



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Meeting of the Parliament

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# Scottish Parliament

Thursday 31 January 2019

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

## General Question Time

### Ferry Travel (Accessibility)

#### 1. Donald Cameron (Highlands and Islands)

**(Con):** To ask the Scottish Government what action it is taking to make ferry travel more accessible. (S5O-02839)

**The Minister for Energy, Connectivity and the Islands (Paul Wheelhouse):** The Scottish Government is committed to improving access to ferry travel. Operators of the Clyde and Hebrides and northern isles ferry contracts provide assistance, services and equipment to enable individuals with reduced mobility to access ferry services. They continually review their service provision in an effort to reduce the barriers to travel for people with reduced mobility.

In 2014, the ferries accessibility fund was set up to support improvements in accessibility. From four rounds of the fund, we have awarded around £338,000 to a range of projects to improve accessibility across the network.

**Donald Cameron:** I welcome those developments. However, the minister will be aware of the widespread alarm that greeted one of the proposals in the Scottish ferries plan—namely, the proposal to increase peak-time ferry fares. A resident on Islay has told me that hiking up fares on lifeline services will serve only to discourage people from living in our island communities. What assurances can the minister give to people across the Highlands and Islands that they will not be impacted by such a proposal? More specifically, how does the proposal interrelate with the road equivalent tariff?

**Paul Wheelhouse:** We recognise the concern that users of lifeline ferry services have about accessibility to services when they need them. I fully appreciate that in the region that Mr Cameron represents ferry services are vital for economic activity, as well as for social, health-related and other uses. We take such matters very seriously.

I would be happy to meet Donald Cameron to discuss his concerns about issues that have been raised directly with him. We are keen to reduce fares, as we have shown with the RET, to introduce fairness across the network and to make sure that anomalies in fares are addressed. We will continue to do that.

**Kenneth Gibson (Cunninghame North) (SNP):** Can the minister advise Parliament what ferries' car and passenger numbers were in 2007, what the corresponding numbers were last year, and to what extent the Scottish Government's introduction of the RET has helped to improve passenger access from the point of view of affordability?

**Paul Wheelhouse:** In 2007, CalMac Ferries carried 1.06 million cars, and in 2018 it carried 1.43 million cars, which was an increase of 34 per cent. In 2007, it carried 4.73 million passengers and, in 2018, it carried 5.27 million passengers, which was an increase of 11.5 per cent.

We very much welcome the growing demand for ferry services and, as I said in my answer to Donald Cameron, we are keen to keep fares as low as we can. The growing demand reflects the popularity of our islands with tourists and the success of our policy to introduce the RET. In the three years since the full roll-out of the RET, in October 2015, passenger numbers across the Clyde and Hebrides services increased by 14 per cent and car numbers increased by 25 per cent, which shows the success of the policy.

To reassure Kenneth Gibson and other members, I point out that we have commissioned a study that will estimate the impact of the RET on demand for ferry services across the network. It will also help to identify the medium-term to long-term effects of the RET in order to inform future policy decisions. We expect that research to be completed by the end of 2019.

### Northern Isles Ferries (Contract)

**2. Tavish Scott (Shetland Islands) (LD):** To ask the Scottish Government what progress is being made on tendering the northern isles ferry services contract. (S5O-02840)

**The Minister for Energy, Connectivity and the Islands (Paul Wheelhouse):** The invitation to tender for the next contract to run the northern isles ferry services was issued to three bidders on 17 January this year. The submission of final tender bids, which is scheduled for the spring this year, will be followed by the tender evaluation period. The new contract is due to start on 31 October 2019.

**Tavish Scott:** When will the minister be in a position to publish the specification for the tender, given that no one in Orkney or Shetland knows what is in it yet? Does the tender specification include any improvements on the current contract? Will the minister make it clear what the third bidding company is? We know well that Serco Group and CalMac Ferries—the minister's choice—are two of the three companies.

**Paul Wheelhouse:** We are committed to a fair, open and transparent tender process that aims to get the best deal for the communities that depend on the ferry services that serve Tavish Scott's constituents and others in the northern isles.

It is important that the identities of the bidders remain confidential at this stage in the procurement procedure. We will be discussing the procedure with bidders in the coming weeks, following which we intend to publish the invitation to tender on the Transport Scotland website. I will make sure that Tavish Scott is made aware of its publication. We will also review whether, at that point, it would be appropriate to identify the individual bidders in order to provide the clarity that is sought by Tavish Scott.

On the point about improvements to services, after extensive consultation of stakeholders—including, I hope, elected members such as Tavish Scott, Liam McArthur and others—we have sought to provide as much flexibility as we can in the new contract in order to allow variations in services and timetables to be undertaken with greater ease than is the case under the current contract. I hope that members who represent the communities that are served by the services will welcome that.

**Colin Smyth (South Scotland) (Lab):** Will the Scottish Government ensure that vessels on the northern isles ferry services are covered by collective bargaining agreements with the maritime unions? Will that be in the specifications for the contract?

**Paul Wheelhouse:** I acknowledge Colin Smyth's point. The Scottish Government tries to ensure that there are fair working practices in all procurement contracts with which it is associated. I assure Colin Smyth that we are strongly encouraging that in the ITT engagement with trade unions and other stakeholders. I will be happy, as soon as I am able, to give details to Colin Smyth about what is in the ITT on those issues, if that will be of help to him.

### **ScotRail Timetable Changes (Commuters' Views)**

**3. Mark Ruskell (Mid Scotland and Fife) (Green):** To ask the Scottish Government how commuters' views inform ScotRail timetabling changes. (S5O-02841)

**The Cabinet Secretary for Transport, Infrastructure and Connectivity (Michael Matheson):** Ahead of the December 2018 timetable change, ScotRail consulted local authorities and regional transport partnerships, which represent passengers' interests, throughout the timetable development process.

ScotRail has adopted a new approach to the May 2019 timetable change by publishing its

proposals and inviting customers to comment. We are not aware of that level of consultation having been undertaken by any other United Kingdom train operating company.

ScotRail has already made changes to its proposals as a result of responses that were received on its website, on social media and in correspondence. ScotRail will also observe how customers are using the current timetable.

**Mark Ruskell:** Notwithstanding the national discussions that took place with passenger groups, there was really zero consultation of commuters who use the Dunblane to Edinburgh services, which led to withdrawal of the only service that could take people to Edinburgh in time for the start of the working day. What influence can the cabinet secretary bring to bear in respect of the timetable from May, in the light of the public consultation, so that it serves the needs of commuters?

**Michael Matheson:** Extensive consultation was undertaken from 2015 in preparation for the timetable change in December 2018. That included an independent assessment by the Tayside and central Scotland transport partnership—Tactran—of the proposed changes' impact on passengers and customers who use the services. Although some people would have been negatively affected by the timetable changes, the vast majority of passengers benefited.

As ever, with any timetable change, the pros and cons are weighed up. An independent report verified that the choice that was made for the timetable change would benefit a greater number of members of the travelling public. ScotRail will review the existing timetable as it beds in to consider what improvements can be made when there are matters of concern. However, there will always be a level of restriction on capacity on the network in order to accommodate all passengers' needs.

**Angus MacDonald (Falkirk East) (SNP):** The cabinet secretary will be aware of inquiries that I have made to his office regarding the removal of a direct train service between Polmont and Stirling on the Dunblane route. He will also be aware that there is a similar issue for commuters in Linlithgow. Does he agree that ScotRail should reconsider the changes that were implemented in December, which are affecting many of my constituents, and that consideration should be given to reinstating direct services to Stirling from Polmont and Linlithgow as a matter of priority?

**Michael Matheson:** As I stated in my response to Mr Ruskell, there is limited capacity on the network, and a balance always needs to be struck with timetabling arrangements.

It might be of interest to Angus MacDonald that the 1.2 million journeys that were made from Linlithgow and Polmont last year were split broadly into 70 per cent to or from Edinburgh, 20 per cent to or from Glasgow, and 5 per cent to or from Falkirk and Stirling.

We need to address issues including overcrowding, improved connectivity and faster journey times, and we also need to deal with the growth in use of our rail network. That is why there is a balance to be struck by producing a timetable that meets the needs of the greatest possible number of passengers. That was the intention of the timetable change on 9 December.

However, I am aware of the concerns that Angus MacDonald and Mark Ruskell have expressed. Such matters will, of course, continue to be considered by ScotRail with regard to any future timetable changes, but within the limitations of what can be achieved on the network.

**Liam Kerr (North East Scotland) (Con):** The cabinet secretary will know that timetabling changes have resulted in a wait of up to 30 minutes at Montrose. Surely if the Scottish Government cared about north-east commuters, it would have improved facilities there and sought their views before making such changes. Did it seek the views of commuters in the north-east, and when will the facilities be improved?

**Michael Matheson:** The member conveniently ignores the fact that we are investing £300 million in the rail network in the north-east of Scotland in order to improve connectivity in the area and that there has been a significant increase in the number of services available there.

As I have said, a consultation was undertaken on the timetable changes in 2018, and it involved a range of regional transport partnerships, including those in the north-east. Moreover, as the member will be aware, ScotRail is presently evaluating the improvements that it wants to make to Montrose station, and that work is planned to be scheduled and taken forward in due course.

**Jackie Baillie (Dumbarton) (Lab):** As part of the timetable changes, my area was promised that there would be six-carriage trains, particularly at rush hour. However, in the months since, commuters have experienced short-form services, with three carriages appearing instead of six and passengers crammed in like sardines. I know that there is no limit on the number of passengers that ScotRail tries to squeeze on to its trains, but is there anything in the ScotRail contract about the capacity of the service?

**Michael Matheson:** The member will be aware that we are making significant investment in upgrading the rolling stock in the ScotRail franchise, as a result of which 70 new Hitachi

trains are being introduced on to the network to provide an overall 23 per cent increase in seating capacity. Part of the challenge on some routes has been the late delivery and supply of those trains and, indeed, the refurbished high-speed trains, and that is having an impact on cascading the rest of the rolling stock across the network. Once the additional rolling stock is in place, we will be able to maximise the use of the rolling stock to address those areas where I recognise there is congestion and overcrowding on some trains. The situation is unacceptable, and it is addressed in the franchise. However, in order to address those matters, we need to get the additional rolling stock in place, and that will be taken forward in the months ahead when Hitachi supplies the rest of the trains, which were due to have been provided by now.

### Congestion on the M8

**4. Neil Bibby (West Scotland) (Lab):** To ask the Scottish Government when it last discussed congestion on the M8 between the St James interchange and Glasgow city centre with Transport Scotland. (S5O-02842)

**The Cabinet Secretary for Transport, Infrastructure and Connectivity (Michael Matheson):** Transport Scotland, as an agency of the Scottish Government, regularly discusses operational matters relating to the Scottish motorway and trunk road network with ministers.

**Neil Bibby:** The M8 between Paisley and Glasgow is the busiest stretch in the country, and Renfrewshire businesses are warning us that congestion is deterring investment. Last week, all parties voted for an amendment stating that the Glasgow airport access project—which, I should remind the cabinet secretary, is a tram-train project—must be progressed urgently. The Scottish National Party scrapped the Glasgow airport rail link in 2009; 10 years on, people do not want any more delays, reports, studies or excuses—they just want the Government to get on with it. When will the SNP deliver the rail link that it voted for last week? If it is not going to do that, will the cabinet secretary explain to businesses and people in my region why on earth not?

**Michael Matheson:** The motorway link at the western M8 is a key link to the airport and the rest of the west of Scotland, and we are aware of the congestion that is being caused there and the need to address it. The issue will be addressed in Scottish transport projects review 2, and I have asked officials to ensure that it is given priority.

The member will also be aware that the Glasgow airport access project team, which is led by Glasgow City Council and Renfrewshire Council, has been reviewing the evidence of the independent audit of the outline business case for the tram-train link to Glasgow airport. It has

identified a number of outstanding issues that will cause real challenges in delivering such a project, but it has now said that its preferred option is a personal rapid transit service, and that will be presented to the Glasgow city region deal cabinet in the coming weeks as part of its consideration of how to take forward the outline business case for the proposal.

### **Glasgow Airport Access Project**

**5. Johann Lamont (Glasgow) (Lab):** With a degree of optimism, to ask the Scottish Government when work will begin on the Glasgow airport access project, and how it will ensure that it is delivered as outlined in the business case. (S5O-02843)

**The Cabinet Secretary for Transport, Infrastructure and Connectivity (Michael Matheson):** The Glasgow airport access project is one of the projects that are identified in the Glasgow city region deal and it is being taken forward by Glasgow City Council and Renfrewshire Council. As such, responsibility for the delivery of the project to improve surface access to the airport sits with those councils.

The Scottish Government remains committed to working with partners to find solutions to improve surface access to Glasgow airport. As part of that commitment, I chaired the Glasgow airport access executive steering group yesterday. At the meeting, the group heard how the project team has considered issues that were raised in the independent audit of the project's outline business case. I was pleased to hear that the Glasgow city region deal recognises the issues around current and future rail services, which would be compromised as a result of the project in the outline business case. Therefore, the project team is seeking to progress its preferred option of a personal rapid transit system and the outline business case for that will be developed by the partners.

**Johann Lamont:** I cannot tell the cabinet secretary how dismayed I am by his response. He may be pleased but, last week, the Parliament, including the cabinet secretary, voted for urgent progress on the deal and the plan, as outlined in the business case. I do not know how he defines urgent, but what he has described is not urgency. Who is putting a block on the proposal? The money is there, the plan is agreed by the partners, the project is recognised as having social, economic and environmental benefits for Glasgow and the west of Scotland, but it is still not going to happen. Will he commit to act on the position that he voted for last week in the interests of the people of Glasgow and the west of Scotland? Will he change his decision and go back to the

proposal that had the unanimous agreement of the city deal partners?

**Michael Matheson:** We have acted on the outcome of last week's vote. As I mentioned, at the meeting yesterday, the project team set out that it will take forward a business case for a PRT system. As the member will be aware, an independent audit of the outline business case was carried out, which highlighted a number of significant issues, in particular constraints at Glasgow Central station and the potential impact on services to Inverclyde, Ayrshire and East Kilbride. The rail link would have resulted in a reduction in, or a detrimental impact on, those services and would have prevented the enhancements that we intend to provide to them. Therefore, because the issues could not be addressed through the outline business case, the city deal partners have identified a PRT system as the preferred option that they intend to take forward.

**Jamie Greene (West Scotland) (Con):** The first feasibility study for the airport access project was done when I was 10. Airport passenger numbers are set to double in the next 10 years, and the number of people who work on site is set to increase to around 40,000. It is simply inconceivable that those numbers can be achieved by relying solely on the M8, which is already heavily congested. Does the cabinet secretary think that the rail link will realistically be built any time soon?

**Michael Matheson:** In relation to the member's first point, I recognise that there is congestion on the M8 to the west of Glasgow. That issue has to be addressed—it will be progressed by Scottish transport projects review 2 and I have asked that the matter be given consideration as a priority. I would be interested to hear whether the member is content with the idea of a tram-train link to Glasgow airport that would result in a reduction in services for his constituents in Inverclyde and Ayrshire and for people in East Kilbride, because of the limited capacity at Glasgow Central station. We have to take a whole-system approach in addressing these issues and we should not look at them in isolation. We have been taking that approach when working with the partners on improving surface access to Glasgow airport. The issues have been recognised, and that is why we will now take forward a PRT system as the preferred option to improve connectivity at the airport.

**Stuart McMillan (Greenock and Inverclyde) (SNP):** Does the cabinet secretary agree that my constituents in Greenock and Inverclyde will be shocked and disappointed to hear that the Labour Party is campaigning for them to have a worse



service as a consequence of the Glasgow access rail link?

**Michael Matheson:** The reality is that there is limited capacity—*[Interruption.]*

**The Presiding Officer (Ken Macintosh):** Order, please. Let us hear the cabinet secretary.

**Michael Matheson:** There is limited capacity on the line from Paisley Gilmour Street to Central station. Even with enhancements, the rail link would result in a detriment to services to places such as Inverclyde, Ayrshire and East Kilbride and potentially to services on the Shotts line as well. Significant enhancements are planned for those routes, given the demand on them. That is why the independent audit of the outline business case has identified those issues that need to be addressed and that is why we now propose to take through a PRT option, which will improve connectivity to the airport while allowing us to increase capacity for those other key areas where there is ever-growing demand for rail services.

## First Minister's Question Time

12:01

### Princess Royal Maternity Hospital

1. **Jackson Carlaw (Eastwood) (Con):** The desperate further news from Glasgow's Princess Royal maternity hospital last night will have shocked us all here and across Scotland. Our deepest sympathies go out to the families of the two babies who have died. For any new parents, there can be no news worse to bear, and it will have been difficult for the many dedicated healthcare staff involved as well. In the light of those events, I invite the First Minister to update the chamber.

**The First Minister (Nicola Sturgeon):** I thank Jackson Carlaw for providing me with this opportunity. I put on record my heartfelt and sincere condolences to the parents of the two babies who died after contracting a staphylococcus aureus infection. A third baby remains in neonatal intensive care and I am sure that the best wishes and thoughts of everyone across the Parliament are with that child, their parents and their wider family.

Our primary concern—and, indeed, that of the health board—is the safety and wellbeing of patients and their families at all times. The health board is taking all necessary steps to manage the incident and to ensure patient safety. It has been in contact with affected families and with other families in the unit to advise them of the incident and the actions that it is taking. Those actions include regular screening of the newborn children and the provision of information to patients, families and staff. Enhanced cleaning schedules have been put in place and a review of standard infection control precautions—for example, hand hygiene, the cleaning of equipment and the correct use of personal protective equipment—is also being undertaken. Finally, the health board has asked Health Protection Scotland to investigate the incident and to provide a report.

The last thing I will say—and I preface this by saying that I am in no way trying to detract from the seriousness of the incident that we are discussing today—is that staphylococcus aureus is, unfortunately, not an uncommon infection in people in hospital, including babies in neonatal units. Indeed, the infection can be found in about one in four people. That makes it all the more important that hospitals have in place rigorous infection control procedures. It is my job and the health secretary's job—working with the board, Health Protection Scotland and, indeed, the Healthcare Environment Inspectorate—to ensure

that that is the case. For now, I know that for all of us, our thoughts will be with the families affected.

**Jackson Carlaw:** I thank the First Minister for that response and I completely endorse the last point that she made. I am framing my questions today very much in the light of that understanding.

We learned from the statement that was released by NHS Greater Glasgow and Clyde that the investigation was triggered last Thursday, on 24 January. When were the First Minister and the health secretary first made aware by the health board of these cases, and what specific assurances have ministers sought since?

**The First Minister:** I understand that the health secretary became aware of the infection on Monday of this week. At that point, she asked for assurances. Of course, given the previous incidents that we discussed last week, the health secretary has been in regular contact with the health board, as Jackson Carlaw would expect.

There are standard procedures in place—I know that they have been the subject of discussion over the past few days—for the actions that health boards are required to take to assess infection outbreaks and for the reporting and notification requirements that they have to undertake. We are satisfied that in all these cases the health board has done that. The important thing is that all of us ensure, not just in NHS Greater Glasgow and Clyde, but in all health boards, that proper infection control procedures are in place. The health secretary and her officials are taking all appropriate steps to ensure that that is the case.

**Jackson Carlaw:** Turning to the wider picture, there was a report last week that around half of Scotland's hospitals have not been inspected by the Healthcare Environment Inspectorate since it was set up a decade ago. When asked about that during a television interview on Sunday, the health secretary agreed that, if true, that would be unacceptable.

To be clear, we know that the Princess Royal maternity hospital was last inspected in 2017 and met the targets that it had been set. The question remains whether it is the case that, as has been reported, around half of Scotland's hospitals have not been inspected by HEI in the past decade. Irrespective of the number, if hospitals have not been inspected, what steps are being taken now to ensure that they are?

**The First Minister:** I will seek to give Jackson Carlaw and the chamber as full information on that as I possibly can. The Healthcare Environment Inspectorate was established in 2009. I was health secretary at the time and, from memory, I think that Jackson Carlaw may have been shadow health spokesperson. The inspectorate was asked to undertake at least one announced and one

unannounced inspection of all acute hospitals across the national health service every three years.

