Hugh (Renfrewshire South) (Lab) Hume, Jim (South Scotland) (LD) Johnstone, Alex (North East Scotland) (Con) Macdonald, Lewis (North East Scotland) (Lab) Macintosh, Ken (Eastwood) (Lab) Marra, Jenny (North East Scotland) (Lab) McArthur, Liam (Orkney Islands) (LD) McGrigor, Jamie (Highlands and Islands) (Con) McMahon, Michael (Uddingston and Bellshill) (Lab)

McNeil, Duncan (Greenock and Inverclyde) (Lab) Milne, Nanette (North East Scotland) (Con) Mitchell, Margaret (Central Scotland) (Con) Murray, Elaine (Dumfriesshire) (Lab) Pearson, Graeme (South Scotland) (Lab) Pentland, John (Motherwell and Wishaw) (Lab) Rennie, Willie (Mid Scotland and Fife) (LD) Scott, John (Ayr) (Con) Scott, Tavish (Shetland Islands) (LD) Smith, Elaine (Coatbridge and Chryston) (Lab) Smith, Liz (Mid Scotland and Fife) (Con) Stewart, David (Highlands and Islands) (Lab)

### Against

Adam, George (Paisley) (SNP) Adamson, Clare (Central Scotland) (SNP) Allard, Christian (North East Scotland) (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) Constance, Angela (Almond Valley) (SNP) Crawford, Bruce (Stirling) (SNP) Cunningham, Roseanna (Perthshire South and Kinrossshire) (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) Harvie, Patrick (Glasgow) (Green) Hepburn, Jamie (Cumbernauld and Kilsvth) (SNP) Hyslop, Fiona (Linlithgow) (SNP) Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP) Johnstone, Alison (Lothian) (Green) 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 (Aberdeen Donside) (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) Russell, Michael (Argyll and Bute) (SNP) Salmond, Alex (Aberdeenshire East) (SNP) Stevenson, Stewart (Banffshire and Buchan Coast) (SNP) Stewart, Kevin (Aberdeen Central) (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) (Ind) Yousaf, Humza (Glasgow) (SNP)

**The Presiding Officer:** The result of the division is: For 34, Against 65, Abstentions 0.

### Amendment disagreed to.

**The Presiding Officer:** The next question is, that motion S4M-15695, in the name of Fiona Hyslop, on the BBC charter renewal process, as amended, be agreed to.

### Motion, as amended, agreed to,

That the Parliament notes its own new formal role in the BBC charter renewal process and that of the Scottish Government, which is to be consulted throughout the process of developing the BBC charter by the UK Government; recognises the important role that publiclyfunded, public service broadcasting plays in reflecting a nation to itself and to the wider world: agrees with the recommendations of the Education and Culture Committee regarding BBC charter renewal and the future of broadcasting in Scotland; notes the views of the Scottish Government in its recent policy paper, alongside the views of all political parties, creative industries and licence feepayers in Scotland on the ongoing development of the BBC charter; welcomes the emerging consensus for more decentralised decision making for the BBC; urges the Scottish Government to reflect the Parliament's views fully in its ongoing discussions with the UK Government in the development of its white paper on BBC charter renewal in a way that does not undermine the BBC's independence from governments and politicians.

**The Presiding Officer:** The next question is, that motion S4M-15694, in the name of John Swinney, on the Land and Buildings Transaction Tax (Amendment) (Scotland) Bill, be agreed to.

### Motion agreed to,

That the Parliament agrees to the general principles of the Land and Buildings Transaction Tax (Amendment) (Scotland) Bill.

**The Presiding Officer:** The next question is, that motion S4M-15563, in the name of John Swinney, on the financial resolution for the Land and Buildings Transaction Tax (Amendment) (Scotland) Bill, be agreed to.

## Motion agreed to,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Land and Buildings Transaction Tax (Amendment) (Scotland) Bill, agrees to—

(a) any expenditure of a kind referred to in Rule 9.12.3(b) of the Parliament's Standing Orders arising in consequence of the Act, and (b) any charge or payment in relation to which Rule 9.12.4 of the Standing Orders applies arising in consequence of the Act.

## 2016

**The Deputy Presiding Officer (Elaine Smith):** The final item of business today is a members' business debate on motion S4M-15580, in the name of Dennis Robertson, on eating disorder awareness week 2016. The debate will be concluded without any question being put.

