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AITHISG OIFIGEIL

# Meeting of the Parliament

**Wednesday 6 September 2017**

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# Scottish Parliament

Wednesday 6 September 2017

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

## Portfolio Question Time

### Finance and Constitution

#### North Sea Oil Revenues

1. **Jamie Greene (West Scotland) (Con):** To ask the Scottish Government what the North Sea oil revenues were for 2016-17, and how this compares to the projections in its 2013 document, "Scotland's Future". (S5O-01195)

**The Cabinet Secretary for Finance and the Constitution (Derek Mackay):** "Scotland's Future" made it clear that

"Tax revenues from oil and gas production will depend on a range of different factors, including future production in the North Sea, wholesale oil and gas prices and profitability."

The Scottish Government presented a range of forecasts for oil and gas revenues, based on information that was in line with external projections at the time. No organisation forecast the subsequent sharp decline in the oil price, which led to a period of record low profitability in the North Sea and a fall in oil and gas revenues.

There is—encouragingly—increasing evidence of cautious optimism returning to the oil and gas sector. The Scottish Government will continue to do everything within its powers to support the industry and its workforce as the sector emerges from the downturn.

**Jamie Greene:** The cabinet secretary failed to tell the Parliament that "Scotland's Future" predicted up to £8 billion in oil revenues, although the actual number was just £208 million, just 2.7 per cent of the forecast number. I was hoping for an apology from the cabinet secretary.

Oil revenues are not the great panacea that was set out in that document and Scotland has an 8.3 per cent deficit. Given the impact of that on inward investment into Scotland, when does the cabinet secretary think that Scotland's deficit will be reduced to below 3 per cent of gross domestic product?

**Derek Mackay:** First, Scotland's notional deficit is reducing. On the oil and gas forecasts, I ask Mr Greene whether he makes the same criticism of the United Kingdom Government, whose forecasts were higher than the Scottish Government's? Is Mr Greene not aware of the UK Government's assessment at the time? [Interruption.]

The Tories scoff while the industry asks for action. On oil and gas, there has been too little, too late, and 40 years of mismanagement of Scotland's resources have ensured that we have lost out to the tune of £328 billion. The Tory Government is failing industry completely. That is in sharp contrast with the position in independent Norway, which has reserves of hundreds of billions of pounds that it can invest in its public services, while we wait for action from the UK Government on oil and gas.

#### Barclay Review of Non-domestic Rates

2. **Liam McArthur (Orkney Islands) (LD):** To ask the Scottish Government when it will respond to the recommendations of the Barclay review of non-domestic rates. (S5O-01196)

**The Cabinet Secretary for Finance and the Constitution (Derek Mackay):** I propose to update the Parliament in a statement next week and I have committed to publishing an implementation plan by the end of 2017.

**Liam McArthur:** The cabinet secretary will be aware that many people in the pub and hotel trade, including key businesses in Orkney, my constituency, have seen their rates bills rise exponentially in recent months. He will, therefore, understand their frustration that the Barclay review appears to offer little light at the end of the tunnel.

Does the cabinet secretary accept that an assessment that is based on turnover rather than such businesses' full accounts is likely to penalise those who have invested and want to grow their business? Does he recognise that such an approach will do nothing to help to generate jobs, wages and tax revenues? In responding to the Barclay review next week, will he undertake to find a more appropriate way of taxing pubs and hotels, which remain a linchpin of the tourism sector and so vital to the economy of Orkney and Scotland as a whole?

**Derek Mackay:** I am disappointed that Mr McArthur either understands and is misleading us about—I am sure that that is not the case—or does not understand the methodology that the assessors choose to use in assessing the hospitality sector, particularly licensed premises. The methodology is a matter for the assessors, who are independent of the Scottish Government.

I intervened to support the hospitality sector following the revaluation, having taken early action before that on the poundage, the small business bonus and the large business supplement. I think that the real-terms cap for hospitality was well received, and I propose to make an announcement about that as well as about non-domestic rates next week, when I hope—with the Parliament's agreement—to make a statement.

**Ben Macpherson (Edinburgh Northern and Leith) (SNP):** The Barclay review suggests introducing rates relief for nurseries. Will the cabinet secretary take forward that recommendation to help to make childcare more affordable?

**Derek Mackay:** Yes, I will. Further detail will follow in the statement that I hope to give to Parliament.

### **Barclay Review of Non-domestic Rates**

**3. Murdo Fraser (Mid Scotland and Fife) (Con):** I think that I may know the answer to this question already.

To ask the Scottish Government when it will publish its response to the Barclay review of non-domestic rates. (S5O-01197)

**The Cabinet Secretary for Finance and the Constitution (Derek Mackay):** I hope next week.

**Murdo Fraser:** There are many sensible recommendations in the Barclay review, but one issue that has raised concern is the proposal to levy business rates on charitable bodies, including local authority-provided leisure centres, swimming pools, gyms and other sports clubs. Will the cabinet secretary tell us how such a proposal, which would lead to such bodies having to increase their user charges, squares with Government policy to encourage active lifestyles and tackle obesity?

**Derek Mackay:** Not today, Mr Fraser—not today—but, in the statement that I will outline to Parliament, I hope to cover all the issues on the recommendations in the Barclay report.

What I will do is to continue to engage with stakeholders and consult, as Mr Fraser would expect. I encourage all political parties, not least the Conservatives, to offer me a submission before next week. Then, perhaps, I can consider the constructive suggestions that might well be forthcoming from other political parties—especially since the Tories, I have become aware, did not make a submission to the Barclay review.

**Murdo Fraser:** Did you?

**Derek Mackay:** I do not need to make a submission to the Barclay review; I am the minister and responsible for finance in the Scottish Government. It seems to have passed the Tories by.

I will engage constructively with all the other political parties. If they want to put a submission to me to consider before I make the statement to Parliament, I am all ears. On this and many other issues, however, the Tories make a hell of a lot of noise, but not a lot of progress.

**Jackie Baillie (Dumbarton) (Lab):** I am very glad that the finance secretary is all ears because, when I last engaged with him on business rates, he told me that the cap of 12.5 per cent applies in the current financial year only and that he would consider further after the Barclay report. Now, of course, he has the Barclay report. I suspect that he is not going to tell me today, but let me ask anyway: will the cap end on 31 March, yes or no?

**Derek Mackay:** I have already said that I will give a full statement to Parliament. I hope to do so next week, subject to the agreement of the Parliament's business managers. I look forward to the comprehensive and all-encompassing submission from the Labour Party. The Labour Party did not make a submission to the Barclay review either.

**Members:** Oh!

**Derek Mackay:** That is right.

The Scottish Government delivered much-needed relief to the hospitality sector, as well as a range of other interventions—amounting to over £600 million in business rates support to this country—all of which were opposed by the Conservatives and the Labour Party, while the Scottish National Party stood up for business.

### **“Government Expenditure & Revenue Scotland 2016-17”**

**4. Richard Lyle (Uddingston and Bellshill) (SNP):** To ask the Scottish Government, in light of the recent commentary on GERS figures, what its position is on the recent GERS report and the robustness of the findings within it. (S5O-01198)

**The Cabinet Secretary for Finance and the Constitution (Derek Mackay):** GERS provides estimates of revenue raised in Scotland and spending for Scotland under the current constitutional arrangements. It is a national statistics publication that has been independently assessed and found to be produced in accordance with the “Code of Practice for Official Statistics”. That assessment covers a number of areas, including the quality of the statistics and their suitability to the needs of users.

**Richard Lyle:** The cabinet secretary will be aware of the Office for National Statistics publication that shows that Scotland's notional fiscal position is broadly similar to the United Kingdom average, when London and the south-east of England are excluded. Does he agree that that is a clear demonstration of the failure of the UK economic policy that prioritises one city at the expense of all other areas?

**Derek Mackay:** Yes, I agree with that statement. For too long, the Westminster Government has focused investment in London.

Despite that, Scotland's revenue per head is the fourth highest in the United Kingdom and Scotland's notional deficit as a share of gross domestic product is better than that of Wales, Northern Ireland and many English regions.

**James Kelly (Glasgow) (Lab):** The cabinet secretary will be aware of the importance of growth in Scotland compared with growth in the UK as far as the block grant adjustment for future Scottish budgets is concerned. Does he agree that a concern associated with the latest GERS figures is that we saw that tax revenues have grown by 1.5 per cent in the rest of the UK but have increased by only 0.92 per cent in Scotland? If that trend continues, it could have a detrimental effect on the block grant adjustment. What action is the cabinet secretary going to take to ensure that the growth rate in tax revenues increases and that, therefore, economic growth also increases?

**Derek Mackay:** I am sure that Mr Kelly will welcome the Government's economic strategy as well as the measures that were outlined in the programme for government yesterday. I am sure that he will also welcome record high employment, near record low unemployment, the fact that progress on GDP is outstripping that in the rest of the UK—we had almost four times the rate of GDP growth in the last quarter that the rest of the UK had—record foreign direct investment, improvements in productivity and, of course, North Sea revenues rising once again.

This Government is engaged in a range of economic and industrial interventions to support our economy and improve productivity. That will, in turn, help to grow our economy so that we have the resources to deliver our valued public services.

### **Brexit (Impact on Public Finances)**

**5. Graeme Dey (Angus South) (SNP):** To ask the Scottish Government what action it is taking to address the impact of Brexit on Scotland's public finances. (S5O-01199)

**The Minister for UK Negotiations on Scotland's Place in Europe (Michael Russell):** Brexit threatens around 80,000 Scottish jobs and could cost our economy more than £11 billion a year by 2030. That presents a significant risk to Scotland's public finances, and it is therefore essential for the Scottish Government to have a direct role in the negotiations to ensure that any Brexit deal is in the interests of Scotland's economy and public services.

We have confirmed that we will be passing on the current United Kingdom Government guarantees on European Union funding in full to Scottish stakeholders to provide stability and certainty for key sectors of the Scottish economy. We will continue to press the UK Government to

confirm how those guarantees will operate in practice and to state what the replacement funding arrangements will be once the UK has left the EU.

**Graeme Dey:** What concerns does the minister have about the financial implications of the UK Government's attempt in the European Union (Withdrawal) Bill to reverse devolution and give Westminster control over devolved policy areas such as fishing, agriculture and the environment?

**Michael Russell:** As the First Minister indicated in her statement yesterday, the proposals in the withdrawal bill are unacceptable to the Scottish Government. That is the position that the Welsh Government has taken, too. Clearly, if frameworks were to be established without consultation—that is the proposal from the UK Government—the financial implications of those frameworks would also cause considerable worry. The best way to take this issue forward is for the withdrawal bill to be amended so that it would be acceptable to the Scottish Government, and we could make the appropriate recommendation to this chamber. I hope that the UK Government is listening to that reasonable point of view.

### **“Government Expenditure & Revenue Scotland 2016-17”**

**6. Edward Mountain (Highlands and Islands) (Con):** To ask the Scottish Government what assessment it has made of the recent GERS figures. (S5O-01200)

**The Cabinet Secretary for Finance and the Constitution (Derek Mackay):** GERS provides estimates of revenue raised in Scotland and spending for Scotland, under the current constitutional arrangements. The results show that the lower oil price had an impact on North Sea revenues and the wider economy last year. However, it is encouraging to see an improvement in the overall fiscal balance and to see that onshore revenues grew at their fastest rate in cash terms in nearly 20 years.

However, our long-term economic success is now threatened by Brexit, which risks reducing household incomes, employment and funding for public services. That is why we continue to press for the Scottish Government to have a direct role in the Brexit negotiations.

**Edward Mountain:** The GERS figures show that, thanks to the funding settlement that Scotland has with the United Kingdom Government, public spending in Scotland is £1,400 higher than the UK average. If it is still the Scottish Government's policy to dismantle that funding settlement, what level of economic growth would be required, and over what timescale?

**Derek Mackay:** The Scottish Government has made it clear through its economic strategy that it

wants to grow the economy. Mr Mountain is trying to jump from pretending that those figures under the current constitutional arrangements relate to independence, when he should know that the Fraser of Allander institute has pointed out that they tell us about the current constitutional arrangements and nothing else.

Over the summer, we might do things that we do not always have the time to do, such as check out the Scotland Office twitter feed, which I had a wee look at. When it came down to who is responsible for the Scottish economy, the Scotland Office pointed out that the UK Government has responsibility for the economy, jobs, opportunity and currency, while the Scottish Government has responsibility for skills and enterprise.

All the actions that this Government is taking are helping us to deliver GDP growth that is outstripping the UK, higher employment levels, more foreign direct investment, improvement in productivity, investment in digital and North Sea revenues that are increasing once again—those are all the result of this Government's actions. Anyone who looks at the GERS figures and concludes that everything is fine and should be left as it is should look again. We could do so much more with the powers of independence.

**Maree Todd (Highlands and Islands) (SNP):** Does the cabinet secretary agree that the key risks to Scottish public spending come from the UK Government's austerity programme?

**Derek Mackay:** I find myself in agreement with that comment. That is not just a philosophical argument; it is the reality that the UK Government has cut Scotland's discretionary budget by £2.8 billion in real terms since 2010-11. That is funding for the day-to-day public services of Scotland, and they will be further cut if the Tories get their way, by more than £600 million in real terms between 2016-17 and 2019-20. *[Interruption.]* I hear Murdo Fraser say that that is scaremongering. It is not—it is the reality under the Conservatives, which will be opposed by the SNP every step of the way.

### **Brexit (Shared Governance)**

**7. Adam Tomkins (Glasgow) (Con):** To ask the Scottish Government what work it has undertaken in preparation for new schemes of shared governance in the United Kingdom that may result from Brexit. (S5O-01201)

**The Minister for UK Negotiations on Scotland's Place in Europe (Michael Russell):** As we made clear in "Scotland's Place in Europe", the Scottish Government recognises that it may be necessary to establish arrangements for co-operation across the UK in some areas currently covered by European Union law. We are currently

assessing where such needs may exist and, together with the Deputy First Minister, I am in discussions with the First Secretary of State and the Secretary of State for Scotland with a view to agreeing principles that are a necessary starting point for co-operation on those matters.

**Adam Tomkins:** That is an answer that the minister could have given several months ago. The question is, what specific proposals for new regimes of shared governance in the United Kingdom has the Scottish Government brought forward since June 2016?

**Michael Russell:** It is the UK Government that has embarked upon this project of leaving the EU. *[Interruption.]* If it wishes to change the schemes of shared governance, it should bring those forward. *[Interruption.]* Presiding Officer, it is important that there is debate and dialogue about that issue and that it is possible for the Government's point of view to be heard—then Mr Tomkins can shout what he likes from the sidelines.

The reality is that the UK Government has come forward with a bill that is unacceptable, that will not work, that breaches the principles of devolution and that, unfortunately, will create circumstances in which the powers of this Parliament will be considerably diminished. I for one will not accept that, and I do not think that the responsible parties in this Parliament will accept it. If the Scottish Conservatives are now so reduced to being the poodle of the UK Government that they would accept even that, I think that the people of Scotland will draw their own conclusions.

**Richard Lochhead (Moray) (SNP):** Observing the intergovernment negotiations over Brexit from a distance, it appears that, even though they are often in the same room, the UK ministers are not actually listening to the ministers from the devolved Administrations. Therefore, when it comes to talk of shared governance and new schemes to make that happen, will the minister give us an assurance that any shared governance will be based on mutual agreement between the devolved Administrations and the UK Government, and not be a means by which the UK Government can undermine Scottish devolution?

**Michael Russell:** The member is right. The term "shared governance" is very interesting. It has been introduced into the debate, I think for the first time, by Mr Tomkins. The UK Government—*[Interruption.]*

The UK Government has never proposed shared governance and indeed my discussions with the UK Government on issues around this bill have made it clear that there can be no discussion of shared governance, so I am afraid that some misleading is going on here.



The reality is that the Scottish Government is absolutely willing to sit down and discuss the principles that would govern frameworks and to move forward together through joint agreement on those issues. However, there has been no such proposal from the UK Government. I regret that, but I certainly will not be pressured, either by the UK Government or by Professor Tomkins shouting from the sidelines, into betraying this Parliament or devolution.

**The Presiding Officer (Ken Macintosh):** If she can be brief, I will squeeze in Pauline McNeill.

**Pauline McNeill (Glasgow) (Lab):** The House of Lords put together an excellent report on the impact of Brexit on the devolved nations. I have been pursuing for some time the question of what say Scotland might get on a future immigration policy. I would like to know from the minister what specific talks he has had with the UK Government and whether he sees any light at the end of the tunnel on this important matter, given our heavy reliance on EU immigration.

**Michael Russell:** That is a very good point indeed. The Scottish Government published its response to the UK Government proposals on migration a couple of months ago. I think that every one of us is astonished, shocked and deeply worried by the Home Office proposals leaked today.

The issue of migration was raised on a number of occasions in the joint ministerial committee. We made no progress because the UK Government did not wish to discuss the idea of migration. It regarded it as reserved exclusively to itself. While there is a Prime Minister who is an extreme hardliner on issues of migration, that will probably continue to be the case.

I look to work with all those parties in this chamber that wish to go in the same direction, to make two things clear. First, there must be discussion of these issues with the UK Government and secondly, we must be prepared to say openly and clearly that migration is a positive benefit to Scotland. It makes our society richer; it contributes financially; it is culturally and socially important to us; and those voices that are now talking about migration in the negative terms that we hear are utterly unacceptable.

I am absolutely certain that I can work with the member on the issue because I know that she absolutely holds true to the same views that I have expressed, as do the other members of the Labour Party and many others in the chamber. Regrettably, I have not heard those views recently from the Tory Party.

**The Presiding Officer:** My apologies to Andy Wightman and Gail Ross as I am unable to include their questions.

## Economy, Jobs and Fair Work

**The Presiding Officer:** Question 1 has not been lodged.

### Fair Work Framework (NHS Lothian)

2. **Alison Johnstone (Lothian) (Green):** To ask the Scottish Government whether the fair work framework applies to NHS Lothian. (S5O-01206)

**The Minister for Employability and Training (Jamie Hepburn):** Yes. All employers are encouraged to adopt and promote the principles of the fair work framework. That includes all national health service boards.

**Alison Johnstone:** The framework speaks of

“giving opportunities for hours of work that can align with family life and caring commitments”.

However, the minister may be aware that computerised rostering in certain NHS departments and wards has removed the flexibility that has enabled many long-serving NHS employees to combine work and family life. The withdrawal of that flexibility is leaving staff with no alternative in many situations but to leave the NHS. It is very difficult for them to afford shift-friendly childcare, for example. Those staff leaving is the last thing that we need or want, so will the minister help by making sure that the framework policies are being delivered on the ground in the NHS?

**Jamie Hepburn:** The Government takes very seriously the issue of family-friendly flexible working. That is why, for example, we fund and are a full member of the family-friendly working Scotland partnership.

In relation to the concerns that Alison Johnstone has raised about the impact on the overall workforce, I would observe that we have more staff in the workforce now than we have had in the past. Nonetheless, I take on board her point. As an Administration, we promote flexible working arrangements to our own workforce. If there is a particular issue that she has identified in NHS Lothian, I will be happy to hear from her about that. Of course, NHS Lothian is an employer in its own right, but she can write to me and I will be happy to investigate the matter.

### Oil and Gas Industry

3. **Alex Cole-Hamilton (Edinburgh Western) (LD):** To ask the Scottish Government what support it can offer to companies affected by the downturn in the North Sea oil and gas industry that are not based in the north-east. (S5O-01207)

**The Minister for Business, Innovation and Energy (Paul Wheelhouse):** I attended Offshore Europe 2017 on Tuesday with the Cabinet

Secretary for Economy, Jobs and Fair Work, Keith Brown. At that event we met individuals and companies operating across the whole of Scotland that were showcasing a range of technologies, products and services that are used in the oil and gas industry both in the North Sea and globally. Many of those companies are benefiting from support and account management services that are provided by Scottish Enterprise and Highlands and Islands Enterprise. That supplements relevant support that they receive through the business gateway services that are delivered through local authorities.

In addition, our £12 million transition training fund has funded training opportunities for more than 2,400 individuals in the sector who have been faced with redundancy. Additional training programmes have been procured by the fund to create more than 700 employment opportunities across Scotland.

We have also provided a further £12.5 million to support innovation and business resilience; that support is available to businesses across Scotland. It includes £10 million of SE funding to help firms take forward vital research and development that supports innovation and improved productivity. To date, around 111 innovation projects, with a total project value of £43 million, have benefited from increased funding of around £16 million by the Scottish Government so far. We have also provided targeted support for business resilience reviews from industry experts, with over £2.5 million invested in that commitment to date.

Our competitive non-domestic rates package also targets support where it is most needed, including around £660 million of rates relief this year. In accordance with the Community Empowerment (Scotland) Act 2015, councils are now able to apply further targeted reductions in business rates, in response to their local economies' needs.