A list of the hospitals to be subject to inspection was published at the commencement of the programme in 2009. It covered acute general hospitals, children's hospitals and maternity facilities. From October 2010, the Golden Jubilee national hospital, the Scottish Ambulance Service and the state hospital were included. From 2013, we rolled the programme out further to include inspections of community hospitals.

As I am sure Jackson Carlaw is aware, inspections are based on intelligence and are risk based. Based on HEI inspections since 2009, facility visits have covered more than 90 per cent of the acute and community hospital beds in NHS Scotland. Since the inspections started, 259 reports on the safety and cleanliness of hospitals have been published. In the last financial year, 16 inspection reports were published.

I go back to a point that I made a moment ago. It is important that a risk-based approach is taken to inspections. That is why I am sure that it will be the case that acute hospitals are inspected more regularly than smaller community-based hospitals. As I am sure all of us would expect, it is up to the Healthcare Environment Inspectorate to set the schedule for those inspections.

**Jackson Carlaw:** Finally, I raise the key issue of how hospitals respond when faced with tragic incidents. Obviously, patients and families need to have confidence that, when such cases emerge, everything—everything—is done to minimise the further spread of infection.

The current national guidance says that an investigation should begin only when two or more cases of the same type of bacteria are found. Given the concerns that have been raised over recent weeks, does the First Minister believe that the framing of the guidance remains sufficiently robust and clear? Would she encourage health boards to examine their plans to see whether improvements can be made?

**The First Minister:** In light of such incidents, my starting point would be that we should always review the protocols, procedures and guidance that are in place. That will be the case in these instances. Health boards should always make sure that they respond appropriately. The guidance that Jackson Carlaw refers to will be informed by expert opinion, and that is right and proper.

In terms of the procedure that is in place right now for reporting infections, health boards are required to follow the healthcare infection incident assessment tool. That procedure is followed by infection prevention and control teams or health

protection teams in assessing every healthcare infection incident—that means all outbreaks and incidents in any healthcare setting. What I said a moment ago is worth repeating: we consider that, in each case that has been reported over the past couple of weeks, the procedure has been followed.

In brief, the tool has two parts. First, it assesses the impact of a healthcare infection incident or outbreak on patients, services and public health. Secondly, it supports a single channel of infection incident or outbreak assessment and information reporting, both internally within the health board area and externally to Health Protection Scotland and the Scottish Government. That includes public reporting and the preparation of information for the media. That is a robust procedure.

When I was health secretary, I remember having cause to look at the tool and health boards' compliance with it on more than one occasion. When we have infection outbreaks such as those that we have been speaking about, it is important to review procedures, and if any changes are considered to be required, they should be made.

### Homelessness

**2. Richard Leonard (Central Scotland) (Lab):** New figures released this week confirm that, for the first time in a decade, homelessness in Scotland is rising. As a result, two days ago Shelter Scotland declared that Scotland faces a housing emergency and said:

"The upcoming budget should be seen as an opportunity for the Scottish Government to ensure councils are properly resourced to deal with this unacceptable rise in homelessness in Scotland."

Does the First Minister in all conscience really believe that a £319 million cut to local government is properly resourcing Scotland's councils?

**The First Minister (Nicola Sturgeon):** The Cabinet Secretary for Finance, Economy and Fair Work will set out his budget statement later on this afternoon. I very much hope that we can reach an agreement that delivers a majority for that budget at 5 o' clock this evening. Work on that continues. However, work on that does not continue with the Labour Party, because we are still waiting for Labour to bring forward any credible proposals for the budget. To be fair, Alex Rowley—I am not sure whether he is in the chamber—did bring forward proposals. He is a front-bencher, but it turned out that the proposals were not approved by the rest of the Labour Party.

On the important issue of homelessness, I agree with Shelter's sentiments. For context, the long-term trend shows a significant decrease in the number of homelessness applications—the slight rise this year follows an eight-year decline in

homelessness applications. All the evidence suggests that that is largely down to welfare changes, which Richard Leonard and I oppose, although we differ on whether the Parliament should be responsible for the welfare system.

It is also important to note that the figures pre-date the establishment of the ending homelessness together action plan, published in November, which has 70 different recommendations and was backed by organisations such as Shelter Scotland and Crisis, which were represented on the task force that produced the recommendations.

Back on the budget, we have committed to a £50 million ending homelessness together fund and committed £23.5 million from that fund to support a transformation around rapid rehousing.

This is an issue of the utmost seriousness, which the Government takes extremely seriously, as will be reflected in our budget and in the other work that we are doing with organisations such as Shelter Scotland.

**Richard Leonard:** The First Minister refers to a fund that is worth £50 million over five years, compared with a budget that cuts council funding by more than six times that in one year alone—as it stands, the budget that we will vote on this afternoon will cut council funding by £319 million.

We are talking about cuts to social work and housing and homelessness support services, as well as cuts in the number of staff to deliver them. As a result, people in need, including children in need, are falling through the cracks. In the 12 months up to September 2017, 833 households cited a lack of support from health, housing and social work services as the reason for their homelessness.

This week, the Government announced the figure for the year ending September 2018. Will the First Minister tell us whether that figure was up or down?

**The First Minister:** I am going to guess that Richard Leonard would not be asking me that if the figure was down, so I am sure that it is up.

**Members:** You don't know?

**The First Minister:** I do not have the figure to hand but I will happily supply it after this meeting.

These are important issues. On the rise in homelessness in the past year after an eight-year decline, everybody, including the United Nations special rapporteur on poverty, knows that that is largely down to changes in welfare that I opposed but do not have the ability to influence because we do not have the power in this Parliament.

Notwithstanding that, we are taking action to tackle homelessness and rough sleeping, through

the work that we did through the task force and the recommendations that came from it, and through the ending homelessness together fund. We will continue to work with organisations to deliver improvements.

Richard Leonard talks about the budget. I repeat again that, in the draft budget, we are delivering a real-terms increase to councils. We have been prepared to listen to parties that say that that does not go far enough and we have simply made the point that if other parties want us to increase the money to local government, they have to come forward and tell us where that money should come from. Labour has failed to do so; the Green Party is the only party that has made constructive proposals.

Perhaps the most significant item in the budget relating to homelessness and housing, which Richard Leonard did not mention, is the £826 million that the Government is investing to deliver new affordable housing. Fundamentally, building more houses is a key part of how we tackle homelessness. Previous Labour Administrations were not all that successful at that, but this Government has been determined to prioritise it and we will continue to do exactly that.

**Richard Leonard:** The facts, from the Government's own figures, released this week, are that 1,178 households found themselves homeless in Scotland in the past year as a result of a lack of support from public services. That is a rise of 41 per cent.

Our councils have a legal duty to vulnerable people, including children, and the First Minister has a moral duty to deliver the funding that councils need. By asking the Parliament to vote for a budget that cuts council services by more than £300 million, the First Minister is failing in that duty. [*Interruption.*]

**The Presiding Officer (Ken Macintosh):** Order, please. Let us hear the question.

**Richard Leonard:** The last time that I asked the First Minister about homelessness, she told me:

"for as long as one single person is homeless or rough sleeping in our country, we still have work to do."—[*Official Report*, 1 March 2018; c 15.]

Last year, the First Minister's budget led to the first rise in homelessness in a decade and a housing emergency. Why is her response to that rise and that emergency to cut council funding this year even further?

**The First Minister:** Council funding is increasing, and Derek Mackay will set out further details of that later.

I absolutely stand by what I said—homelessness and rough sleeping are not

acceptable. The increase in homelessness is down to welfare cuts and changes, and everybody understands that, including, I believe, Richard Leonard, in his heart. If he joined me in calling for responsibility over welfare to be held in this Parliament, perhaps we could do something more about it.

Notwithstanding that, we continue to take action through the recommendations and the fund that I have spoken about, and by working with organisations such as Shelter and Crisis and with local authorities to tackle homelessness and rough sleeping. We are also investing record sums in building new affordable housing. Our budget reflects all of that.

I go back to the point that Richard Leonard criticises the budget but has failed to bring forward a single alternative budget proposal, which is simply not acceptable. I mentioned Alex Rowley's proposal. To give credit to Alex Rowley, at least he brought forward a proposal. Given that he is a front bencher, we assumed that it was an official Labour proposal, but Labour members cannot even get their act together to agree with each other on the budget, let alone with anybody else. Alex Rowley suggested that we free up more money for local government by, in effect, taking 3 per cent out of every other budget, except the health budget. That would have included social security. Therefore, a proposal to take 3 per cent out of our social security budget is the closest that Labour has come to making any budget proposals.

I simply say to Richard Leonard that if he wants not just me but anyone, across the country, to take Labour seriously on the budget, he has to do more than stand here and moan—he actually has to start bringing forward proposals, because so far he has not done so.

**The Presiding Officer:** A lot of members wish to ask supplementary questions. We will see how many we get through.

### **TalkTalk Job Losses (Stornoway)**

**Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP):** What can the Scottish Government do to assist the workforce of the TalkTalk call centre in Stornoway, in my constituency, who have just learned that they are all to lose their jobs this summer? The First Minister will appreciate that 59 job losses leaves a very big hole in a small, self-contained island economy, comparable to perhaps 1,800 job losses in Glasgow. I urge the Scottish Government and its agencies to do everything possible to seek alternative options to help those workers and the wider community.

**The First Minister (Nicola Sturgeon):** I thank Alasdair Allan for raising the issue. I was very concerned to learn of the developments at

TalkTalk in Stornoway yesterday and the impact that they will have on the affected employees, as well as on the local community and economy. His point about scale is very well made. Our agency, Highlands and Islands Enterprise, is already in direct contact with TalkTalk, at local and national level, and we are committed to doing everything possible to address the situation urgently, in the hope of attaining a positive outcome.

In the unfortunate event of individuals facing redundancy, we stand ready to provide support through the partnership action for continuing employment—PACE—initiative, but our first priority is to explore all options to avoid redundancies. I know that the Cabinet Secretary for Finance, Economy and Fair Work will be happy to liaise with Alasdair Allan on the action that we are taking, and any further action that the Scottish Government and our agencies could take.

### **Kyle Gibbon**

**Alexander Burnett (Aberdeenshire West) (Con):** I am sure that the First Minister will have seen last weekend's newspaper coverage of the 13-year detention of Kyle Gibbon at Carstairs, which quoted the Scottish Government's announcement of plans to hold an inquiry into why Mr Gibbon, along with eight other people with autism or learning difficulties, had been detained in a maximum-security hospital. A previous article in December said that the Minister for Mental Health would carry out an inquiry into Carstairs by the end of January. Will the First Minister confirm that Kyle's case is being investigated?

**The First Minister (Nicola Sturgeon):** I will ask the Minister for Mental Health to correspond with the member with more detail on the case. I hope that everyone across the chamber will understand if I say that it would not be appropriate for me or the Government to comment on individual patient cases due to patient confidentiality. I will say that diagnosis of a behavioural disorder is not in itself cause for detention and that there are significant safeguards where compulsory treatment is necessary, including the right of appeal. Admission to the state hospital is based on diagnosis of a mental disorder that requires treatment under conditions of special security and which cannot be suitably cared for in a hospital other than the state hospital.

The Minister for Mental Health pays very close attention to such cases and we will do everything possible to ensure that all rules and regulations are being properly adhered to. I will ask her to write to the member with whatever further detail it is appropriate to share with him.

### **Street Valium (Glasgow)**

**Pauline McNeill (Glasgow) (Lab):** Since mid-November in Glasgow, over 20 homeless people have died due to the availability of a high-strength street valium known as street blues—that is three deaths a week. Drug users have been warned that they are dicing with death. The situation is unprecedented and presents a new problem on our streets. Last month, a drugs gang was jailed for producing at least £1.6 million-worth of that type of street valium, but that has not dented the supply.

The problem is not confined to Glasgow—it is in other cities in Scotland—but it is certainly biggest in Glasgow. Can the First Minister assure the Parliament that there will be a considered response, and ensure that people are warned about the dangers of this drug? There must also be a much wider multi-agency approach to get these deadly drugs off our streets and to save lives where we can.

**The First Minister (Nicola Sturgeon):** Pauline McNeill raises a very important matter that has affected my constituency in the past, so I am very aware of the issues underlying this question and their impact on individuals and communities. Obviously, we are aware of an increase in street valium being implicated in deaths, usually when it is used in combination with opiates. Significant harms are associated with poly-drug use; most drug-related deaths are of people who take more than one substance.

I can tell the chamber that the Glasgow city alcohol and drug partnership has already met to discuss this issue and what further action can be taken to respond. It continues to promote a range of outreach activity as well as provide harm reduction information specifically on the issue of street valium. The partnership is implementing a treatment protocol for the management of dependence associated with the use of street valium for those most at risk and identifying barriers to treatment through focus groups with people at risk who are not already in contact with treatment services. We will continue to work closely with all alcohol and drug partnerships to monitor drug trends and ensure that public information is as it should be. We also work closely with the police in all aspects of drug policy and enforcement, including counterfeit prescription medication.

Those are important issues and all agencies involved have a responsibility to ensure that the action that is being taken meets the challenge that is posed. I would be very happy to ask the Minister for Public Health, Sport and Wellbeing to meet Pauline McNeill if she wants further information on the action and discussions being undertaken.

### **Blue Water (Coatbridge High Schools)**

**Fulton MacGregor (Coatbridge and Chryston) (SNP):** The First Minister will be aware of reports of blue water at Buchanan and St Andrew's high schools in Coatbridge. She might also be aware of reports that staff are being warned against speaking to parents and politicians about the issue. Can she outline what steps the Scottish Government can take to ensure that there is a full investigation into the problem by North Lanarkshire Council and that the council is keeping the parents, families and pupils who are involved fully informed in a transparent manner?

**The First Minister (Nicola Sturgeon):** Scottish Government officials have been in contact with North Lanarkshire Council about the issue and I understand the concerns that are being raised. The council has informed us that a range of measures is already being taken, including replacing pipe work, and has advised us that that process will be completed next month. The council has also advised that parents and pupils have been kept informed by letter. Clear communication about the issue and the steps being taken to address it is in everyone's best interest and I encourage the council to ensure that that is done. I advise and assure Fulton MacGregor that my officials will continue to liaise with the council and offer any appropriate support as it seeks to resolve this serious issue.

### **Hepatitis A Outbreak (St Mary's Primary School)**

**Maurice Corry (West Scotland) (Con):** The First Minister might be aware of the recent outbreak of hepatitis A at St Mary's primary school in my region, which has resulted in staff and pupils having to be vaccinated. The source of the outbreak is currently unknown. What assurances can the First Minister give that measures will be taken to fully investigate the outbreak and prevent it from happening again?

**The First Minister (Nicola Sturgeon):** Again, that is an important and serious issue to raise. Vaccination has been undertaken and is either ongoing or completed, but that is an important step that has been taken. Obviously, investigations will continue to try to identify the source of the outbreak. Health ministers will be more than prepared to keep the member, and other members who have an interest in the issue, updated as more information becomes available.

### **People's Development Trust (Legacy Hub)**

**John Mason (Glasgow Shettleston) (SNP):** Can the First Minister give any reassurance to the community in Dalmarnock about the future of the legacy hub, which is a fabulous facility funded by the Scottish Government, Glasgow City Council,

Clyde Gateway and the Big Lottery Fund as a legacy from the Commonwealth games but which, sadly, has now closed as the People's Development Trust has gone into administration?

**The First Minister (Nicola Sturgeon):** I was really sad to hear of the People's Development Trust entering administration and of the impact that that has had on the trust's staff and, indeed, the local community that has relied on its services. Glasgow City Council staff have met parents affected by the closure of the nursery to discuss the options available for replacement childcare and the availability of nursery places within a 2-mile radius. The council is, rightly, leading on engagement with the administrator with the aim of ensuring that the hub can remain an important asset for the community in the future. That is fundamentally a matter for the administrator and Glasgow City Council. However, we absolutely recognise the importance of the legacy hub to the people of Glasgow, so the Government will remain in close contact with the council and with interested parties as the situation evolves and we will offer any support that it is appropriate for us to offer, including, if necessary, support through the partnership action for continuing employment initiative for any member of staff faced with losing their job.

### **Raytheon (Scottish Government Support)**

**3. Patrick Harvie (Glasgow) (Green):** The Scottish Greens have regularly raised the issue of Scottish Government support to the arms industry and, in particular, to Raytheon, the third-largest arms firm in the world and the largest producer of guided missiles. The firm sells missiles to Saudi Arabia, where they have been linked to alleged war crimes, such as the bombing of civilians.

When we raise these issues, we are often told by the Scottish Government—as *The Ferret* was told recently, in response to an inquiry about a report that it was publishing—"We are very clear that we expect the UK Government to properly police the export of arms and investigate whenever concerns are raised." I do not expect that. I fully expect that the United Kingdom Government will continue to facilitate arms sales to human rights abusers and to countries that are involved in war crimes and atrocities around the world. I do not think that people in Scotland should be expecting the Scottish Government to continue to back this industry.

In the past week, my colleague Ross Greer published research—[*Interruption.*] If colleagues would like to hear this—[*Interruption.*] Perhaps some of them do not care.

My colleague Ross Greer has published research showing that Scottish Enterprise is providing bespoke services to Raytheon to help it

grow, by offering advice and helping it to access finance and new markets. What on earth is the justification for the Scottish public to back such a company, which has reported sales of £22 billion in 2017, to grow its business? Is it not time for the First Minister to reverse the Scottish Government's support for the arms industry?

**The First Minister (Nicola Sturgeon):** First, I have not personally seen the research by Ross Greer that Patrick Harvie refers to. It might be available to the Government. I am more than happy to ask Government officials to take a look at it.

As I have said in the chamber before in response to questions that Patrick Harvie has raised on this issue, the Scottish Government and our enterprise and skills agencies do not provide funding for the manufacture of munitions—that is, weapons or ammunition particularly for military use. Any support that we give to companies such as Raytheon is focused on projects for non-military uses and for business diversification. For example, laser guidance components have a broad range of navigation uses, including landing guidance for helicopters. Of course, as Patrick Harvie has alluded to, licences for arms sales are provided by the UK Government.

We will continue to provide support for firms in areas such as innovation, workplace efficiencies and training. These firms support a large number of jobs in Scotland. However, we cannot and will not provide support for weapons or ammunition or munitions in general.

**Patrick Harvie:** The First Minister often uses the word “diversification” as a cover for support to the arms industry. Can the First Minister tell us anything about the extent to which diversification has happened? According to the Stockholm International Peace Research Institute, in 2007, 92 per cent of Raytheon's total sales were arms sales and, in 2017, that figure was 94 per cent. What we are seeing is not diversification but the opposite, and the support of the Scottish Government, through the account management that is delivered by Scottish Enterprise, is specifically to grow that business and access new markets.

Can the First Minister tell us anything that the Scottish Government intends to do differently in the future? Meanwhile, is there not an overwhelming case to withdraw the constant stream of support from the public purse for this company and others to grow their lethal business?

**The First Minister:** The Scottish Enterprise funding to Raytheon has supported a range of activity for diversification into non-military and civilian markets and has helped to re-site Raytheon administrative staff; it is not funding to support munitions, ammunition or weapons. That

remains the case. There are jobs that are supported by these companies. Of course, they are often global companies that do not just operate in Scotland, so their overall business will depend on what they do in a range of different countries. However, that is the focus of support for Scottish Enterprise.

I remain open to hearing concerns about this matter and to considering whether there are any changes that can be made to tighten up the procedures that Scottish Enterprise uses. However, I make no apology for our enterprise agencies trying to support our economy and jobs. Often, members in this chamber rightly raise concerns about job losses. The job of the Government, Scottish Enterprise and Highlands and Islands Enterprise is to try to create and support employment. However, Patrick Harvie is right to say that it is important that that is done ethically and morally, and that is what Scottish Enterprise and Highlands and Islands Enterprise do.

We will continue to listen to views on the matter and, if there are changes that we can make, we are happy to consider making them.