## Motion debated,

That the Parliament welcomes Eating Disorder Awareness Week 2016 and the progress in mental health services throughout Scotland over the last five years; understands that eating disorders are recognised as mental health conditions but that there is still more to be done to prevent deaths; welcomes the increasingly open dialogue about the complexities of eating disorders and the Scottish health Government's additional mental spending; understands that early intervention is crucial; notes the dedication and commitment of NHS staff and congratulates the Scottish Eating Disorders Interest Group in its support to professionals and families; believes that the Scottish Government is fully committed to further dialogue and to seeking ways of improving and achieving a qualitative eating disorder service in Scotland, and looks forward to the 2016 Eating Disorders Conference at the Parliament on 26 February 2016.

## 18:44

**Dennis Robertson (Aberdeenshire West) (SNP):** I thank all the members who supported the motion and those who have stayed back on this very late evening in the chamber.

This is an historic day for the Parliament, given that we have reached an agreement in principle with the United Kingdom Government on the fiscal settlement for the devolved powers. I am sure that that will take the headlines tomorrow, but I sincerely hope that what I am about to say will at least be reported at some point and will remain on the agenda of the next Scottish Government.

There has been a great deal of movement on eating disorders over the past five years. That is due partly to the debates that we have in the Parliament and partly to the Scottish commitment to taking Government's eating disorders seriously. Accepting that eating disorders are mental illnesses and looking at them from a different perspective than was the case before now has helped to bring us much further on.

I reflect on where we were and where I was five years ago. Five years ago, on 25 February, my daughter Caroline died because of an eating disorder. I felt the pain then and I feel the pain now, but the pain that I feel now is perhaps slightly different. It is not just grief. I miss Caroline very much, as do Ann and Caroline's twin sister, Fiona. Of course we miss her, but we continue to try to establish a pathway so that other people do not have to go through the pain and anguish that we have gone through.

We have made significant gains. However, when I look at the various websites on eating disorders, I am confused. When we think about providing the best possible care for people with eating disorders, confusion arises because the statistics and the way that we measure eating disorders are all over the place. For instance, if we look at statistics from Beat or the London School of Economics or various other eating disorder statistics, we have to ask whether one woman in 100 or one in 250 has an eating disorder.

Regardless of the statistics, the fact remains that eating disorders are on the increase. We need to be careful about that and recognise the fact that they are on the increase within our younger population and that we must address that. I am not saying for one moment that anorexia or bulimia are on the increase—they seem to be fairly stable—but eating disorders with a non-specific diagnosis, including binge eating, are certainly on the increase.

We recognise that peer pressure is a factor. I was interested in a phrase on one of the sites that I read, which said that eating disorders seemed to have become a socially transmitted disease. I wondered what that meant and, when I looked into the facts, I found that it was about the fashion industry and body image. It is about how we see ourselves and how other people perceive what we should be. We can probably address that. The Governments in Scotland and in the United Kingdom can look at how that imagery is presented and what influence it has on our young people.

I say to the minister that if we are going to do the best that we possibly can for our young people with eating disorders, we must be clear about what an eating disorder is, we must be able to detect it in the early stages and we must be able to provide the best possible treatment and therapy. The relapse rate for people with eating disorders regardless of whether they have had therapy—is somewhere between 60 and 70 per cent. That is not good. Young people are still dying, and although the number has stabilised, it is not good.

If we are going to make a difference and do the best that we possibly can, we should think about what we can do. I ask the minister whether we can have a system whereby we record eating disorders and whether we can look at the therapies available. Family-based therapies are available and they are certainly the most effective, but we do not have enough trained specialists. Perhaps some of the money that is coming across for mental health could go towards education, to give people expertise in family-based therapies and the treatment of eating disorders in the community.

I still get emails and correspondence from people who are struggling with eating disorders, or whose children are struggling with them, because they do not know where to turn. We should establish a Government website, for example. The groups that are out there are coming forward. This Friday, I will hold another eating disorder conference in Parliament.

Scotland can perhaps lead the way. There is no magic bullet and we cannot stop people having eating disorders—we will always have that. However, my daughter's legacy is important to me, and it is important to every person with an eating disorder. We need a quality service that is meaningful to those young people and is there to help the families. Family support is essential and I hope that we can focus on that. I sincerely hope that in the next parliamentary session, the Government will consider having a debate specifically on eating disorders, and perhaps a committee could look at how we best provide services for those with eating disorders.