**Alex Cole-Hamilton:** I thank the cabinet secretary for his answer, and I am grateful for the time that his colleague Keith Brown gave me when we met in June to discuss the difficulties that were faced by Edgen Murray Europe, which is a significant employer in my constituency that manufactures steel components exclusively for the oil industry. It has just seen a prohibitive rise in business rates during one of the worst periods in its history. Not being based in the north-east, it does not qualify for the kind of support that firms that are based there currently do. It is not alone. What additional help can the Government offer to those companies that are based outside of the north-east but depend on the oil and gas sector and are struggling in the current environment?

**Paul Wheelhouse:** Certainly I would be happy to discuss the needs of the business in Alex Cole-Hamilton's constituency that he mentions. Keith Brown and I are involved closely in the work of the Scottish steel task force, and we are looking to support businesses not only in the oil and gas industry but in the steel industry and more widely in the economy. There might be measures that we can take to give support through that route.

With regard to business rates, the member will have heard the finance secretary refer to his statement, which is coming up shortly in Parliament. We will also see more in response to the Barclay review. I hope that, between the work that the finance secretary can do on business rates and the work that the economy team can do to support individual businesses using the enterprise agencies, we can support the important employer in the Edinburgh Western that Alex Cole-Hamilton mentions.

**Clare Adamson (Motherwell and Wishaw) (SNP):** Does the cabinet secretary agree that the United Kingdom Government's lack of support for the oil and gas industry, which was most recently evidenced by its failure to appoint an oil and gas ambassador, is shameful and harmful to the workforce in that industry?

**Paul Wheelhouse:** In January 2016—in a pre-election mode, perhaps—Prime Minister David Cameron gave a UK Government commitment to appoint an oil and gas ambassador to help ensure the best possible access for Scottish and UK companies to markets overseas. That has clearly not been fulfilled, which was a source of embarrassment to Richard Harrington when he appeared in Aberdeen last week.

Scottish Development International, importantly, continues to work with Scottish companies to offer significant financial incentives and other assistance to help businesses access international markets. However, the lack of UK Government support is concerning, particularly when the industry has set itself an ambitious target to generate additional revenue of over £290 billion by extending the life of the North Sea and maximising supply chain sales to international export markets. It is important that the UK and Scottish Governments get our act together collectively. I am confident that we are doing everything that we can; we need to see the UK Government follow through as well.

### Youth Employment

4. **James Dornan (Glasgow Cathcart) (SNP):** To ask the Scottish Government how the youth employment rate in Scotland compares to the United Kingdom as a whole and the rest of the European Union. (S5O-01208)

**The Minister for Employability and Training (Jamie Hepburn):** Scotland performs strongly on youth employment, compared against both the United Kingdom and the rest of the European Union. The latest statistics, which were published by the Office for National Statistics on 16 August and cover April to June 2017, show that Scotland's youth employment rate is 5.3 percentage points higher than that for the UK as a whole. The most recently available internationally comparable data show that Scotland has the third highest youth employment rate of the 28 EU countries. Scotland's youth unemployment rate was the third lowest of the 28 EU countries in quarter 2 of 2017, compared with quarter 2 of 2007, when it was the 14th highest.

**James Dornan:** I thank the minister for that positive response. Will he provide detail on what support is being given to young people in Scotland to help them to find work?

**Jamie Hepburn:** Each year, over £8 billion is spent in Scotland, between the Scottish Government and its agencies and local government, on all forms and across all stages of learning and training. That ensures that our young people are best placed to take advantage of opportunities in the workforce. The latest annual participation measure report, which was published last month, shows that our policies are working, with 91.1 per cent of 16 to 19-year-olds participating in learning, training or work.

As I have just set out, the labour market is performing well in Scotland, and our focus now is on helping those who face the greatest barriers to work. We are doing that through our youth employment strategy, which is implementing the recommendations of the commission for developing Scotland's young workforce, and through a range of other measures. For example, since 2011, we have provided the Scottish Council for Voluntary Organisations with more than £50 million to deliver the community jobs Scotland programme, which has supported more than 7,500 young people into job training opportunities across all 32 local authority areas.

With the aim of providing long-term investment for maximum social return, we have also invested £36.44 million since 2008 in Inspiring Scotland's 14:19 fund. Working with third sector organisations, that fund has to date supported 27,000 young people into positive destinations. Of course, we continue to support local authorities to deliver activity agreements, which are a key component of the opportunities for all offer. Last year, we saw an increase in progressions from activity agreements to positive destinations.

There are clear positive signs, but all members can be assured that the issue remains an important focus of my work.

**Jamie Halcro Johnston (Highlands and Islands) (Con):** Does the minister agree that youth unemployment remains a significant challenge? If so, how does he justify the cuts to schools and training in this year's budget?

**Jamie Hepburn:** First of all, I welcome Mr Halcro Johnston to his role. This is the first opportunity that we have had to interact with each other in that regard.

I have just set out a considerable range of activity that we are undertaking. I of course concede that, given our on-going commitment to the agenda, we need to focus on particular areas relating to youth unemployment, but we are moving in the right direction. We continue to invest significant resource in training objectives. For example, this year we will increase the number of modern apprenticeship places available, with additional revenue going to that.

Despite Mr Halcro Johnston's failure to welcome where we are right now, he can be reassured that, as I said to all members, the issue remains a considerable focus of my role.

#### **Property Market (Effect on Economy)**

**5. Gordon Lindhurst (Lothian) (Con):** To ask the Scottish Government how the performance of the economy is affected by the property market. (S5O-01209)

**The Cabinet Secretary for Economy, Jobs and Fair Work (Keith Brown):** The property market plays an important role in the Scottish economy. During 2016, the real estate sector accounted for 10.6 per cent of Scotland's economy in terms of gross value added and grew by 1.7 per cent in real terms. That measure covers not only services that are provided by estate agents but the economic value that is added from rented and owner-occupied housing, as well as commercial property. I am happy to provide more detailed information on those sub-sectors if they are behind the member's question.

Additionally, Scottish Government statistics show that more than £8.3 billion was spent in 2016 on the construction of new dwellings and improvements to dwellings. A well-functioning property market also contributes indirectly to economic performance, as the availability of affordable housing improves the functioning of the labour market by enabling thousands of households to take advantage of job opportunities in different parts of Scotland.

**Gordon Lindhurst:** This summer, the Scottish housing market was in a serious slowdown and was reportedly stagnating in July. Government policies such as land and buildings transaction tax are stifling investment in the middle of and at the higher end of the market, which is resulting in a

lack of mobility to allow people to purchase lower-priced homes. Does the cabinet secretary agree that, to improve the economy, the Government needs to fully reform its approach to taxation and taxes such as LBTT?

**Keith Brown:** Questions about LBTT are really for my colleague Derek Mackay. However, Gordon Lindhurst mentioned housing statistics, and he will have seen the prosperity index, which was published recently. It said that more stable growth in house prices in Scotland than in the rest of the United Kingdom contributes to greater affordability of housing. It also said that, during the first seven months of this year, residential transactions with a value of more than £40,000 were up by an annual 5 per cent in Scotland compared with 4 per cent in Wales and 3 per cent in Northern Ireland. In England, those figures were down by 6 per cent. There is therefore some evidence of success and of the fact that LBTT advantages those who are further down the housing chain, which is good for employment, as I said.

I have one final thing to say on housing growth and how it affects the economy. I have been overwhelmed by Conservative congratulations and good wishes on the completion of the Queensferry crossing, and Conservative members will know that chambers of commerce in Fife and developers are keen to see how they can maximise the Scottish Government investment in that infrastructure project to the benefit of the housing market. I would have thought that Conservative members would welcome that.

**James Dornan (Glasgow Cathcart) (SNP):** I have a question about LBTT for the cabinet secretary. Will the on-going monitoring of LBTT by the Scottish Fiscal Commission take into consideration the impact of the property market on the economy?

**The Presiding Officer:** That question might really be for the other cabinet secretary.

**Keith Brown:** Yes—I just repeat that Derek Mackay is responsible for LBTT.

Because of its previous devolved taxes forecasting role, and for other reasons, the Scottish Government closely monitors LBTT transactions and the revenue that they bring monthly. As has been mentioned, the position depends on conditions in the housing market and the wider economy.

As the member knows, the Scottish Fiscal Commission is independent of the Government. It is therefore a matter for the commission to determine its approach to fulfilling its remit. It published its forecast evaluation report for 2016-17 and outlined its current approach to forecasting in separate publications on Tuesday.

As I said in response to the member who asked the previous question, LBTT minimises the impact on the property market by ensuring that everyone who buys a property that costs less than £325,000 pays no tax or less tax than they would under the UK stamp duty land tax. The Scottish Government has taken up to 10,000 house purchases out of tax, which would be a tax cut in Tory language, as we have a zero per cent tax threshold of £145,000.

Those measures are meant to help the housing market in Scotland, and particularly the affordable housing market, in addition to what we are doing with social housing. The Scottish Government has a good track record.

### Capital Acceleration Programme

**6. Jackson Carlaw (Eastwood) (Con):** To ask the Scottish Government what the impact has been of the capital acceleration programme. (S5O-01210)

**The Minister for Business, Innovation and Energy (Paul Wheelhouse):** The Scottish Government's £100 million capital stimulus helped to support jobs and business activity across the Scottish economy at a time when economic uncertainty was heightened as a result of the European Union referendum. Such investment, which includes £10 million to support the delivery of capital projects for local economic development, provides the assets and infrastructure that will support future economic growth in Scotland.

**Jackson Carlaw:** I thank the minister for that response and, while he is still in his seat, I congratulate the Cabinet Secretary for Finance and the Constitution on his recent 40th birthday—he does not look a day over 50.

When the capital acceleration fund was launched, the cabinet secretary indicated that there would be an additional £100 million of funding in that financial year. Will the minister confirm how much of that £100 million was accessed? Will that funding continue to be available in the forthcoming year and in future years? If not, why not?

**Paul Wheelhouse:** I am sure that the member's congratulations were well received by the finance secretary on his double-20, as he put it.

When we announced the spending, our intention was to accelerate spending and ensure a quick stimulus to local economies across Scotland. As at 31 March this year, £86 million had been spent, and the balance of £14 million is expected to be spent during the current financial year.

For some projects, a commitment was given to ensure that there was legal closure on the deal and that funding was committed for the current

financial year, which is why spend did not happen before March 2017. We are looking for those impacts to come forward.

It is not possible to monitor the economic impact of some of the projects in which the spend is yet to occur in this financial year but, in response to a question from Jackie Baillie, Derek Mackay supplied a detailed list on 7 July that might help Jackson Carlaw. It sets out quite a lot of detail about the composition of each of the projects that have been commissioned and, where it can be done at this stage, the anticipated impact on employment. I hope that that will help the member to understand the nature of the projects and the expected economic impact in the longer term.

### Scottish Growth Scheme

**7. Liz Smith (Mid Scotland and Fife) (Con):** To ask the Scottish Government how the economy and jobs are being supported through initiatives such as the Scottish growth scheme. (S5O-01211)

**The Cabinet Secretary for Economy, Jobs and Fair Work (Keith Brown):** As the First Minister set out in the programme for government yesterday, the Scottish Government continues to take action across a range of areas to support the Scottish economy and jobs. The Scottish growth scheme supports the economy and jobs by providing access to finance for companies that want to fund growth and export expansion. We launched the first product under the scheme—the Scottish-European growth co-investment programme—on 16 June. It is a £200 million initiative that brings together investment from the Scottish Government through Scottish Enterprise, from the European Investment Fund and from private sector fund managers. We expect to make announcements about further products shortly.

**Liz Smith:** The Government launched the Scottish growth scheme a year ago and trumpeted it as a £500 million vote of confidence in Scottish business. However, just a couple of weeks ago, *The Sunday Times* reported that the scheme has yet to pay out cash to any business. Will the cabinet secretary confirm when cash from the scheme will actually be made available to Scottish business?

**Keith Brown:** The finance that I mentioned is being made available now, but there are other parties allocating that cash, some of which we are in discussion with, and they are part of the process. That will also depend on the nature of the application and what further work is to be done for it.

It is positive that we are making the finance available. It adds confidence in the Scottish economy and is partly why, for example, gross domestic product is growing in Scotland at four

times the rate of that in the rest of the United Kingdom. I would like to hear what the Scottish Tories have to say to the UK Government about how it must up its game to match what we are doing in Scotland in terms of GDP and growth.

It is important that we continue to provide such measures, and the growth scheme is important. I say to Liz Smith that applicants are engaging with the Scottish Government to access the funding, but we have to go through the diligence process. As soon as we have done that, we will make the information available to Parliament.

**Willie Rennie (North East Fife) (LD):** The Scottish growth scheme was announced with great urgency last year. Is the cabinet secretary saying that money has been given out from the scheme? That is not what I understand to be the case. Will he clarify the situation? Has money been spent or has it not?

**Keith Brown:** If Willie Rennie had listened to my answer, he would have heard me say that we are engaging with applicants to the fund, which takes time. The process will also depend on the applicants themselves.

It is unfortunate that Willie Rennie takes his cue these days from the Conservatives in refusing to acknowledge the benefits to the Scottish economy of things such as the new bridge to Fife. I thought that he might have been interested in that, as it has been contributing to growth in Scotland. It would be good if he acknowledged such things from time to time instead of hanging on to the coat tails of the Tories, which seems to be his preferred method of operation.

## Programme for Government 2017-18

*Resumed debate.*

**The Presiding Officer (Ken Macintosh):** Our next item of business is the continuation of our debate on the Scottish Government's programme for government 2017-18. I ask all members who wish to speak in this afternoon's debate—the debate will go on tomorrow—to press their request-to-speak buttons now. I call Roseanna Cunningham to open this afternoon's proceedings.

14:43

**The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham):** To the best of my knowledge, this is the first time that the Scottish Parliament has had the opportunity to focus on the future of Scotland's environment and economy in one joint debate. It is an innovation that I welcome, as our environment and our economy are intrinsically linked. They are often seen as competing priorities for any Government, but the level of ambition that was set out by the First Minister in her programme for government requires fresh thinking and bold ideas.

Scotland's transition to a more prosperous, low-carbon economy is already well under way. We have created jobs and have backed innovative new industries while winning international respect for our ambition and leadership on climate change, which is the defining environmental issue of our age. The First Minister has made it clear that we have an overriding moral duty to fight climate change. No one who is sitting in the public gallery, following the debate at home in Scotland or listening from afar should be in any doubt about the commitment of the Government and—to the credit of MSPs of all parties—the Parliament.

We have a moral duty, not least considering the threat that is faced by the world's poorest people—those who did the least to cause climate change in the first place. We must protect ourselves and our families, homes and communities from the threat of more extreme weather occurring more often. We also have to protect our natural environment not only for its inherent value, but because our natural capital underpins our national prosperity. Our farmers need healthy soils; our fishermen need healthy seas. It is true, too, that cities offering high-quality life through the provision of green space and active travel networks are the most competitive in attracting the brightest and the best scientists, innovators and researchers, so ambition and innovation lie at the very heart of our programme for government.

The low-carbon economy is already worth £10 billion to Scotland's economy and supports nearly 60,000 jobs, but it is time to go further and faster. There are huge opportunities in the low-carbon sector, especially in the technological and business innovation that will be needed to support our climate change ambitions. Our proposed new climate change bill will increase our long-term targets to reduce greenhouse gas emissions by at least 90 per cent by 2050. That is a tough target. Indeed, the Committee on Climate Change advised that a 90 per cent reduction is

“currently at the very limit of feasibility”,

but these are challenging times and we will work with Scottish businesses to ensure that they are best placed to respond.

Independent research published by Ernst & Young shows that the challenges that we must confront have the potential to bring significant benefits to the Scottish economy. Indeed, analysis by the International Finance Corporation indicates that the Paris agreement will help to open up \$23 trillion-worth of global opportunities for climate smart investments in emerging markets between 2016 and 2030. Scotland must be in a position to benefit from those opportunities.

I have mentioned that the time has come to go further, faster. In short, we must accelerate our transition to a low-carbon economy. The circular economy agenda is increasingly understood and embedded in Scotland. It has been recognised internationally. It is an approach where Scotland is being seen to be—and is being—creative, pushing against historic approaches with innovative and creative solutions. This Government's ambitions for the introduction of electric vehicles demonstrate our intent.

With our commitment in the PFG to phase out the need for petrol and diesel cars and vans by 2032—far ahead of the United Kingdom Government's recent 2040 commitment—we have risen to the challenge. The commitment reflects our ambition to reduce carbon emissions, improve air quality and generate valuable economic opportunities.

This morning, I joined the First Minister at the iconic Riverside museum building in Glasgow to view the latest electric and low-emission vehicles and to talk about the roll-out of our ambitious new plans for a network of low-emission zones. As the First Minister said, electric vehicles are the technology of today as well as of tomorrow.

There are challenges as well as opportunities. For example, how best should we provide on-street charging facilities in Scotland's densely populated cities? How best should we ensure that rural motorists, who face the highest petrol and diesel costs, quickly benefit from the lower running

costs that electric vehicles offer? How do we ensure that electric vehicles help to balance demand with supply from renewable sources of generation?

Yes, those are big questions, but the issues represent valuable opportunities, too. Our power companies and universities are working on solutions. Today, we have invited the brightest and the best from across Europe and around the world to come to Scotland to work with businesses and researchers, safe in the knowledge that this Government and its agencies will support them on the journey to a low-carbon future.

The PFG shows that going green does not put us in the red. Harnessing our natural and human capital not only adds to our wellbeing, but is integral to our nation's future economic success.

14:49

**Dean Lockhart (Mid Scotland and Fife) (Con):** It is a privilege to take part in today's debate. My remarks will focus on the economic aspects of the programme for government.

The programme quite rightly recognises that Scotland's economy has immense potential and that we should all be ambitious for Scotland and work towards the objectives of building a modern, dynamic, open economy—an economy that benefits everyone.

We share those objectives, and where there is common ground on the economy we will work constructively with the Government to meet them. However, in looking at the substance of the programme for government, we must remember that the Scottish National Party Government is one that has overpromised and underdelivered in every year for which it has been in power. In presiding over average growth of less than 1 per cent a year over the 10 years for which it has been in power, the Government has shown itself to be incapable of realising Scotland's economic potential.

It is also a Government that has failed to deliver on a number of its own key policy commitments. Let us consider the example of the Scottish growth scheme, which was announced in last year's programme for government. The First Minister described it as

"a half-billion-pound vote of confidence in Scottish business"

and promised £500 million of Government guarantees and loans to help business. One year later, not a single business has received a single penny. More important, the type of financial assistance that is available has changed fundamentally. It was announced in June that, in place of Government-backed loans, the scheme

would take the form of equity investments that would be made by private equity funds. That means that, rather than receiving Government loans and guarantees, as the First Minister promised, business owners will now have to sell part of their business to private equity funds if they want to receive any financing under the growth scheme. Even by SNP standards, that is a shameful sell-out of Scottish business. With policies like that, it is not surprising that, after 10 years of SNP Government, the SNP economy is a low-growth, low-wage, low-innovation and low-enterprise economy.

**The Cabinet Secretary for Economy, Jobs and Fair Work (Keith Brown):** I assume from Dean Lockhart's remarks that he has nothing to say to the United Kingdom Government about achieving the potential of the UK economy, given that growth in the UK is only a quarter of growth in Scotland. Does he still believe that responsibility for the performance of the Scottish economy falls entirely on the head and shoulders of the SNP Government, as he said in the *Stirling Observer*, or does he think—as the Scotland Office does—that the UK Government has a role to play in the Scottish economy?

**The Deputy Presiding Officer (Christine Grahame):** Do not worry, Mr Lockhart—we have time in hand, so I will make up the time that you lost by taking that intervention. I could see the concern on your face.

**Dean Lockhart:** Thank you very much, Presiding Officer.

We welcome the fact that Scotland avoided a recession in the first quarter of the year, but is the cabinet secretary pleased that, over the past two years, growth in Scotland has been 0.5 per cent and that, over the past decade, growth under his Government has been, on average, less than 1 per cent? That is not a track record of which he should be proud, nor is it an example of the SNP being stronger for Scotland.

If Scotland is to realise its full potential and become a high-wage, high-growth, innovative and enterprising economy, we need a new direction in policy, and the programme for government before us is not the answer. Instead, we need to create the right environment for the creation of high-wage, high-skilled jobs. To do that, the SNP must reverse its policy of making Scotland the highest taxed part of the UK for those high-skilled jobs.

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** Will the member take an intervention?

**Dean Lockhart:** No, thank you. I need to make a bit of progress.

**Stewart Stevenson:** There is enough time—the Presiding Officer said so.

**The Deputy Presiding Officer:** Just sit down, Mr Stevenson. I will make the comments.

**Dean Lockhart:** Any suggestion of the kind made yesterday by the First Minister about increasing the tax burden in Scotland for highly skilled workers would be the wrong policy response. Concerns have already been expressed by leading organisations that further SNP tax increases would further damage Scotland's economy.

On enterprise development, we welcome the Government following our lead in establishing the south of Scotland enterprise agency, retaining separate boards for HIE and the other agencies and appointing a business leader rather than a minister to chair the new strategic board, but much more needs to be done.