#### **Restraint Practices (Schools)**

**4. Willie Rennie (North East Fife) (LD):** Vulnerable, disabled schoolchildren are being physically and mentally harmed by restraint practices in Scottish schools that may be illegal. That is the conclusion of a report by the Children and Young People's Commissioner Scotland. More than 2,600 instances were recorded in just one year; 2,600 does not sound like a last resort to me.

The Scottish Government has until the end of today to respond to the report. What will it say?

**The First Minister (Nicola Sturgeon):** We will respond to the commissioner's report. I believe that we will respond by the end of this week, which is within the time in which we are required to do so. It is courteous that we respond to the commissioner and we will.

Although we will, of course, look to make changes if required, the guidance that is in place is clear about the importance of de-escalation in situations in which restraint may be considered. It is also clear that restraint must only ever be used in cases of absolute last resort. That is exceptionally important. However, we will respond to the commissioner and look at making changes to guidance or practice, if that is considered to be appropriate and necessary.

**Willie Rennie:** Last week, the First Minister told me to wait and see what she was going to do on the demands of the United Nations on the age of criminal responsibility. At this morning's Equalities

and Human Rights Committee meeting, her MSPs voted to reject those demands. It is therefore fair to question the First Minister and her commitment to children's rights, rather than to wait and see.

A child with a mental age of three was left traumatised and distraught after being locked in a school cloakroom. There are reports of children being tied to chairs, being prevented from going to the toilet and being dragged across the floor, causing injury. The voices of those children are often not heard, so it is important for us to speak up for them.

The children's commissioner said that the Scottish Government is not complying with the advice of the UN Committee on the Rights of the Child. The commissioner said that guidance is inconsistent and ambiguous and that he is not certain that restraint is used as a last resort. Will the First Minister take the advice of the children's commissioner and dramatically cut the use of restraint on vulnerable, disabled children in Scotland?

**The First Minister:** First, I say to Willie Rennie that rarely—probably never—does a week go by in which I do not personally and directly listen to the voices of children and young people. It is a very important part of the job that I do and it is a very important part of how this Government conducts itself.

Once a year, we meet as a full cabinet with the Scottish Children's Parliament and the Scottish Youth Parliament. That is just one symbolic example of our commitment to hearing young people's voices.

We will respond to the commissioner and, if there is a view that changes are required, we will make those changes. We will continue to take whatever action is necessary to support an overall system in Scotland that is respectful of children's rights in general and that puts children's interests at the heart of everything that we do—not just in the cases that Willie Rennie cited.

Of course, we have committed to incorporating the UN Convention on the Rights of the Child into domestic law. That will require a whole range of work to be undertaken across the Scottish Government to ensure that we are fully compliant with that convention. That is an important indication of how seriously we take these issues.

Where we fall short—as all Governments do from time to time—it is important that we recognise that, and take action to rectify it. That is my personal commitment as First Minister and it is a commitment that runs right through our Government.

**The Presiding Officer:** I am not sure how much time we have, but I will try to squeeze in a couple of supplementary questions.

### **Sexual Offences against Children**

**Liam Kerr (North East Scotland) (Con):** The First Minister will be aware of reports this week about a dental student who was convicted of serious sexual abuse against a child, but who was given an absolute discharge, which has devastated the child's family.

I know that the First Minister cannot comment on individual cases, but does she agree that serious sexual offences against children should be punished severely, and that we need more transparency around sentencing in cases such as this?

**The First Minister (Nicola Sturgeon):** In general terms, of course I agree with the sentiment of that question. I am grateful to Liam Kerr for acknowledging that I cannot comment on the detail of the particular case.

I absolutely understand the concerns that have been expressed about what has been reported about the sentence. However, the sentencing decision in any criminal case is entirely a matter for the judge. The judiciary acts entirely independently, on the basis of the facts and circumstances of individual cases. The judge will take into account a wide range of factors, including the age of the offender and any previous convictions.

The member may not be aware of this, because it happened shortly before First Minister's questions, but the court has issued a statement this morning, providing more detail on the factors involved in the case. I will not go into detail on that, because the statement is available for members to read. However, in the closing paragraph, it describes the decision in the case as "wholly exceptional" and that is undoubtedly a fair description.

I understand the concerns, but we must protect the principle in Scotland that sentencing decisions are not a matter for politicians; however difficult and controversial they may be for the public, sentencing decisions are rightly and properly matters for judges.

### **Teachers' Pay**

**Jenny Gilruth (Mid Fife and Glenrothes) (SNP):** Will the First Minister update Parliament on the on-going teachers' pay negotiations and what the current offer would mean for teachers in the lowest pay grades?

**The First Minister (Nicola Sturgeon):** The teachers' pay ballot opens today, so the matter is



very much in the hands of teachers. An improved offer has been made to teachers and the additional investment required to fund that offer will be provided by the Scottish Government.

For all teachers on the main grade, the deal will involve an increase of 9 per cent by April 2019, with another 3 per cent in April 2020. The lowest-paid teachers will see an increase in their salaries by 16 per cent by April 2019, rising to almost 20 per cent by April 2020. That is important because we know that one of our challenges is attracting more people into teaching as a profession and I hope that that increase will help us to do so.

Teachers at the top of the pay scale will also see their pay rise to more than £41,000 by April 2020. Finally, the restructuring of the pay scale will mean that teachers will reach the top of the scale faster—within five years.

It is now for teachers to make a decision. I hope that teachers will consider the detail of the offer and I very much hope that they will decide to back the deal, which I believe is in the interests of the teaching profession and of pupils the length and breadth of the country.

#### **Mountain Rescue Services (Support)**

**5. Gail Ross (Caithness, Sutherland and Ross) (SNP):** To ask the First Minister what support the Scottish Government provides to mountain rescue services. (S5F-03036)

**The First Minister (Nicola Sturgeon):** The Scottish Government provides annual grant funding of more than £300,000 to Scottish Mountain Rescue to help all 28 volunteer mountain rescue services carry out their work. We are the only Government to fund mountain rescue in that way. We are also contributing £100,000 over three years from 2016-17 to help towards the cost of replacing the Scottish Mountain Rescue team's ageing very high frequency radio equipment, as well as assisting with the procurement process.

Scottish Government officials work collaboratively with Police Scotland, the Maritime and Coastguard Agency and Scottish Mountain Rescue to help resolve any issues around search and rescue that arise from time to time.

**Gail Ross:** Given the harsher weather conditions across the country, will the First Minister go into further detail on the dialogue between the Scottish Government, the Maritime and Coastguard Agency and Police Scotland in relation to helicopter support? Does the First Minister agree that the voluntary work of the Scottish Mountain Rescue service is invaluable? [Applause.]

**The First Minister:** I whole-heartedly agree. Mountain rescue volunteers, including the cave and dog teams, do a vital job and often put their own lives at risk. I am sure that we would all want to thank them for that.

Recently, there has been some concern about search and rescue helicopter support. The levers for change around that remain with the United Kingdom Department for Transport. However, following recent discussions between Police Scotland and the Maritime and Coastguard Agency, we understand that guidance has been updated to address the issues that have been raised around support for body recovery and for lifting volunteers from the hill following a rescue.

Police Scotland's helicopter has also been introduced as a last resort to assist mountain rescue teams with body recovery, thus helping to improve the situation. I understand that the chief pilots of both Prestwick and Inverness air crews met the four independent mountain rescue teams just before Christmas to discuss how they can better work together in the future.

#### **Social Media (Harmful Content)**

**6. Brian Whittle (South Scotland) (Con):** To ask the First Minister what action the Scottish Government is taking to address the risk of young people being exposed to harmful content on social media. (S5F-03017)

**The First Minister (Nicola Sturgeon):** Internet safety regulation and legislation are a reserved matter, but we are taking action where we can to keep young people safe online, not least by working with Education Scotland to ensure that internet safety has been embedded in curriculum for excellence and the school inspection quality framework.

We published the "National Action Plan on Internet Safety for Children and Young People" and we are working with the police, education services and third sector partners to consider new and emerging risks. In particular, we recently commissioned a study of the reported worsening mental wellbeing of young people, with a focus on teenage girls. The results of that study will be published shortly and will include analysis of the role of technology and social media.

**Brian Whittle:** I am sure that the First Minister will have seen the clear will of the United Kingdom Government and those elsewhere to hold social media companies to account for protecting children and young people from harmful content, whose shocking implications have been made all too stark by recent events.

Does the First Minister agree that, as well as ensuring that social media companies take their responsibilities seriously, it is equally important to

educate children early about the risks and realities of using social media and about what to do when problems arise? With that in mind, what action will the Scottish Government take to promote that approach?

**The First Minister:** In my original answer, I covered action that we are taking to embed internet safety in the school curriculum—I agree that education is vital here. We all want young people to enjoy and take advantage of the enormous benefits of the internet, but we also want to ensure that they are safe. That is often a difficult balance to strike, and everybody must play their part in that.

Internet and social media providers have a key responsibility, and I agree that it is vital to hold them properly to account. They are in a powerful and privileged position, so they must take their responsibilities seriously.

Education helps to empower young people to know and understand the risks and therefore avoid the risks. To conclude where I started, it is essential to embed internet safety in education and the school inspection framework, and the Government is committed to continuing to take forward that work.

**The Presiding Officer:** That concludes First Minister's question time.

**Johann Lamont (Glasgow) (Lab):** On a point of order, Presiding Officer. Last week, the Parliament's members—including the Cabinet Secretary for Transport, Infrastructure and Connectivity—agreed unanimously to support urgent progress on the Glasgow airport access project. In taking forward the Parliament's unanimous decision, the cabinet secretary has now announced his decision that the project should be scrapped.

Presiding Officer, will you advise the chamber how we can ensure that cabinet secretaries implement the Parliament's decisions, rather than entirely ignoring them and announcing at short notice a decision that directly contradicts the Parliament's decision? The Parliament took the decision on that important project only last week.

**The Presiding Officer:** I thank Johann Lamont for her question, which is not a point of order. She sounds as if she has a political question, which could be asked through the normal mechanisms, such as written questions, or through her business manager and the Parliamentary Bureau.

I apologise that 12 members could not ask supplementaries at First Minister's question time. I again implore all members and the First Minister to keep their questions and answers short.

Before we move to members' business, there will be a short suspension to allow the public

gallery to clear and to allow ministers and members to change seats.

12:48

*Meeting suspended.*

12:50

*On resuming—*

## Women in Science, Technology, Engineering and Mathematics

**The Deputy Presiding Officer (Christine Grahame):** I remind those who are leaving the chamber and public gallery to do so quietly.

The next item of business is a members' business debate on motion S5M-14877, in the name of Iain Gray, on the Royal Society of Edinburgh's report, "Tapping all our Talents 2018: A progress review of women in science, technology, engineering and mathematics in Scotland". The debate will be concluded without any question being put.

*Motion debated,*

That the Parliament welcomes the publication of The Royal Society of Edinburgh's (RSE) report, *Tapping all our Talents 2018: A progress review of women in science, technology, engineering and mathematics in Scotland*; notes that this is a follow-up to the RSE's 2012 report into gender equality in STEM; considers that STEM education is vital for the future of workforces, the economy and society in East Lothian and across Scotland; notes with concern the significant gender gap within STEM school education that is outlined in the report; further notes with concern that the proportion of women studying most STEM subjects across colleges and universities has seen, according to the report, "at best, incremental improvement, and, at worst, further decline"; welcomes the key recommendations of the report, and notes calls for the Scottish Government to give these issues serious consideration.

12:50

**Iain Gray (East Lothian) (Lab):** In 2012, the Royal Society of Edinburgh published the first report: "Tapping all our Talents: Women in science, technology, engineering and mathematics: a strategy for Scotland". That was the most comprehensive analysis of gender inequality in science in Scotland. Its findings were perhaps not surprising, but some were shocking. Its conclusions showed how poor we are at recruiting women into STEM subjects and careers.

Perhaps the report's most damning statistic was that, even when women overcame all the barriers in their way and studied STEM subjects to graduate level, 73 per cent of those women did not pursue a career in STEM. Their skills, training, intellect and talent were lost to that critical sector.

The report quickly became the seminal research that informed the debate around addressing that criminal waste of talent. It should have been a wake-up call for how far we had to go—or have to go—in involving women in STEM and improving their position in that regard, not just as a matter of basic justice and fairness but as an economic and social necessity. The RSE estimated that doubling

women's contribution to the STEM workforce could be worth £170 million to Scotland's national income.

The 2012 "Tapping all our Talents" report made a number of recommendations on how improvements could be made, so that young women would have the opportunities to progress and excel in STEM and make it their chosen career path.

Six years on, the Royal Society of Edinburgh has returned to that issue to research what—if any—progress has been made, and it has produced "Tapping all our Talents 2018."

There has been some progress. For example, the highly regarded Athena SWAN—scientific women's academic network—programme to address gender equality is now operating in 73 science and medicine departments in Scotland; in 2012, it operated in five departments. In the United Kingdom, the proportion of women in core STEM professions has risen from 13 per cent to 23 per cent.

However, the RSE report shows that in some areas of further and higher education we have seen, at best, only slight improvements with regard to women in STEM, such as a 2 per cent increase in undergraduate engineers. At worst, and in many areas, we have seen further decline.

That is confirmed by Scottish Labour research that was published today, which shows that, in information technology-related college courses, such as computer science and software development, there has been a significant drop in the number of women enrolling—a worrying trend if we want to ensure a high-skilled skills pipeline.

The most worrying evidence in the 2018 report comes from schools, where we see that gender stereotypes are still having an impact on STEM uptake and opportunities, and no real progress has been made since 2012.

Once again, in the critical area of computer-related studies, we see the starkest gender gap, with the percentage of young women studying those subjects at nationals 3 to 5 plummeting from 32 per cent in 2012 to 18 per cent in 2018. Meanwhile, the percentage of girls sitting exams in computer-related qualifications at higher level fell from 25 per cent in 2012 to 16 per cent in 2018.

The proportion of girls who took physics at levels 3 to 5, as well as the proportion who sat higher physics exams, also fell over the same period.

Despite the fact that women are underrepresented in the classroom in many STEM subjects in schools, we should note carefully that women have better attainment than men in every subject at national 5 level.

The gender gap in STEM has nothing to do with aptitude and nothing to do with women's brains being different or their skill set being unsuited to STEM. It has everything to do with attitude, conscious and unconscious bias and systemic everyday sexism. It has everything to do with men such as Professor Strumia from CERN, who notoriously claimed:

"physics was invented and built by men, it's not by invitation."

Tell that to Professor Sheila Rowan, Scotland's chief scientific adviser, who was a major contributor to the detection of gravitational waves. Professor Rowan is a tremendous role model for women in STEM, but we need more than women being role models; we need men to address their attitudes, and we need them to do so quickly.

The RSE is planning a range of follow-up work to its progress report. In early April, it will continue the conversation through an exhibition that showcases women in science in Scotland, which will celebrate women's achievements while highlighting the work that still needs to be done to address gender inequality in STEM. The RSE also plans to hold a series of round-table discussions with representatives from across the education, business and government sectors and the third sector to discuss the issues that its report raises and what can be done by organisations to work together to deliver gender equality.

The recommendations in "Tapping all our Talents 2018" go deeper than the need for programmes such as Athena SWAN, valuable though they continue to be. This time, the RSE's report demands a focus on behavioural change, so that we recognise the need for gender equality in STEM for everyone and render bias and discrimination unacceptable.

Above all, achieving that will demand leadership—from Government, industry and educators, and from all of us. We need neither warm words nor empty rhetoric; we need support for real action and a willingness to confront the bias, discrimination and sexism that stop us tapping all the talents that we must bring to bear on our scientific future. That might cost money; it will certainly take a more concerted effort than we have been willing to make up to now, and it will certainly upset Professor Strumia and his ilk—all the better. However, we cannot afford to ignore the wake-up call of "Tapping all our Talents" this time around. *[Applause.]*

12:58

**Clare Adamson (Motherwell and Wishaw) (SNP):** I congratulate Iain Gray on bringing his motion to Parliament and giving us the opportunity to debate it.

I have used the 2012 "Tapping all our Talents" report on many occasions to inform debates in the chamber. It was an extremely important piece of work. I, too, welcome the 2018 review. The foreword is by Professor Anne Glover, who is the RSE president, and Professor Lesley Yellowlees chaired the committee that looked at the issue. As two of the foremost women scientists in the country, they are certainly role models for young women in Scotland.

I welcome some of the improvements that are identified in the report, such as the fact that the proportion of female STEM graduates in the UK has increased from 27 per cent to 30 per cent. The report also notes:

"At the current rate of progress, STEM FTSE 100 companies are expected to meet a voluntary target of 33% of women on boards by 2020."

As someone who supports the campaign for 50:50 representation of women in politics, I find that target quite worrying. In effect, it expresses contentment with a situation in which 66 per cent of people on boards in STEM companies are men. Turning the argument around in that way exposes how unequal the position is for women in such organisations.

In academia, the number of Scottish STEMM—science, technology, engineering, mathematics and medicine—departments holding Athena SWAN awards, as mentioned by Iain Gray, has increased. The proportion of female professors has trebled in mathematics—from 3 per cent to 10 per cent—and has doubled in chemistry, from 5 per cent to 10 per cent. Progress is being made, but there is much work to do.

Another important report is "Automatic... For the people?", which was produced by the Scottish Council for Development and Industry, in conjunction with BT, ScotlandIS, representatives of the information systems community in Scotland, and the RSE. The fourth industrial revolution is already upon us and we have to ensure that Scotland's communities and our economy are geared up to take advantage of what is coming our way. By way of highlighting that, the Fraser of Allander institute says in that report that it has conducted research showing that of the 2,826,000 jobs in Scotland, 837,290—almost a third—will be impacted by the fourth industrial revolution, digital technology and sensor technology. We want Scotland to lead in that area, which means that we need people to study STEM subjects at all levels—in our schools and in our universities.

The Government has done a number of things to support that, and the Education and Skills Committee hopes to conduct a review of the STEM strategy that the Government is due to publish. I look forward to hearing when the strategy might be available. CENCIS—the

innovation centre for sensor and imaging systems—which is supported by the Scottish Government, is a world centre of excellence for sensor and imaging technology.

We have an opportunity, but in order to maximise that opportunity to have productive and highly paid jobs in Scotland, we have to ensure that all our young people are aware of the opportunities, and that women who want to study and work in STEM are given every opportunity and support in their ambitions.

13:02

**Alexander Burnett (Aberdeenshire West)**

**(Con):** I join members from across the chamber in congratulating Iain Gray on securing this debate to welcome the publication of the Royal Society of Edinburgh's report, "Tapping all our Talents 2018: A progress review of women in science, technology, engineering and mathematics in Scotland".

I also whole-heartedly support the RSE in raising the important issue of gender equality in STEM. The report has found a significant gender gap in STEM leadership roles and little progress on the proportion of women studying STEM subjects in colleges and universities. I have read the briefing, along with other reports, and the importance of STEM is clear, as are the impact and causes of lost talent in those fields, and actions that the Scottish Government must take.

Scotland's reputation in science, technology, engineering and mathematics is strong, and those fields are a key sector of our economy. Unfortunately, female participation in many STEM subjects in our schools, such as computing and physics, has decreased. Early and sustained intervention is essential to inspire interest in STEM among young students of all genders.

Furthermore, we are concerned that many women are discouraged from pursuing STEM careers. In today's society, women face obstacles to participating and progressing in science and technology careers. Those barriers include family responsibilities, implicit bias and less access to research funding. Even if women pursue STEM subjects, many highly qualified women leave the sector early. To add insult to injury, even when women stay, they are consistently underrepresented at the executive level.

Why does that matter? It matters because our economy is dependent on women's participation in the labour market. An increase in females in the STEM workforce could be worth at least £2 billion to the Scottish economy, but we are faced with a stream of women leaving the sector. Some employers in Scotland are now struggling to recruit. In short, losing women in the STEM field

weakens both Scottish business and the Scottish economy. We have already seen our economy weaken under the current leadership, with the most recent gross domestic product figures showing that Scotland's economy is growing at half the rate of the rest of the UK as a whole. Without action, we will continue to miss innovation and market opportunities.