**The Deputy Presiding Officer:** Many thanks. We come to the open debate. Speeches of four minutes, please.

### 18:53

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): This is, I believe, the fourth year that I have had cause to thank Dennis Robertson for bringing discussion of eating disorders to the Parliament. It is a subject of profound importance, and this week affords the opportunity to reach out to sufferers, challenge stigma and make a clear statement that this is a mental health problem with serious physical and emotional repercussions.

Many members will know someone who has been drawn into the debilitating and isolating world of eating disorders. An eating disorder often starts as a coping mechanism—a means of exerting control over one's body or of punishing it until it fits society's predetermined mould. It chips away at a person's life day by day, and sometimes it envelops them entirely. We must resolutely challenge any preconception that these conditions are shameful or self-indulgent. An eating disorder is not a phase, and those who suffer have a right to be heard, understood and helped.

Doing that starts with prevention: teaching children about healthy body images from an early age and in schools, and helping them to develop a critical response to media and advertising messages. It also means ensuring that educational psychologists in schools and general practitioners in communities have the resources available to identify children who might be at risk of developing negative coping behaviours.

At the same time, information on finding support for recovery must be widely available, helping individuals find the strength to self-refer to their GP. When they do, they must receive appropriate and accessible treatment within the target time of 18 weeks.

I mentioned the need to provide information and support more widely, and the motion rightly notes the excellent work of the Scottish Eating Disorders Interest Group. It is an invaluable resource that both connects communities of interest with professional advice and services and encourages carers and sufferers to share their own experiences to inform research. The SEDIG website allows sufferers, carers and medical professionals to become members and to use resources such as case studies, useful books and links to relevant websites. It also provides details of services in specific areas and offers advice on steps to take when seeking help with referral and recovery.

I very much look forward to meeting some of SEDIG's members at the eating disorder awareness week 2016 conference, which is entitled "Scotland's Journey: Quality Eating Disorder Services" and which Dennis Robertson is hosting. The conference will take place on Friday, 26 February, and will for the first time include a specific discussion on males with eating disorders. We must remember that, while eating disorders are illnesses that predominantly affect women, many young boys and men also find themselves trapped in this seemingly endless cycle and are equally afraid to reach out.

Kevin Stewart (Aberdeen Central) (SNP): It is the second year that the conference will look at men and boys, and that is immensely important. Dennis Robertson has done much to bring that issue to light.

I congratulate the charity MBEEDS (Scotland), which is based in Aberdeen, for the work that it has been doing to highlight eating disorders in men and boys.

**Malcolm Chisholm:** I thank the member for reinforcing that point.

Finding the right path to recovery starts with an informed and sensitive GP who recognises the real courage that it takes to present as a patient with an eating disorder. That cannot be emphasised enough: recovery starts when a person builds up the courage to speak out. The GP is the vital first step, and can direct the vulnerable person to the correct door.

In September 2015, the see me campaign funded seen but not heard, an advocacy eating

disorder project, to produce a GP resource pack about eating disorders called "Living with an eating disorder—what you need to know". The pack includes a poster for raising awareness in the surgery, a booklet to be available in the waiting room for people with eating disorders and the general public to take away, and an information leaflet for GPs and other members of the primary care team. The GP resource pack was developed by people who have a lived experience of eating disorders to provide crucial information that can help GPs gain a better understanding of how to offer effective and appropriate care and treatment.

In conclusion, this is the fourth—and final—time that I will speak here in support of Dennis Robertson. I do so in solidarity with all those people, young and old alike, who fight a daily battle with food and a daily battle with the unseen dark force that takes control, wears them down and sometimes does not let go.

We must let them know that the battle is not theirs to fight alone. We recognise them, this week and every week, and I thank Dennis Robertson again for ensuring that we never forget them.

I apologise to Dennis Robertson, the Presiding Officer and the minister, because, in two minutes' time, I have to be at the Devolution (Further Powers) Committee to question David Mundell.

## 18:58

**David Torrance (Kirkcaldy) (SNP):** I join Dennis Robertson in welcoming eating disorder awareness week 2016. His motion highlights that much progress has been made over the last five years, both in raising awareness about eating disorders and in ensuring that all patients have access to the services they need.