The Scottish Government spends more than £2 billion a year on skills and enterprise development in Scotland. That is £100 more per person on enterprise development than is spent in the rest of the UK, but in return we have one of the lowest rates of business creation and expansion in the UK, and the private sector in Scotland is much smaller than the UK average. We need to get a higher return on that £2 billion investment, and we look forward to debating the policy options once the strategic board is operational.

One step that the Government can take immediately to encourage the expansion of business is to follow the Barclay recommendation to reduce the large business supplement and bring it into line with the rate in the rest of the UK, and we encourage the Government to do so immediately.

**The Cabinet Secretary for Finance and the Constitution (Derek Mackay):** What revenue-raising proposals will the Conservatives bring to the table to fund any investments that we might make in light of the Barclay recommendations?

**Dean Lockhart:** I have had this discussion with the cabinet secretary before. The Government has had 10 years to grow the economy and boost tax revenues. That is the real way to boost tax revenues—by growing the economy.

In the area of trade and exports, the programme for government lacks detail on how we expand our export base. That is an urgent priority, given that fewer than 70 businesses represent 50 per cent of our exports. The programme also lacks ideas on how to expand trade with our largest market, the rest of the UK. In addition, the depreciation of sterling gives rise to a number of economic opportunities, including import substitution. That matter was highlighted by Alex Neil in the debate

on last year's programme for government, but given that we see no policy initiative on that front, it is yet another opportunity that has been missed by this Government.

Ten years is more than enough time for any Government to prove whether it can deliver meaningful change. This Government has shown time and again that it does not understand the economy and is incapable of realising Scotland's potential. After a decade of SNP mismanagement, it is time for a new direction in economic policy, but this programme for government is not the answer.

14:55

**Ivan McKee (Glasgow Provan) (SNP):** The Parliament will no doubt be aware by now of my role as parliamentary liaison officer to the Cabinet Secretary for Economy, Jobs and Fair Work.

Today's debate on the Scottish Government's programme for government is focused on the economy and the environment. That linkage is no accident, given that the long-term future of Scotland's economy will be built on sectors that are central to the protection of our environment. That will happen not just through the exploitation of innovations in the renewable energy sector, but through the use of Scotland's landscape—recently voted the most beautiful in the world by the Rough Guides—as a magnet for the growth of our tourism sector; through the quality of our food and drink produce, which is world renowned for the purity of its ingredients and which represents a major part of Scotland's exports; through the transformation of our transport sector by moving towards renewable sources of power; and through our creative industries' ability to leverage the heritage and global recognition of brand Scotland. Simply put, Scotland's environment is an engine for growth—a green engine for inclusive growth. The programme for government has at its core that symbiotic relationship between the economy and the environment, and it is built on an understanding that Scotland needs to be bold if it is to lead in the global race to harness the green economy in order to deliver future prosperity for this country and its people.

Building the environment into the economy of the future runs like a green thread through the programme. I highlight, for example, the investment in carbon capture and storage technology through support for the acorn project at St Fergus. That project was picked up by this Government, which is showing leadership after the project was abandoned by Westminster. There is also the help for key growth sectors, including advanced manufacturing and, in particular, lightweight manufacturing technologies, which are focused on reducing carbon emissions. There is



the creation of the new manufacturing institute for Scotland, which will begin in 2018, and I also point to the introduction of a deposit return scheme, which is another step towards putting us in the fast lane of the circular economy.

The Government is taking the lead in promoting the use of ultra-low-emission vehicles, phasing out new diesel and petrol cars and vans by 2032. With the establishment of an innovation fund, it is driving the innovation that will meet head on the technical challenges of that technology shift, and it is investing a further £60 million to deliver low-carbon energy infrastructure solutions, including battery storage and electric-vehicle charging. It is not only providing the infrastructure that Scotland needs for low-emission vehicles, but supporting the innovative businesses that can develop and export that technology. Brixton might have its Electric Avenue, but we are going to have the A9, our very own electric highway. Move over, Eddy Grant.

The programme for government sets out other significant steps to support Scotland's businesses and entrepreneurs. For example, there is the addition of a Paris hub to join those in London, Dublin and Berlin, and the creation of a network of trade envoys to promote Scottish exports and inward investment. I also note the establishment of fintech Scotland to accelerate the development of the financial services technology ecosystem in Scotland; access to capital for growing businesses through the establishment of a Scottish national investment bank; increased commitment to Government support for business research and development; and the roll-out of superfast broadband to 100 per cent of Scotland's homes and businesses. However, as with all good business and innovation initiatives, value for money is key, hence the creation of the strategic enterprise and skills board to oversee the £2 billion that is spent annually on economic development in Scotland. Such a move will ensure focus on outcomes and support for key target sectors.

The role of the entrepreneur is key to building the high-tech, green economy of the future in Scotland. Entrepreneurs are the people who build businesses and take risks, and Government's role is to nourish and support that ecosystem. The launch of the unlocking ambition challenge to invest in talented early-stage entrepreneurs is welcome.

I recognise the inclusion of work on a citizens income in the programme for government. Like all good initiatives, that policy delivers in several core areas simultaneously. A citizens income is not just a social measure that provides a safety net, important as that is; if it is implemented correctly, it will give a huge boost to entrepreneurial activity by

giving space and support to those who want a soft entry into the world of work or to starting up their own business—to the person who wants to try and fail and try again, which is the true definition of an entrepreneur, or the person who wants to focus on building a life and a business rather than have the ridiculous dance with the benefits system, which punishes those who try to get back into work with effective marginal tax rates that would make additional rate taxpayers' eyes water.

I welcome the focus on resolving once and for all the problem of rough sleeping on our streets. The reality is that we cannot seriously consider ourselves to be a dynamic and successful society while that problem remains unresolved. I am working to find common ground in my city with the business community, the third sector and local government on how to best fix that problem. I welcome the emphasis that the programme for government places on that issue.

The programme for government's focus on innovation through the green economy has been widely praised by Friends of the Earth, WWF, the Simon Community and Greenpeace among others.

Scotland has no shortage of opportunity. We are blessed with natural and human resources that are the envy of the world, and we have an industrial heritage to be proud of. However, Scotland's future economic success will be built on the technologies and entrepreneurs of the future, and the place of the environment in that future economy cannot be overstated. The Government recognises that and is determined to provide the strategy, framework and support to make that success happen and to send a clear signal that Scotland is the place for innovation in digital and low-carbon technology. The programme for government is a bold and ambitious step in that direction.

**The Deputy Presiding Officer:** I understand that members are focusing on the economy and the environment, but this is a continuation of an open debate on the Scottish Government's programme for government, so members are not restricted to those topics. I wanted to make that plain in case any member is concerned that they are going to speak about something other than those two topics.

15:02

**Jackie Baillie (Dumbarton) (Lab):** Yesterday, the First Minister started her statement by reflecting on the apparent success of the SNP Government over the past 10 years. We were treated to the usual airbrushing of reality, selective memory and assertion that we have come to know so well from the First Minister. Where were the

economic achievements? Of course there was mention of unemployment rates. Falling unemployment is always welcome, but there was absolutely no mention of rising economic inactivity. Instead, we have a programme for government that is strong on rhetoric about the importance of the economy, but light on the action that is needed to secure economic growth.

Rather than the partial view that is offered by the SNP, let me paint a more complete picture of the Scottish economy. I know that the SNP wants to use only the most recent gross domestic product figures, which are for the last quarter, but crowing about growth that is a mere 0.7 per cent is a measure of the lack of ambition at the heart of the Government. It is perhaps more useful to look at the long-term trends. Over the past 10 years, output per head in Scotland, which is a key measure of economic progress, has grown by just 1.02 per cent.

**Keith Brown:** Will Jackie Baillie take an intervention?

**Jackie Baillie:** No. Keith Brown should sit and listen to this.

For the eight years before that—from 1999 to 2007—output per head grew by 20.4 per cent. *[Interruption.]*

**The Deputy Presiding Officer:** Cabinet secretary—please.

**Jackie Baillie:** The figure was 20 times more under Labour than it has been for the whole of the SNP's tenure in office. I will take an intervention from Keith Brown to explain that.

**Keith Brown:** I thank Jackie Baillie—not for her comments, but for taking an intervention.

Given what Jackie Baillie has described as the economic performance of the past 10 years, does she think that any of that at all is attributable to the mismanagement of the economy by the Labour Party, which led us into the worst recession in history, and to the last words of the Labour Government, which were “There is no money left”?

**The Deputy Presiding Officer:** Ms Baillie, it is for me to decide when the member sits down.

**Jackie Baillie:** I asked the cabinet secretary a question, which he failed to answer. Under Labour, growth was 20 times more than it has been for the whole of the SNP's tenure in office.

Let me respond to the cabinet secretary, as I will take no lessons from the SNP. We should remember that it was the wonderful economist Alex Salmond who called for even more deregulation of the banks. Thank goodness that we did not listen to him.

It is nearly 10 years since ambitious targets were set for Scotland's economy. We have an economic strategy that has not been refreshed despite Brexit, and there has been no real attempt to evaluate what works. In truth, the SNP has been content for our economy to dawdle along in the slow lane.

Ministers boast about closing the productivity gap with the rest of the UK. Although movement in that direction is welcome, let us take a closer look. Productivity actually fell back in 2016 and in Scotland and the UK is 15 per cent lower than the G7 average; despite a target from the Scottish Government to raise us to the top quartile in productivity, we dropped to the third quartile before clawing our way back to the second. That is hardly an Oscar-winning performance.

Unfortunately, it is true to say that Scotland's performance lags behind that in the rest of the UK across a range of economic measures. Only in 12 out of 41 quarters has Scotland's annual growth been the same as or better than the UK's. That is woeful, and it has serious implications for the amount that we receive from Barnett as part of the fiscal framework. Lower growth and lower tax revenue mean a lower block grant.

Growing the Scottish economy has never been more important or more urgent, yet I did not get a sense of urgency from the First Minister yesterday. What we were offered was a series of re-announcements from a regressive, retread Government. Trade envoys—promised last year, but yet to be delivered—were re-announced. The Scottish growth scheme—promised last year but, when we asked about it a month ago, not a single payment had been made—was re-announced. The national manufacturing institute—promised last year, but yet to be delivered—was re-announced.

On the national investment bank, imitation is the sincerest form of flattery so I thank the Government for copying Labour's idea. However, there is no detail about how it will work or where the money is coming from and, if it is anything like the Scottish development bank, which has been announced and re-announced six times, I look forward to its still being a work in progress and being re-announced next year. That is a woeful performance.

I turn to the money for research and development. That money is absolutely welcome, but it plugs a gap that was created by the SNP. Leaked emails from Scottish Enterprise show that the research and development budget has already been spent, yet we still have more than half the year to go. Grants will no longer be paid in advance, so if people are lucky, they might get something in May 2018. That, too, is a woeful performance.

What impact does the programme for government have on hard-pressed workers? Insecure work in Scotland has soared by a third under the SNP and working poverty is at its highest level since devolution—the SNP should be ashamed of that. The number of people earning less than the living wage, which is a priority for this Government, has gone up, the cost of living has gone up and wages have declined.

I welcome the lifting of the pay cap for public sector workers. It is just a shame that the SNP voted against Labour's proposal to do that earlier this year. It has been seven years since public sector workers had a wage rise, but missing from the First Minister's announcement is the machinery for that negotiation and whether it will be fully funded from the Scottish Government's coffers.

**Derek Mackay:** Does Jackie Baillie take the Scottish Government's position, which is to lead on lifting the pay gap, or does she take the position of Welsh Labour, which is to wait to see what the Tory Government does?

**Jackie Baillie:** I welcome the lifting of the pay cap. It was Labour members who called for that in this Parliament, when we stood alongside the Royal College of Nursing and Unison at a time when the Government was not listening. The Scottish Government was deaf.

**Keith Brown:** What about Wales?

**Jackie Baillie:** I was elected to the Scottish Parliament, not the Welsh Assembly. If the cabinet secretary wishes to keep shouting from a sedentary position, that is really pathetic.

**The Deputy Presiding Officer:** I am sorry to interrupt, but please do not have a debate across the chamber and not through the chair.

**Jackie Baillie:** I look at the Scottish Government's efforts, which have been to cut £1.5 billion pounds from local services. It would be breathtaking if the Government asked local government and the NHS to fund the pay rise themselves.

I take no joy in what is a fragile and failing economy, because I want Scotland to flourish and I want its people to prosper, but Scotland is not flourishing under the SNP. To understand the challenge, we need to acknowledge where we are and stop being in denial. With the SNP, rhetoric triumphs over action and re-announcements are the order of the day. Frankly, it is about time for the SNP to stop behaving like an ostrich, lift its head out of the sand, and get serious with the economy.

15:10

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** Let me start my remarks by directing through you, Presiding Officer, some comments on Dean Lockhart's speech. He referred to Scotland as the most highly taxed place in the UK. Of course, with a 25 per cent difference between Scotland and England in local taxation on premises, we would do well to remind ourselves which is the higher—it is not Scotland; it is England. It is Scotland that has taken 100,000 businesses out of local taxation altogether. We find different solutions in a different environment, but we certainly are not the highest-taxed part of the UK.

Dean Lockhart might also consider talking to his colleagues at Westminster about the plans that have been revealed, inadvertently it seems, to exclude, in particular in my constituency, thousands of workers in the fish-processing industry from future employment simply because of their nationality—because they are not UK citizens. If he genuinely thinks that it is a contribution to the Scottish economy to shut down that industry in the north-east of Scotland—and other industries elsewhere—I am afraid that he is deluded in the extreme.

**Mike Rumbles (North East Scotland) (LD):** Will the member take an intervention?

**Stewart Stevenson:** No.

I want to talk primarily about the environment. I particularly welcome making the A9 an electric road, as an addition to our existing electric road—I refer, of course, to the A719, or the electric brae, which is in Ayrshire. The second electric road in Scotland will be a true piece of innovation and it is connected to the ambition to have all-electric, or all-renewable, transport by 2032. That is a bold ambition to set, because we are not in control of everything that has to happen to make it happen.

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

**Stewart Stevenson:** I will come back, if I may.

It is a bold ambition simply because, at the moment, it would be very difficult to drive from Edinburgh to Inverness, however many charging points there are, because most electric cars have to stop and recharge.

I will take an intervention from Patrick Harvie now.

**Patrick Harvie:** I am grateful to the member.

Perhaps the member would be so helpful as to clarify. He said that the ambition was for Scotland to be wholly electric on transport by 2032. My recollection from yesterday's statement was that new cars and vans that run on petrol and diesel

would not be available for sale after that point. That is very different from saying that we will not use them.

**Stewart Stevenson:** I accept what the member says. If there was an imprecision, I am happy to be corrected.

Let us be quite clear that it is an ambitious thing for us to do, but we should not shy away from ambition. Those of us who were here in 2009 will recall that, when we discussed the Climate Change (Scotland) Bill, we did so in cross-party consensus, with every party represented in the Parliament making a contribution to the resulting Climate Change (Scotland) Act 2009. That is the sort of consensus that I hope we will continue to sustain on climate change.

It is interesting that, in the United States, where the President has withdrawn from the Paris accord, *The Washington Post* reports this very morning that the advice that he received that caused him to do that was from a right-wing think tank that has looked at the scientific consensus that climate change exists and is anthropogenic in its origins and which has concluded that the very existence of the consensus demonstrates that there is a scientific conspiracy to delude the public. Anyone who believes that believes in the tooth fairy and a wide range of other things.

The US approach is quite the most disappointing thing that has happened in the world of climate change in recent years, and it reinforces the need for climate change leaders such as Scotland to continue to apply themselves to the issue. The rest of the world will find it very hard to compensate for the excess emissions that come from the United States, but that should not stop us trying to do something.

In relation to my constituency, we heard about the acorn project at St Fergus and the welcome investment in that regard. It is also worth looking at the Hywind project. That is a floating wind farm, which the Norwegian oil company Statoil is installing off the coast of Peterhead. The project is reusing engineering skills that we have here, and the fundamental point, which goes to the heart of the long-term failure of the UK Government, is that it demonstrates how it is possible, with the proper regime, to recycle moneys from the oil industry into renewables.

Statoil is the state oil company, which was founded in 1972 on the back of the oil wealth of Norway. In the UK, Scottish oil resources were—frankly—flushed away in current account spending and were not invested in the future. That is the most shameful long-running failure of the UK Government in relation to Scotland and Scotland's economy. It is a failure with which we live today

and about which we have limited opportunity to do much.

Hurricane Harvey is a wake-up call about climate change. It has impacted on the price of oil world wide, with a quarter of United States refineries currently shut down, and Houston and the surrounding areas are awash with pollution and disease. Climate change is an issue for the whole world. Albeit that the issue is most critical for the parts of the world that are least able to respond to it, such as Africa and the middle east, it is the biggest challenge for all of us.

I hope that in Scotland we will continue to enjoy a broad consensus on the need to engage with climate change and support measures in that regard. We will continue to have vigorous debate about the detail, as is entirely proper, but I hope that we will sustain the consensus that led to the Climate Change (Scotland) Act 2009. We had high ambition then and are stepping up action now. This Government has a record that is second to none on climate change, the environment and the economy.

15:17

**Jamie Halcro Johnston (Highlands and Islands) (Con):** I refer members to my entry in the register of members' interests.

I am pleased to speak in today's debate as my party's spokesman on jobs, employability and training and as a representative of the Highlands and Islands. I echo my colleague Dean Lockhart's comments: where we can find common ground with the Scottish Government we are more than willing to work with the Government to promote Scotland's economic growth, but it is fair that Opposition parties such as ours should question the Government when we do not find common ground or when we think that it is failing.

Under the SNP, the skills and education sector has suffered. College places have been cut, and money from the apprenticeship levy, which the Government said would go towards funding apprenticeships, has been used for other programmes.

**The Minister for Employability and Training (Jamie Hepburn):** Will the member give way?

**Jamie Halcro Johnston:** I want to get on, please.

We have been contacted by a businessman, who said:

"Government is not making it easy for businesses to be competitive whilst affording our young people employment opportunities".

He warned that the way in which the Scottish Government has implemented the apprenticeship levy

“puts the good employers at a disadvantage in terms of business development and profitability”.

**Derek Mackay:** Will the member take an intervention?

**Jamie Halcro Johnston:** I want to get on, please.

We want the money that is raised by the apprenticeship levy to be spent on apprenticeships, not diverted by the Scottish Government to other programmes.

**Jamie Hepburn** *rose*—

**Jamie Halcro Johnston:** Although the Scottish Government’s announcement of 30,000 apprenticeship places by 2020 is welcome, it is not new.

**Jamie Hepburn:** Give way. Give way!

**The Deputy Presiding Officer:** Minister, the member is not taking an intervention. Please sit down.

**Jamie Halcro Johnston:** This is just another rehashed policy being reannounced, and it will still leave us falling behind other parts of the UK.

The Scottish Conservatives want to go further. We want the new apprenticeship levy to be invested in 35,000 apprenticeship places by 2021.

**Jamie Hepburn:** On that point, will the member give way?

**Jamie Halcro Johnston:** I will.

**Jamie Hepburn:** It is very welcome that Mr Halcro Johnston has finally given way. I thank him for doing that.

Will the member reflect on the fact that it was the UK Government that introduced the levy without any prior consultation, not only with the Scottish Government but with any levy payer whatsoever?

The member suggests that we as an Administration have not invested all the money that we said we would, but does he recognise that, unlike the UK Government, we undertook a consultation and are implementing exactly what the consultation told us, which was not to go to 35,000 modern apprenticeship starts but to stick to the commitment we had made. That was what the voice of employers, including businesses, was telling us.

**Jamie Halcro Johnston:** I am glad that the minister admits that the Government is not investing money where it said that it would.

We want to see 10 new skills academies across Scotland by the end of this decade, similar to the successful digital skills and coding academy, CodeClan. We would reverse the SNP college cuts, with an extra £60 million every year for the sector.

Looking wider, we would encourage closer working relationships between schools, colleges and local businesses. There are already some good examples of that, one of which, Almond Engineering, I visited earlier this week with the Economy, Jobs and Fair Work Committee.

We need to take a wider look at how we educate and train for the future. Some of the questions we ask will be tough, but we owe our young people an open and honest debate because their future is at stake. It starts with accepting that no path should be predetermined or pre-favoured. We should ask whether university has become the default destination of choice at the expense of college, apprenticeship and other training routes, which might be more suitable for many. When young people have chosen a path, whichever it is, does that chosen path adequately prepare them for their future career or for the wider working environment?

Above all, we seek an economy that provides the right opportunities for young people who can move from school to university, college, apprenticeship or other training with confidence that jobs and opportunities will be available for them once they leave. They make an investment, whether that is in financial terms or just in time, and they need and deserve to see a return on that investment.

As a Highlands and Islands MSP, I represent an area that is as diverse as it is large. It is a region with an entrepreneurial spirit almost unmatched in Scotland. North Sea decommissioning should provide huge opportunities for the region. Having met with Lerwick Port Authority—one of the first ports in the UK to handle significant offshore decommissioning projects—earlier in the year, I was extremely impressed with its expanded deep-water infrastructure at Dales Voe, where it is already decommissioning the 12,000 tonne Buchan Alpha.