Just last week, I had the pleasure of visiting the Data Lab and meeting its head of business development, Jude McCorry, who is quite simply passionate about Scotland's role as a leader in both data research and women in data. This rapidly growing sector might provide an even greater opportunity for women to get involved in STEM than perhaps some of the more traditional engineering fields, and that is possibly reflected in the fact that Ms McCorry is joined at the top of her field by women such as Gillian Docherty, chief executive of the Data Lab; Frances Sneddon, chief technology officer at SIMUL8 Corporation and other chief executives such as Polly Purvis of ScotlandIS, Mandy Haeburn-Little of the Scottish Business Resilience Centre, Julie Grieve of Criton and Susan Ramonat of Spiritus Partners. Members might have had the opportunity to meet many of them at last night's event.

How do we find the next generation? In March, the Data Lab is putting on a programme on women in data science that will bring current female data scientists together with schoolgirls to inspire them to become data leaders of the future. The Royal Society of Edinburgh also plans to put on an exhibition in April to showcase women in science in Scotland and celebrate their achievements. I am pleased to hear that there will be round-table discussions with representatives from education, business, Government and more to evaluate the report and develop solutions.

The Scottish Government has a responsibility to promote gender equality in STEM fields through its policies on education, training and economic development, and they are the sorts of initiatives that the Scottish Conservatives—and, I hope, everyone in the chamber—support.

13:06

**James Kelly (Glasgow) (Lab):** Like other members, I congratulate Iain Gray on securing the debate, because we have to highlight not only the importance of STEM to the economy but the need to get more women into STEM positions.

The "Tapping all our Talents 2018" report is very useful in giving us the benchmark of 2012 against which to measure things. As Iain Gray has pointed out, progress has been made in some areas, but in other aspects, progress has been slow or, indeed, declining. That should be a real concern

for MSPs right across the chamber. After all, if we want Scotland to do well as a country, we need to grow our economy, and the information technology and engineering sectors are key to that. We need to get good people into those sectors, but the fact is that we are very short of women recruits; for example, women make up only 17 per cent of the information technology workforce. That clearly shows that not only are we letting women down by not giving them these opportunities but we are not making the most of the strengths that we can tap into to give us economic growth.

When we look at the issue, we can see what might almost be described as a flow to this problem. For a start, there has been a drop of 1,000 completions with regard to women entering industry, and we can follow that all the way down to secondary school and the fact that, between secondary 3 and S5, the percentage of female pupils taking computing subjects has declined from 32 to 18 per cent. Not enough women are studying these subjects.

We need to take this all the way back to primary school and raise awareness of STEM in young kids in their formative years to ensure that they not only realise the importance of information technology and engineering but see that they can be exciting careers. STEM subjects should be given much greater priority in primary schools. The natural instinct is perhaps to concentrate on traditional subjects such as English, mathematics and reading, but, by not concentrating more on engineering and information technology, we are not gearing up enough for the modern economy.

That sort of approach can be encouraged in primary schools through the use of STEM ambassadors. They could be young women who are studying STEM subjects at university or college or women from industry, and they could come into primary schools to talk to kids about the importance of studying and having a career in STEM. That has been done in some primary schools in Glasgow and has been very exciting. I know of one example of young kids being enthused by such an experience.

As Iain Gray said, a much more concentrated effort is needed across all areas. From primary school through to secondary school and higher education, and in industry, there must be links with STEM sectors. If we are to give women the opportunities that they deserve and make the most of the economy, it is absolutely vital that we learn the lessons from "Tapping all our Talents 2018".

13:10

**Oliver Mundell (Dumfriesshire) (Con):** Like other members, I thank Iain Gray for bringing this

important issue to the chamber and I congratulate him on securing time for the debate.

I whole-heartedly agree that it is important that, to some degree, men take the lead on these issues. We all have a responsibility to stand up for gender equality, but this issue goes further than that. We all have a responsibility to help to build the society that we want to see. It is more than just an economic issue, as we all lose out when people are held back and when we do not make the most of what everyone has to offer. The economic figures are stark—£170 million would go a long way in supporting many initiatives that would unlock further economic potential.

When we get wake-up calls like this report more than once, and we are not making any progress, we have to ask ourselves whether we are part of the problem. Are we doing enough? Are we doing everything that we can, or are we just paying lip service to the issues and moving on to other things? Through my involvement with the Education and Skills Committee, I know that these are interesting issues that members take seriously, but it is not enough to take them seriously. We have got to see something done. Many factors are involved, because the issues are complicated and deep-rooted, and too often it is easy to say that it is too difficult or that the problem lies elsewhere. We have to make sure that something happens, because I do not want to see another report like "Tapping all our Talents 2018" that shows that progress is stagnating.

James Kelly is right to say that we need to focus on people at a much younger age. I would go further still: both at the early years level and in primary school, much more can be done to break down gender stereotypes when it comes to play and learning. It is not about saying that gender is not important, but about making sure that people have a free choice. I highlight the point that Clare Adamson made in relation to what women want to do. When we have debates such as this one, we can make out that there are things happening, but, as well as making sure that the opportunities are there, we need to make sure that people want to take them up. That involves explaining the benefits for individuals, as well as saying that it would be good for society or for industry, or that we have a skills shortage.

That last point brings me on to industry. The problem is not just one for the UK Government, the Scottish Government or public bodies; we have to ask industry to do more. There is a lot of good practice out there and companies are working hard to support programmes in which people go into schools or train up others. However, it is clear that dealing with the issues sometimes ends up being a tick-box exercise for large companies that have the capacity to help in

this area, partly because of economic pressures and other business priorities. Therefore, we need to find a way to make it easier for those companies to promote the issues.

We also need to ensure that we get information to young people at key points in their education. We must ensure that school pupils have a genuine range of subject choices and that young people have the opportunity to access resources not just in schools but in colleges.

All those ideas would help, and I hope that there will be continued support across the chamber for initiatives that get to the heart of the problem.

13:15

**The Minister for Further Education, Higher Education and Science (Richard Lochhead):** I thank Iain Gray for bringing the debate to the chamber. I agree with virtually every single point that he made during his very fine opening speech. I also thank all the other members who contributed to the debate—again, I agree with virtually every point that they made.

The Government is absolutely committed to addressing gender inequality across society, the economy and education. Only yesterday, the First Minister renewed her commitment to tackling gender inequality when she met her national advisory council on women and girls and promised to give full and careful consideration to its first annual report, which was published last week.

We have all agreed today that there is no place for gender bias and gender stereotyping, which limit the achievements of women and girls in life or in STEM or any other sector. I thank the Royal Society of Edinburgh for a balanced, thorough and thought-provoking review of the current state of women in STEM in Scotland today. I know that the RSE has arranged a number of follow-up activities and the Scottish Government has offered to be involved in as many of those as the RSE feels appropriate.

As Iain Gray said, the report acknowledges the positive progress that has been made in many areas, but of course progress has not been made in enough areas. I would certainly agree that the current situation is simply not good enough, albeit that we should recognise the progress that has been made.

James Kelly and Alexander Burnett mentioned some of the statistics that illustrate we have much more work to do. However, the report says that

“the Scottish Government has driven the equalities agenda far beyond the remit of a dedicated equalities team within government”,

and that the review group was “heartened” by the progress that has been achieved, notwithstanding

the many challenges that still remain. It also highlights the action that is already being taken in schools, colleges, universities and apprenticeships.

As James Kelly highlighted, it is important that we take action in our schools. Some of the initiatives that are under way in Scotland include the big me week, which took place at Ravenswood primary school in Cumbernauld; the gender-friendly physics programme that took place at Lomond school in Helensburgh; the University of Strathclyde’s engineering the future for girls programme; and Equate Scotland’s work with West Lothian College and its careerwise programme. That is just a small set of examples of what has been happening across the country in recent months and years.

The report also says that the progress that I have mentioned is not universal. That is one of our biggest challenges. It points to the persistent gender imbalance in subjects and in the labour market. For example, in 2017-18, just over 5 per cent of starts in engineering modern apprenticeships were female, and only 4 per cent of staff in Scottish early learning and childcare settings are male.

The report presents Government, education, industry and academia with a set of complex and challenging recommendations. As a Government, we are already taking action on some of the themes in the report and we will look at how we can do more.

We are providing leadership to drive forward cultural change—indeed, that is the remit of the First Minister’s national advisory council on women and girls. We are also demonstrating leadership through our work on the gender pay gap. The latest statistics show that we currently have the lowest gender pay gap on record, at 15 per cent for all employees and 5.7 per cent for full-time employees. We still have some way to go, but progress has certainly been made.

Like the Royal Society of Edinburgh, we recognise that there is much more to be done and that is why we have been working intensively with partners and interest groups to develop a gender pay gap action plan for Scotland, which will be published in the coming months. There are strong similarities between the themes that are identified in the “Tapping all our Talents 2018” report and the themes that will be addressed in the gender pay gap action plan.

We have also shown leadership by making equity a central theme of our STEM education and training strategy. The strategy includes a range of actions that are designed to tackle behavioural change and attitudes, which Iain Gray and others highlighted in the debate. The actions are based

on evidence and monitoring of what actually works. Research strongly suggests that there is no inherent difference between girls and boys that limits their interests, capabilities or ambitions, as we have confirmed today. Research also suggests that the period between age 10 and age 14 is critical for the development of young people's attitudes to science. By age 14, most young people's attitudes are fixed.

For the past three years, the Institute of Physics, in partnership with Skills Development Scotland and Education Scotland, has been conducting a pilot programme on what works best in schools to address gender imbalance in STEM. That project focused on gender stereotyping and unconscious bias, which we know shape self-identity and aspiration in young people and are the root cause of the gender imbalance that we see in the statistics.

As members mentioned, the project found that it is important to start the work early in education. It also found that whole-school approaches that go beyond STEM and into other subjects are needed. The project received a very positive evaluation, with 97 per cent of participants reporting that they had more confidence in their ability to tackle gender imbalance as a result of having taken part. Education Scotland and the Care Inspectorate have published findings from the pilot in an accessible format for teachers and early learning and childcare providers to use.

Under the Government's STEM strategy, Education Scotland has appointed a dedicated team of six gender balance and equality officers, who will develop and spread best practice from the pilot. The aim is to ensure that all school clusters in Scotland are involved by 2022. We will monitor and evaluate the programme on an on-going basis.

Iain Gray's motion highlights our colleges and universities, and each college and university has a gender action plan. The Scottish Further and Higher Education Funding Council requires universities to report on how they are promoting gender equality in their workforces and on their governance boards. That includes reporting on action taken to address gender imbalance in relation to senior and management staff. At individual student level, a social media campaign led by Young Scot is challenging stereotypes and highlighting positive STEM careers and career pathways for students and prospective students at college and university.

A lot is also happening in the workplace. It is important that we address what is happening in the workplace. Oliver Mundell and other members mentioned the importance of ensuring that industry plays its part. We support the action that Equate Scotland is taking to promote and

encourage women into jobs in STEM sectors. That includes targeted support for women returning to STEM jobs from a career break.

We also remain committed to tackling discrimination in the workplace and promoting fair work practices. That is part of the fair work action plan that we will publish shortly, as part of our ambition to make Scotland a fair work nation by 2025.

Although it is important that we talk about the issue today in light of the "Tapping all our Talents 2018" report, we should have a broader debate in Parliament on some future occasion. I hope that I have demonstrated that the Government is playing its role in showing leadership and driving cultural change. Our approach focuses on behavioural change and is based on what works.

My officials and the Government will continue to work with the Royal Society of Edinburgh and others to seek new and creative ways of addressing many of the challenges that have been raised today. That partnership approach, which also involves parents, teachers, employers and science-based professional bodies, is crucial.

Clare Adamson highlighted the changing nature of Scotland's economy and the importance of ensuring that Scotland is prepared for those changes. Today, I give an assurance that we will take the lessons from the Royal Society of Edinburgh's "Tapping all our Talents 2018" report and make sure that we are prepared and that everyone in Scotland makes their contribution and has the opportunity to realise that vision.

13:23

*Meeting suspended.*



14:30

*On resuming—*

## Budget (Scotland) (No 3) Bill: Stage 1

**The Presiding Officer (Ken Macintosh):** The first item of business this afternoon is a debate on motion S5M-15625, in the name of Derek Mackay, on the Budget (Scotland) (No 3) Bill. I encourage all members who wish to speak in the debate to press their request-to-speak buttons as soon as possible.

14:30

**The Cabinet Secretary for Finance, Economy and Fair Work (Derek Mackay):** I am pleased to lead today's debate on the principles of the budget bill, and to welcome the Finance and Constitution Committee's report on the draft budget.

In the face of the chaos and turbulence from the United Kingdom Government, I urge the Scottish Parliament to deliver certainty and stability for Scotland by supporting the principles of the budget bill. This Scottish budget prepares our economy for the opportunities of the future, enables our transformation to a low-carbon economy and builds a more inclusive and just society.

I have listened carefully to the Opposition parties: to the Tories, who demand tax cuts for the highest earners, with their "Raise less, spend more" hypocrisy; to the Liberal Democrats, who would abandon new spending on education, colleges, mental health and childcare for their constitutional obsession; and to Labour members, of whom sources predicted that their party would deliver incompetence instead of an alternative budget—and that is what we got.

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

**Derek Mackay:** Voting against the budget at stage 1—*[Interruption.]* I thought that I would start on a consensual note.

Voting against the budget at stage 1 would imperil our ability to raise the necessary revenues to fund our public services. It would be reckless in the extreme. To do so at a time when we have a UK Government that is engaged in systematic damaging of our economy—austerity by choice, and Brexit by design—would be even more damaging. The UK Government cannot be trusted to act in Scotland's interests: the Scottish Government will.

As previously stated, if we face a no-deal Brexit, I will have to revisit the Scottish budget.

**Mike Rumbles:** Will the cabinet secretary take an intervention?

**Derek Mackay:** However, I can confirm today that I have reached an agreement with the Scottish Green Party that will secure the passage of the budget at every stage. *[Applause.]*

I know that the ability to make more decisions locally is a key request of councils. This Government will therefore take steps to empower Scotland's local authorities. *[Interruption.]* I hear the Conservatives groaning at the mention of empowering Scotland's local authorities. Today, I will set out measures that will deliver the most significant empowerment of local authorities since devolution.

The Convention of Scottish Local Authorities has made the case for councils to have the power to apply a levy on transient visitors, which was a key issue for the Greens in the budget negotiations. The Scottish Government will now undertake a formal consultation on the principles of a locally determined visitor levy, before introducing legislation that will permit local authorities to adopt the policy.

**Mike Rumbles:** On that point, will the cabinet secretary take an intervention?

**Derek Mackay:** I will take an intervention, since Mike Rumbles is being so persistent.

**Mike Rumbles:** I thank the cabinet secretary for taking my intervention. On his agreement with the Greens, can he tell us when he plans to abolish the council tax?

**Derek Mackay:** Be patient—I am coming to that.

The national discussion on a locally determined visitor levy has illustrated a range of important issues to consider. Information from it will help us to get the structure right for the tourism industry, as well as for local authorities. This Government takes no view on whether councils should introduce the levy. However, our actions take a step towards providing local authorities with the power to do so.

There has also been on-going debate on providing local councils with the power to apply a levy on workplace car parking. That is a matter that is best managed at local level: it enables local authorities to manage congestion, air quality and local transport. Subject to the specific exclusion of our national health service and hospitals, the Scottish Government will agree with the Greens on an amendment to the Transport (Scotland) Bill that will enable local authorities that wish to have that power to exercise it.

The final transfer of power to local authorities will be devolution of empty-properties rates relief to local authorities, by the next revaluation.

In each of those cases, it will be for local authorities—having taken account of local circumstances, the views of business and the electorate—to decide whether to use the powers.

The Scottish Government recognises the importance of longer-term budget stability for local authorities. We will work with the Convention of Scottish Local Authorities to move towards three-year budget settlements from 2020-21, and to develop an agreed fiscal framework for introduction in the next parliamentary session.

The Green Party has also sought to return to the conclusion of the cross-party commission on local tax reform, which is that the current council tax system must end. The Government will convene cross-party talks to progress that. If agreement can be reached, legislation will be developed, although it would be for implementation in the next session of Parliament. There will be no change to the council tax system during this parliamentary session.

The draft budget increases funding for local government, providing total support of over £11 billion and an overall real-terms increase of about £210 million in the total local government settlement.

**Kezia Dugdale (Lothian) (Lab):** If that is such a good deal for local government, can the cabinet secretary explain why my constituents are facing £41 million of cuts from their SNP-led council?

**Derek Mackay:** They will not be, by the time I finish my speech.

I have heard the arguments for more funding to be provided—I have just heard one again—through raising income tax or business rates, or through greater flexibility over council tax. I have been clear throughout the budget process that I will not change income tax rates and business rates: we have set the rates and we will stick to them. However, we have agreed an alternative package of support for Scotland's local authorities.

As part of the agreement with the Greens, we will provide flexibility by capping council tax at 3 per cent in real terms, or 4.79 per cent. I encourage councils to take account of household incomes and to remain at a flat 3 per cent. However, that approach will give councils the ability to raise an additional £47 million on top of the £80 million that they could already generate, at the same time as keeping increases below the maximum that is permitted in England.

I have also agreed additional funding direct to the local government core grant. Members will recall that through the budget the Scottish

Government would invest £55 million of additional funding for the NHS to make up for the shortfall in Barnett consequentials from what we had been promised. Where the Tories sold the NHS short, we filled the gap.

The UK Government has now confirmed that we can expect to receive for the NHS further unexpected funding in Barnett consequentials this year. As a result, and using additional flexibility in management of the Scottish budget, I am able to deliver an additional £90 million for local government as part of its core settlement, at the same time as keeping our promise that all Barnett consequentials for health will go to health. Our NHS budget will now be £4 million higher than was set out in December. As a result, using council tax, additional flexibility to offset spending and extra direct funding, local authorities will now have up to £187 million of additional spending power in their budget.

I can also confirm, as I have to the Greens, that the Scottish Government will transfer our share of the costs of the teachers' pay offer—if it is agreed—to local government, which will amount to nearly £280 million over three years. I hope that, with those changes, the budget will win the support of the Parliament.

The budget will provide a real-terms increase in the education portfolio, and will support investment of almost £500 million to expand early learning and childcare. It will invest £600 million in Scotland's colleges, more than £1 billion in Scotland's universities and more than £214 million in apprenticeships and skills.

The budget will also allow us to continue our work to tackle poverty and to mitigate the worst impacts of the UK Government's welfare cuts.

**James Kelly (Glasgow) (Lab):** I draw Mr Mackay's attention to the Fraser of Allander institute's blog, which details how only £27 million in the Scottish Government's budget is directly targeted at low-income families. Surely that shows that his words on poverty are hollow, indeed.

**Derek Mackay:** Parts of the Labour Party proposed deep cuts in social security to pay for other commitments, whereas the Scottish Government is spending more than the UK would spend on social security in Scotland.

It is important that the budget will make provision for financial redress for survivors of historical child abuse in care. It will provide £10 million for advance payments to people who might not live long enough to apply to the statutory redress scheme.

Our economic action plan, which the budget will fully fund, will improve the competitiveness of our business environment. We have committed £1.3

billion to support Scotland's seven cities and their regions to maximise economic opportunity. As has been welcomed by business, we are limiting the increase in the business rates poundage to 2.1 per cent, which means that more than 90 per cent of business properties in Scotland will pay a lower poundage than they would pay in other parts of the UK.

Our infrastructure investment will total more than £5 billion over the coming year, including £1.7 billion for transport and connectivity, £175 million for nursery and childcare buildings and a record £826 million for housing, to help to deliver 50,000 affordable homes.

There will be £130 million to support the establishment of the Scottish national investment bank and precursor investments. We will also establish a £50 million capital fund to ensure that our town centres are thriving and sustainable places.

To ensure the safety of our communities, we will provide a real-terms increase in funding for Police Scotland and the investment that is needed to transform our Scottish Fire and Rescue Service.

As part of the environmental measures that the budget will support, and in agreement with the Greens, we will at the earliest opportunity take action to increase to at least 10p the minimum levy for single-use carrier bags. We have also agreed, in principle, to introduce charging for disposable drinks cups. We will take those forward, following the report of the expert panel later this year, which will include consideration of whether some revenue from both charges can be placed under local authorities' control.