I understand that eating disorder week is an international initiative to tackle the misconceptions surrounding eating disorders. This year's focus is on the workplace: how colleagues and employers can support someone's recovery. That shows how complex eating disorders are.

Eating disorders affect all aspects of a person's life—relationships with family and friends, ability to perform well in school or at work—and, most importantly, can have a serious long term impact on physical health.

Eating disorders are long-term conditions. Around half of all patients take six years or more to recover. The majority first experience symptoms under the age of 16, and many sufferers wait more than a year before seeking treatment. According to Beat, the eating disorders charity, around 63 per cent of patients relapse, and the Royal College of Psychiatrists reports that anorexia nervosa has the highest mortality rate of all psychiatric disorders. What are the implications of these facts? As Dr Robert Dennison, an expert in eating disorders, has pointed out, more action needs to be taken to support early intervention and prevent deaths. Without a doubt, early intervention is crucial. Research has shown that the earlier that people with eating disorders seek treatment, the less likely they are to experience relapse and the greater their chance of a full recovery. However, we need to recognise that individuals find it extremely difficult to seek help.

Eating disorders seriously affect mental and physical health; many sufferers also experience depression, personality disorder and substance abuse. That is why support is so crucial. Often such support comes from small, not-for-profit organisations. In my constituency in Fife, the Linda Tremble Foundation organises regular support group meetings for people with eating disorders, as well as their families.

Overall, there have been many positive developments, but more attention needs to be given to supporting individuals with eating disorders. Once diagnosed, more needs to be done to ensure that patients receive effective care in hospital, at home, at university or in any other environment. There is also still a lack of services, especially in more rural areas of Scotland. In Fife, the only anorexia nervosa intensive treatment team, which is part of Stratheden hospital, has limited capacity and can therefore not accept all referrals.

I commend the dedication of all national health service staff, GPs and organisations that support people with eating disorders. The treatment of eating disorders requires the close co-operation of all involved, and new projects are proving to be very promising. In Dumfries and Galloway, a new approach being undertaken by local GPs to ensure that patients receive the right care involves monitoring the physical health of people with eating disorders through biannual training and specific guidance from a resource pack aimed at identifying and treating eating disorders.

Of course, we cannot be oblivious to the fact that such projects require funding, and I am pleased that the Scottish Government is committed strengthening mental health to services. That is important for many reasons. Apart from the human impact, mental health issues are a substantial economic burden. Across the UK, 725,000 people suffer from eating disorders. Many of those affected note a financial loss due to the detrimental effect that the eating disorder has had their educational on development, or, if they are already in the workplace, the time that they need to take off work. As a result, sufferers sometimes become

dependent on carers, family members and friends to survive.

Beyond the personal cost, treatment costs the health sector across the UK between £3.9 billion and £4.6 billion. Although that economic burden is only a small part of the many different effects that people with eating disorders suffer over a prolonged period, it is important to acknowledge the cumulative effect of all the factors involved.

As I said, diagnosing, treating and promoting long-term recovery of eating disorders is complex. However, there are many indicators to show that, as service providers for those with eating disorders continue to develop and expand on the range of treatment options available, the increased access to effective treatment will prove beneficial to all those who are most in need. We must continue to support and help both those who suffer from an eating disorder and those who seek to help them.

## 19:02

Nanette Milne (North East Scotland) (Con): In the five years of this session of Parliament, Dennis Robertson has brought the issue of eating disorders to the chamber on numerous occasions, through debates and questions. I am sure that, should he be re-elected, that will continue. From dealing with the effect on females of mannequins and size 10 models with the "body beautiful", to the rising problem of eating disorders in young men and boys, we can be proud of continually raising awareness of these conditions, thanks in no small measure to Dennis Robertson's persistent efforts.

As an international awareness event that stretches across the globe, eating disorders week has become a fixture in many countries' calendars. The pivotal point of the week is that it helps to bring people together: those affected as individuals, in the medical profession or as carers—as we all know, many carers are family members.

I note that, on Friday, there will be a day-long conference here in Edinburgh organised by the Scottish eating disorder interest group and hosted by Dennis Robertson. Such organisations do so much to raise awareness of eating disorders. It is not only conferences that help, though. There are many fun events, such as live bands, pub nights, cake bakings and so on, all to raise money for various eating disorders charities.