In Orkney, there has been investment in Copland’s Dock in Stromness and at Hatston ferry terminal in Kirkwall, which is now able to cater for some of the largest cruise liners in the world.

In last year’s skills assessment, Highlands and Islands Enterprise, now saved from the SNP’s axe, identified information technology as the sector with the largest projected employment growth in the region.

Of course there are the traditional industries such as farming and fishing, both of which are still

extremely important and major employers. Both link to the region's world-class food and drinks sector—Shetland's seafood, Orkney's meat and cheeses, and Moray, the home of whisky.

There are also important small businesses. In many ways, they are the bedrock of the economy and vital if we want to see growth. Business creation has lagged behind the Scottish average in recent years. It is clear that they need support and clearer still that, in some cases at least, they are not getting it.

In remote and not-so-remote communities, we see real potential but also significant challenges. In the region, we have fewer people than the Scottish average with no qualifications, but a lower proportion with higher level qualifications. There have certainly been some successes. With the main sectors for apprenticeships being in hospitality, construction and food and drink, it would seem that there has been a responsiveness to local economic needs. However, we still need to consider further where there are real gaps in provision, and to what extent the long-standing southward migration for education, skills and opportunities continues to hold back the Highlands and Islands.

There is real concern at the impact that the growth in tourism is having on overstretched local infrastructure in some parts. It is welcome growth, but it still causes issues. In Orkney, there has been heated, albeit relatively one-sided, debate on the introduction of a tourist tax. Like the vast majority of people locally, I am not in favour. However, it highlights the need for investment in local infrastructure and to find out how that can be paid for.

The hospitality industry has spoken extensively on the shortcomings in the current business rates scheme and is disappointed by the changes proposed by the Barclay review.

**Derek Mackay:** Will the member take an intervention?

**Jamie Halcro Johnston:** I will finish, if the minister does not mind.

We should aim to create a system of taxation that recognises the distinct needs of sectors across Scotland.

Meanwhile the traditional industries of farming and fishing are facing real challenges. Incomes in the rural economy have fallen over recent years and adequate support is essential. That support, however, needs to be paid on time and that is not happening. That makes it increasingly hard for local farmers to plan for the future, which has a knock-on effect on the wider agricultural sector and rural economy.

Our transport connections and infrastructure are key to the region's economic growth. We now have competition on the northern isles air routes, but we need a reliable service, and one that is more reasonably priced.

Communications infrastructure also has to come top of our priorities. Increasingly, we find mobile and broadband connectivity becoming intertwined, and we should look to the mobile networks to work together. I am sure that all of us who represent constituencies in the Highlands and Islands or the region itself can agree that the roll-out of broadband has been too slow, that the service is still too unreliable and that there are still too many mobile hotspots and slow broadband areas across our region.

**The Deputy Presiding Officer:** Please conclude.

**Jamie Halcro Johnston:** We need a Scottish Government that is up to the challenge of addressing those issues. Unfortunately, yesterday's programme for government suggests that the current Government is both out of touch and out of ideas.

15:25

**Rhoda Grant (Highlands and Islands) (Lab):** The programme for government has many references to digitisation, the development of infrastructure and skills and the digital first service standard, which involves public services being delivered digitally first and foremost. Those are laudable aims, but they miss the point that many of our citizens have no access to digital connectivity and have little prospect of getting it in the near future. I cannot overemphasise the urgency of the need. People are being left behind, not able to access services and jobs, not able to communicate with friends and family and certainly not enjoying the digital media that others take for granted. That is the case predominantly in rural areas, but many urban areas are also in the same situation. Those are the areas that are used to being left behind—they have faced a financial divide and a divide with regard to jobs and opportunities, and they now face a digital divide.

The Scottish Government has pledged to deliver superfast broadband for all by 2021. However, it will not begin that roll-out until 2018. It has been in power for 10 years and it still has vast swathes of Scotland to cover—the most challenging areas of Scotland, where there are geographical challenges and market failure. Does it really believe that it will cover those areas in two short years at the end of its term in government? In the meantime, those communities are told to wait. It is simply not good enough. Communities that have procured and installed their own broadband are

now being asked by the Scottish Government to evaluate their systems and to provide assurance that their infrastructure is sustainable and capable of fulfilling the 2021 promise. Rather than encouraging and assisting communities, the Government is questioning their achievements while expecting them to deliver the Government's pledge.

This Government needs to work with our digitally excluded communities now and to get them connected as soon as possible, rather than promising them connection in four years' time. They are already being left far behind and in four years' time they will be in an even worse position.

**Stewart Stevenson:** Is the member aware of schedule 5, part II, section C10, to the Scotland Act 1998, which shows that internet access is a reserved power? Will she therefore congratulate the Scottish Government on making good the shortfall that derives entirely from inaction at Westminster?

**Rhoda Grant:** If the Scottish Government was not assuming responsibility for digital connectivity, it would not have been making that promise. Why make the commitment if it is not its responsibility and if instead it is washing its hands of the matter? Certainly, it should not make a promise that it cannot fulfil, because that is simply unfair.

Although it sets digital as the standard, the programme for government does nothing to address the lack of digital connectivity. Neither does it address the disaster that was the common agriculture policy futures programme—it says nothing about when the system will work for crofters and farmers. That does not inspire confidence in the Scottish Government's ability to deliver full connectivity by 2021.

The rural economy is dependent on connectivity, be that digital infrastructure or transport infrastructure such as roads, rail and ferries. Those communities do not operate with a level playing field due to distances from the market. The European Union understood that, and its policies on peripherality saw the building of causeways, bridges and roads in rural Scotland. There is a real fear that, due to the withdrawal from the EU, those priorities and that spending will disappear. Neither of our Governments has shown commitment to creating a level playing field for our rural and remote areas and I specifically ask the Scottish Government to commit to that now.

**Keith Brown:** I agree with Rhoda Grant's point about the dangers of leaving the EU and how we replace the money that previously came from that source. However, she must recognise that, through the road equivalent tariff and the investment in new ferries and new routes, there has been a substantial improvement under the

Scottish Government. Does she at least recognise that fact?

**Rhoda Grant:** I acknowledge the implementation of the road equivalent tariff. I am disappointed by its removal from commercial vehicles, because that was a tax on everybody who lives on an island. We need to look at the way in which we support islands, rather than put extra costs on them.

Our crofting and farming communities fear that the scarce resources that will take the place of CAP payments will be given to the biggest and most accessible farms, rather than supporting producers and communities in rural areas that desperately need additional resources to keep working. Our rural communities depend on successful farms and crofts to sustain them and to retain their populations.

I welcome the fact that pillar 1 CAP payments will be continued by both our Governments, but rural communities are also concerned about pillar 2 payments such as LEADER, which supports small initiatives that provide a disproportionately large benefit to rural communities. Although it is difficult at the moment to make commitments in monetary terms, we ask the Government to be clear about the policy backdrop on those spending decisions and how they will be made in the future. We ask that the Government commits to breaking down barriers and investing in the rural and remote communities that need most help and to protecting our environment and delivering public good.

The programme for government is largely warm words and it lacks in detail. Where there is detail, it is sometimes worrying. Although the Scottish Government has acknowledged the good work of Highlands and Islands Enterprise in the past, it suggests that the new strategic board will have control of all enterprise budgets and refers to

"establishing a new Strategic Board to coordinate the work of our enterprise and skills agencies and ensure maximum impact from our £2 billion investment each year in enterprise and skills".

We had a vote in the Parliament and a commitment from the cabinet secretary, yet the Scottish Government is still fixated with centralising control of enterprise and economic development. That simply does not work for rural areas and it is the exact opposite of the European policy on peripherality.

We have been promised devolved powers through the Islands (Scotland) Bill, but there is still no detail of what those powers will be. The bill is, again, warm words, but with no detail whatsoever on what that will mean to islanders and their daily lives and how they will be empowered.

I urge the Scottish Government to be more ambitious for our rural and remote communities, to trust people to know what their communities need and what will work for them, and to help them to achieve that.

15:32

**Mark Ruskell (Mid Scotland and Fife) (Green):** I welcome much of what we heard yesterday from the First Minister and I reaffirm the Greens' intention to contribute to the Government's programme in our usual constructively critical way. In that regard, it is slightly disappointing that the Cabinet Secretary for Environment, Climate Change and Land Reform is not now present for the debate. Maybe it is on the telly somewhere in the Parliament, but I would have appreciated the opportunity to debate with her some of the points that I am going to raise.

The need for a post-recess reset became clear in June for the Government, as it became bogged down in issues from teacher workloads to tail docking. On some issues—for example, air quality—the Government has had to be dragged through the courts alongside the UK Government in order to raise its ambition.

However, the statement yesterday showed that when the maths in the chamber is finely balanced, the Government can open its ears to fresh thinking and is prepared, in many areas, to be bolder. That is welcome.

The First Minister talked about a Scotland in which an innovation culture thrives and we are the inventors and manufacturers, not just consumers, and a Scotland that becomes

"a laboratory for the rest of the world in the digital and low-carbon technologies."—[*Official Report*, 5 September 2017; c 17.]

That is an exciting vision, especially for today's digital generations who daily shape the world around them with coded algorithms—a world where the impacts of climate change can be seen right outside the window.

Politics is often defined by tipping points, some big and some small. A big tipping point for Scotland would be to set a date for the end of the fossil fuel age. We should not be afraid to choose a date for that, to plan for it and to invest now in the transition to take our society and economy to that future place. To hit reverse gear by opening up new risky fossil fuel extraction through fracking would be disastrous and would send completely the wrong signal to investors. We will await the Scottish Government's decision on fracking with growing expectation in the weeks to come.

**Claudia Beamish (South Scotland) (Lab):** Will Mark Ruskell take an intervention?

**Mark Ruskell:** I will take a brief intervention.

**The Deputy Presiding Officer:** Claudia, your card is not in. There we go. That is not the first time. [*Interruption.*] Ms Beamish's microphone is not on, yet. Are you sure that you did not put your bank card in, Claudia? [*Laughter.*]

**Claudia Beamish:** Perhaps I will leave my question until later. I do not want to waste the member's time.

**The Deputy Presiding Officer:** You are on now; you are live. Take your chance.

**Claudia Beamish:** I hope that Mark Ruskell will get some time back. Does he agree that my proposed member's bill could be a way to ban fracking in Scotland, depending on the Scottish Government position?

**Mark Ruskell:** I am happy to confirm that I supported Claudia Beamish's bill proposal. It is part of a belt-and-braces approach to banning fracking and it is certainly an option that could be supported. Of course, the forthcoming climate bill would be another way to put in a legal ban on fracking.

I will move on with a sense of urgency—

**The Deputy Presiding Officer:** You will be given time back for that little palaver.

**Mark Ruskell:** Thank you.

The need to call time on the fossil fuel age is why I will be making the case for a net zero-carbon target for 2040 in the forthcoming climate bill. The science tells us that we need it, and with the step-change closure of Longannet we can keep our current pace of carbon-cutting action up to 2040 and meet that target. We need not feel alone, either: Norway and Sweden are among other countries that are setting similar targets. Like other countries in the Nordic arc, Scotland is blessed with the renewable resources with which it can show global leadership and, in so doing, capture the intellectual property and economic advantage that will reward our future generations with well paid and secure livelihoods.

The national investment bank that has been announced will be a welcome new tool in building that future. It could, for example, help to de-risk the development of new low-carbon technology and then to propel it to commercialisation. However, the bank must have sufficient capital and borrowing powers and be closely aligned with a national transition plan. We therefore also welcome the announcement of a just transition commission as the first step towards that, and we hope that its membership will reflect a wide



spectrum that includes political, environmental, public sector and trade union representatives.

Working to that zero-carbon target would also provide a strong focus on the transport, agriculture and housing sectors, where actions to cut emissions have so far been weak in the Government's draft climate plans. If implemented, yesterday's announcements around electric vehicles and active travel will reduce emissions from transport faster than the current climate plan. That is good, but it cannot be used as an excuse to dial back on action elsewhere—in housing and agriculture.

Government spending decisions will have to be aligned more closely with climate targets, especially on national infrastructure projects. It is disappointing that we will soon enter our third cold winter since the commitment to make energy efficiency a national infrastructure priority, still without any clarity on how that will be practically delivered. Clearly, bringing homes across the country up to a C rating in energy efficiency would bring a warm glow to 127,000 more homes every year, create thousands of jobs, and save the national health service millions of pounds. Parliament needs a better way to understand not just the carbon impact of infrastructure projects, but the carbon impact that they create throughout their lifetimes.

Although we can all marvel at the shiny Queensferry crossing, it begs the question about whether Fife is going to see any investment in long-awaited rail infrastructure, now that we have that bridge. The transport minister's pipeline of rail projects is in danger of drying up if funding for economic and technical appraisal work is not forthcoming from council budgets, the Scottish Government or city region deals. Showrooms of electric cars will be cold comfort to excluded communities such as Levenmouth if their rail lines remain under weeds.

There can be small tipping points too, so I warmly welcome the steps that are being taken towards a deposit-return scheme for Scotland, building on the momentum that has been created by the plastic bag tax. Like the smoking ban, those subtle changes add up to bigger shifts and cultural changes over time.

One of the best ways that the Government could embed the success of an enhanced budget for walking and cycling would be to make 20mph the default speed limit on the streets where we live, work and play. The consultation on my proposed member's bill on restricted roads looks set to have one of the highest response rates so far on legislation that has been proposed in this session of Parliament, and I will be delighted to share the results and insights with members and officials in the weeks ahead.

This year, Green members will continue to ask difficult questions that need urgent answers across the whole Government programme, while championing bold action that will secure a greener and fairer Scotland. I look forward to the work ahead.

15:39

**Mike Rumbles (North East Scotland) (LD):** I welcome the opportunity today to focus on the programme for government as it affects our rural economy. It would have been good to see the Cabinet Secretary for Rural Economy and Connectivity today, but he obviously has more important duties to attend to.

Without doubt, the last couple of years have seen real problems for our rural economy as a result of the complete mishandling of the £500 million of European funding that should have been paid out to our rural businesses on time. Last year, Richard Lochhead failed to deal with the issue adequately, to say the least. It was quite obvious to all concerned that he was unable to manage his department effectively, as our farm businesses continued to be denied their funding on time.

Then, in comes his successor, Fergus Ewing, full of good intentions: a white knight coming to the rescue. Were we not all in the chamber impressed when, in his first speech after taking over from Richard Lochhead, he apologised to the rural community and said it will not happen again? Fixing that was to be his number 1 priority—it was an unacceptable situation that was not to be repeated.

It is more than one year on, and here we are again. Not only did our rural businesses not receive their funding in December, the figure of 95 per cent of payments being made by the end of June was not reached, either. Thanks to our cabinet secretary, we are facing possible sanctions over that from the European Union.

In his own defence—I had better say this, because he is not here to defend himself—Fergus Ewing is proud of the fact that instead of paying our farm businesses their entitlements on time, he organised loans for them from the Scottish Government. Indeed, he paid out those loans ahead of the normal December round. He is very proud of that. The problem, though, is that our farmers are so worried about the incompetence of the Scottish Government that they were wary of the loans and take-up has been absolutely dreadful. It has been so dreadful, in fact, that up to £200 million of the £500 million that should have been injected into our rural communities last December went missing—because it was not paid out. That is money that our rural communities can ill afford to let go by. That money should have

gone to our farm businesses and should have been available to be spent in our rural towns and villages across the country.

Fergus Ewing's record on the issue—his number 1 priority—is, to be quite frank, lamentable. It is as bad as his predecessor's. There can surely be no doubt that the minister's coat should be hanging on a shoogly peg.

Yesterday, I listened carefully to the First Minister when she opened this debate on her programme for government. She said absolutely nothing about the problems that are facing our rural economy. I will say that again—she said absolutely nothing specifically about the problems that are facing our rural economy. It did not fill me with confidence that things for our rural communities, right across Scotland, will get any better over the next year.

As soon as it became clear that the result of last year's referendum on Europe was that we would leave the European Union, I argued that the Scottish Government needed, as a matter of urgency, to engage with stakeholders to develop a new strategy for financial support for our farming sector. Indeed, it took until January this year for Fergus Ewing to indicate that he would do that, when he accepted in a debate in the chamber my amendment calling for the setting up of a group of experts to develop such a strategy.

It turns out, however, that not much is being done. In the event that we leave the European Union, the Scottish Government must be ready with a bespoke system of agricultural support that is tailored to the needs of Scottish farming, rather than simply be content to administer the common agricultural policy—a policy that is designed to aid farming across Europe.

Where is the evidence that work is being done to design a bespoke system to meet the needs of Scotland? I would have thought that, as a nationalist Administration, the SNP Administration would be first out of the blocks on that one. But, no. We just meander along, as usual.

I keep raising the issue with Fergus Ewing, but all he does is deflect my questioning by attacking the UK Government for its lack of clarity on future arrangements. Although it is true that there is that lack of clarity, that does not make up for the fact that there is a complete lack of action on Fergus Ewing's part on designing a new system that is fit for purpose for Scotland.

Has the First Minister noticed how lacking in ambition her rural economy minister is?

**Gail Ross (Caithness, Sutherland and Ross) (SNP):** Will the member take an intervention?

**Mike Rumbles:** I am in my last minute.

Is the First Minister content to witness the complete lack of forward thinking that Fergus Ewing has demonstrated on the future of agricultural support in Scotland? If she is content, I can only surmise that she is ignorant of what is required. If that is the best that can be done for our rural economy, heaven help us.

I make no apologies for focusing my time in the debate on the Scottish Government's abject failures in supporting our rural economy. I could have said a lot more on the SNP's other failures, but I just do not have the time. The one thing that could be done now for our rural economy is for Fergus Ewing to show some forward thinking and design a bespoke system for the future of agricultural support in Scotland. How long do we have to wait?

15:46

**Kenneth Gibson (Cunninghame North) (SNP):** I welcome the First Minister's programme for government and eagerly anticipate its implementation. A programme as robust as the one that was announced yesterday will be key, if we are to drive our future in a positive direction.

Despite the obviously challenging backdrop, the SNP Government is surely to be commended on presiding over the longest period of uninterrupted growth since 2001. The fundamentals of our economy have proved their strength. The labour market has been increasingly resilient, with employment currently at a record high and the unemployment rate at 3.2 per cent. The chief economist's recent "State of the Economy" report said that there will be continued growth despite the "headwinds facing" various sectors.

Between 2007—when the SNP came into office—and 2015, the value of Scotland's international exports increased from £20 billion to £28.7 billion, which is a 43.5 per cent increase. In addition, over the past decade, productivity in Scotland increased by 7.6 per cent, which is in stark contrast to the 0.4 per cent increase for the UK as a whole. Given the innovative programme that was presented yesterday, that positive growth should continue.

I welcome the aim to establish a Scottish national investment bank. It will benefit the public purse, put public interests before private profit and grant us increased control over economic development. It will also deliver a boost to our business environment and entrepreneurial spirit—which are, of course, essential to the good health of Scotland's economy—by helping to provide our businesses, the number of which is now at a record high, with capital for investment.

Commenting on the programme for government, the chief executive of the Scottish Council for Development and Industry, Mark Bevan, said:

“Scotland faces massive challenges to the established economic consensus, and we need high-level strategic action to meet them head on.”

He went on to say:

“we need a relentless government focus on the long-term future economy, and a greater co-operative political response to deliver that focus.

In that context, we are pleased to see the First Minister highlighting specific measures that will help, such as, investment in R&D and the creation of a Scottish National Investment Bank”.

Part of the fresh vision for Government encourages Scotland to aspire to full participation in an increasingly digital world. Significant progress towards that goal has already been achieved, as business research and development rose by 41 per cent in real terms between 2007 and 2015. The additional £45 million in R and D support from enterprise agencies that has been announced is expected to unlock a further £270 million of R and D expenditure, which will ensure that Scotland is in a position to lead by example when it comes to the digital technology and innovation that hold the key to a prosperous future.

Technology transforms the way we live our lives by connecting us in new and innovative ways. It creates a platform and momentum for innovation. Soon, no sector of business and no individual will be immune to the far-reaching influence of artificial intelligence, or computers with the ability to sense their surroundings, think, learn and take action. AI is set apart from the automation of routine tasks. Science fiction may often portray AI in the form of robots with human-like characteristics, but it is a broad spectrum that encompasses all manner of technologies.

In line with the most recent digital strategy for Scotland, the SNP Government is looking to ensure that Scotland is recognised throughout the world as a vibrant, inclusive, open and outward-looking digital nation. Promotion of healthy and open discussion about our country's relationship with AI constitutes a topical part of the strategy.

According to the PWC report “The economic impact of artificial intelligence on the UK economy”, which was published in June, AI has the potential to boost Scotland's annual income by up to £16,700 million by 2030. That figure represents the equivalent of an annual £3,000 per person, through productivity gains, new business investment and product improvement. That will require new industries to supply and service new automated solutions, thereby contributing to net employment growth. AI could allow Scotland to reap numerous benefits across the board,

including greater prosperity and more individual leisure time.