Our income tax system is fair, progressive and balanced to raise additional revenue from those who can afford to contribute most. Our budget will not increase any income tax rates, but will protect low-income and middle-income taxpayers by increasing the starter and basic rate bands by inflation. Fifty-five per cent of Scottish taxpayers will continue to pay less than they would if they lived elsewhere in the UK.

That is before we consider the benefits of Scotland's social entitlements, such as state-funded university education, free prescriptions and concessionary travel, which we will continue to protect.

Those who are thinking of voting against the budget tonight would be voting against an increase in our direct investment in mental health services that will take the overall funding for mental health services to £1.1 billion, and they would be voting against a £730 million increase in the health portfolio resource budget. That funding will deliver a shift in the balance of spend further

towards mental health and primary, community and social care.

The budget that we presented in December is good for Scotland. The proposals that I have set out today will deliver more powers, more funding and more flexibility to local government. The budget backs our economy and will fund our NHS. No Opposition politician can claim ownership of policies in the budget if they vote against the means to pay for them at decision time tonight.

It is clear that Westminster is failing Scotland, while the Scottish Government is set to deliver a budget that will safeguard Scotland as best we can. We are getting on with the day job and delivering for Scotland.

I commend the principles of the budget bill to the Parliament and I move,

That the Parliament agrees to the general principles of the Budget (Scotland) (No.3) Bill.

14:45

#### **Murdo Fraser (Mid Scotland and Fife) (Con):**

It was bad enough that the draft budget that was published last month widened the income tax gap between Scotland and the rest of the United Kingdom. However, today, thanks to the deal that Mr Mackay has done with the Greens, we have even more taxes to come. Let us remember that this is a Scottish National Party Government that was elected on a manifesto commitment not to raise the rate of income tax for basic rate payers, on a promise to cap council tax increases at 3 per cent, and on a commitment not to introduce a tourism tax—all promises that it has broken. On top of that, today, we have the introduction of a new workplace levy.

That is a triple tax bombshell from the SNP Government, and it will do nothing for the competitiveness of the Scottish economy. Derek Mackay might think that he is Dr Who, with Patrick Harvie as his assistant, but, between them, they will exterminate the opportunity for Scotland to grow its economy and be a good place to live, work and build a business.

Did anyone seriously doubt that a deal would be struck between the SNP and the Greens, despite the annual charade that we see as the two partners dance around each other, trying to pretend that there is no deal? No deal was about as likely as Ross Greer winning politician of the year from the Churchill appreciation society, yet we were all strung along and made to think that the budget could fall.

In advance of the budget, the Greens were very firm: nothing less than abolition of the council tax and wholesale reform of local taxation would get them on board. Instead, they have been sold

short. What do we have? Just a fudge—another promise of a round of cross-party talks. Mr Wightman has been let down.

**Andy Wightman (Lothian) (Green):** Murdo Fraser is aware that it is not within the gift of the Scottish Greens or the SNP to abolish the council tax. That would require legislation, and no party in this Parliament has a majority. Therefore, given that there is a commitment to cross-party talks to agree a replacement and to draft the legislation, will Murdo Fraser take part in those talks and will he do so with good will and a determination to scrap the regressive council tax?

**Murdo Fraser:** I feel sorry for Andy Wightman. The Greens were so clear that they would not sign up to a budget that did not commit to the end of the council tax. They have let their voters down. Famously, Andy Wightman wrote a book called “Who Owns Scotland”. The question today is: who owns Andy Wightman? The answer to that is Derek Mackay. The context—[*Interruption.*]

**The Presiding Officer:** Order, please.

**Murdo Fraser:** The context of this budget was that, following the Chancellor’s announcements in October, the finance secretary found himself in a healthier position than he had expected, with Barnett consequentials of £950 million in the Scottish block grant. According to the Scottish Parliament information centre, that increase means that the finance secretary’s total budget is up in real terms compared with last year. Let us never forget that, contrary to all the spin that we hear from SNP members, since 2010, the Scottish Government’s total budget is up in real terms by £1 billion.

The background to all the Scottish Government’s financial choices is the Barnett formula, which at the latest estimate—according to the Scottish Government itself—delivers an additional £1,800 of additional spending for every man, woman and child in Scotland. That is a fiscal transfer to Scotland; it is a union dividend of more than £10 billion each year.

What is the SNP policy on the Barnett formula—that multibillion-pound bonus to Scotland? It wants to scrap the formula and create a black hole to the tune of £10 billion in Scotland’s public finances. That is why the greatest threat to our public services comes from independence and the continual threat of a second independence referendum.

Against the backdrop of more money from Westminster, the finance secretary’s choice was to extend the income tax gap between Scotland and the rest of the UK, which means that those who earn between £43,430 and £50,000 will face a marginal tax rate of 53 per cent. It means that public servants such as police sergeants, senior

nurse managers and principal teachers will pay more tax than their counterparts south of the border—in some cases, they will pay more than £1,500 more. It means that anyone who earns more than £27,000 will pay more than their equivalents south of the border. That is before the other tax increases that Derek Mackay has just announced. Those people are not rich—we are talking about households that earn just £27,000. They will pay the price of having an SNP Government.

What we wanted to see in the budget was a focus on growing the economy, the need for which was made apparent in the report that the Scottish Fiscal Commission published in December. For each of the next four years, the SFC forecasts that the Scottish economy will grow at a slower rate than the economy of the UK as a whole and that earnings here will grow more slowly. That has consequences for the public finances, because a slower-growing economy and slower-rising earnings mean that the tax take will be lower and there will be less money to spend on public services.

**Derek Mackay:** True or false, Mr Fraser: did the Scottish Fiscal Commission attribute those subdued figures to Brexit?

**Murdo Fraser:** It was to the lack of productivity that the SFC attributed them. That is the challenge that the Scottish Government is failing to address. Brexit applies across the whole of the United Kingdom; it is the performance of the Scottish economy relative to that of the rest of the UK that ought to concern us.

The SFC’s forecasts for income tax for the coming year perfectly illustrate the problem. In the period between May and December last year, it revised those forecasts downwards by a staggering £661 million. That is a cool two thirds of a billion pounds that we are potentially missing out on.

I appreciate that income tax is just one of the devolved taxes and that we must also look at the block grant adjustment, but we see the complete picture when we look at the Finance and Constitution Committee’s report on the draft budget, paragraph 70 of which confirms:

“The 2019/20 budget now has a forecast net tax position of £257m in real terms compared to a forecast net tax position of £592m in December 2017.”

That is money that we are losing.

The figures that we are talking about are only estimates but, in due course, all those figures will have an impact on spending. Table 8 in the SFC’s report shows the income tax reconciliations. For last year, the forecast reconciliation is minus £145 million, which will have to be met in the financial year 2020-21. Even more serious is the forecast

outturn for this year, which is down £472 million. That will have to be met out of the budget for 2021-22. That is another £500 million black hole in the Government's forward budget plans. How the finance secretary must hope that those forecasts turn out to be wrong; otherwise, he will be the one writing a note to his successor to say, "I'm sorry—there's no money left."

In the course of the debate, my colleagues will assess the Scottish Government's spending plans in more detail, but I want to highlight one example of spending in the draft budget. International relations is a reserved matter, yet the Scottish Government is increasing the spending on international relations by a staggering 52 per cent over two years, from £15.7 million to £23.9 million. It tells us that there is no money to spend, yet here we are, funding Scottish ministers' grandstanding around the globe at our expense. If ever there were an area of spending that could be trimmed, surely that is it.

Given Scotland's relative economic underperformance compared with the rest of the UK, we should have had a budget that focused on improving our economy and maximising the tax take from a growing economy, instead of one that focuses on widening the tax gap and penalising those earners who live here. Every 20 new additional rate taxpayers we attracted to Scotland would generate an extra £1 million in tax revenue. An extra 2,000 additional rate taxpayers would give us a minimum of £100 million annually. According to figures that I heard quoted recently, an increase of just 1 per cent in Scottish productivity would deliver £2.3 billion extra in gross domestic product and £400 million extra in tax revenues. Rising wages deliver much higher revenues than increases in the tax rate.

There was a time when people on the SNP front bench understood those simple laws of economics, but sadly they are now long gone.

We made an offer to the SNP in advance of the budget. We asked it to ditch its plans for an unwanted second referendum and take action to narrow the tax gap rather than widen it—and then we could sit down and have a serious conversation about plans to grow the Scottish economy and how to support our public services. However, instead of talking to us, the SNP would rather talk to the anti-growth, anti-business Greens. Instead of reducing the tax burden, the SNP will put it up.

The consequence will be that the Scottish economy will continue to underperform and we will have yet more taxes on hard-working families. That is not a direction that we can support. For that reason, we will vote against the budget at decision time tonight.

I move amendment S5M-15625.1, to insert at end:

" , but, in so doing, regrets that the income tax gap between Scotland and the rest of the UK will widen as a result."

**The Presiding Officer:** I call Bruce Crawford to speak to the motion on behalf of the Finance and Constitution Committee.

14:55

**Bruce Crawford (Stirling) (SNP):** I thank the committee clerking team, led by James Johnston, who have provided the committee with fantastic support. I also thank my colleagues on the committee for the constructive and consensual manner in which they approached our scrutiny of the 2019-20 budget. It is a great credit to them all that we have been able to agree a unanimous budget report.

In the current, polarised climate, we cannot underestimate the power of politicians working together and laying aside their differences in agreeing a way forward. There is no doubt in my mind that the country is crying out for such an approach in respect of the current Brexit stalemate.

As colleagues across the chamber are aware, this budget scrutiny function has become increasingly complex and challenging as a result of additional tax power having been devolved. I am in danger of wearing out the word "complex" as I seek to describe the challenges that we face. Moreover, I am at risk of being seen as some kind of nutty professor from the university of the fiscal framework. On a serious point, though, the committee is indebted to our adviser, David Eiser, who has a great knack of unravelling the intricacies of the new model for devolution.

I hope that members will bear with me for a few moments, because it is worth reiterating some of those intricacies, which are important. Although it is challenging, it is incumbent on all of us in the chamber to have an understanding of how the Government budget is funded—not least because the Parliament now raises 40 per cent of the budget in tax revenues.

As those tax revenues have been devolved, the size of the block grant has simultaneously been reduced. However, those are not one-off reductions. If that were the case, the impact of the size of the reduction would decrease over time due to inflation. The initial reduction is indexed through an annual adjustment to the block grant, and that adjustment is based on the growth of devolved tax revenues relative to the equivalent taxes in the rest of the UK, adjusted for population growth.

The real challenge is that those adjustments are based on forecasts, which then have to be reconciled with outturn figures. That means that the forecasts for income tax revenues, which form part of the budget for 2019-20, will not be reconciled with the actual tax receipts until outturn figures are published in July 2021. Any difference between the forecast and outturn will not be addressed until the Scottish budget in 2022-23—a full three financial years after the initial forecasts.

That is the process, but what does it mean in practice for the Scottish Government and the Scottish Parliament? As members know, 2017-18 was the first year when this Parliament set our own rates and bands for income tax. When the outturn figures for 2017-18 are published by Her Majesty's Revenue and Customs in July this year, we will have an initial indication of the actual impact of this new process in relation to income tax.

As I said during the pre-budget debate last week, that will be an important moment and will prove a reality check for the actual income tax receipts raised in Scotland. As we explain in our budget report, there is a risk there for the Scottish Government. If, in July, we find out that those outturn figures result in a shortfall for 2017-18, that will require addressing in next year's budget. Alternatively, July's outturn figures might be higher than expected, resulting in a pleasant windfall for the cabinet secretary.

However, according to the latest forecast for income tax raised in 2017-18, the Scottish Government is facing a potential shortfall of £145 million. I remind colleagues that these are forecasts, which, by their very nature, invariably differ from the actual outturn. Nevertheless, they provide an illustration of the risks involved and the increasingly difficult challenge that ministers will face now and in the future in managing them.

Moreover, as the committee has pointed out in its report, there is also a challenge for the Parliament in deciding our priorities for managing such risk. In particular, there will be political choices to make about, for instance, whether we address it by increasing the size of the Scotland reserve. If this direction were chosen, where would the money come from? Would colleagues be content if money that had been used to support spending on important public services in the short term were instead saved to meet potential shortfalls in the medium term?

**Mike Rumbles:** Given that the finance secretary has just announced extra spending, does the member feel that his committee should examine that spending and find out exactly where it is coming from?

**Bruce Crawford:** As Mike Rumbles knows, that will be a decision for the committee to make in due course. One might also ask the Liberals to describe where the money for making a payment to the Scotland reserve would come from, if that is what the member is considering.

Alternatively, should the priority be to use the borrowing powers within the fiscal framework, if needed, which would then allow ministers to borrow up to £300 million a year to deal with forecast error? The Parliament will need to engage and grapple with these new and challenging choices, and they are choices that need to be more widely understood.

The committee also heard concerns from witnesses that, in Scotland, 2 million adults do not pay income tax, and concerns were also expressed about the gender balance of the income tax base and the fact that

"there are 300,000 fewer women taxpayers"

and that

"higher-rate taxpayers comprise 91,000 women and 275,000 men".—[*Official Report, Finance and Constitution Committee*, 19 December 2018; c 19-20.]

Another important focus of our report is Brexit. In its most recent "Economic and fiscal outlook", the Office for Budget Responsibility states that

"the referendum vote to leave the EU appears to have weakened the economy"

while

"uncertainty regarding the Brexit negotiations appears to have dampened business investment (by more than earlier data suggested)."

It also takes account of the

"significant fall in the exchange rate that accompanied the referendum and its outcome",

and points out:

"The average quarterly growth rate has slowed from 0.6 per cent between 2013 and 2015 to 0.4 per cent since the beginning of 2016, taking the UK from near the top of the G7 growth league table to near the bottom."

The OBR also told us:

"we had a forecast prior to the referendum, assuming that there would be a vote to remain in the EU, that the economy would grow by roughly 4.5 per cent between the time of the referendum and now. In the first forecast that we produced after the referendum, we reduced the figure to about 3 per cent. The latest outturn data suggests that growth has been about 3.2 per cent."—[*Official Report, Finance and Constitution Committee*, 9 January 2019; c 38.]

Those forecasts are not great, but they also assume an orderly Brexit at the end of the negotiations. The OBR believes that a disorderly Brexit

“could have severe short-term implications for the economy, the exchange rate, asset prices and the public finances.”

In its view,

“UK asset prices could fall sharply which, together with heightened uncertainty, would cause households and businesses to rein in their spending. A fall in the pound would also raise domestic prices, squeezing households’ real incomes and spending.”

I make these points by way of background, because the committee was strongly of the view that a no-deal Brexit would be damaging to the Scottish economy and public finances, and it therefore is clearly not in the national interest.

The committee has previously emphasised the increasing volatility and uncertainty as well as the upside and downside risks arising from the way in which the fiscal framework works and, in particular, the reliance on forecasts for the annual budget.

The evidence that we have considered in relation to the budget for 2019-20 reinforces that view. The risks are exacerbated by the continuing uncertainty around Brexit, which both the SFC and OBR have highlighted as having a negative impact on business investment and economic growth.

These are challenging times indeed, and we must rise to the challenges on behalf the Scottish people, who rightly expect us to do just that.

15:05

**James Kelly (Glasgow) (Lab):** Scottish Labour will oppose this dreadful budget, which is a weak response to the crisis that public services are facing. It is a cuts budget that threatens the jobs of council workers and fails to tackle the rising levels of poverty, while handing tax cuts to high earners.

This budget needed to address the issue of local government funding, produce a fair funding settlement and stop the cuts. To address rising poverty levels, we needed a £5 rise in child benefit and an end to the two-child cap. Labour also demanded the reversing of the increase in rail fares, to give some much-needed relief to the passengers who are too often left stranded on the platform on the commute to their jobs in the morning.

There are cuts to local government of £319 million in the budget that was published by Mr Mackay on 12 December. The announcement that he has made today goes nowhere near closing the gap. I say to the Greens that this is the third year in a row that Mr Mackay has introduced a budget that penalises local government and produces cuts. Yet again, the deal that has been worked out with the Greens does not close the funding gap in

this budget year, just as it did not close it in previous years.

**Patrick Harvie (Glasgow) (Green):** I am grateful to Mr Kelly for giving way. Could he explain precisely what scale of impact the Labour approach to budget engagement has achieved during those three years? How many changes have there been, how many cuts have been prevented and how many local services have been saved?

**James Kelly:** Let me—*[Interruption.]*

**The Presiding Officer:** Order, please.

**James Kelly:** Let me make it absolutely clear: Labour will never sign up to a budget that makes cuts to local council services.

**Derek Mackay** *rose—*

**James Kelly:** Let me make some progress, Mr Mackay.

I say to the Green Party that I sit in the chamber week after week and I hear Green Party MSPs, including Mr Harvie, make noble speeches about stopping and reversing the cuts to council services, about tackling poverty and about fair taxation. This budget fails on all three counts. The Green Party is letting down its members and its supporters by signing up to the budget today.

It is an absolute scandal that, in modern Scotland, we have 230,000 children living in poverty. Each month, in his Renfrewshire North and West constituency, Derek Mackay holds a constituency surgery in Gallowhill, where 29 per cent of children are living in poverty. What does that actually mean?

**Derek Mackay:** I would like to know why the Labour Party would rather leave those children at the mercy of the Conservatives than take decisions in this Parliament to protect them. *[Interruption.]*

**The Presiding Officer:** Order, please.

**Derek Mackay:** By what percentage increase would the Labour Party raise the higher rate to pay for its budget demands? If it has not done the costings, I have.

**James Kelly:** I say to all the cabinet secretaries sitting on the SNP front bench that when they vote for the budget, they are awarding themselves a tax cut. *[Interruption.]* What an absolute scandal.

The Poverty and Inequality Commission report that was published this morning shows that the Government is meeting only four of the 15 targets. That shows how remiss Mr Mackay’s budget is in addressing those issues. *[Interruption.]*

**The Presiding Officer:** Order, please. Order. If members wish to intervene, I ask them to please stand up and ask Mr Kelly, not just speak.

**Derek Mackay** rose—

**James Kelly:** I do not want to take an intervention from Mr Mackay; I want to point out that this is an unfair budget based on unfair taxation. It allots tax cuts to everyone earning up to £124,000, so if someone is a chief executive, a managing director or a cabinet secretary, they will be cheering this budget on tonight because it will give them a tax cut. However, a passenger who is waiting on a platform for a delayed or cancelled train, unable to get to work or a hospital appointment, will not be cheering it on.

When they come to vote tonight, the question that SNP members have to answer is whether they can look people in the eye—I think of the council workers who potentially face getting a P45 as a result of the budget, or the families whose kids do not go out to school in the morning properly fed or properly clothed because they are living in poverty and will not be helped by the budget. Will SNP members apologise to the rail passengers who will not get a rail fare freeze as a result of this budget? It is time for a different approach. It is time to take the budget back to the drawing board and rewrite it. It is an unfair budget—a cuts budget—and Labour will vote against it at 5 o'clock tonight.

15:13

**Patrick Harvie (Glasgow) (Green):** Over the past two years, the Scottish Greens have been determined to take the budget process seriously and to achieve meaningful change for the people we all represent.

We have achieved a transformation—a restructuring—of Scotland's income tax policy, which the Conservatives certainly do not like because they only care about tax cuts for the wealthy.

We have achieved protection for local services year after year after year, but last year, we made it clear that local tax reform was urgent and would become increasingly so. Scotland has a centralised, constrained and underpowered system of local government, and that needs to change. The package of local tax reform measures that has been announced today shows real progress. We have, for the first time, a clear, definitive timescale for publishing legislation to abolish and replace council tax during this parliamentary session.

**Neil Findlay (Lothian) (Lab):** Late last year, the Greens said that they would not vote for a budget

that cut local government funding. Will local government funding be cut this year?

**Patrick Harvie:** I will come to the 2019-20 impact in a moment.

The package of local tax reform measures includes that timescale for legislation to abolish council tax, and I hope that all political parties will engage with that. It includes a commitment to legislation on a tourism tax, on workplace parking levies and on increases to environmental charges such as those on plastic bags and cups. Those measures are an additional opportunity to raise revenue for local councils in the future.