In previous debates, I have referred to the number of celebrities and those in public life who have come forward to talk of their condition. Although I do not watch "Emmerdale", I read about the show's actress Gemma Oaten, who has spoken movingly about her own battle with anorexia. She said that she was doing that ahead of eating disorders awareness week not only to highlight the bullying that she had endured but to demonstrate that eating disorders can affect people from all backgrounds and walks of life.

Gemma Oaten also referred to anorexia as a recognised mental health condition. We cannot reiterate that enough. Sadly, a stigma remains not only in relation to mental health issues but in relation to eating disorders as mental health conditions. That stigma is largely brought about through misunderstanding and ignorance, and there remains a significant number of people who believe that conditions such as anorexia and bulimia are largely about individuals with faddy eating habits. That is clearly not the case, and those who suffer from those disorders should be referred promptly for the psychological support and psychiatric help that they and their families need.

An issue that requires closer scrutiny is the recognition of eating disorders outwith teenagers and young adults. It is telling that Beat, which is the UK's leading eating disorders charity, has chosen as its theme this year eating disorders in the workplace. That will concentrate on the impact that those disorders can have in the workplace and highlight what individuals, colleagues and employers can do to support someone's recovery at work.

The motion mentions

"the Scottish Government's additional mental health spending".

I recognise that there has been significant investment, which will cover the next four years. Additionally, in January this year, the Prime Minister pledged

"a revolution in mental health treatment",

with a commitment from 2018 that all teenagers who suffer with eating disorders will be seen within a month of being referred, or within a week for urgent cases. Additional resources and funding will also be made available. The motion rightly refers to the Scottish Government's commitment to seek improvements in the treatment of people who live with eating disorders, but I hope that the minister and members will also appreciate the similar commitment that the UK Government has given, because there has to be greater cooperation north and south of the border to tackle a condition that for too long has not been taken seriously enough by society and its elected representatives.

If I got right what Dennis Robertson said, he hinted at the need for a managed clinical network across Scotland to deal with the various issues that are associated with eating disorders. I would be very supportive of such a scheme, which would help to ensure equity in accessing treatment for those affected and their families.

Finally, as this will undoubtedly be my last speech in the chamber about eating disorders, I thank all members who have worked together over the years to improve the lives of the individuals involved with what can often be tragic circumstances. I wish them well and look forward to hearing about the progress that they make in continuing to raise awareness of those conditions in the next session.

## 19:07

The Minister for Sport, Health Improvement and Mental Health (Jamie Hepburn): I join other members in congratulating Dennis Robertson on securing this debate. As Nanette Milne said, it continues his long-standing interest in bringing these matters to the chamber, and I thank him for bringing it to us.

I also thank Dennis Robertson for speaking very movingly about his family's experience. I know that doing so could not have been easy for him, and none of us could fail to be moved by his doing so. It is always very important to hear about such experiences. That reflects the point that Nanette Milne made about others who have spoken publicly about their challenges and struggles with eating disorders. I recognise that it is never easy for individuals to come forward and talk about their own challenges-not necessarily just eating disorder challenges, but any form of mental health challenges. Those who do so do us a great service, as that helps us to challenge the tremendous stigmatisation issues that we know still exist and pervade.

Dennis Robertson and Malcolm Chisholm mentioned the conference that will take place this Friday. I am sorry that I will be unable to attend it, but I look forward to hearing about its outcomes.

I am very pleased to be able to respond to the debate on behalf of the Scottish Government. Doing so gives me the opportunity to join others in marking eating disorder awareness week this year and to recognise the efforts of all the people and organisations across the country who are working to raise awareness of eating disorders, including the Scottish eating disorder interest group.

I very much associate myself with Malcolm Chisholm's remarks about the nature and impact of eating disorders as a serious mental health problem. This may be the last opportunity I have to pay tribute to his work on and the interest that he has shown in mental health over the years, so I should take it. I know that he is standing down at the election. Similarly, I may not get the opportunity between now and dissolution to pay tribute to the work that Nanette Milne has undertaken in the time that she has been an elected representative.

I listened carefully to the range of comments that were made and the issues that were raised during the debate, and I assure members of the Scottish Government's commitment to doing all that it can to tackle eating disorders and further improve care services and support.