Scotland is already well placed to benefit from the shift towards AI, thanks to our strong foundations in the technology. Start-ups in various industries including healthcare, cybersecurity, insurance and finance are helping to propel our country forward and to drive innovation.

On activity that stimulates economic activity while also protecting the environment, I commend the Government's continued commitment to the circular economy—one that is of renewed importance and which seeks new ways to reduce the toll on our natural resources and keep materials flowing through the economy at as high a value as possible for as long as possible.

Therefore, the introduction of a deposit-return scheme for cans and bottles is both welcome and necessary—especially considering the fact that only 47 per cent to 52 per cent of plastic drinks bottles are currently recycled, and that the introduction of the scheme presents a potential reduction of £10 million to £40 million in the cost that litter pollution imposes on society. The introduction of the scheme, along with the commitment to increase the number of electric and ultra-low-emissions vehicles, will keep Scotland on our path to a low-carbon future. I am sure that we are all looking forward to the abolition of the sale of fossil fuel vehicles from 2032.

In turn, low-carbon initiatives will support our employment market. The 21,000 jobs that are supported directly by the low carbon and renewable energy economy in Scotland represent 9.1 per cent of total UK employment in the sector, which reinforces the overall importance of building on those industries.

Unsurprisingly, Brexit presents a significant, yet unavoidable, risk to business in Scotland, with investment being sensitive to changing market signals. The as-yet-unclear structure of Brexit also represents the greatest source of uncertainty for our economy—in particular, beyond 2018, as negotiations progress. While those challenges must and will be addressed, within them lie significant opportunities in terms of improving our economy and environment across the board. The combination of positive progress by the Government and the refreshing ambitious contents of the new programme that was outlined yesterday reinforces my faith in the Scottish Government to seize and build upon those opportunities.

Following the snap general election, we face a Tory Government at Westminster that is propped up by the Democratic Unionist Party, and Scotland being subjected to continuing budget cuts while Tory MSPs demand lower taxes, a doubling of the house-building programme despite Brexit

exacerbating existing skills shortages, and more money for every portfolio—as, no doubt, we will witness at budget time. As was made clear earlier today when Dean Lockhart was caught out by the finance secretary and made no apology for the £2.9 billion that the Tory Government has cut from the Scottish budget, they have no answers. With Labour's next leader likely to be a former member of Parliament who voted on 13 January 2015 in the House of Commons for £30,000 million of budget cuts, it is clear that an anti-austerity progressive economic strategy will be advanced only by the SNP Government.

15:53

**Peter Chapman (North East Scotland) (Con):** I refer members to my entry in the register of members' interests in so far as it relates to farming.

At the end of our summer term, the First Minister promised a “bold and radical” relaunch. My goodness, but it was badly needed. Out of the 13 bills that were promised in the 2016 programme for Government, only three were passed. In comparison, the 2011 Government passed nine bills in its first year. I realise that this is a poor Government. We are only a year in but it has no energy, no vision, it lacks talent and it is failing Scotland.

Let us talk about farming. Somebody needs to, as it was not mentioned once in the First Minister's 35-minute speech yesterday. We were assured by the Cabinet Secretary for Rural Economy and Connectivity, Fergus Ewing—I hoped that he would be here today—that lessons had been learned and that there must be no repeat of the unacceptable common agricultural policy payment problems of 2015-16. However, here we are in September 2017 and 481 farmers still await basic payment scheme payments that were due last December.

In Scotland, we paid only 90 per cent of basic payment scheme payments by the end of June deadline, yet England and Wales managed 99 per cent. Our problems are all due to a £178 million information technology programme that is of poor quality, incomplete and not capable of doing the job—and it may not fully work until 2018.

If there is any doubt that payments will be delayed again this year, a loan scheme must be put in place at once. Farming incomes throughout Scotland have plummeted and we cannot have another year of payment delays. Average incomes have fallen by 75 per cent in the past five years and by 48 per cent in the past year alone, to a completely unsustainable average of just £12,600—and that is after receipt of CAP

payments. That has left many farming families in despair and unable to pay their bills.

With that in mind, what has the Scottish Government planned in its revision of the Scotland rural development programme? I will tell you: a cut in funding of tens of millions of pounds. Less-favoured area support scheme payments are being cut by £40 million, and environment and climate change schemes are being cut by £42 million. That only backs up claims that the SNP has turned its back on the farming community, which is why farming does not feature once in the programme for government.

**Mike Rumbles:** Does the member agree that it is about not just the farming businesses that receive the support, but the money that is spent in our villages and towns—in our filling stations and corner shops—and that the lack of finance affects the whole rural economy?

**Peter Chapman:** That is absolutely correct. Farmers are the best in the world for paying out money. We sometimes spend money even if we do not have it. Any money that comes into farming businesses is immediately spent in the rural economy, which is what keeps many local economies going. We forget that at our peril.

**Maree Todd (Highlands and Islands) (SNP):** Will the member take an intervention?

**Peter Chapman:** No, not now. I have already taken one.

When it comes to the future of the fishing industry in Scotland, there is not a mention either, and we see no enthusiasm from the SNP regarding the opportunities that leaving the EU may bring. The SNP continually shouts that the Westminster Government is planning a so-called power grab, yet we have been absolutely clear that, after Brexit, Holyrood will have more powers. When will the SNP start to work positively and support the process of getting the best possible deal, instead of using the process as a means of berating and criticising the Westminster Government?

**Keith Brown:** Peter Chapman says that, after the process has been gone through, troubling though it will be, we will have more powers. Can he tell us what one of those powers will be?

**Peter Chapman:** I am not in the heart of the Westminster Government. Members have been assured on every occasion that there will be at least the same number of powers if not more, and I am standing here now saying that there will be more powers for the Scottish Government.

The Scottish Government's spoiling tactic is making the securing of a good deal for the whole UK much more difficult. Instead of being positive about the sea of opportunity that there will be for

the fishing industry after Brexit, Fergus Ewing has announced that Scottish trawlers will suffer a quota cut if a certain percentage of their fish are not landed in the UK. That is completely the wrong approach. We all want to see the maximum amount of fish landed and processed here, but the Scottish Government should not be trying to micromanage and browbeat our fishermen; it should be helping processors to increase capacity and market more effectively, thus making landing here more attractive.

At present, Scottish pelagic fishermen have no option but to land some of their catch in Norway as there is not enough capacity here. Norway has not only more pelagic fish-processing capacity but income guarantee schemes, and the Norwegians generally pay higher prices.

**Clare Adamson (Motherwell and Wishaw) (SNP):** Is the member aware of how much Norway relies on the free movement of people to have the workers to process those fish?

**Peter Chapman:** I am sorry, but I did not hear the first part of the member's question.

**The Deputy Presiding Officer:** Could you repeat the question, please, Ms Adamson?

**Clare Adamson:** I wonder whether the member is aware of how much Norway relies on the free movement of people to provide the workers to process the fish in Norway.

**Peter Chapman:** Norway is in the same position as us. It, too, needs EU workers. We have said that EU workers in this country are absolutely welcome to be here. The EU workers who are here are welcome to stay. We have no problem with that whatsoever.

Fergus Ewing should start working with the industry instead of trying to bully it.

At a more local level, nearly 30 per cent of the casework my office has received in the past six months has been about health and social issues. Because of the waiting times for physical and mental health conditions in my area, my constituents are suffering. Getting to GP facilities in rural areas has often been difficult, but with the lack of staff and practice closures, it has become a nearly impossible task for some people in the north-east.

This SNP Government is failing Scotland. It is neglecting key industries such as fishing and farming. It needs to raise its game. If this SNP Government cannot give the lead, the direction and the good governance Scotland needs, we on the Conservative benches will highlight that and hold it to account at every opportunity. That is our promise; that is exactly what we will do.

16:01

**Graeme Dey (Angus South) (SNP):** I viewed yesterday's programme for government announcement from a couple of perspectives. First, as a constituency MSP looking at how the proposals contained in it would impact the everyday lives of my constituents, and secondly as convener of the Environment, Climate Change and Land Reform Committee, considering, among other things, the work streams that it would generate for the committee. I was left enthused in both regards.

Time will not permit me to explore the potential impacts of the wider measures on my Angus South constituency, and this afternoon's session is looking specifically at the economy and the environment, so I will focus my contribution on the environmental aspect of the programme for government.

The response from the Opposition benches to the statement—Mark Ruskell apart, perhaps—has been depressingly predictable: "There are wee bits we like, but we're mostly going to spend our time knocking the content and the Government's record."

I accept that I am likely, in turn, to be accused from those same quarters of taking a glass three-quarters full view, so let us look at what those of an unbiased and informed perspective had to say about the environmental element of the announcement.

Eric Solheim, head of the United Nations environment programme, tweeted:

"Great leadership and commitments on climate, emissions, clean air, pollution, circular economy and plastic waste from @NicolaSturgeon!"

He also tweeted:

"Scotland to phase out petrol and diesel vehicles. Another breath of fresh air!"

Friends of the Earth Scotland said:

"This is the greenest programme for government in the history of the Scottish Parliament."

Greenpeace said:

"This is what real leadership looks like."

WWF Scotland said:

"The benefits of today's announcement will continue to be felt across Scotland for generations to come".

**Liam Kerr (North East Scotland) (Con):** Despite repeated pleas, the cabinet secretary has, so far, failed to show the leadership to commit funding to deal with coastal erosion at Montrose, which is just outside Graeme Dey's constituency and which will lead to flooding. Will the member push for the Scottish Government to change its

stance and to deal with the environmental problem on our doorstep?

**Graeme Dey:** That is an interesting point, because coastal erosion is largely caused by climate change, which is what all these measures are designed to tackle. There is a bigger picture here.

Let us look at the detail of the measures that have attracted such a positive response from those possessing an objective perspective. The direct early stage support for the acorn project at St Fergus is both welcome and necessary given the reliance placed on carbon capture and storage in the draft climate plan. Yes, that will cost a small sum of money, but the measure will hopefully give the UK Government the push needed to get things moving again.

The programme for government includes a commitment to deliver low-emission zones to our four largest cities by 2020 and all other air quality management areas where necessary by 2023. Those are both matters of importance highlighted by the Environment, Climate Change and Land Reform Committee in its work.

I welcome the creation of a research programme on blue carbon and options for a deep-sea national marine reserve. I also welcome the commitment of £500,000 to begin to address litter sinks around our coast and to develop policy to address marine plastics.

On land reform, I am looking forward to the exploration by the Scottish Land Commission of ownership of land by charitable trusts, land banking and how common good assets are used and where that might lead us.

Then we have the big ticket items, such as the introduction of a deposit return scheme, an issue championed by my colleague Richard Lochhead and progressed on behalf of the committee by a sub-group headed by our former deputy convener, Maurice Golden. The extensive scoping work that the sub-group carried out highlighted the challenges and the undoubted potential of a deposit return scheme, and I very much welcome the modelling that the Government is undertaking to determine the type of scheme that is likeliest to work best for Scotland.

It is not as simple as committing to the principle and charging ahead. If we look at the kind of plastic bottles that are likely to be captured by a DRS, we see that the collection rate across the UK is currently circa 60 per cent. However, the rate varies across different areas—in Wales, for example, it has hit 75 per cent. The performance levels of deposit return schemes that have been introduced elsewhere vary from 50 to 90 per cent, so it is right for the Government to take the next few months to identify the scheme that is best

suited to our circumstances and how any pinchpoints can be addressed. There is resistance out there, but the vast majority of the legitimate concerns—for example, those that relate to smaller retailers—can be addressed by drawing on practical application of such schemes in other places, not least Estonia.

The other major announcement concerned the commitment to phase out new petrol and diesel cars and vans by 2032. Sitting alongside that was the proposed extension of the green bus fund and a massive expansion in the number of electric charging points in rural, urban and domestic settings. So far, the Scottish green bus fund has assisted with the purchase of 315 low-carbon-emission buses across Scotland, 25 of which operate in my constituency. Across Angus South, new charging points are being delivered in Kirriemuir, Carnoustie, Arbroath and Monifieth.

However, the move away from environmentally damaging forms of transport will deliver in full only if we have low-emission vehicles that are powered from a grid that is increasingly supplied by clean, green energy, and we have a couple of hurdles to overcome in that regard, neither of which is of the Scottish Government's making.

During yesterday's opening speeches, Willie Rennie claimed that offshore renewable energy, with its enormous potential to contribute, was "lagging behind." He is right—certainly in relation to wind—but let us consider why that is the case. Renewable energy generation is at an all-time high, and the SNP Government sought to build on that by giving consent to four offshore wind farms in the firths of Forth and Tay. We are talking about massive infrastructure projects with enormous economic and environmental potential, but only one of them—the Neart Na Gaoithe project—has attracted contract for difference backing.

Therefore, the UK Government must step up when the next round of CFD comes round. That is not a political point—it is a fact. Just as we need Westminster to do its bit, we need elements of Scotland's environmental lobby to not only talk the talk on tackling climate change but walk the walk. Even if all four of those wind farms had subsidy to match consent, not even one turbine would be being built let alone installed, because a member organisation of Stop Climate Chaos Scotland, the RSPB, is continuing its efforts to wreck those projects.

If Willie Rennie is listening, I ask him to join me—because we both have a constituency interest in the arrays in the firths of Forth and Tay—in urging the UK Government and the RSPB to get behind them and clear the way for the environmental and economic benefit that they will provide to Scotland.

16:08

**Pauline McNeill (Glasgow) (Lab):** Housing must be much higher up the Parliament's agenda. Since the financial crash, more people are struggling to get on the housing ladder. The fact that the social sector has shrunk dramatically has resulted in the tripling of the size of the private sector. The term "generation rent" describes the current story on housing. Essentially, it means that many people are trapped in the private sector by a lack of choice, and the lack of housing supply is pushing up rents.

Housing should be regarded as being central to the health and welfare of every individual. It should be people's right to live in a warm home with an affordable rent or mortgage. Housing must be a central area of action for the programme for government. The house-building industry believes that the building of new housing should be treated as a national infrastructure project, and I agree. It should be a priority and should have a serious role to play in creating jobs and skills.

We need a new strategy on homelessness. Statistics from Glasgow City Mission and the Bethany Christian Trust show that rough sleeping has risen in the past two years. I welcome what the First Minister said yesterday about the Government setting out clear national objectives to eradicate rough sleeping. However, the issue must be a priority for this Government. After all, homeless applications by those with mental health problems and disability are on the rise.

Increasingly, the issue of housing is a signifier of the divisions in society because of inequality—the division between the haves and have-nots. We are in a crisis now, with a severe shortage of social housing and rising rents. With wages flatlining over the past decade—a huge barrier to home ownership—one can begin to see the problem. Is there seriously any question about whether housing should be a Cabinet post instead of a junior post in this Government? The First Minister herself must show the housing sector that she understands and cares about housing as a policy area and sees it is an essential part of her Government's programme.

**Derek Mackay:** I hope and believe that many of us share the commitment to making housing a priority. Does the member, therefore, welcome the resource planning assumptions that I announced with the cabinet secretary Angela Constance, which amount to £1.75 billion over the resource planning period for building houses across Scotland?

**Pauline McNeill:** I have absolutely no difficulty whatever in welcoming the resource allocation and the ambition to build 50,000 houses, but I will come back to that issue. Housing was the subject

of a Cabinet position in the last Government and I think that it is about time for the issue to be brought back into the Cabinet to demonstrate its importance.

I want to set out why I think housing policy needs to be shifted up the agenda. One of the many reasons for housing's recent prominence is the tragedy of the Grenfell tower fire, which has opened our eyes to the fact that it is the poorest people who end up in the least safe housing and who have the least access to challenge the bad decisions of landlords who put profit above safety.

Making housing affordable must be a priority in order to take people out of poverty. Housing costs push many into poverty; the number of Scots in in-work poverty is 320,000 before housing costs are taken into account, and the figure rises by another 100,000 when housing costs are accounted for. In 2014, the poverty rate was higher for young adults than for any other age group; the fact is that young people are overrepresented in the least wealthy households, and the average debt for young people has almost doubled twice as fast as it has for other age groups. Institute for Fiscal Studies analysis shows that wealth has been significantly distributed away from young people, driven by a reduction in home ownership. Essentially, it means that the baby-boomer generation was more likely to own their own home at age 30 than millennials are. High deposit levels and low wage growth have made it far harder to get a mortgage, and it is the 16-to-29 age group that needs a more radical Government policy to prevent further intergenerational inequality. Poor young people who do not have the bank of mum and dad must be helped.

The help-to-buy scheme is due to end in 2019, and I ask the Government this afternoon whether and when we can have a commitment to continuing that important scheme beyond that date. Knowing that help to buy will be available will be important in giving confidence to prospective young buyers, families and the industry itself, but the scheme must also help those on the lowest wages, and it might be worth while reviewing it to ensure that it is doing so.

According to the Scottish household survey, social housing tenure has fallen to 23 per cent of total tenure from its previous figure of 32 per cent, and Shelter has said that each year almost half a billion pounds of Government money goes to private landlords in housing benefit. That figure is quite staggering. Given that the benefit is a large state subsidy, we should demand high standards for private sector tenants, including, as has been said, a C rating for energy efficiency, to match the social sector.

**The Deputy Presiding Officer (Christine Grahame):** I am sorry, Ms McNeill, but I must ask you to conclude there.

16:15

**Gail Ross (Caithness, Sutherland and Ross) (SNP):** Next week, my constituency will have the honour of hosting a fantastic group of young people from Sunnyside primary school in Easterhouse in Glasgow. That group of dedicated children, who call themselves the Sunnyside ocean defenders, has made it its mission to raise money and to raise awareness of marine issues, and it has supported the work of organisations that are based in Ullapool in Wester Ross. Next week, the children will have the opportunity to go to the area, experience the incredible environment, spend time with their peers from rural schools and learn more about the nature and habitats of that particular part of Scotland. They have decided their own path for their learning and development, and that path leads to the spectacular beauty of the west coast. They have built new relationships not only with one other and their new friends in Wester Ross, but with their surroundings. Children from across Scotland—and, in particular, the ocean defenders in Sunnyside primary school—are learning, experiencing and developing, all because of the fantastic opportunities that they have to access and research the natural world.

Members will not be surprised to hear that I welcome the Scottish Government's announcements on plans for the environment and the low-carbon economy. Friends of the Earth has described the programme for government as the

“greenest programme for government in the history of the Scottish Parliament”.

It needed to be. We already have some world-beating aspirations. Scotland has one of the most ambitious targets in Europe to reduce food waste and it has targets to recycle 70 per cent of all household waste by 2025. Scotland's first separate air quality strategy was published in 2015 and our target for renewable energy is to generate the equivalent of 100 per cent of gross annual electricity consumption and 11 per cent of heat consumption by 2020. Last year, we reached our emissions targets six years earlier than planned. However, we all agree that we can do more to encourage Scotland's youth to be active and responsible citizens towards the world that we live in and to do much more to preserve our beautiful nation for generations to come.

Like members who have spoken before me, I want to draw attention to just a few of the policies in the programme for government, and I want to speak about why I believe that they are vital to ensure that our environment is enriched and protected now and in the future.

The Scottish Government has announced a plan to develop a deposit return scheme for bottles and cans. According to WWF, four out of five members of the public support that, and deposit return systems are already working well in other countries that present similar challenges, such as Canada, Australia, America, Estonia, Germany and Norway, among others.

Alongside that, a complete change in public behaviour is needed to curb littering. I appreciate that we have come a long way on recycling in Scotland in the lifetime of the Parliament and that, as I have said, we have laudable targets, but littering—particularly of drinks containers—remains a worrying issue. Starting now, we will bring up generations of children who will see returning drinks containers as a normal, everyday occurrence.

Speaking of culture change, I believe that from both an education point of view and a health and wellbeing point of view, we need to do more to move towards active journeys. Yesterday's announcement that the Scottish Government plans to double investment in walking and cycling to £80 million a year will go a long way towards cutting carbon emissions and shows real investment in a low-carbon economy.

Another aim is to decarbonise our transport sector by 2032. In my constituency, journeys can be extremely lengthy and active travel is just not practical in some cases. I will give an example—now that I am reading it, I am not sure that it is a very good example, but I will give it anyway. When my constituents in Laid need to do their weekly shopping—not that many people do their weekly shopping on a bicycle—a round trip takes just under six hours, travelling over 200 miles.

On that note, the Scottish Government's commitment to ultra-low-emissions vehicles in the programme for government is to be welcomed.

**Liam Kerr:** Rural drivers, particularly those in communities such as Gail Ross's, will be very concerned about the move away from diesel transportation. Is the Scottish Government committed to having adequate numbers of charging points by 2032? If so, what is the projected cost of that and where is the money coming from?

**Gail Ross:** I am glad that Liam Kerr brought up that point. As he knows, I am not a member of the Scottish Government so I cannot price that for him. However, I am getting on to where we are going with charging points, if he will let me continue.