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

**Patrick Harvie:** I have taken an intervention already. I need to make some progress.

There will be future devolution of control of non-domestic rate reliefs, and we will continue to make the case for going even further than the Government has announced on that. The return to three-year—multiyear—funding settlements for Scotland's local councils, with a fiscal framework developed on a rules-based approach to ensure that we know, and they know, that councils can plan for the future, is long overdue and I hope that all political parties will be able to support it. The development of that multiyear package must begin early, well ahead of the next budget process.

As for the impact in the 2019-20 financial year, particularly on local government, as in previous years, I will not claim that this budget is perfection, and I do not think that the Scottish Government should claim that it is perfection. Even if the budget as published had treated local services fairly, we would have wanted further changes. The shift away from high-carbon infrastructure, won as a commitment last year, is still being achieved, but only just. SPICe research shows that that shift is in danger in the next few years. We will need to see further progress on it.

As published, the budget offered the prospect of a crisis in local services. Even Derek Mackay's own party colleagues in SNP-led councils were making that clear to him. The overall package that has been announced today, including new money, new flexibility and new and existing local revenue-raising powers, adds up to a package that is worth more than the COSLA figure of a £237 million cut to local services. *[Interruption.]* The Labour members who are shouting are well aware of that, because, like all of us, they received COSLA's briefing ahead of the budget, setting out that £237 million cut. The package that we have achieved today more than fills that gap.

**Daniel Johnson (Edinburgh Southern) (Lab):** Will the member take an intervention?



**Patrick Harvie:** I will take one more intervention.

**Daniel Johnson:** Is Patrick Harvie saying that the new levies that the Greens have been promised are going to be ready for the coming financial year? If they are not, I fail to see how the statements that he makes are correct.

**Patrick Harvie:** I have not said that at all. I have made a clear distinction between a long-term package of local tax reform measures and short-term measures to improve the financial position of councils across Scotland, which will close the £237 million gap for the 2019-20 financial year. I am sure that Mr Johnson will read more about the detail of that when he is able to.

**Neil Findlay:** Will the member give way?

**Patrick Harvie:** I have given way already. I have only a minute and a half left in which to finish.

The budget process that we have at the moment is not what it should be. We have a down-to-the-wire approach from the Scottish Government and a refusal to engage from most of the other political parties. The Conservatives want a proposal that no other party will support. Labour produces an uncoded wish list and no meaningful ideas about how to fund it. Just because the budget is published in December does not mean that the process is about writing letters to Santa.

Of the people whom I have met in recent weeks to discuss the budget, I can honestly say that some of those expressing the greatest frustration have been Labour councillors and colleagues in the trade union movement, who wish to goodness that the Labour Party in Parliament was making some effort to make improvements to the budget. I wish that it was as well. Our whole Parliament would be stronger and the outcome would be better for Scotland if all political parties took their responsibilities in the process seriously. I can respect anyone who busts a gut to try to achieve a change, is unable to and then votes against the budget—but not even to try?

Only the Greens appear to be engaging positively in the process. Others seem to think that engineering a crisis would be the best outcome, instead of achieving changes that work for the country. It is as though some people look at the shutdown in the United States Government or the shambolic incompetence at Westminster and think that they should do the same here.

Chaos for the sake of chaos is not what Scotland needs. As a result of the Green Party's work on the budget, not only will councils have resources to put into their local services but every party in the Parliament will have the chance to shape the future of Scottish local government

finance. I hope that all parties will take the opportunity to engage in that process more constructively than they have engaged with this year's budget.

15:19

**Willie Rennie (North East Fife) (LD):** We heard Derek Mackay compared to Dr Who and Patrick Harvie to the Doctor's assistant, who takes the story forward by rescuing him. I bet that Patrick Harvie wishes he could get into the TARDIS and go back to the time when he said that he would never vote for a budget that did not include the abolition of the council tax. Just like they did last year, the Greens have ridden to the rescue of the SNP: nationalists together once more.

The Greens have been bought cheaply. The extra money for councils was already available. Local government finance reform has been delayed until the next parliamentary session, being bogged down once again in another commission. Patrick Harvie has settled for the vice-convenership of the car parking working group—oh no! He does not seem to have got that either.

I agree with the finance secretary that Brexit is the biggest threat to our economy. It could cost £2 billion in Scottish tax revenues by 2034, and that will directly affect our Scottish budget. The cost is high, and it will affect the most vulnerable the most. There will be years of pain, turmoil and turbulence. Some people in this chamber agree with me about the economic damage and pain, but they have given up on the fight. However, I feel a responsibility to do everything that I can to prevent it.

In the same way, I feel a responsibility to prevent independence. There are striking parallels between the claims of the Brexiteers and the claims of those who argue for independence. The Brexiteers predicted that Brexit would be easy, the opportunity would be great and the negotiations would be the easiest in history. The nationalists predict exactly the same about Scottish independence, but we know that, just like Brexit, the cost of breaking up the UK would be great. In fact, it would be even greater, which is why I make absolutely no apologies for putting independence at the centre of our budget negotiations this year.

It is not some distant threat from many years hence—the First Minister is already ramping up the rhetoric of her usual obsession. We made a generous offer to the finance secretary and asked him to end the Government's preparations for independence for the rest of this parliamentary session. We asked for a short cessation. We did not demand that the SNP should stop believing. We said that, if it put independence to one side,

we could work together on the needs of local government, the funding of mental health services, and support for teachers. He declined, preferring to put independence first, just like the SNP always does. We will not support a Scottish Government that will use this budget as a stepping stone to independence and the economic damage that it would certainly bring.

That does not prevent me from giving the Scottish Government what I hope is some helpful advice. The relationship between the Scottish Government and local government is not good and it must change. The Scottish Government should not treat councils in the manner in which it says the UK Government treats it. It plays fast and loose with the budgets and demands that local government do more while failing to provide the funds that are necessary to cover those new responsibilities as well as their existing ones.

Education is supposed to be the Government's guiding mission but, right now, schools in my North East Fife constituency are facing £500,000 of cuts because this Government has hammered local government budgets.

**Kate Forbes (Skye, Lochaber and Badenoch) (SNP):** Will the member give way?

**Willie Rennie:** No.

We successfully harried the Scottish Government so that it would invest in mental health services, but it is now playing catch-up and we are not convinced that the funds that were announced will feed through to real change quickly enough. Last year, we said that mental health spend should rise to £1.2 billion. A year later, it is still £100 million short. That is £100 million that could go to the health professionals in the NHS, to schools and to the police.

We need a budget that puts teachers at the very centre of our developing economy in the years to come. Liberal Democrats were the first to advocate the use of the new income tax powers gained by the Scottish Parliament. We said that a modest rise could secure a significant financial investment in education without resulting in adverse behavioural change. We were never in favour of ramping up tax at every budget; it was about the balance. Everyone knows that the SNP broke its 2016 election manifesto commitment on income tax but, thankfully, its manifesto was wrong, and the progressive change that was implemented has not driven taxpayers out of the country.

However, it is a delicate balance, and I have a warning for the Scottish Government: be careful with that balance—do not play with the trust of the taxpayers again. If they believe that tax rises will come with every budget, we may see adverse behavioural change. We must win the argument

that modest progressive tax changes can work. I want to give confidence that progressive modest change is possible and is good for public services.

All of that could have been possible if the Scottish Government had put independence to one side—just for now—but, for the SNP, independence is more important than teachers' pay, council funding and mental health. We say absolutely no to that.

15:26

**Angela Constance (Almond Valley) (SNP):** I hope to use my time to reflect wisely and calmly on some of the challenges that we collectively face in our pursuit of a fairer and more prosperous Scotland. I believe that we all have a role to play in that and a responsibility.

Like the finance secretary, I am focused on the day job, so I will start by raising a few specific points, although I hope that this does not sound like my shopping list. Not all of the items are solely for the finance secretary to purchase, but the first one certainly is. At every opportunity in the budget process, I have raised with Mr Mackay and other ministers the benefits of enabling credit unions to access a small proportion of the financial transactions money in the budget, to enable investment to increase capacity. The Welsh Government has done that and, as we know, the financial transactions money can sometimes be difficult to fully utilise. I am an admirer of Mr Mackay. To aid his consideration, I thought that I would quote to him some Burns, who wrote:

"Whare sits our sulky sullen dame,  
Gathering her brows like gathering storm,  
Nursing her wrath to keep it warm."

This sulky sullen dame is very much looking forward to the cabinet secretary's response.

I have the pleasure of serving on the Finance and Constitution Committee, which is ably chaired by my friend and colleague Bruce Crawford. As he said, the committee's stage 1 report was published with unanimous support from committee members, despite the fact that one of those members is Murdo Fraser, who, in his opening remarks, sounded, I have to say, somewhat like a comedian at the Central Pier in Blackpool. However, despite the complexity of the fiscal framework and forecasting and the many different political views on Brexit, income tax policy, the constitution, the kitchen sink and everything else under the sun, the committee still came to an agreement, which demonstrates that, if politicians are prepared to talk and roll up their sleeves, a baseline agreement can always be achieved.

Today, however, the two biggest Opposition parties and the Liberal Democrats are determined to obstruct an agreement at every avenue.

**Elaine Smith (Central Scotland) (Lab):** Will the member take an intervention?

**Angela Constance:** No, because I am going to use my time wisely, and I do not want to be like James Kelly and nearly burst a blood vessel.

It is a shame that the committee's approach has not fully permeated across the chamber.

In all my political life, I have never asked a unionist—whether a blue, red or yellow one—to ditch their beliefs and not to campaign for the union. I have never asked a unionist not to campaign for what they believe in, yet they have the audacity to ask me and others to do so. I may well be a rabid, paint-your-face-blue nat, but if I can focus on the day job, the budget and the business of the finance committee, and if the finance secretary can lead the way in good faith, extending the hand of friendship and co-operation in budget negotiations, what on earth is holding people back?

In that vein, I very much welcome the increased funding and flexibility for local government. I know that the local governance review is on-going and that it cuts across all of the public sector, as well as the community and voluntary sector. Increased autonomy for local government is the early fruit of that work and of the constructive challenge from the Greens. I hope that it is a new chapter in our public sector reform journey, because, in my view, one of the great missed opportunities for us as a small country was the failure of our predecessors to reform public services when public finances were comparatively good, pre-austerity. It will be much harder to continue our reform journey, but it is now more necessary than ever.

To focus on one example, the annual health resource budget has increased by 52 per cent—£4.8 billion—since 2006-07. That is good news indeed, but will we be able to increase it again by 52 per cent over the next decade? I do not know. Will we have to do so? I hear colleagues of all political persuasions, on the margins of committees and of parliamentary life, acknowledge the need for courage, conversation and a commitment to working together across the chamber in response to the challenges that we face in our collective future. That commitment across the chamber has yet to fully emerge, and perhaps the new all-year-round budget scrutiny will help with the process.

In the time that I have left, I will say that we should always have the courage to invest in the long term. Our investment in housing is a shining example of that. The £1.7 billion resource planning assumptions for local authorities to build for the future gives them confidence and continuity, and the record investment of £826 million for affordable housing is welcome, given that it is a

crucial part of the child poverty delivery plan, provides economic stimulus and increases the tax take.

I hear Labour's calls to increase child benefit by £5 a week. It is not a bad idea; it is just not the best idea. It would cost in the region of £250 million per annum, and it would lift between 10,000 and 15,000 children out of poverty.

**The Deputy Presiding Officer (Linda Fabiani):** You must close.

**Angela Constance:** If we used the same resource differently, we could lift 40,000 children out of poverty.

15:33

**Dean Lockhart (Mid Scotland and Fife) (Con):** Each year, the SNP's programme for government promises flagship policies to help Scotland's struggling economy, but each year, when it comes to the budget, we see that the SNP fails to deliver on those promises. The 2016 programme for government announced the Scottish growth scheme, promising £0.5 billion of investment in the economy, but three years later we see from this budget that only 20 per cent of that money has been invested. In 2017, the SNP promised that a new publicly owned energy company would deliver lower energy costs, but two years later the budget allocates no funding for the establishment of that energy company.

The SNP's track record of overpromising but underdelivering continued into the 2018 programme for government when it announced the establishment of a Scottish national investment bank and promised £2 billion of investment for enterprise development, but when it comes to delivering that in the budget, we see cuts to the budgets of the enterprise agencies. We see funding of £130 million for the bank, not the £2 billion that was promised, and we find out that more than 90 per cent of the bank's funding is coming from the UK Treasury in the form of financial transactions money—money which Derek Mackay described as "a con" when it was announced.

The SNP might complain about financial transactions money, but we welcome the fact that the Scottish national investment bank is being funded by the UK Treasury. The budget contains many more examples of how increased funding from the UK Government is benefiting Scotland. The overall budget is up by £1 billion, spending on Scotland's NHS is up by £600 million and the new £50 million town centre fund that Mr Mackay referred to is a straight pass-through of Barnett consequentials.

However, to understand the full extent of the UK Government's support for Scotland's public services, we need to look beyond the budget to the latest "Government Expenditure and Revenue Scotland" report numbers. The SNP's sustainable growth commission's report, "Scotland—the new case for optimism: A strategy for inter-generational economic renaissance", quite rightly highlights on page 33 that

"the Government Expenditure and Revenue in Scotland (GERS) report provides a helpful starting point for ... analysis"

of Scotland's public finances. We agree, and here is what the latest GERS report tells us about how Scotland's public services are funded: public spending in Scotland for 2017-18 was £73.4 billion, but stand-alone tax revenues in Scotland were only £60 billion. In other words, after 11 years of SNP government, Scotland has a net fiscal deficit of £13.4 billion. That is the highest deficit between spending and tax revenues in Scotland since devolution.

It is also the highest union dividend that Scotland has ever seen. That financial boost that Scotland gets from being part of the UK is now equivalent to £1,900 per person in Scotland.

**John Mason (Glasgow Shettleston) (SNP):** Does Dean Lockhart accept that the UK Government has some responsibility at least for the Scottish economy?

**Dean Lockhart:** The UK Government is responsible for monetary policy and right now interest rates are at an historic low—that is the support that is coming from the UK Government. If John Mason is trying to blame Scotland's underperformance on the UK Government, why is the rest of the UK growing three times faster than Scotland is?

To put that deficit into context, it represents 7.9 per cent of Scotland's GDP, which is higher than the deficit of every other country in Europe and compares to a UK-wide deficit of 1.9 per cent and an EU average of 1 per cent. Here is why that deficit matters: if the SNP gets its wish of an independent Scotland in Europe, in order to reduce Scotland's deficit to the 3 per cent of GDP that is required by the EU stability and growth pact, the SNP will have to cut spending in Scotland by £8.3 billion. I therefore ask Mr Mackay where the spending cuts of £8.3 billion will come from if he gets his wish of independence. I will give way if the finance secretary wants to tell us where those cuts of £8.3 billion will come from.

**Derek Mackay:** Under independence we would grow our economy and it would be among the most successful economies in the world. In response, I ask Mr Lockhart why he is avoiding the most recent economic statistics that show record

low unemployment, record high exports and sustained GDP growth. That is what this Government is delivering for Scotland's economy.

**Dean Lockhart:** GDP numbers that were released yesterday show that Scotland is growing at just a third of the rate of the UK. This might come as news for Mr Mackay, but the SNP has had 11 years to grow Scotland's economy.

The finance secretary did not say where the £8.3 billion of spending cuts would come from, so I will suggest an answer for him. Cuts of £8.3 billion are more than double the entire education budget, more than half of NHS spending in Scotland and 75 per cent of the entire local government budget. So there we have it: the real cost of the SNP's obsession with independence is public spending cuts of a level never seen before in this country. As the SNP's growth commission made clear, the financial and economic case for independence has never been weaker.

Turning to the budget, I say that it is now clearer than ever that Scotland needs a new direction in economic policy. The SFC is forecasting another five years of economic stagnation. After 11 years of SNP government, Scotland has become a low-growth, low-wage and low-productivity economy. However, it does not have to be that way, because Scotland's long-term economic growth is 2 per cent. We, on this side of the chamber, believe that Scottish economic growth can return to that level, but only with the right economic policies in place. However, that will not happen with this budget. The increased taxes in the budget—the triple whammy of higher taxes that has just been agreed with the Greens—mean that, in the future, we will see increasing divergence from the rest of the UK in economic growth, tax revenues and spending on public services. That is why we cannot support the budget.

**Patrick Harvie:** Will the member give way?

**The Deputy Presiding Officer:** No, he is closing. In fact, he has closed.

15:39

**John Mason (Glasgow Shettleston) (SNP):** Today, we are dealing with the budget, and I think that there are certain principles that we need to focus on at the outset. I think that we are all agreed that we want good-quality public services and a reasonable and fair level of taxation, although the reality is that, across the chamber, we would disagree on the details of both policies.

Another principle is that we have to live within our means—that applies to each of us as individuals as well as to families, councils, businesses, Governments and Parliaments. Those who try to live beyond their means will inevitably

get into trouble sooner or later. If we want more expenditure on a particular sector, we have to raise tax or cut spending elsewhere. That is where the Conservatives repeatedly disappoint me with their lack of financial or business understanding. The Conservatives appear to be the only party in the Parliament that is against tax and, by implication, against decent public services. However, they argue that we should cut tax and spend more on public services, which is, frankly, impossible.

**Murdo Fraser:** Will the member take an intervention?

**John Mason:** Once I finish this point.

I know that some of the Conservative MSPs are fairly intelligent—that might or might not include Mr Fraser—and must therefore understand that income must equal expenditure. I must therefore question their thinking when they suggest that expenditure can go up at the same time as tax goes down.

**Murdo Fraser:** I appreciate that Mr Mason might have written his speech in advance of the debate, but did he not just hear the intervention by Mr Mackay on my colleague Dean Lockhart? Mr Mackay said that the answer to that problem was to grow the economy. Is that not the answer that Mr Mason is looking for? Surely, if Mr Mackay can argue that, so can the SNP members.

**John Mason:** What I heard Mr Lockhart say was that he wanted more money for Scottish Enterprise and that he wanted to cut tax at the same time. That is an example of what I am talking about, even though I had written what I am saying before he spoke.

Perhaps more realistic than the Conservatives, Labour members accept that taxes must rise to pay for improved public services. However, there are questions for them. How well thought out are their plans? Are they really arguing that, no matter how high income tax is raised above the UK level, there will be no displacement of high earners? Have their plans been examined and validated by any qualified body? I noted that Mr Kelly was calling for all parties to defeat the budget. Fair enough; that could certainly be done, if the Greens were not supporting it. However, what is Mr Kelly's proposal for the next step after that? He will not negotiate with the SNP, so will he negotiate with the Conservatives about tax and services being cut? I presume not. Will he negotiate with the Scottish Government about the top rate and whether it should be, for example, 46, 47, 48 or 49 per cent? Are he and Labour open to real negotiations on real numbers, or does it suit their purposes better to vote against every SNP budget, no matter what it contains?

**James Kelly:** On the principle of fair taxation and fair funding, does Mr Mason think that it is fair that MSPs such as him will be awarded a tax cut if the budget passes while councils such as Glasgow City Council face millions of pounds of cuts?

**John Mason:** The problem is that the UK tax and national insurance system is fundamentally flawed. Why should a normal taxpayer be paying national insurance at 12 per cent but then pay only 2 per cent when they move into a higher tax bracket? That is something that Gordon Brown and Mr Kelly's other colleagues could have fixed in the past, but they refused to go there and national insurance remains regressive, which causes a huge problem for us in a devolved Parliament.

Personally, I am sympathetic to higher tax rates at the top end, especially as national insurance contributions are regressive, as I said. However, we have to be careful with any move that would involve going from 46 per cent to 50 per cent or something like that.

No one in this place likes the constraints that we are under but, if we give more to local government, it means that money will be taken from somewhere else. Today, I noticed that Neil Findlay had lodged an amendment deploring that local government has not received more funding since 2013-14. Of course, that is partly because we have focused on the health service, but Mr Findlay omits to say in his amendment that he thinks that the health service has received too much.