Both Dennis Robertson and Nanette Milne mentioned the impact of the fashion industry. Beat, which is the UK-wide eating disorder charity, acknowledges that influences are wide ranging, and although the media and the fashion industry do not necessarily directly cause eating disorders, I think that we all agree that their influence cannot be ignored. The see me programme, which the Scottish Government helps, funds work to promote mental health and wellbeing, including positive body image, through the benefits of healthy lifestyles and diet. That work is under way, but I make it clear that I accept that more can always be done. I call on all those who are responsible, including retailers and the fashion industry, to play their part in tackling unhelpful or unrealistic ideals, which can contribute to unhealthy lifestyles.

I turn to some of the work that is under way. Our improvement agenda has been driven forward over the past few years through delivery of the national mental health and suicide prevention strategies, and we will publish a new three-year mental health strategy later this year. I met Dennis Robertson last year to discuss the important issue of eating disorders as part of the engagement process around that strategy. No decisions have yet been made on the content of the strategy, but in maintaining continuity with the work that has already been progressed in recent years, some priorities naturally emerge.

I expect the new strategy to focus on encouraging the development of new models for managing mental health problems in primary care. I anticipate a focus on child and adolescent mental health and better responses to distress, and there will also be a focus on developing and measuring outcomes for improved mental health. Those are our broad priorities at present, and there are clear links with eating disorder care.

We will develop the detail over the coming months as the new mental health strategy is finalised, and there are opportunities for Dennis Robertson and indeed any member of this Parliament and those whom Mr Robertson works with on eating disorders to contribute to the process. That could include any conclusions from the conference on Friday, and I would be very happy to receive such contributions.

It is important to look forward but also to look back at some of the successes that we have had.

In July last year, I was able to visit-at Mr Robertson's invitation-both the adult and young people's eating disorder services in NHS Grampian. I spoke to staff who work on the front line, families and those who use the services and I saw at first hand the impressive care and support that is delivered day in, day out. I saw the royal college's MARSIPAN-management of really sick patients with anorexia nervosa-guidance being used to better manage patients and I heard about the wide range of treatments that are available and the benefits of improved access to therapies, including increased availability of family therapy. It is clear that great work is taking place in the northeast and I thank Dennis Robertson for arranging for me to visit.

Members talked about some of the funding decisions that we have made. Part of the significant additional investment of £150 million that the Scottish Government announced recently for improving mental health and wellbeing will contribute directly to the aim of working closely with NHS Scotland and its partners to ensure that we offer the best quality of life and opportunities for all people with mental health problems, including those who are living with an eating disorder. The First Minister announced in January that part of that funding—£54.1 million—will go towards directly improving access to mental health services for adults and children.

Part of the funding that the First Minister announced directly relates to the point that David Torrance made—and which has been made as part of eating disorder awareness week—about the need for a responsive workforce. We need to ensure that the workforce has the requisite skill set, and some of the funding that the First Minister announced will be used to improve workforce supply and train existing staff to better deliver services for children and young people, as well as psychological therapies for people of all ages.

Malcolm Chisholm talked about the importance of primary care and general practitioners. Again, over the next three years £10 million will go directly towards improving mental health support in primary care. I absolutely agree that we need a better response to the challenges of dealing with poor mental health in primary care settings.

The bulk of the additional investment will be invested from next year. It will take time to deliver results, but I think that the funding will make a difference to how we support people with poor mental health, including those who present with eating disorders. Dennis Robertson requested that we utilise some of the remainder of the funding specifically to help people with eating disorders. We have not decided how the entirety of the funding will be used, so I will be happy to talk to Dennis Robertson about that and consider any proposition.

I hope that what I have said demonstrates that partners across all sectors are undertaking a great deal of work to tackle eating disorders and wider mental health problems. Dennis Robertson expressed a hope that eating disorders will retain political prominence after the Scottish Parliament elections. I am confident that that will be the case. As I think Nanette Milne said, this is not a partisan political issue but a shared concern, and I am sure that it will remain high on the political agenda.

It is right that we recognise eating disorder awareness week and I reaffirm our commitment to deliver on our ambitions for improved outcomes and quality of life for everyone who lives with an eating disorder. I thank Dennis Robertson for providing us with the opportunity to do that.

The Deputy Presiding Officer: That concludes the debate. I thank members who participated, particularly those who will not speak again on the subject in the Parliament.

Meeting closed at 19:16.

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