There is an economic opportunity, as AGM Batteries Ltd, which is based in Thurso in my constituency, runs the UK's largest lithium-ion cell manufacturing plant. Infrastructure will need to be



put in place on routes all over the country to allow the Government's commitment to become a reality and I relish the opportunity, alongside colleagues in the chamber from all parties, of working with the communities in my constituency to ensure that they have equitable access to ultra-low-emissions infrastructure. The A9, which runs from Perth to Scrabster, is due to be an electric highway, and I suggest that the north coast 500 should be next.

Future generations of Scots deserve to live in a clean, healthy, beautiful country that they are proud of, which has an active and vital role to play in combating climate change, which is all too real. The policies that were announced yesterday recognise the vital importance of our natural environment and of a low-carbon economy not only to our nation in the future, but to our children today. I welcome them whole-heartedly and look forward to seeing how they will be embedded in legislation or national plans and, in time, become a part of normal life.

I forgot to say at the start that I am a parliamentary liaison officer to the First Minister.

**The Deputy Presiding Officer:** You saved yourself at the last gasp.

16:21

**Edward Mountain (Highlands and Islands) (Con):** I will save myself at the first gasp and refer members to my entry in the register of interests.

The Scottish legislative list looks more extensive this year than last year's rather slim pickings. What is clear is that there is not much for the rural economy, and I am saddened at that lack of vision. It is especially surprising as, when it came to rural issues, the past year was not one that the Scottish Government or Mr Ewing, who—sadly—is not here, will want to remember. Neither would the Scottish Government want to remember the previous year or the one before that.

The Government has missed an opportunity to introduce ideas to help the farming industry start to come to terms with Brexit. Perhaps that is not surprising, as the ideas that it has come forward with, such as the beef efficiency scheme, have fallen flat. Almost 20 per cent of the beef producers who originally signed up to the scheme have walked away from it, saying that it has turned out to be an administrative nightmare.

If this Government cannot come up with ideas for farmers and the agricultural sector, perhaps it should encourage the farmers and sector to take more of a lead on improvement, as they do in places such as Canada. That would at least mean that the Government would be absolved of blame for poorly designed, delivered and conceived schemes.

As there are no new ideas for legislation for rural issues in the Government programme, perhaps I can offer some tips on what the Government should be doing. It is sad that Mr Ewing is not here because my comments are directed slightly at him.

First, if he is going to continually say, "We are sorry," and, "We are fixing it," for goodness sake, he needs to make sure that he fixes it. He might be sorry for his farm payment fiasco, but he sure as hell—sorry, surely—has not fixed it. I apologise, Presiding Officer.

**The Deputy Presiding Officer:** That was gently recovered.

**Edward Mountain:** The fiasco rumbles on. It is clear that we would have been better to buy an off-the-shelf computer programme to run the Scottish farm payments scheme, instead of investing £178 million in a failed system that costs a significant sum more to run each year than the off-the-peg system was projected to cost.

Secondly, if he believes, as I do, that Scotland's fishermen are a vital part of our economy, I suggest that he might do less to alienate them. They want to revive their industry and they see taking back control from the EU as a way of doing that. Looking at the SNP's programme for government, I see little to give them confidence. It seems that this Government is set on antagonising them.

Pelagic fishermen are rightly incensed at suggestions of plans to reduce their quota on Scottish trawlers if they do not land at least 55 per cent of their catch in Scotland. That is not an open market. It is more like a restricted market, and it could cost our fishermen and the economy dear, as they would be prohibited from selling their fish to the best advantage.

**Stewart Stevenson:** Will the member take an intervention?

**Edward Mountain:** I want to push on. I feel that Mr Stevenson is going to come back to me at a later stage, but we will see.

When it comes to the fishing industry, what happened to the inshore fisheries bill—is that a promise delayed or a promise undelivered?

I want to mention what I perceive as two huge missed opportunities, both of which are to do with connecting and enhancing communications. I had hoped that the programme for government might bring forward a plan to accelerate the delivery of broadband to all before 2021. That would have been welcomed by all, but we heard nothing—silence. Frankly, it is a bit like broadband in rural areas.

**Derek Mackay:** Is the member aware that broadband and large parts of digital are actually the responsibility of the UK Government, whose failure to act has meant that the Scottish Government is going even further to deliver access for Scotland?

**Edward Mountain:** If, on its watch, the Government is not going to deliver it, of course it will try to slope shoulders. There is scope to accelerate delivery, and bringing forward the roll-out to provide broadband to the rural economy would boost it in a way that it desperately needs.

During the summer, I met constituents and businesses from Tongue to Portree and from Kinlochbervie to Grantown, all of whom bemoan the lack of broadband. Let me share a specific example. A business that employs 140 people at peak time and ships 640 lorry loads of produce all over the UK has such poor broadband that it has to go to Inverness to email its shipping notes and check its orders for the next day. It is hamstrung by the lack of high-speed broadband. It is clear that more connectivity would deliver for Scotland and would ensure that businesses can grow. That would mean more income, more growth and, without doubt, cross-party support.

**Stewart Stevenson:** Will the member now take an intervention?

**Edward Mountain:** Of course I will take an intervention.

**The Deputy Presiding Officer:** You are in your final minute, Mr Mountain, so it is up to you.

**Stewart Stevenson:** Noting that the UK Government has legislated for a broadband speed of 10 megabits per second, will the member congratulate the Scottish Government on the 30 Mbps programme that it is undertaking to deliver broadband to every inhabited premises in Scotland?

**The Deputy Presiding Officer:** Reply briefly, Mr Mountain.

**Edward Mountain:** I will of course congratulate anyone when they deliver it. It is delivery that counts, and that service has not been delivered yet.

As you have said, Presiding Officer, my time is nearly up. When it comes to rural issues, I believe that this 10-year-old Government has little ambition. It knows that it has lost the confidence of those who live in rural areas and lacks the drive to deliver policies for farmers, fishermen and business. I believe that this Government is holding back rural Scotland. Let me be clear. No business that showed that lack of vision and drive would survive. When times get hard, it is not time to be timid. It is time to be visionary and to show leadership.

**The Deputy Presiding Officer:** You must conclude now.

**Edward Mountain:** I do not see leadership. I see a Government that has withdrawn into what it believes is its comfort zone in the central belt.

**The Deputy Presiding Officer:** Conclude, please. Thank you.

I call Stuart McMillan, to be followed by Richard Leonard.

16:28

**Stuart McMillan (Greenock and Inverclyde) (SNP):** I warmly welcome the programme for government, and there is lots in it that the chamber can unite behind and support, as was evident in some of the contributions made yesterday—from the welcome introduction of Frank's law and the new drug driving offence—and contrary to Ruth Davidson's false claims yesterday, I raised the issue of a drug driving offence with the Scottish Government in the first instance in June 2016—to the removal of the 1 per cent pay cap for public sector workers, the introduction of the investment bank, the deposit return scheme and the sanitary products initiative to deal with period poverty, to give just six examples. The programme is bursting with proposals and ideas that will help and shape our country for the future.

Those six examples will also make real differences to our country, our communities, our environment and our constituencies, and I want to touch on just a few examples from yesterday's statement that will help our communities and constituents. The introduction of a drug driving offence is something that I am genuinely pleased to see. The Government came under some criticism earlier in the year about the lack of such an offence, but it was clear that, although the UK Government had provided a focus on drug driving offences, the Scottish Government had focused on tackling drink driving offences. I am sure that many of our constituents will be pleased about the introduction of the new offence, which will go some way towards making our roads safer.

When I was studying in Germany in 1995, a deposit return scheme was in operation for glass bottles, and similar schemes were in place in Scandinavian countries. I am delighted that there will be a scheme in Scotland. There will be environmental benefits as well as benefits that reach into many areas of our economy. The wildlife tourism market will be a beneficiary, as will marine tourism. Marine tourism in our waters is growing. Our coastline is renowned for its beauty and is a magnet for people who want to take part in marine-based activities, and if it becomes cleaner, even more people will be encouraged to

participate in outdoor activities. The policy will bring economic rewards in addition to the environmental rewards, important as those are.

**Claudia Beamish:** Does the member agree that another economic benefit is to do with the possibilities for the circular economy, with the remanufacture of plastic bringing new jobs across Scotland, including our often-fragile rural communities?

**Stuart McMillan:** I do not disagree. There are certainly opportunities in that regard.

When members consider the economic benefits of the proposals on the environment in the programme, I am sure that they will see the ambition to make Scotland a greener and more economically sustainable nation. It is vital for our economy that we put Scotland at the forefront of opportunities in a low-carbon future.

There was the usual politicking in the debate yesterday, and there has been some today. That was to be expected. Dean Lockhart talked about a low-growth, low-wage economy. Surely Mr Lockhart—I am sorry that he has left the chamber—realises that employment law rests with his colleagues in Westminster. He might want to raise his concerns about wages with his Scotland Office and Government colleagues.

The Cabinet Secretary for Finance and the Constitution said in response to a question this afternoon that, pending parliamentary approval, there will be a statement on the Barclay review next week. The review has been helpful in the debate on the economy and I look forward to hearing the statement next Tuesday—if the Parliament agrees that it should take place. Local businesses in the marine tourism and nursery sectors have raised issues with me in recent months and I have had some correspondence with the cabinet secretary on the matter.

Given the continuing negativity from the Tories, whose comments are as depressing as they are inevitable, I think that the Tories need to hear some of the comments that other people have made about the programme for government. Madeleine Cuff, the deputy editor at BusinessGreen.com, said that she is

“Genuinely blown away by the scale of ambition here”.

Hugh Aitken, the director of Confederation of British Industry Scotland, said:

“Overall the First Minister’s focus on the economy will be welcomed by business. Amidst the challenges of Brexit, it is more important than ever to concentrate on building a competitive, pro-enterprise business environment that not only delivers more jobs and greater prosperity but is more resilient and represents an increasingly attractive destination for investment.”

Not even the Tories could attempt to claim that people in CBI Scotland are SNP flag wavers.

The programme for government is big on ambition and ideas and will deliver a better Scotland. However, the elephant in the room is the utter shambles of the Brexit process that is being led by the hapless and hopeless in Whitehall. The early signs from the Brexit negotiations are not good, and the Tories are in complete denial about the mess over which their Government is presiding. The reports today of the leaked document about EU workers again demonstrate that the UK Independence Party wing of the Tories is firmly in charge—as Peter Chapman’s comments about the fishing industry indicate.

I welcome the programme for government, which will benefit my constituency, Greenock and Inverclyde. I am sure that many of my constituents will be delighted by the programme. It is bursting with ambition and ideas to make Scotland a cleaner, fairer and better country.

16:34

**Richard Leonard (Central Scotland) (Lab):**

The Scottish Labour Party publishes its industrial strategy in the first week of recess and the SNP First Minister then makes a speech in the last week of recess in which she borrows much of the Labour Party’s language, a bit of our analysis and some but not all of the Labour Party’s solutions.

It turns up again, a few days later, in yesterday’s programme for government. There were, however, some important differences. In her speech last week, the First Minister spoke of growing employee-owned businesses, including, I hope, workers’ cooperatives. That was not mentioned yesterday. She spoke last week as well of a new partnership between Government and the public sector and business. This was missing yesterday.

Of course, supporting business research and development includes the Scottish Enterprise budget for business R and D, which, as I exposed just two weeks ago, was being so overrun with claims and so underfunded with cash that the senior manager for innovation and enterprise at Scottish Enterprise was forced to send an internal memo, in which she said that

“the practice of making upfront payments”

must cease, and that

“holding back payments on new Smart R&D until the next”

financial year was necessary. So we welcome the decision to increase the budget for this item from £22 million a year to £37 million a year. I am, however, bound to ask this: how much of that additional £15 million is already committed? Is the practice of up-front awards, which are especially critical for our small and medium-sized

enterprises, still off the table or is it back on the table?

When the South of Scotland interim board is established, where will its budget come from? Is there to be additional money, or is it simply a case of cutting resources from already existing and stretched Scottish Enterprise budgets?

What of the Scottish national investment bank? Of course we welcome that outline proposal—it is after all a straight lift from the Scottish Labour Party industrial strategy—but how will the bank be governed? Will it have a board of 50 per cent women and 50 per cent men? What about the role of trade unions in its work?

If there is to be a just transition commission, where will the trade union and community voice be on that? Although we support unreservedly action to tackle climate change, we cannot leave workers or entire communities behind. That is why we have repeatedly argued that we need a little bit more economic planning and a little bit less market in the climate change plan of this Government.

On the broader front, of course we welcome a debate about taxation, and of course we welcome the lifting of the public sector pay cap. That has been a long-standing demand of the entire trade union movement including Labour in this Parliament.

**Keith Brown:** Could Richard Leonard tell us why the Labour Party in Wales does not support lifting the public sector pay cap? I know that the Labour Party does not want to acknowledge the fact that it is in government in these islands, in Wales, but perhaps he could give us the rationale behind that.

**Richard Leonard:** I am a Labour member of the Scottish Parliament, here to hold to account the Scottish SNP Government, which appears to be in office but not in power. It has failed to tackle the deep and underlying problems that we face. In Scotland, 260,000 children—40,000 more than last year—are now living in poverty.

No wonder the educational attainment gap is getting worse and the number of people working but still considered to be living in poverty is at its worst point since devolution.

Last winter, half of our pensioners lived in fuel poverty. We have a Government that has failed to tackle our housing crisis, and failed to tackle our national shame of health inequality. The huge cuts year on year to local government, with the impact on local services, have of course simply made that inequality worse.

The Government has also failed to tackle the crisis in social care and presided over worsening mental health services, especially for our young people. It has failed to meet its own treatment time

guarantees and discharge targets, and now we face an impending crisis in doctors' surgeries right across the country.

How on earth can we hope to tackle those issues of fundamental importance if the SNP will not even acknowledge that they exist, let alone try to solve them? Its flagship policy in education, a de facto Tory bill, will take more power from local government, which is something that is opposed by teachers and parents alike.

The programme for government is not radical but reactionary. It shows that only Labour can deliver the investment and the ideas to deliver real change—the real and radical change that is needed. Only Labour will properly redistribute income to ensure that we look after the many, not the few. Only Labour will properly invest in our economy and create the work that people need. Only Labour offers hope for a new society. Only Labour has a plan for our public services and public sector workers. Only Labour has a plan for our pensioners. Only Labour has a plan for our sick, who are fed up of waiting to be seen. Only Labour can deliver the real and radical change that the people of Scotland need. It is time to end the decade of complacency.

**Roseanna Cunningham:** A great campaign speech.

**The Deputy Presiding Officer:** If the front bench would behave itself, I will call Clare Adamson.

16:41

**Clare Adamson (Motherwell and Wishaw) (SNP):** We live in a very uncertain world. Our economy depends on our workforce, but it seems that our world is increasingly less tolerant, less caring and less just. The announcement from the US of the scrapping of the deferred action for childhood arrivals programme that President Obama introduced, which gives rights and legal status to Mexicans who have lived their whole lives in the US, represents one of the most retrograde steps of a democratic Government in years. However, we seem to fare no better in the UK. If the reports in today's *Guardian* are to be believed, the indication is that there will be a register of non-UK workers.

We live in a country whose policy of austerity has been described by the United Nations as being full of "systematic violations" of the rights of people with disabilities. The United Nations Committee on the Rights of Persons with Disabilities has called the UK Government out for creating a "human catastrophe", which my colleague Christina McKelvie highlighted yesterday. We must wonder what the future holds

following Brexit, given the path that we seem to be following.

I will reflect not so much on the high-line economic and climate change issues that have been raised today as on some of the First Minister's words yesterday. Of the programme for government, she said:

"At its heart is the ambition to make our country the best place in the world in which to grow up and be educated; the best place to live in, work in, visit and do business in; the best place in which to be cared for in times of sickness, need or vulnerability; and the best place in which to grow old."—[*Official Report*, 5 September 2017; c 25.]

I cannot think that there is anyone in the chamber, in any party, who does not agree with those aspirations and ambitions for our country. Therefore, although we have been talking about the economy and climate change, I will talk a bit about the wellbeing of our citizens and why we need to deal with things such as climate change, not least to improve our nation's health and reduce the risk of things such as pulmonary emphysema and pulmonary fibrosis, which can lead to transplants.

Reflecting on the First Minister's words, I will talk about my experience this summer of attending the opening ceremony of the British transplant games, which were held in North Lanarkshire. The games have existed for 30 years, and the first transplant olympics took place in Portsmouth in 1978. Since those beginnings, the competitors have been affectionately known as blooming miracles. Seventeen cities across the UK have hosted the event and, as I said, North Lanarkshire hosted the games this summer.

The games are intended to demonstrate the benefits of transplantation, to encourage transplant patients to regain fitness and to increase public awareness of the need for more people to join the national health service organ donation register. They also seek to thank and celebrate donor families and to commemorate the gift of life. The events this year included children's walks, soft tennis for adults, darts and fishing—quite an eclectic group of sports.

I pay tribute to the range and number of teams that took part: children's teams; city teams; teams from all airts and pairts—from Dublin and Belfast to Cornwall; hospital teams that included some of the amazing clinical support workers who look after patients, from Stoke Mandeville, from Barts in London and from the Queen Elizabeth hospital in Glasgow; teams from charities such as Anthony Nolan; and teams that included donors of bone marrow and organs.

The loudest cheer, which left not a dry eye in the house, was for the donor families, without whom many people in the room would not have

been there. I pay particular tribute to my school friend Karen Casey. She has received a donated kidney and has been a tireless campaigner for the organ donation cause; she has fundraised for events by producing donation angels jewellery in recognition of the transplant games. She first brought to me the case for a soft opt-out organ and tissue donation system. I am delighted that the programme for government includes a bill on that, which will increase the number of cases where organ and tissue donation is authorised and will ensure safeguards to minimise the risk of a person becoming a donor if they did not wish to donate. The second biggest cheer on that evening was when our Cabinet Secretary for Health and Sport confirmed the Government's intention to introduce such legislation and to increase from 45 per cent the percentage of Scottish citizens who are registered.

When we talk about the economy and climate change, the programme for government has to be about the health and wellbeing of all our citizens and about ensuring that our disabled and sick people are in a position to be able to work and are not constrained because personal independence payment cuts mean that they will lose their mobility cars and no longer be able to work and contribute to our economy.

The programme will reinstil tolerance, caring and justice in Scotland. It is a programme that I am immensely proud to support.

16:47

**Donald Cameron (Highlands and Islands)**

**(Con):** As with many others, the recess gave me the opportunity to travel the length and breadth of the region that I represent. I met constituents, businesses and community organisations across the Highlands and Islands to discuss the issues and concerns that they have. It was apparent from speaking to a range of people that they have been genuinely frustrated by the SNP's lack of focus on day-to-day issues over the past 12 months. Like many, I hope that the programme for government will mean a much greater focus on the everyday issues that concern our constituents. We can only wait and see.

I am pleased to find myself in a new role that covers the environment brief and I look forward to working with the cabinet secretary and others so that we can meet the various environmental challenges that are ahead. It is with that in mind that I broadly welcome the fact that issues affecting the environment and climate change are at the forefront of the Government's legislative agenda for the coming year. There is common ground, perhaps in that area more than in others.

I have long been aware of the need to ensure that we deliver a ground-breaking and ambitious climate change plan. After all, that plan will not only lay out the ambitions of this Parliament's approach to tackling climate change but be the foundation for every Parliament until 2032. However, the draft plan has disappointed some; WWF Scotland noted that it fails to provide a "credible route" to achieving our climate change targets.

It is vital that we get the plan right, and I am delighted that the First Minister found inspiration from the Scottish Conservatives in her statement yesterday. This spring, my colleague Maurice Golden published our approach to meeting our global climate commitments and it is clear that some of the aspirations that we put forward, such as the need to expand the number of electric vehicle charging points and the desire to provide transition support to convert buses and taxis into renewable vehicles, have in some way or other been adopted in the programme for government.

However, our plan went further. We proposed incentivising the ownership of electric vehicles through measures such as free town centre parking and the use of bus and taxi lanes. I am intrigued by the electrified A9, which is a road that I know and love. I have almost run out of fuel on that road many times, and I look forward to almost running out of electricity on it in the future.

The First Minister likes to be bold and radical but, although there was an extensive list of policy commitments—many of which we will look at further—there was a lack of clarity on how they will be delivered, how much they will cost and what targets the Scottish Government has set.

We do know about one target. The Scottish Government has followed the UK Government's commitment to phase out the sale of new petrol and diesel cars and vans. The date that has been given is 2032 but, given that the Scottish Government's "Cleaner Air for Scotland" document from 2015 announced that its target would be to phase out 50 per cent of all petrol and diesel fuel vehicles in cities by 2030, the new target smacks of a figure that has been hastily revised in a bid for political one-upmanship. It seems clear that the Scottish Government has taken inspiration from the UK Government's lead.

We read with interest the Scottish Government's proposals to design and implement a deposit return scheme. However, we need to see the detail of its proposals for such a scheme before we can offer any commitment. We have always recognised the need to be radical in our approach to reducing waste and litter, and we all want to promote recycling, but we also need to be mindful that deposit return scheme proposals should not hamper small businesses. I have to note that the

Federation of Small Businesses says that it is sorely disappointed that the Government has committed to the scheme when it promised a full public consultation and a detailed impact assessment. We must also bear in mind the burden that may be placed on local authorities and, more important, on individuals.