I understand that the Liberal Democrats would not engage in serious dialogue on the budget without the prospect of independence being taken off the table. I think that we should be focusing on the budget today. Of course, we disagree on independence and many other subjects but, today, we are considering taxation and expenditure in the various sectors. There is no reason why parties that disagree on independence cannot negotiate on income tax rates or NHS expenditure. I wonder whether the Lib Dems just do not want to engage or take any responsibility for the budget, and whether an independence referendum is just an excuse to stand aloof. *[Interruption.]*

**Mike Rumbles:** Will the member take an intervention?

**The Deputy Presiding Officer:** Mr Mason is in his last minute.

**John Mason:** This Parliament was designed not to have a majority, which means that Opposition parties have the privilege of defeating the party of government from time to time. However, it also means that those parties have a responsibility to agree a budget. Sure, there has to be compromise

on both sides, but I think that the Lib Dem position is particularly irresponsible.

I do not have long enough to say what I would like to about the arguments of the Greens. I am sympathetic to their wanting to move to a property tax or something like that, as long as the ability to pay is taken into account. I also agree with the principle of the Greens that local government should be more able to raise—and more responsible for raising—its own resources. At the same time, however, income and wealth are not spread equally throughout the country and there will always be a need for redistribution from those who can afford to pay more, and probably have less need, towards those who cannot afford to pay so much, and who are likely to have the greater need.

15:45

**Jenny Marra (North East Scotland) (Lab):** One of my concerns about today's budget is that our spending in Scotland is not delivering the desired outcomes. Our public health record is getting worse, with rising numbers of people reporting mental health problems, alcoholism remaining stubbornly high, the highest level of drug deaths in Europe and the number of people who are obese increasing all the time.

On education, children's attainment at school is a huge problem. It has been four years since any school in Dundee has seen a "very good" rating in a school inspection and it has been at least 10 years since any Dundee school has received an "excellent" rating in any of the categories in a school inspection. It could be longer, but Education Scotland does not make that information available. That is a result of this Government's cuts, because those results cannot be unrelated to the issue of teachers coming out of schools as a result of SNP budgets.

On health, the Fraser of Allander institute said last autumn that health would soon account for half of all public spending in Scotland. The Auditor General reported last year that NHS Scotland was "not ... financially sustainable." Those warnings have not received nearly enough attention in this chamber—I think that that is because of the current political crisis.

**The Cabinet Secretary for Health and Sport (Jeane Freeman):** Will the member give way?

**Jenny Marra:** I will in a minute.

However, those warnings must be addressed, as they call into question the future existence of our health service. The Auditor General has told us that, if we continue to run it in the same way—with the same expectations, financial chaos, poor governance, top-heavy management structures,

and disarray and confusion between health boards, integration joint boards, alcohol and drug partnerships, strategic planning partnerships and so on and so forth—the health service in Scotland will simply go bust.

We need to radically plan a new, modern health service that will guarantee that we can still deliver care free at the point of access for generations to come. That is what the new Cabinet Secretary for Health and Sport should be focused on and what all progressive energies must be spent on.

**Jeane Freeman:** Will Jenny Marra recognise that the Audit Scotland report was published before the medium-term financial framework, which—as I am sure she will recognise, if she has read it—deals with all those issues?

Will she also recognise that I have in the past in this chamber said that any time that Labour members want to come anywhere near me with a radical proposal, I will happily listen to it?

**Jenny Marra:** The cabinet secretary knows that I welcomed the medium-term financial framework; she heard me do so in this chamber. However, that does not deal with the spending that is ongoing in the health service or the whole system, which is really creaking. I would be happy to meet her at any time on any of those issues and she knows that.

I will give a quick, stark example. We have doctor vacancies right across the country, but the UK Foundation Programme's "Career Destinations Report 2017" told us that Scotland has the highest number of medical students who leave Scotland and the United Kingdom for jobs abroad in Australia and New Zealand. The cabinet secretary's Government is paying handsomely to train doctors, but those doctors are spending less and less time working in the NHS. That is not good budgeting.

Let me turn from health to local government. COSLA has said that councils across Scotland face cuts of £319 million. Derek Mackay has dressed that up by giving some ring-fenced money for specific new work, but, with the other hand, he has taken away from some core budgets, which will not help the issue of schools and attainment that I mentioned earlier. It is a game of smoke and mirrors that has worked pretty well for the Scottish Government over the years—giving with one hand and taking away a lot more with the other.

The cabinet secretary knows that Dundee faces nearly £20 million-worth of cuts. Dundee City Council has not put out a lot of detail on those cuts yet, apart from 400 job losses. Having faced years of cuts, the council now finds itself considering compulsory redundancies, despite the fact that its own party, the SNP, has a policy of no compulsory redundancies in the public sector. When I asked

the First Minister at First Minister's questions whether she would stick by her policy in relation to Dundee City Council workers, she distanced herself from her own cuts and said that it was a matter for the council: workers in the 'yes city'—as the SNP likes to call us—have been betrayed by their own First Minister.

**Derek Mackay:** Does Jenny Marra have the figure for the income tax rise that would be necessary to fund the commitment that James Kelly has tried to make for local government? Surely Jenny Marra, as articulate as she is, has done the numbers.

**Jenny Marra:** Derek Mackay knows as well as I do that politics is about priorities. He chooses to prioritise things such as the small business bonus and cannot get NHS finances in order. Labour's priorities are local services and he knows that. He knows the situation in Dundee—he led the Michelin working group that arose from the 850 job losses. It was announced, just yesterday, that a further 90 jobs are to go at Tesco in Dundee. We know that 380 jobs will be lost when Her Majesty's Revenue and Customs closes in 2022 and 1,300 jobs are to go at NHS Tayside. Now we hear that 400 council workers, under the SNP council, many of whom have voted faithfully for the cabinet secretary's party, will lose their jobs.

Given the perilous state of the economy in Dundee, I ask Derek Mackay again whether he will go back to Dundee and find a better settlement for our council. He has announced £90 million today, but he knows that that will not mitigate the £20 million of planned cuts in Dundee. Four hundred jobs are at stake in a city that cannot take any more job losses. Those jobs are in his hands. Will he act?

15:52

**Keith Brown (Clackmannanshire and Dunblane) (SNP):** I am happy to support the general principles of the budget bill, including the general principle of investment in housing—£826 million for affordable homes, which includes a £70 million increase on this year's funding. We have created more than 80,000 homes since 2007. In Clackmannanshire, there will be new council houses for the first time in 25 years—after years of Labour selling off council housing and not replacing it.

I am also pleased to support the general principle of raising attainment in schools, for which £180 million is being provided. That figure includes £120 million to be delivered directly to headteachers to close the gap.

**Neil Findlay:** Will the member take an intervention?

**Keith Brown:** No, I want to make some progress.

That will benefit Clackmannanshire by £3 million and Stirling by more than £1.5 million.

I also support the general principle of funding for the Stirling and Clackmannanshire city region deal. We all know how our area was short-changed by the Tories and let down by the two local Tory MPs, but the Scottish Government will commit £50.1 million to our local communities, including the Scottish international environment centre and the aquaculture hub in partnership with the University of Stirling, in my constituency.

I support the general principles, but I do not want to ignore the general and difficult context of the budget. First, if we listen to the comments of Bruce Crawford and the Finance and Constitution Committee, it seems to me that there are real issues for the Scottish Parliament to consider in relation to the fiscal framework and its on-going sustainability.

It also seems to me that, in what everyone must agree is a difficult time for public finances, there is an issue around how smaller councils cope with those difficulties. At COSLA, I have advocated for the consideration of a small council supplement to help those councils that cannot make economies of scale savings as easily as larger councils can.

The context of the budget includes the banking crisis and the failure of the Labour Party pre-2010. The Labour Party was also the first to bring us the bedroom tax—it was a Labour Party proposal. We also have the legacy of the Labour Party's time in power, when the last words of the outgoing Government were "there is no money".

Worse than that, particularly for our councils, is the legacy of the private finance initiatives: Labour splurged on the credit card for PFI. I will give members an idea of what that means in my local council areas—Clackmannanshire and Stirling. Out of Clackmannanshire Council's £120 million budget, £9 million goes to PFI. Stirling Council spends £11.5 million on PFI, which is 14 per cent of the education budget. At the time, Labour was buying one school for the price of two, and that is causing problems for many of our councils today. The legacy has also caused huge problems for the Scottish Government, which must pay for buildings such as hospitals that Labour bought under PFI.

In addition to the huge pressures of the mess that the Labour Party left, we have what the Tories have done. The Tories have taken Labour's mess and turned it into a £2 trillion national debt. They lost the pound's AAA rating, which they said was totally defensible and guaranteed.

At the same time, the Tories have splurged on an austerity programme. They have missed all

their targets through the Osborne years and up to now for public spending and reducing the deficit and the national debt. They have managed to have the austerity that has created all the hardship that we have seen and to ruin the economy at the same time. The Tories say that they will sort that with Brexit, which they are making a pretty bad job of. We are paying the price for the shambolic conduct of the economy by Labour and the Tories, which is causing so much of the problem.

As for Willie Rennie, I do not know whether he was lucky enough to hear, as I did, the comments yesterday by his Liberal Democrat former colleague Margaret Smith. She described his approach of saying to the SNP, "Stop going on about independence and we'll talk to you about the budget," as bizarre. Gordon Brewer added that the approach was like telling the Liberal Democrats to stop being Liberal Democrats for 18 months. However, that was unfair, because everyone knows that the Liberal Democrats have been neither liberal nor democrats for years. John Mason was exactly right to say that Willie Rennie was using a pretext to avoid doing anything constructive in relation to the budget.

Willie Rennie talked about elements of the budget that he would like to be changed—of course, he never took a single intervention in his speech. He had his chance to talk to the Government about those parts of the budget, but he chose instead to take a stupid gesture-politics approach, which is why he has had no input into the budget.

**Neil Findlay:** Will the member take an intervention?

**Keith Brown:** No.

**The Deputy Presiding Officer:** Mr Brown is in his last minute.

**Keith Brown:** I am in my last minute, otherwise I would have loved to take an intervention from Neil Findlay.

As ever, it is up to the SNP in government and across councils to sort out the mess. After the 2017 elections, I asked the Labour leader in my local area—Clackmannanshire—whether, given that the situation was difficult and the council is small, he wanted to join forces and see what could be done jointly to help the council. He said, "No—we'd rather create fireworks for you." That was the Labour Party's approach locally, and it is the Labour Party's approach nationally. It has opted out of the process, so it is down to the SNP locally and nationally to sort out the mess.

I commend the details and the general principles of the budget as proposed by the cabinet secretary.

15:58

**Miles Briggs (Lothian) (Con):** This year, our Parliament will mark its 20th birthday. When the Parliament was reconvened, we as a nation spent £8 billion on our NHS; today, that figure stands at £14 billion—almost half the Scottish Government's budget.

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

**Miles Briggs:** Can I make progress first? I am not sure why the cabinet secretary wants to intervene straight away—he should calm down for a bit.

It is important to set the context for today's budget. Thanks to UK Conservative Government decisions, the NHS in the UK will have £20 billion a year in additional funding. What does that mean for Scotland? This year alone, the Scottish Government will receive the biggest cash injection in the history of our NHS, which we should all celebrate. That will equate to £2 billion in additional spending for our NHS by 2023, as we as a nation look to improve our health and social care services across Scotland. That is yet another example of the benefit and strength of sharing our resources across our nations in the United Kingdom.

**Derek Mackay:** In that case, will Miles Briggs explain why he is to vote against spending the Barnett consequentials in the health service and against extending free personal care?

**Miles Briggs:** Let me educate the first—the deputy—[*Interruption.*] I mean the finance secretary, or whatever his title is today. It is my work with Amanda Kopel, after I was elected, on a member's bill that forced this incompetent Government to extend free personal care.

On the issue of campaigning, perhaps the finance secretary would like to tell the chamber about the fact that he, George Adam and Mr Arthur are here only because they stood on a platform of saving the children's ward at the Royal Alexandra hospital in Paisley. How is that campaign going for the finance secretary? He sold out his constituents on that as well.

We should not be pretending—

**Tom Arthur (Renfrewshire South) (SNP):** On a point of order, Presiding Officer.

**Miles Briggs:** Here we go—a fit of rage.

**Tom Arthur:** The member has just lied in the chamber.

**Members:** Oh!

**Tom Arthur:** What he said was a blatant untruth. He will not be able to produce any evidence for it, because there is no evidence. If



the word “lie” is felt to be unparliamentary, I am sure that my meaning, nonetheless, is clear.

**The Deputy Presiding Officer:** I understand that Mr Arthur is perhaps annoyed, but that particular word was not used.

**Miles Briggs** *rose—*

**The Deputy Presiding Officer:** I have not finished. I ask all members to take care in how they respond to the different issues.

**Miles Briggs:** We should not pretend that the SNP’s finances, including our health and social care service finances, are stable with this budget. The past year alone has seen major challenges for NHS boards. Indeed, the Scottish Government has had to write off £150 million of NHS board debt.

In the small print of this budget, it is clear that, yet again, SNP ministers are willing to short-change NHS boards. As it stands today, the Scottish Government budget is not fit for purpose; it continues to short-change NHS Lothian to the tune of £11.6 million.

**Willie Rennie:** Is Miles Briggs as concerned as I am to discover that the Greens’ deal with the SNP involves a cut of £50 million to the integration joint boards? Derek Mackay did not tell us about that. He should be clear about exactly what the deal means.

**Miles Briggs:** I absolutely agree. Already we are seeing in the small print of this budget where the money for the Greens’ deal will come from. How will Lothian’s two Green MSPs justify the cut for NHS Lothian?

**Andy Wightman:** To clarify for Mr Briggs and Mr Rennie, the £50 million will come from un-ring-fencing funds that were previously ring fenced. A number of councils in Scotland will shortly welcome that, because they asked for it. Much of that finance will be used to pay for social and personal care that, instead of being mandated for an integration joint board, will be used by councils in the ways that they see fit. Councils asked for—and we were clear in our budget negotiations that we need—less ring fencing.

**Miles Briggs:** That was a long history lesson. Nevertheless, it is a cut in funding for our social care services. Given that the member represents a city that is facing so much debt in social care, how will he justify his position to his voters? We will have to see.

Today, ministers in England have outlined how they are investing in a 10-year plan for our health service. I agree with what Jenny Marra said today. SNP ministers should look towards Audit Scotland’s outline of where we need to go with our health service. Every year, we have reports on the

state of our NHS, and there is the review of health and social care integration, which point to the immediate action that is needed if we are going to fundamentally change our NHS and deliver for the long term. Over the past 12 years, SNP ministers have shown little progress on delivering that.

**Kate Forbes:** How can the member justify campaigning for something and then voting against funding it? I do not know.

**Miles Briggs:** I do not agree that this budget is fit for Scotland; that is why I will not support it. When I was elected, I said that I would bring forward a member’s bill, and I did that. After a long wait, the Scottish Government agreed to my request. We forced the Government to do it. Frank’s law is a perfect example of the positive difference that 31 Conservative MSPs have made in opposition. Just imagine the positive difference that we could make to our NHS with a Ruth Davidson-led Scottish Government.

This is not a budget for Scotland; it is a budget from a tired and stale SNP Government that has run out of ideas and is running out of vision for our country and our economy. Scotland can do better than this.

16:04

**Tom Arthur (Renfrewshire South) (SNP):** I am grateful for the opportunity to speak in the debate. The speech that we have just heard from Miles Briggs illustrates what is at the heart of the debate: the issue of whether one wants to engage in cheap politicking or to take responsibility in a Parliament of minorities.

Miles Briggs raised the issue of ward 15 at the RAH. He uttered a falsehood in the chamber.

**Miles Briggs:** Will Mr Arthur give way?

**Tom Arthur:** No—I have had quite enough of Mr Briggs for one afternoon.

**The Deputy Presiding Officer:** I want to halt proceedings for a minute. This is not about a personal argument. Could you state your case, Mr Arthur, and be careful about your language during this political debate?

**Tom Arthur:** I certainly will. That case is very important, because it gets to the heart of matters. The universal clinical opinion was that the decision on ward 15 at the RAH was the correct decision. Was it a challenging one for politicians and service users? Yes, but it was the universal clinical decision, which was taken to benefit the people who use the hospital. Ultimately, as politicians, we have to make a judgment about whether to listen to the professionals and the experts—for whom I know that the Tories have contempt—or to engage in cheap politicking and scaremongering. I would

much rather support a Government that takes responsible decisions.

We see the converse with Mr Briggs and his Conservative colleagues, who have an opportunity to vote for Frank's law to extend free personal care but, instead of delivering it, choose to vote against it. Talk is cheap. It is clear that members of the Tory party are completely incapable of taking responsibility as parliamentarians and living up to the responsibilities that we have as MSPs and legislators in this place, which is why they will never be close to office in this country.

That is in stark contrast to the way in which the Greens have comported themselves in the budget negotiations. I will be honest: differences of opinion exist between me and my party and the Green Party, but the Greens have shown the maturity to engage in a constructive process. What is it that the SNP and the Green Party have in common, beyond independence? They are both parties that are not looking over their shoulders to their remote-control masters at Westminster. They are parties that will put the priorities of Scotland first. It is a shame that, as we celebrate the 20th anniversary of devolution, the Tories have reverted back to their hard-line unionist stance.

What a shame it is that the Liberal Democrats—key champions of this place—have allowed their unionism to trump their willingness to engage practically with the Government to bring forward budget proposals that would benefit all of our constituents. I gently caution the Liberal Democrats: the last time that they chose not to engage with the Scottish Government because of independence was following the election in 2007. As a consequence of that, they went from being ferried about in ministerial cars to being able to fit their entire group in the back of a taxi. I think that the people of Scotland will remember their actions today as showing, once again, their putting petty, party, ultra-unionist politics before serving their constituents and the people of Scotland.

As for the Labour Party—my goodness. I was hoping to address my comments to the head of the Labour Party, that being Alex Rowley, who is the only one in the party who seems to have a brain and a willingness to come forward and engage constructively. Have we seen that today? No. As has been described, we have had a never-ending list of requests and demands, but we have had no account of how the expense of that should be met. That is a shame, because I know from my one-on-one conversations with many members of the Labour Party that we share similar values—we want to see a progressive, more socially democratic Scotland.

**Neil Findlay:** Will the member give way?

**Tom Arthur:** I am sorry, Mr Findlay—I have far too much to say. I would be happy to give way any other time, but not this afternoon.

It is a crying shame that Labour is not willing to engage. *[Interruption.]* I respect the Labour Party—

**The Deputy Presiding Officer:** Mr Arthur, will you please sit down?

I just heard a word being used by Mr Findlay, a member of this Parliament, that I do not believe is appropriate to be used.

**Neil Findlay:** What about Mr Arthur's language?

**The Deputy Presiding Officer:** Mr Findlay, I did not ask you to retort. All that I am saying is that I heard a word that, in my opinion, as Presiding Officer of this session, is not appropriate. It is for me to decide appropriateness.

**Neil Findlay:** What was the word?

**The Deputy Presiding Officer:** I think that you know what the word was, Mr Findlay, because you are the one who used it.

**Neil Findlay:** I do not know what word you are talking about.

**The Deputy Presiding Officer:** I do not accept that, Mr Findlay. I believe that you know exactly what you said. I would ask that if you have genuinely forgotten—

**The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney):** He knows exactly what he said.

**The Deputy Presiding Officer:** Mr Swinney, would you please be quiet?

Mr Findlay, if you are unaware of what word you used, you can ask your colleagues or you can check the *Official Report* when it is published. At the moment, you will have to accept my word about my feeling that it was inappropriate.

**Neil Findlay:** On a point of order, Presiding Officer.

**The Deputy Presiding Officer:** I am speaking at the moment. I ask that the temperature of this debate be lowered because it is becoming ridiculous.

**Neil Findlay:** On a point of order, Presiding Officer. If I used a word that was inappropriate, I withdraw that word, but I would hope that there would be a level of consistency in applying the rules in the Parliament. Mr Arthur accused people of lying and accused the Labour group of being people with no brains. I would have thought that those accusations are as serious as use of the word that I think you are saying that I might have used.