The Scottish Conservatives welcome the commitment to introduce a warm homes bill, although that is not a new announcement, as it was included in last year's programme. We in the Conservatives have been consistent in our calls not just for new housing but for an improvement in the condition of our existing stock. We want to see fuel poverty eliminated as well as seeing a contribution to our carbon reduction obligations. All that being said, it is again disappointing that there was little detail in the programme for government on what a warm homes bill will entail.

We are concerned that there are no plans in the programme to improve energy efficiency in homes, as others in the chamber have noted. Yesterday, Ruth Davidson reiterated our call to introduce a new target to ensure that every home has an energy efficiency rating of C or above by the end of the next decade. Today, I again call on the Government to commit to that in its warm homes bill.

The programme includes a raft of measures that seek to reduce transport emissions, which would be welcomed were it not for the fact that the Government has cut its budget for transport emissions mitigation by almost 15 per cent.

The Government promises to invest more money in walking and cycling schemes. We will be eager to look at that more closely because we know that, despite increased investment, there has been an increase of only 0.2 per cent in everyday bike journeys in the past decade, and everyday cycle use sits at only 2.2 per cent.

As I said when I first entered Parliament, I will not oppose things just for the sake of it. The Scottish Conservatives made that commitment, too, but we also committed to holding the SNP to account. The inescapable conclusion that is to be drawn from the programme for government is that, notwithstanding the good intentions behind some of the policy platform, there is a paucity of new ideas and vision. All the glossy brochures in the world and all the talk of boldness cannot hide the fact that this is a Government that is tired, a Government whose sights have lowered and a Government whose ambition has diminished.

16:53

**The Cabinet Secretary for Economy, Jobs and Fair Work (Keith Brown):** We have had an outline of the programme for government from the

First Minister yesterday and from Roseanna Cunningham today. Rather than repeat that outline, I will try to address some of the points and comments that have been made by members, although it is worth bearing in mind Roseanna Cunningham's statement that there is, at the root of this, around \$23 trillion-worth of climate smart global economic opportunities related to climate change and the environment.

Given that high ambition, it was disappointing to hear from Dean Lockhart at the start of the debate—it seems that Tory economic policy has been reduced to trying to claim credit for things that other Administrations have implemented. The south of Scotland enterprise agency is apparently a Tory idea. They were in Government for 18 years and did nothing about it, then the SNP came in and delivered it, but the Tories want to try to claim credit for it. [*Interruption.*]

I hear Murdo Fraser shouting. I hate to disappoint him. I know that his preference is to spend money on trams in Edinburgh rather than dualling the A9, but an electric A9 will not involve trams. I am sorry about that, but that is not part of our plans, even if it is his preference in terms of investment.

**Murdo Fraser (Mid Scotland and Fife) (Con):** Can the cabinet secretary tell us by what year the Scottish Government will have completed as many miles of dual carriageway on the A9 as a previous Conservative Government did?

**Keith Brown:** Murdo Fraser rankles at the fact that this Government is committed to dualling the entire A9 between Perth and Inverness by 2025. That is something that the Tories in 18 years never committed to do, but we will do that.

Speaking of expenditure on infrastructure, which is extremely important for the economy, we have seen the opening of the Queensferry crossing, but you would not know that: there has been not a single comment from the Conservatives about the Queensferry crossing and the £1.3 billion of expenditure in relation to it. There has been no mention of the Borders railway, except in so far as the Tories might try to claim credit for that. They were going to do it 30 years ago, so it was really their idea in the first place—perhaps. Nor has there been any mention of the improvements that we have seen in the school estate, nor indeed of the 30,000 new houses that were built during the last Parliamentary session. Those things are absolutely vital for the economy.

Jackie Baillie told me to  
“sit down and listen to this”.

That was her comment—I would not dream of saying the same thing to her. However, when she talks about the living wage and low-wage

employers, she should have some recognition of the fact that it was her party that specifically stopped this Parliament from having the power to set a living wage. There should at least be a bit of humility in relation to that.

**Jackie Baillie:** Will the member take an intervention?

**Keith Brown:** Not at this stage; I will come back to you.

It is also true to say that Stewart Stevenson mentioned—quite rightly of course—that North Sea oil should have been a huge bonus to Scotland and to the UK. Instead, in contrast to Norway, which has approaching £1 trillion-worth of investment to underpin its economy, we have £1.9 trillion of debt under the Conservative UK Government. That is why the finances of the UK Government are in such dire straits and it should acknowledge that. That is not to mention, since there is talk of taking time to do things, the question of when the UK Government is going to appoint the UK oil and gas ambassador that was promised by David Cameron, with some urgency, in 2016. There is no mention of that by the Tories.

In relation to connectivity, Mike Rumbles had an extremely long rant about Fergus Ewing—I cannot see that Mike Rumbles did mention connectivity, but it was mentioned by a number of people who seem simply not to understand the role of the UK Government. Jamie Greene and Dean Lockhart have previously made statements that clearly show that they are unaware of the UK Government's role in connectivity.

**Jamie Greene (West Scotland) (Con):** Is it not the case that the UK Government asked the Scottish Government to administer those contracts, gave it a big chunk of money to do so, and that it has failed to deliver good broadband to the people of Scotland? Is that not the reality of the situation? Should the Scottish Government not be apologising for that?

**Keith Brown:** Even a cursory glance at the money that was apportioned to achieve connectivity shows how paltry the sum was, given that the UK Government took in £4 billion in a previous licensing round for mobile contracts. The paltry amount for connectivity has had to be made up by the Scottish Government and, as we heard during the debate, Fergus Ewing is trying to achieve more than the UK Government promises on bandwidth.

Perhaps a bit of humility and a bit of research is called for by Jamie Greene. I acknowledge that he is actually the only Conservative member to have tweeted something positive about the Queensferry crossing. I thank him for that.

**Jackie Baillie:** Will the cabinet secretary take an intervention?

**Keith Brown:** I am sorry, I am approaching my last minute. I would have taken it, but I cannot unfortunately. [*Interruption.*]

**The Presiding Officer:** Order.

**Keith Brown:** Peter Chapman assured us that we should just accept it when the UK Government tells us that we are going to get massive new powers after Brexit. When he was asked about that, he could not mention a single power that we would get after Brexit. That interested me.

I heard from Mr Halcro Johnston about all the concerns of his constituents. It would appear that not a single Tory MSP has had a constituent express a concern about Brexit. They express no concern at any of the debates on the economy about Brexit. They seem not to know that the UK Government has a role in the Scottish economy, which by extension, of course, must mean that the UK Government has no Scottish economic policy. That is a damning indictment of the negligence of the UK Government in relation to Scotland.

The most important point that has been made in this debate is what Roseanna Cunningham outlined at the start—that there are \$23 trillion-worth of investment opportunities. We have to focus on making sure that Scotland leads the way on that.

We have to seize these new opportunities, and deal with some of the obstacles, such as the Brexit problems, which the UK Government has imposed. The Scottish Tories have a blinkered approach and do not even recognise that Brexit is a problem, even though every single economist tells us that. The Tories' constituents would tell them that as well, if they talked to them. That applies not least to Mr Halcro Johnston, as hotels in his constituency have told me about their concerns about losing employees because of Brexit, but apparently they have not told him that. The Tories should at least acknowledge the problem and then their economic policy might have a bit more credibility.

The Tories have a clear lack of an economic policy, but we have a programme for government that is cleaner and greener and that seeks to achieve more equality and a more prosperous Scotland. I would have thought that we could all get behind those things, and I hope that we hear that in the rest of the debate on the statement.

**The Presiding Officer:** The debate on the Scottish Government's programme for government will continue tomorrow. I ask all members to be present for the closing speeches at the end of the day.

## Business Motions

17:00

**The Presiding Officer (Ken Macintosh):** The next item of business is consideration of four business motions, which are motion S5M-07510, setting out a business programme, and motions S5M-07379, S5M-07380 and S5M-07381, on stage 1 timetables for three bills.

*Motions moved,*

That the Parliament agrees—

(a) the following programme of business—

Tuesday 12 September 2017

2.00 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Topical Questions (if selected)

*followed by* Ministerial Statement: European Union Withdrawal Bill

*followed by* Ministerial Statement: Common Agricultural Policy, A Plan to Stabilise Future Payments

*followed by* Ministerial Statement: Response to the Report of the Barclay Review of Non-Domestic Rates

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Wednesday 13 September 2017

2.00 pm Parliamentary Bureau Motions

2.00 pm Portfolio Questions  
Environment, Climate Change and Land Reform;  
Rural Economy and Connectivity

*followed by* Scottish Conservative and Unionist Party Business

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Thursday 14 September 2017

11.40 am Parliamentary Bureau Motions

11.40 am General Questions

12.00 pm First Minister's Questions

12.45 pm Members' Business

2.30 pm Parliamentary Bureau Motions

2.30 pm Ministerial Statement: Community Justice in Scotland

*followed by* Scottish Government Debate: Scotland's Food and Drink Strategy, Ambition 2030



*followed by* Business Motions  
*followed by* Parliamentary Bureau Motions  
 5.00 pm Decision Time

Tuesday 19 September 2017

2.00 pm Time for Reflection  
*followed by* Parliamentary Bureau Motions  
*followed by* Topical Questions (if selected)  
*followed by* Scottish Government Business  
*followed by* Business Motions  
*followed by* Parliamentary Bureau Motions  
 5.00 pm Decision Time  
*followed by* Members' Business

Wednesday 20 September 2017

2.00 pm Parliamentary Bureau Motions  
 2.00 pm Portfolio Questions  
 Justice and the Law Officers;  
 Culture, Tourism and External Affairs  
*followed by* Scottish Government Business  
*followed by* Business Motions  
*followed by* Parliamentary Bureau Motions  
 5.00 pm Decision Time  
*followed by* Members' Business

Thursday 21 September 2017

11.40 am Parliamentary Bureau Motions  
 11.40 am General Questions  
 12.00 pm First Minister's Questions  
 12.45 pm Members' Business  
 2.30 pm Parliamentary Bureau Motions  
 2.30 pm Preliminary Stage Debate: Edinburgh  
 Bakers' Widows Fund Bill  
*followed by* Stage 3 Proceedings: Contract (Third  
 Party Rights) (Scotland) Bill  
*followed by* Business Motions  
*followed by* Parliamentary Bureau Motions  
 5.00 pm Decision Time

and (b) that, in relation to First Minister's Questions on 14 September, in rule 13.6.2, insert at end "and may provide an opportunity for Party Leaders to question the First Minister".

That the Parliament agrees that consideration of the Children and Young People (Information Sharing) (Scotland) Bill at stage 1 be completed by 22 December 2017.

That the Parliament agrees that consideration of the Civil Litigation (Expenses and Group Proceedings) (Scotland) Bill at stage 1 be completed by 24 November 2017.

That the Parliament agrees that consideration of the Social Security (Scotland) Bill at stage 1 be completed by 22 December 2017.—[*Joe FitzPatrick*]

*Motions agreed to.*

## Parliamentary Bureau Motion

17:01

**The Presiding Officer (Ken Macintosh):** The next item of business is consideration of Parliamentary Bureau motion S5M-07382, on approval of a Scottish statutory instrument.

*Motion moved,*

That the Parliament agrees that the Advice and Assistance (Proceedings for Recovery of Documents) (Scotland) Regulations 2017 [draft] be approved.—[*Joe FitzPatrick*]

## Decision Time

17:01

**The Presiding Officer (Ken Macintosh):** There is one question to be put. The question is, that motion S5M-07382, in the name of Joe FitzPatrick, on approval of a Scottish statutory instrument, be agreed to.

*Motion agreed to,*

That the Parliament agrees that the Advice and Assistance (Proceedings for Recovery of Documents) (Scotland) Regulations 2017 [draft] be approved.

## Generations Working Together

**The Presiding Officer (Ken Macintosh):** Our final item of business today is a members' business debate on motion S5M-06963, in the name of Christine Grahame, on Generations Working Together. The debate will be concluded without any question being put.

*Motion debated,*

That the Parliament notes the innovative collaboration between Newbyres Village and Newbyres Nursery in Gorebridge, where children visit older residents on a weekly basis; considers that this is to the mutual benefit of the children and the older residents; understands that, on these visits, the children paint with the residents, are told stories, plant sunflowers, are taught nursery rhymes and play hilarious games, which assist hand and eye co-ordination of both young and old; congratulates the charity, Generations Working Together, and Newbyres Village and Newbyres Nursery, on supporting this initiative, and notes the recommendations for similar projects elsewhere in Scotland.

17:03

**Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP):** Presiding Officer, perhaps I should declare an interest as a member of one of those generations. You can take your pick.

I thank members from across the parties for signing the motion, which has allowed it to be debated tonight. I welcome to the gallery Mel Scrimgeour, who is the manager at Newbyres Nursery, and Marie Arthur, who is the deputy manager; Claire Holmes, who is a carer, and Elisabeth—or Bessie—Kane and Diane Hamilton, who are residents, all from Newbyres Village; and George Kay, who is a trustee of Generations Working Together, and Kate Samuels, who is its communication intern. You are very welcome.

I also thank the Minister for Childcare and Early Years, who I know visited the project today. No doubt he is going to tell us how he got on with the bean bags, but I will leave that in limbo just now, as I know that it is part of his speech—or, it is now.

As members know, when we are out and about on constituency visits, we sometimes stumble on something that is new to us—even after 17 years as an MSP. So it was for me, on a visit to Newbyres Nursery in Gorebridge, when I first learned of the intergenerational project. That visit was quite timely, because a few weeks later on Channel 4 there was a four-part documentary on a nursery that is located inside a residential home. However, how many members of Parliament knew that there are similar programmes already on our doorstep in Scotland?

Before I go on, I will just make a plug for tonight's timely event that is being hosted by

Bruce Crawford, and which ties in nicely with this debate. The event is highlighting a report called “A Good Life in Later Years”, and it is taking place from 6 pm. I can see that some of the participants have made their way here.

Let me get back to Newbyres. Newbyres Nursery is little more than a stone’s throw from Newbyres Village care home and, on the day, children usually walk from the nursery for their weekly hour-long visit. When Newbyres Nursery opened at the end of May 2016, one of its main aims was to forge strong links with the community, having benefited from so much community support during the extensive renovation project. Although intergenerational work was, and very much still is, in its infancy, the manager, Mel Scrimgeour, having heard of centres in the USA that combine pre-school provision with care homes for the elderly and the incredible benefits that that brings to both the very young and the very old, was keen to do more than make the token visits to the local care home at harvest or Christmas time, with which we are more familiar. In her words, it was not to be “tokenistic”; there would be regular meetings.

Mel Scrimgeour contacted Gail Flynn, who is the activities co-ordinator at Newbyres Village, who was enthusiastic about the idea and welcomed them with open arms. Last, but not least, is Kate Samuels of Generations Working Together—but more of that later.

Before I go any further, I want to congratulate the parents and carers of the children as well as the nursery staff and—not least—the care home staff, because it is entirely the team effort and the commitment of all parties that makes the programme work.

Among the great assets of four-year-olds—they have many—are their boundless curiosity, energy and directness. On visiting Newbyres, some of the activities that I saw for myself included the “knock the cans down” game—there were not bean bags when I was there—which was made by the Newbyres Village staff. There was also throwing of balls through holes in a makeshift cardboard wall, fishing for toy ducks in a paddling pool—at which I was not successful—and lots of other activities.

The children are all up for it, but so are the residents who turn up. In their determination to hit the target, some are almost falling out of their wheelchairs with the effort. The children run about, retrieve the balls, take them to the residents and, of course, have a go themselves. Apart from improving the hand-eye co-ordination and motor skills of the nursery children and the residents, there is the invigorating element of competitiveness. However, it is the fun and laughter of the residents and children that I remember most. Gales of laughter and many

smiles interspersed the comments from the children and the residents. It is all very noisy and great fun.

Then, after all that noise and fun, the children settle down to their juice and the residents to their teas. Other events might be more sedate, involving reading stories and painting.

What is so good about the whole intergenerational project is that its success just comes naturally. It is an extension of what I know through time that I have spent with my 6-year-old granddaughter. When otherwise would I be taken out of myself into her world and her priorities, or made to do the exercise that I always try to avoid?

In the project, irrespective of whether the residents have grandchildren, the individual and special relationship between the elderly people—residents are in their 80s or 90s; one is a centenarian—and young children just falls into place as naturally as night follows day. The benefits to children and residents are there for all to see. The staff of the care home and the nursery are rewarded for their commitment to the project by the laughter and chatter that fill the room all by themselves.

Generations Working Together promotes other intergenerational projects because it is a charity that is dedicated to promoting intergenerational work, and it trains, supports and links projects. The charity is national and is an intergenerational excellence training centre. It has delivered training to communities, charities and individuals both in person and online. It also has 20 local networks across Scotland that enable people and organisations to get together and discuss ideas for projects. It provides information, delivers support and encourages involvement to benefit all Scotland’s generations by working, learning, volunteering and living together. It can help to address community challenges including ageism, loneliness and ill health.

I fully commend the project that I saw and I intend to return to it; I have to improve my motor skills, especially when trying to catch a duck. I will go no further with that, but will leave the rest to members’ imaginations.

I hope that, if they are not already doing it, other nurseries and care homes, together with parents and carers, give thought to replicating the experience in my constituency. I look forward to members’ speeches.

17:10

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** I am one of the three people here who have served of the time that God has allocated to us three score years and 10; I am one

of the three septuagenarians who are members of this Parliament. I am delighted to see that the minister who will respond to tonight's debate was half my age three years ago. He is, of course, in statistical terms catching up, with each passing year.

The issue that Christine Grahame brings to Parliament today, which relates to Newbyres Village and Newbyres Nursery, is important not simply to people in Gorebridge but to people right across Scotland. As people get older, it is inevitable that many of their friends will no longer be with them, for a variety of reasons, and it becomes more difficult for them to make new friendships to replace those that no longer exist because of the death of the friends that they had in their youth. Connecting older people to younger people is a brilliant way of maintaining the social skills and the social interactions that might otherwise diminish in older people's lives.

For my part, I think that talking to older people is an excellent bridge back into the history of our country and communities. I remember having a chat with my sister-in-law's father-in-law, Bob Munro, who was a wonderful fellow who stopped driving and got his first pair of glasses only when he was 96. He remembered the soldiers coming back from the Boer war in Victorian times. It was fascinating for me to talk to him about that experience as a comparatively young person—even younger than the minister—and it stimulated new thoughts. Whenever we bring the old and the young together, we have the opportunity to do that.

Kids of nursery age have questions that are of breathtaking naivety when they are viewed from the lofty heights of a 70-year-old like myself. "How did you live without television?" "How did you live without a telephone?" "What happened in the world before there were iPads?" Those are excellent questions to which people of a certain age have an interesting and well-developed answer.

Therefore, we are not only, as the motion says, looking at assisting the

"hand and eye co-ordination of both young and old";

but at the opportunities for mental stimulation that are created by interaction between young and old. As our memories become less certain with age—that does not affect everyone, but it affects a substantial number of people—the parts of our memory that still work well are generally those that are associated with our youth and infancy. Therefore, having kids come and ask, "What was it like when you were my age?" is a terrific way of re-energising the brain cells of older people.

The motion notes

"the recommendations for similar projects elsewhere".

I hope that we will see this sort of thing in the north-east of Scotland, which I represent, and elsewhere, because it is remarkable how little time and how few people connect us to distant things. My grandfather was three years old when Abraham Lincoln was assassinated on 15 April 1865. That is the kind of link that makes history real for us and that stimulates thinking, physical activity and social skills. It is very much to be commended.

17:14

**Elaine Smith (Central Scotland) (Lab):** I thank Christine Grahame for bringing the topic to the chamber for debate. I apologise because I must leave early. I asked to speak first because I have a branch executive committee meeting of the Commonwealth Parliamentary Association, which is starting right now, so please forgive me for having to rattle through my speech.

As we know, social isolation affects far too many people in our society, but as the population grows older, the number of people beyond pension age who experience it increases every year. Age Scotland's "No one should have no one" campaign showed that 100,000 older people feel lonely most of or all the time, and that more than 200,000 older people go half a week or more with no visitors or even phone calls from anyone.

In times gone by, the older members of our society would have spent their final years with their families, having kept that connection with the community throughout their lives. The children in those families would, I suppose, keep everyone young. Sadly, that is not as possible as it once was, and many of our family members take the decision to move into care homes. Perhaps that is because their children—if they have any—live elsewhere—or simply cannot accommodate their parents' particular needs. There are many reasons.

To show that older people have a lot to offer and should be valued, we must make them part of the conversation about the future with the younger generations. What better way to do that than to bring together the young and the old to impart wisdom and to deliver a bit of sunshine to each other's lives. As we have heard from Christine Grahame and Stewart Stevenson, the benefit of bringing the old and the young together is as much about imparting knowledge, whether that be about history for the kids or someone teaching their granddad how to use the internet, as it is about giving someone company. So many things can be exchanged. Schemes such as the one that is run by Generations Working Together are of great

value to our society. As it says on the organisation's website, it is all about

"working, learning, volunteering and living together."

The initiative in Gorebridge that Christine Grahame highlighted is doing exactly that. I certainly hope that we see similar projects being rolled out across Scotland.

The benefits were shown by Channel 4's documentary "Old People's Home for 4 Year Olds". In that programme we saw the joy that a young child can bring to the life of someone who may spend time only with people their own age and care staff—an issue that Christine Grahame touched on.

The benefits were also identified by the Equal Opportunities Committee in its 2015 report "Age and Isolation", in which Derek Young from Age Scotland is cited. He said:

"the need for contact is an innate human need in the same way that feeling hungry or thirsty or tired or in pain is."—[*Official Report, Equal Opportunities Committee*, 26 March 2015; c 23.]

I agree.

I welcome the strategy to tackle loneliness and isolation in Scotland in the programme for government. The minister may say more about that in his speech, so I apologise again for missing it. I hope that we will see that strategy being delivered soon.

I was equally glad to see my friend and party colleague, Rhoda Grant, lead a debate in March on the physical and psychological impacts of loneliness. In the debate, she recognised the great work of the Jo Cox commission on loneliness, which is trying to start a national conversation about the scale and the impact of loneliness in the United Kingdom. Jo Cox always pushed cross-party working in the UK Parliament, and the commission is following that example. If we can bring some of that spirit into the discussions on older people in our society and into the Parliament generally, that can only be a good thing.

Once again, I congratulate Christine Grahame on highlighting the mutual benefit of older people and youngsters learning from each other and, more important perhaps, enjoying each other's company with Generations Working Together.

17:17

**Ruth Maguire (Cunninghame South) (SNP):** I thank my colleague Christine Grahame for bringing this important topic to the chamber and for raising awareness of the excellent work that the charity Generations Working Together does.

It is always a pleasure to hear about great examples of intergenerational collaboration that

take place across Scotland. I am delighted to have the opportunity to highlight the inspiring work of Anam Cara, a dementia respite centre in North Ayrshire. Those at the centre strongly recognise the positive impact that intergenerational activities have on the wellbeing of their guests and they have forged strong links with the local schools.

Pupils from St Bridget's primary school and nursery class attend on alternate Thursdays. The pupils are affectionately referred to as Anam Cara's wee pals and are popular with the guests. Many of the guests even book respite dates to coincide with when the wee ones come in. Guests at the centre teach the children songs such as "Ye Canny Shove Yer Grannie Aff a Bus", as well as games that they enjoyed when they were younger. Their wee pals teach them all their favourite songs and games in turn, resulting in great fun and enjoyment for everyone.

The two generations carry out joint craftwork and attend joint events, such as teddy bears picnics and Burns poetry competitions. I am told that the children always ask their teachers when they can go and play with their friends at Anam Cara. I am also told that after visiting, they go around each of the guests and give them a kiss and a hug. For their part, the guests at the centre consistently say that their time with the children brightens the day and leaves them with a deep sense of happiness. Those simple remarks speak volumes about the mutual value and happiness of intergenerational friendship and collaboration.

In addition to its wee pals, Anam Cara welcomes sixth-year volunteers who are completing their youth philanthropy initiative, Duke of Edinburgh candidates and modern apprentices. Those older children are given the opportunity to undertake dementia training and dementia simulation suit training, which allows them to develop insight into living with dementia and empathy for those who do so. Two previous sixth-year volunteers used that knowledge in their university applications and are now studying medicine.

Anam Cara's rich and diverse intergenerational projects underline the mutual benefits to the children and the guests of working together and the extent to which it enhances their health and wellbeing.

I would like to end with some more good news. Before this debate, Anam Cara did not have any connection with Generations Working Together, the charity that is referred to in Christine Grahame's motion but, following my discussion with Anam Cara in advance of the debate, it has signed up to join the Generations Working Together network and it plans to send its staff on some of the charity's training courses. It also plans to seek the charity's help with a current project to

design a dementia training course that is suitable for the early years. That is a clear demonstration of the charity's role as a focal point of intergenerational working across Scotland, and as a provider of information, support and encouragement.

I wish Anam Cara and Generations Working Together every success for the future.

17:21

**Michelle Ballantyne (South Scotland) (Con):** I thank Christine Grahame for securing this important debate.

I, too, commend the valuable partnership between Newbyres Village and Newbyres Nursery and, in particular, the work of Mel Scrimgeour. Although it is still in its infancy, the project is going from strength to strength and all those involved should be immensely proud of their achievements so far.

I have not yet had the pleasure of visiting the project, but I whole-heartedly welcome its focus on inclusive, intergenerational practice and the emphasis that it places on developing the positive resources that young and old have to offer one another and those around them.

The relationship between a child and a grandparent can be very special, but we know that intergenerational bonds need not be traditional or biological. There are striking similarities between the young and the old, who are at either end of life's journey. They can live in the moment and focus on the joy of being, instead of clock watching or stressing to fit as much into time as possible.

The Newbyres project is about much more than simply having fun and meeting new friends; it is much more than a means of energising young and old for a few hours a week. I believe that the bonds that are forged are deeper, purer and more precious, and that they can deliver lifelong benefits. Research shows that intergenerational contact can help children to develop life skills and build their self-esteem and confidence, and we know how crucial it is to a child's wellbeing to develop resilience through positive caring role models and a strong sense of community.

For those who live in Newbyres Village, interaction with the children could mean the re-emergence of a wonderful memory of their own or their children's childhood, it might give them a renewed sense of purpose and an opportunity to pass on skills and experience, or it could represent a moment of unadulterated joy as they face up to the challenges at the end of life.

Before I finish, I would also like to pay tribute to the work of Generations Working Together, in

particular its efforts to tackle the deep-set issues of loneliness, vulnerability and discrimination that older people face. The charity's intergenerational work across Scotland, particularly in East Lothian and Midlothian, is invaluable in breaking down barriers and improving opportunities for young and old from all backgrounds.

I look forward to hearing more about the connections that are being built between Newbyres Village and Newbyres Nursery, and I wish everyone involved all the very best for the future.

17:23

**Gail Ross (Caithness, Sutherland and Ross) (SNP):** I, too, welcome our guests in the gallery and thank Christine Grahame for securing the debate.

Intergenerational working is becoming more and more recognised as a vital way of improving the physical, social and mental wellbeing of elderly and young people. During the last week of recess, I visited my local voluntary group in Wick to see Kirsteen Campbell, who works for the befriending service. She also does voluntary work with Generations Working Together. It was evident to me, even after speaking to her for just a few minutes, that her passion for such work drives her on to make a success of it. Judging by the level of interest in Wick, she is succeeding.

Last year, Kirsteen had seven fifth and sixth-year girls involved in the scheme, some of whom were working towards their saltire award and some their Duke of Edinburgh gold award. They visited those in the hospital who, for various reasons, never had any visitors—in some cases, the families lived some distance away—and who were vulnerable and very lonely. That sort of activity fits in well with NHS Highland's current focus on loneliness, but the girls also gained immensely from this process. They gained confidence and conversation and communication skills; they heard stories that they would never normally have heard; and they made friends. This year, there are 20 fifth and sixth-year pupils taking part in the scheme, and they will visit local care homes as well as the hospital. Such an increase just proves the scheme's success.

Also during recess, I had a brilliant visit to the Brora village hub in Sutherland. My visit to the centre, which caters for elderly people and younger adults with learning difficulties, was fantastic. I joined in with the craft group; I visited the men's shed and the kitchen; and I was even presented with a lovely drawing of a duck for my office—I see that there is a wee bit of a duck theme going on today. Some fantastic intergenerational work is being carried out at the

hub under the leadership of the manager, Lindsey Tennent, and by Kath and Esther from Engaging with Activity, which is a community interest company. The hub is an excellent example of how to run a centre of this kind, and it should be used as a template for others in other parts of the constituency. The atmosphere was fun and friendly, and the staff and volunteers clearly love their work.

Other examples in my area include the two primary schools in Wick, which also undertake intergenerational work. Next month, pupils at Noss primary school are doing a project on grandparents, leading up to grandparent day on 1 October. The younger children have been tasked with finding a photograph of their grandparents at school, and the older children will be interviewing their grandparents about their school experiences. At the other school, primary 6 in Newton Park primary have been visiting elderly patients at the Town and County hospital, and those visits have proved invaluable both for patients and for pupils.

As we know, people are living longer. Indeed, it is proving to be one of our most significant social challenges. However, it should also be viewed as an opportunity, because people of all ages are assets to their communities and to society. It is now becoming apparent that intergenerational work can bridge the gap that often appears between age groups. It can lead to people leading longer, healthier lives, help them maintain their independence for longer and allow them to keep their brains and senses stimulated.

Generations Working Together says that intergenerational work brings

“people together in purposeful, mutually beneficial”

activity, promotes

“greater understanding and respect between generations and contributes to building more cohesive communities.”

As a Parliament and as a society, we have a duty to support and develop those ambitions.

17:28

**John Scott (Ayr) (Con):** I congratulate Christine Grahame on securing the debate and on her speech, in which she highlighted examples of the work of Generations Working Together in her constituency. I also welcome our guests from Gorebridge.

The strong links that have been created in just over a year between Newbyres Nursery and the Newbyres Village community are a measure of the project's success so far and a demonstration of the potential for further community intergenerational working. One could argue that where communities worked well in the past—particularly close-knit rural communities such as

Newbyres, or Barrhill, where I was born and grew up—interaction between generations took place almost unnoticed. However, the concept of intergenerational working and Generations Working Together identifies, formalises and builds on what worked to a greater or lesser extent in the past. Generations Working Together has created a transferable model for others to follow and consciously adopt, and I very much welcome the way in which Christine Grahame has drawn to our attention this best practice on community building.

The benefits for all at Gorebridge and elsewhere are plain to see. As Christine Grahame's motion notes, children and young people are benefiting from the stimulation of adapting to a different environment and learning and interacting in it.

A personal view is that, with children and young people spending so much time in front of screens, that different activity is even more important and beneficial to them than it would have been only 20, 30 or 40 years ago. What would have been regarded as normal intergenerational physical activity in my childhood is being diminished and lost in our new world of depending on social media from an early age for apparent social interaction. Stewart Stevenson alluded to that.

We are also becoming—perhaps with good reason—a more anxious society than we were. The reassurance of the physical contact and presence of older generations is genetically programmed into our minds to be of benefit to children and young people.

For the elderly, the benefit of having children and young people around them is that it is stimulating as well as enjoyable. It reduces loneliness and isolation, which is a growing problem not just in our rural communities such as Newbyres but throughout Scotland.

Mental health issues are a well-known and growing problem in all generations. From my changing constituency workload, I am very aware of that development. One of the contributing factors to that emerging issue is, without doubt, too little caring human interaction. Again, that is being driven in part by a dependency on social media.

In my constituency, Generations Working Together has highlighted the Troon coastal rowing project, which supports intercommunity boat-building and rowing competitions. Boat-building participants have met every Monday to Friday for five months and worked together to build a 22-foot wooden St Ayles skiff. Such a project is now being undertaken by the Duke of Edinburgh award team in South Ayrshire.

It is self-evident that the benefits for pupils are learning new skills, working with others outside the school environment and developing self-esteem

and team-working skills. The benefits for the adults in my constituency are many and are driven by satisfaction from passing on knowledge to the next generation. In turn, that engenders a sense of connecting with young people in our community, with buddy relationships being developed. That develops the concept of intergenerational work and intergenerational knowledge transfer.

I again congratulate Christine Grahame on sharing and highlighting the concept of generations working together. There is much more to be done in that area for the benefit of young and old alike.

17:32

**Sandra White (Glasgow Kelvin) (SNP):** I, too, congratulate Christine Grahame on the motion. The issue is close to everyone's heart.

I welcome the people who are in the public gallery. I note that Bill and Rose from the Scottish Seniors Alliance are there. They have had a very busy day. We had a meeting of the cross-party group on older people, age and ageing today, and I will mention some issues that were raised in it. Katy from Generations Working Together was there, too. I hope that we answered the questions that were put forward in the meeting.

Generations Working Together is based in Wilson Street in the merchant city in my constituency, so it is just a "toddle"—I put that word in inverted commas—along for me to visit it. I promise that I will do that.

We have heard fabulous stories about what is happening in various constituencies throughout Scotland. In my constituency, many primary school children visit care homes. There are also the Duke of Edinburgh awards, which have been mentioned. The Prince's Trust, the girl guides, the scouts, the Boys Brigade and others all help out, too.

The Prince's Trust work sticks in my mind. A group of young people landscaped a whole garden in a care home. The people who lived in that care home picked the flowers, bushes and trees, and they helped to plant. That involved working together, and the garden looked absolutely fantastic.

Christine Grahame and other members have mentioned one thing that comes out for me. This is not just about what one generation gets out of such work; it is about what both generations get out of it. As John Scott said, they learn from each other.

In school, we used to have domestic science, as it was then called—others might remember that, too. I speak to my daughter and try to pass on my great cooking skills to her, but I cannot say

whether she has done better than me and gained some of the cooking skills.

Such issues are important to me. The younger generation learns from the older generation and, through learning the older generation's skills, they gain more respect for that generation, which John Scott raised in the final couple of minutes of his speech. In some parts of our society, we desperately need more respect for people, and intergenerational work pushes respect way out there, which helps everyone, young and old.

I cannot finish without giving Generations Working Together a plug for the work that it does. If anyone wants to contact that organisation, they should go to any of the groups that work in their area and help them by volunteering and so on.

I also have to plug Cycling Without Age, which held a successful event here last night. Today, Fraser Johnston and others also came to the cross-party group on older people, age and ageing. They did not give a demonstration, but they showed a video of how helpful their work is, and I am so pleased that the Scottish Government has said that it will look into and back their work. Members can imagine what it is like for people who are in a care home and have not been able to get out and about for a couple of weeks or a number of months, and who then have the joy of getting back out into the community to see the changes where they used to live. Before, people used to walk about or get the bus but, with Cycling Without Age, they are on a bike. That is absolutely fantastic, so that is a wee plug for Fraser and Cycling Without Age.

17:36

**The Minister for Childcare and Early Years (Mark McDonald):** I congratulate Christine Grahame on securing the debate for the chamber and I join members in welcoming our guests to the public gallery. I thank them for their hospitality earlier today, of which more later.

I am pleased that Christine Grahame commended the intergenerational project between Newbyres Village and Newbyres Nursery in this evening's debate. The Scottish Government is delighted to support and encourage intergenerational projects around the country. Intergenerational practice aims to promote a more positive attitude to ageing among people of all ages, countering negative attitudes about and between younger and older generations, ensuring balanced workplaces where employers see the value of diversity in age, and inspiring a care workforce for the future.

There have been a number of speeches in the debate. I thank Stewart Stevenson for continually reminding me of my comparative youth but, on



that basis, it is probably a good thing that Ross Greer and Kate Forbes were not in the chamber this evening. Stewart Stevenson spent some time talking about the constant questioning he gets on what it was like in his day. Even in my comparative youth, that has occurred to me as well, as when I took a photo of my nieces and nephews to use up the spool on a disposal camera and had to explain to them the concept of waiting for photos to be developed before they could see the photos that had just been taken.

As Christine Grahame pointed out, I visited Newbyres this morning to see that inspiring intergenerational project first hand. Modesty precludes me from talking about how magnificent my performance in the beanbag throwing was, but it was fantastic to take part in the potted sports and to engage with the children, elderly residents and staff, who are filled with enthusiasm for the project and the potential for the future. Bessie, who is in the gallery, spoke to me earlier and she said that, when residents are waiting for the children to arrive, they often feel anxious but their world is brightened as the children enter the facility and it is filled with joy and laughter. That was certainly the atmosphere that welcomed me when I arrived at the project today, and I left knowing that support for intergenerational projects is the right thing to do for children, the elderly and the wider community.

I acknowledge that Scotland has a lot to learn from countries such as America, Japan and China that have been running intergenerational projects for years and from London, which will open its doors to its first full-time intergenerational nursery later this month. However, there are also some great examples of intergenerational work with children in Scotland, particularly in early learning, childcare and primary school settings, and we are keen to promote and showcase best practice. It was good to hear examples from members, including Gail Ross and Ruth Maguire, who gave examples from their constituencies.

People of all ages and in all communities across Scotland can experience social isolation and loneliness—a point that Elaine Smith noted in her contribution. That is something that the Government takes seriously. The Government is supporting Generations Working Together, a charity that provides information, delivers support and encourages involvement to benefit all Scotland's generations by working, learning, volunteering and living together. Through our equality budget this financial year, we are funding £70,000 for the organisation to deliver its opening doors project, which seeks to build strong and mutually beneficial working partnerships with local and national organisations and groups that work with people, including the elderly, who might be suffering discrimination, isolation and loneliness. It

creates more opportunities in communities for people to connect and build relationships between the generations, which was mentioned by both Michelle Ballantyne and Sandra White.

Through our year of young people in 2018, the Government is considering how intergenerational activity can form part of the equality and discrimination theme. In addition to working with Generations Working Together, we will also work in partnership with other organisations representing the elderly, to encourage collaboration and engagement with youth organisations throughout the year.

In June, we produced Scotland's third three-year national dementia strategy, which continues our focus on supporting and promoting a rights-based and inclusive approach to improving services and support for people with dementia. That approach is embedded in our continuing national support for implementation of the promoting excellence dementia skills framework in the education, training and development of the health, social services and housing workforce.

Promoting excellence is there to help local services implement the standards of care for dementia, including standards on enabling people with dementia across all care settings to remain included in their local community, including through intergenerational activity. Some examples include Alzheimer Scotland's national dementia friends Scotland initiative, and partnership work with Young Scot to develop awareness-raising initiatives for use in schools, in addition to a range of activity with local schools undertaken by Alzheimer Scotland's network of dementia advisers.

In Prestwick, as part of dementia community work, there has been partnership work with Alzheimer Scotland to run dementia friends sessions with local schoolchildren. Also, as a specific example of cross-generation work, a Prestwick-themed board game including a historical focus is being developed by local schoolchildren, a history group and some local care home residents. It was heartening to hear Ruth Maguire speaking about the Anam Cara respite centre in her constituency and the Anam Cara's wee pals, who sound like a cracking bunch of kids, bringing happiness to residents.

John Scott mentioned the issues around social media and reliance on devices, and also the anxious nature of society. I commend to him and to other members the away and play initiative, which was launched during the summer by Inspiring Scotland. I attended the launch event in Dundee. Away and play is a campaign that is designed to encourage children and young people to make more of the opportunities for outdoor play and learning and to grasp the risks associated with

outdoor play rather than shying away from them. If members want to get behind that campaign, I would be more than happy if they did so.

We know that high-quality early learning and childcare play a key role in improving outcomes for children. That is why we are committed to doubling the amount of funded hours by the end of this session of Parliament, and we are placing quality at the heart of our approach. We are developing a quality action plan, which we will publish next month, and over the summer we have been working with stakeholders who know what drives quality and what more we need to do to strengthen that initiative.

The action plan will contain a series of actions to ensure that early learning and childcare deliver a high-quality experience for our children. One of those actions will be to promote learning from ELC centres of innovation such as the one that I visited this morning. We will make sure that centres that are carrying out innovative and exciting work that has a positive impact on children are supported to celebrate and share their ideas with other settings.

**Christine Grahame:** Will the member take an intervention?

**Mark McDonald:** I was just about to mention Christine Grahame. If I have time, I will take her intervention.

**Christine Grahame:** Forgive me—the minister was rattling along perfectly all right. He mentioned what happens at centres such as Newbyres Village and Newbyres Nursery. Can I take it that he is going to see specifically whether that can be replicated throughout Scotland, because it was the physical interaction, as well as the conversations, between the children and the residents that was so important? People who had perhaps not moved a great deal during the day—and I know what that feels like—were becoming more mobile because of it.

**Mark McDonald:** Yes, it is fair to say that, after what I saw today, I am keen to encourage the development of the approach. As we heard in the debate, this excellent and innovative approach is being taken in other locations, and we need to try to join things up a little better. Great work is happening, but sometimes we do not hear about it and spread the message as widely as we could.

I was about to mention Christine Grahame when she pre-empted me. She talked about the Channel 4 documentary, which I thought was very interesting. While I was speaking to Mel Scrimgeour at today's event, it was brought to my attention that the programme had focused almost exclusively on the outcomes for the older people and had not focused on the benefits of the approach for the children. We acknowledge and

want to ensure that there are benefits on both sides, and we want to take the approach forward.

I congratulate Christine Grahame on bringing the debate to the Parliament. I commend the project in her constituency and the other projects that members have mentioned, and I encourage their continuation. I reiterate my commitment to look carefully at such approaches as we develop our plans in relation to early learning and childcare, and to consider what lessons we can learn and apply as we roll out our expansion of funded early learning and childcare.

**The Presiding Officer:** I thank the minister and all members for their contributions to the debate.

*Meeting closed at 17:46.*

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