**The Minister for Business, Fair Work and Skills (Jamie Hepburn):** Do you remember what word it was now?

**The Deputy Presiding Officer:** Mr Hepburn, and anyone else who is here, could I please ask for silence?

Mr Findlay, I have listened to what you have said. I dealt with the point that Mr Arthur made earlier. I have subsequently stopped proceedings to say that I would like a bit of respect shown on all sides; I reiterate that.

I would like to restart the debate now because it is an extremely important debate for everybody in here and for everyone who is listening in.

I believe that you have a minute left, Mr Arthur. Please resume.

**Tom Arthur:** Thank you, Presiding Officer. In a spirit of collegiate good will, I withdraw the term that I used, which I accept was inappropriate. However, I am disappointed at the Labour Party, because I know that in many areas we share a lot of common ground. I appreciate that the Labour Party is vigorously opposed to Scottish independence, just as I am passionately in favour of it, but that should not be a barrier.

I say to Mr Findlay and Mr Kelly that had there been substantial, substantive engagement with the Government, and afterwards the Labour Party had said, "Sorry, but we cannot find common ground and we cannot agree a joint budget," I would have said, "Fair enough. I can respect that." However, a concrete set of budget proposals has not been put forward. When the finance secretary challenged Mr Kelly to say what his tax rates would have to be to meet his spending demands, he was unable to do it. When he said that to Jenny Marra, she was unable to do it. If Mr Findlay is going to sum up for the Labour Party, I hope that he will set out exactly what his spending plans are and how much he believes the SFC would forecast that they would generate. If there is an unwillingness to do that, there is an unwillingness to take this process seriously. I conclude on that note.

16:12

**Neil Findlay (Lothian) (Lab):** I was a councillor in West Lothian for nine years and was immensely proud of the work that we did and the services that council workers delivered, supported by the progressive policy agenda that we pursued. In 2006, the council was named UK council of the year because we had delivered high-quality, efficient and value-for-money public services. The services were so well run, so efficient and such good value that since then, the council has had £92 million cut from its budget. This year, it will

have another £4.7 million cut, give or take whatever Mr Mackay has just chipped in.

**Derek Mackay:** Will Neil Findlay take an intervention?

**Neil Findlay:** Yes, of course. Tell me what the new figure is.

**Derek Mackay:** I can tell Neil Findlay what he is going to say, because I have a copy of his speech. I do not know why he sent it to the Scottish ministers. *[Laughter.]* By the way, the figures in it are now all wrong.

Is the Convention of Scottish Local Authorities wrong to have welcomed the announcements that I made today in relation to local government, and would Neil Findlay care to change his speech? He could cut out the personal insults that are in it, too.

**The Deputy Presiding Officer:** I think that the cabinet secretary has got you there, Mr Findlay.

**Neil Findlay:** Members will know about my computing skills. This is certainly not the first time that I have shared information with many members across the chamber, and I absolutely assure them that it will not be the last, given those skills. I am afraid that Mr Mackay did not update us on the new figures.

Of course, such cuts are happening not just to West Lothian Council; they are happening to every council in the country and are affecting every single community. It is always the poorest, the low-paid and the most vulnerable people who are damaged. This year—before Mr Mackay got my speech—the City of Edinburgh Council said that it would have to make £41 million in cuts, so projects including the Pilton community health project are in real danger of closing because their grants have been withdrawn. What a state of affairs it is when a health project in one of the most needy communities in the country will have to shut because of Mr Mackay's cuts.

**Kezia Dugdale:** I think that the closure of the Pilton community health project is one of the most dangerous and short-sighted things that I have seen in my history in the Scottish Parliament. I wonder whether the finance secretary knows that it supports women who are in abusive relationships and people who are living in temporary accommodation, and that, if the service shuts, we will have to pay 10 times what it would cost to keep the service open so that those people can piece their lives back together.

In the time for which Neil Findlay has been on his feet, we have heard from Adam McVey, the SNP leader of the City of Edinburgh Council. He agrees that Edinburgh no longer faces £41 million-worth of cuts. The figure is now £33 million. Does the finance secretary think that that is still a good deal for the citizens of this city?

**Neil Findlay:** So, there will be £33 million of cuts: the Pilton project will still be closed under the finance secretary's proposals. I am sure that the member who is sitting beside him is absolutely delighted to hear that he will be voting today for that project to be cut. It is an absolute disgrace.

Midlothian, which is one of the smallest councils in the country, needs to cut by £4.1 million. Council officers have put forward a list of proposals, including cutting all school-crossing patrols and closing three libraries and three community centres.

In Moray, there will be £7.3 million of cuts. Almost the entire adult education service will go, class sizes are going up to 30, street cleaning is being reduced and charges are rising.

In Dundee, £18 million is being cut: 400 jobs are going, and community facilities are being closed. In Glasgow—which has some of the worst health and education inequalities in Europe—sports centres, community golf courses and swimming pools are closing, and seven libraries could close—

**Derek Mackay:** Will the member give way?

**Neil Findlay:** No, thank you.

In Glasgow and across the country, we have lost classroom assistants, class sizes are rising and nursery teachers are being removed from schools. In SNP Falkirk Council, schools are being told to cut their budgets, with a cut of half a million pounds at Larbert high school alone.

Mr Swinney is reading my speech. I hope that he is enjoying it.

**John Swinney:** I am.

**Neil Findlay:** Clackmannanshire Council is talking about closing schools and reducing the school week, which is something that Derek Mackay tried in Paisley 10 years ago when he was council leader there. I say this to Mr Mackay: well done. Ten years on, he is shortening the school week in Clackmannanshire. What a great legacy that is.

**Alison Johnstone (Lothian) (Green):** Will the member give way?

**Neil Findlay:** No, thank you.

Education is supposed to be Nicola Sturgeon's top priority. If that is how the Government treats its top priority, is it any wonder that services that are not a priority are under the threat of disappearing altogether? There was barely a mention of schools in Derek Mackay's speech, although, as I have said, education is supposed to be the top priority.

Across the public services, but particularly in councils, the cupboard is bare. The cuts are not to

the bone—they are through to the marrow. They are eating away at the glue that holds society together, because it is the lunch clubs, the youth work, the libraries, the community centres, the bin men, the cleaners and the nursery staff who help to civilise our society who are being attacked by a Scottish Government that has utter contempt for councillors and councils and instead wants to centralise and dictate what goes on.

Indeed, Mr Mackay has just dictated the level of council tax rates that Scotland's councils can raise. Imagine the howls of abuse about power grabs that would come if any UK Government attempted to dictate policy in devolved areas, but that is what is being done week in and week out to Scotland's councils.

**Andy Wightman:** Will the member give way?

**Neil Findlay:** No, thank you.

**The Deputy Presiding Officer:** Mr Findlay is just closing.

**Neil Findlay:** According to the Accounts Commission, the Scottish Government budget has fallen by 1.65 per cent, but it has passed on a 6.92 per cent cut to local government—and it has the cheek to say that the local government settlement is a fair settlement.

Finally, I ask Parliament to listen to this, which comes from the Greens' website:

"Like last year, Greens will not vote for a budget that cuts local government funding."

If there were no cuts last year, why are our councils on their knees, shedding jobs and closing services?

**The Deputy Presiding Officer:** You must close, please.

**Neil Findlay:** I agree with Patrick Harvie, who said at committee that the cuts are worse than those that happened under Thatcher. The difference is that, tonight, I will vote against Thatcherite cuts, while he and his party will vote for them.

**The Deputy Presiding Officer:** We have absolutely no spare time left, so can members' speeches please come in under six minutes.

16:20

**Joan McAlpine (South Scotland) (SNP):** I congratulate the cabinet secretary and the Greens on reaching an agreement that will bring stability to all our public services at a time when there is total chaos elsewhere, particularly at Westminster. None of this is easy, because—of course—the value of Scotland's block grant from Westminster has shrunk by £2 billion in real terms since 2010. The cut cannot be wished away, but it can be

mitigated. That is what the public expects of its politicians. The budget is a lesson to the Opposition parties on what can be achieved with constructive engagement, because—as we have heard—the Green Party was the only party that came forward with a coherent plan to back up its demands.

I welcome the £187 million extra funding for local authorities. Labour members, in particular, will have questions to answer about why they voted against a budget that gives councils that additional funding. They will also have to explain why they voted against a budget that gives our NHS above-inflation increases—it will deliver almost £0.75 billion extra for health. Indeed, under the SNP since 2006-07, the annual health resource budget has increased by £4.8 billion, or 52.6 per cent.

In September, Labour said that the NHS needed to get the resources that it requires, particularly for NHS staff. The budget continues the commitment to lift the public sector pay cap, including a 3 per cent rise for those who earn less than £36,500 per year. How does Labour justify, or even explain, voting against that?

The Conservatives also claim to care about NHS funding. In setting out their budget priorities in October 2018, the Scottish Conservatives called for the Barnett consequential from the UK Government to go direct to the NHS and social care in Scotland. However, the Barnett consequential has been reduced by the UK Government by £55 million this year. Our budget takes the necessary steps to reinstate the £55 million in its entirety, but still the Tories will vote against it.

**Miles Briggs:** Can Joan McAlpine not find it in her heart to acknowledge that an additional £2 million of funding for the Scottish NHS is coming from the UK Government, or is it just all about grievance and division?

**Joan McAlpine:** The UK Government promised to pass on all the consequential, but it reneged on that promise. The Scottish Conservatives asked the Scottish Government to deliver on the promise, and it has more than done so. Miles Briggs should be hanging his head in shame.

As we have already heard, Miles Briggs has campaigned consistently for Frank's law. I also campaigned for it, but we now know that he is going to vote against Frank's law when he votes against the budget. The Tories are also going to vote against the provision of 800 more general practitioners, which the budget will deliver over the next 10 years. It was only last autumn that Jackson Carlaw demanded more money for primary care. We are getting 800 more GPs, but the Tories are going to vote against the budget.

They are also going to vote against increases in the carers allowance, which is something else for which Miles Briggs has called. In Government, the SNP has already delivered the first two payments of the carers allowance supplement, and the budget allocates another £37 million to support it. I think that it was Miles Briggs who said that carers are "counting on" the benefit. The carers might be counting on it, but the Tories will vote against it.

On the other side of the chamber, Monica Lennon has been campaigning, as has my colleague, Gillian Martin, to extend sanitary provision for women and girls in schools, colleges and universities. The budget tackles period poverty, not just in education establishments, but across a range of settings in the public, third and private sectors. Therefore, if Monica Lennon votes against the budget, she will have voted against that extra funding to tackle period poverty.

I could name other Opposition members who have campaigned passionately and—I had always believed—sincerely for other worthy causes. Willie Rennie has articulated the case for more mental health spending for young people in particular, and has done so well and diligently. The budget will increase direct investment in mental health by £27 million, which will take overall funding for mental health to an incredible £1.1 billion. That includes specialist treatment for young people, an expanded distress intervention programme, and developing community services to support the mental wellbeing of five to 24-year-olds. If Willie Rennie votes against the budget, he will vote against delivering mental health services to those young people. Those are services that he has campaigned for so sincerely—or so we thought. He will also vote against an extra £500 million for the early years and childcare, for which he has also campaigned.

**Michelle Ballantyne (South Scotland) (Con):** Will the member give way?

**The Deputy Presiding Officer (Christine Grahame):** The member is in her last minute and will shortly be concluding.

**Joan McAlpine:** Willie Rennie has campaigned for that not just in this session of Parliament, but in the previous session. He must have campaigned well because I still remember some of the speeches that he made on the subject. However, he will be voting against money for early years provision.

I could go on, because the Labour, Tory and Liberal Democrat seats are populated by politicians who are about to ditch their principles and vote against everything that they have spent the past year campaigning for. The electorate will judge them on that. Those politicians should be grateful to the Government and the Greens for

coming together to save their Opposition parties from the judgment of the electorate.

16:26

**Liz Smith (Mid Scotland and Fife) (Con):** Several members have spoken about why the context of this budget is crucial, and the convener of the Finance and Constitution Committee called on members to seek consensus on at least a few issues. I will come to his comment in just a minute. I hope that the finance secretary was listening as well, because he seemed to imply that it is the job of the Opposition parties to explain why his unpopular decisions have come about.

The finance secretary is absolutely right to challenge us and the other political parties to explain our policy commitments and, in the next few weeks, our own sums in relation to the budget. However, he has to be prepared to answer some key questions himself. In particular, what evidence can he possibly point to in disputing the fact that, following the chancellor's announcements in October last year and the addition of an extra £950 million to the Scottish block grant thanks to Barnett consequentials, his own budget has gone up in real terms? That fact has been confirmed by the Scottish Parliament's own statistical office and many business organisations. On what grounds can he continue to tell us that it is Westminster's fault when his budget has gained more money as a result of Westminster actions?

**Derek Mackay:** I am more than happy to explain—again, as I have done at committee and in other places, and as is backed up by the Fraser of Allander institute—that we are passing on the Barnett consequentials. Offsetting the UK Government's reductions in portfolios as they relate to the Barnett consequentials is what has led to the real-terms reductions in all portfolios excluding health. That explains how I can say what I have said. The fact is that, over a 10-year period, our budget for fiscal resource for day-to-day services has been reduced by £2 billion. I thank the member for the opportunity to make that point once again.

**Liz Smith:** I think that the cabinet secretary has just confirmed that his budget has actually gone up. Can he explain why he thinks that increasing the tax burden in Scotland will help economic growth and investment in the Scottish economy, which we so desperately need?

**Derek Mackay:** A fairer, more progressive tax system that invests in our economy is about a race to the top on quality of life, not a race to the bottom on tax. That has ensured that our economic indicators are all strong at this point.

**Liz Smith:** Has the cabinet secretary read what the Scottish Fiscal Commission has been saying to him?

**Derek Mackay:** Will the member give way?

**Liz Smith:** No. I am sorry, but I have already taken two interventions.

**The Deputy Presiding Officer:** I caution you that you cannot make up your time—remember that.

**Liz Smith:** I can make up my time?

**The Deputy Presiding Officer:** No, you cannot.

**Liz Smith:** That is all right. I think that I have probably made sufficient points already.

It is good to hear that local authorities will get back at least some of the cash that has been taken away in the past few years. When it comes to education, the cabinet secretary knows full well that local authorities of every political hue have had to take extremely tough decisions on such matters as shortening the school day, getting rid of their school crossing patrols, increasing fees for music tuition and making classroom assistants redundant. That is what has been happening across all our local authorities.

I want to ask the cabinet secretary about a specific issue in his agreement with the Greens, which seems to suggest that there will be greater autonomy for local government. As a Conservative, I do not see any particular problem with that in principle, but it raises an issue about the choices that local government will have to make. Will the Scottish Government's flagship policy on childcare stay as it is or will local authorities have to make choices about it? That is a key point for parents.

**Derek Mackay:** The childcare policy stays as it is.

**Liz Smith:** I thank the cabinet secretary for the clarification. If there is, in effect, greater autonomy for local authorities, what will happen when they start to make decisions because they feel that, as a result of financial pressures, they cannot deliver some of the services that they have been told to deliver?

**Derek Mackay:** I am happy to answer that question as well.

**The Deputy Presiding Officer:** It is a proper debate, but Liz Smith is losing time.

**Derek Mackay:** I keep getting questions posed, and I am trying to answer them, Presiding Officer.

**The Deputy Presiding Officer:** Absolutely. I am not complaining; I am just reminding Liz Smith that there is no spare time. I have just used some up, too.

**Liz Smith:** I am happy to take the interventions. The points that I am asking about are crucial to parents and teachers across Scotland.

**Derek Mackay:** The policy is fully funded, and the money continues to be ring fenced as I have described. The commitments are also statutory. We will deliver the childcare policy. It is strange that the Tories will be voting against it tonight.

**Liz Smith:** I want to be absolutely clear about this. When it comes to the delivery of the policy, is the cabinet secretary, in effect, saying that the Scottish Government will deliver the 1,140 hours or is he now agreeing to allow local authorities to choose how they spend the money?

**Derek Mackay:** This is most interesting. I have said repeatedly that we have a childcare policy, we are going to deliver it, we are funding it and we are going to get on with it. It is only the Tories who are opposing it by not providing the means to pay for it in the budget this evening.

**The Deputy Presiding Officer:** Liz Smith, you have 20 seconds.

**Liz Smith:** I rest my case. I am not going to continue the debate. There is a fundamental point of principle here, and, in the months to come, the Government will have to provide a lot of answers on it.

**The Deputy Presiding Officer:** Willie Coffey is the last speaker in the open debate.

16:32

**Willie Coffey (Kilmarnock and Irvine Valley) (SNP):** Let us just say that it has been interesting to hear the various unionist positions on the budget—the priorities, the demands and even some of the bad-tempered whinges, moans and carps that have been thrown in, as usual.

We have to remember that we are arguing over the same cake and how to divide it up for the good of the people that we represent. If one party wants a bigger slice for its chosen priority, that means a smaller slice for somebody else. It is incumbent on parties, when demanding bigger slices, that they also set out who is to get the smaller portion; otherwise, the public will see through it.

Although there is no mechanism in Parliament to present an alternative budget for approval, surely it is possible to set out a range of costed spending plans, showing the public where that party might spend more. Those plans would also have to show what area would get less—because, as everyone in the Parliament knows, the budget has to balance.

The Scottish Government's budget provides Scotland with a stability that is sadly lacking at Westminster, where the current Administration

teeters on the brink of collapse on a near daily basis, unable to stick to the plan that it had last week or the week before.

As some of my colleagues noted, this budget provides a huge shot in the arm for the NHS and education and offers a real-terms increase to our councils in both revenue and capital. The news that the cabinet secretary can use additional consequential to provide further help to local government is very welcome and means that my local council in East Ayrshire will receive an extra £2 million to £4 million on top of the proposed allocation. That means that the council will, at least, not need to cut the allocations in the budget that have already been proposed.

As has been mentioned by several members, the health and sport budget now stands at over £14 billion—nearly a third of the whole cake—with the NHS receiving £729 million more next year if the budget is approved. Communities and local government—which includes paying our teachers—will get nearly £12 billion. The finance portfolio, which mostly consists of NHS and teacher pensions, will get around £5 billion and the education and skills portfolio, which includes funding for the colleges, will get about £3.5 billion. I list those four areas because they are pretty big slices of the cake and account for about £35 billion of the total £42 billion that is available.

The great news from the Scottish Government yesterday was that its proposed £100 million investment to support the Ayrshire growth deal is, at long last, being matched by the UK Government this morning. It will be interesting to see whether my Ayrshire Tory colleague John Scott will support the £100 million for Ayrshire or vote against it at the end of today.

All of that will be delivered with more than half of all Scots paying less income tax than the rest of the UK and 99 per cent paying the same tax as they paid last year or less.

For residents of East Ayrshire, the proposal of a share of around £5 billion of capital investment means another 300 new council houses and six new schools, which will be warmly welcomed in that part of the world.

With equality at the heart of the budget, in contrast to the policies that we see in the rest of the UK, we are doing our best to protect the poorest in our society, with £435 million of assistance being directed from Social Security Scotland to those who need it most. Those are just the first steps in the delivery of even more benefits to support people in our society as the Scottish Government looks to tackle inequality and reduce poverty. In my constituency, more than 1,500 carers benefited from the carers supplement, and

that figure will only improve with the young carers grant that is provided for in the budget.

Lastly, on one of my areas of interest, the budget continues to support our superfast broadband project, with £600 million going into the programme despite the full responsibility lying with the Tory Government, which has put in a paltry £21 million. If we left it to the UK Government, it would be decades before we reached 100 per cent coverage.

The budget offers something for every person in Scotland, from the youngest to the oldest, including our teachers, NHS workers and patients; college staff, police and fire officers; our local government staff; our students; and those in work and those who are doing their best to find work. It encourages Scottish businesses to grow through the most competitive business rates environment in the UK. It protects our most vulnerable citizens as best we can from the worst actions of a Tory Government that is getting worse by the day. All of that will be put at risk if the budget is not approved.

The Scottish Government has listened to and incorporated many of the suggestions from Opposition members. No fewer than 16 of them asked for something, whether it was on Frank's law, support for town centres or even more help for Ayrshire. Having got most, if not all, of their wishes in the budget, are they really going to vote against the things that they asked for?

We will know, in a few more minutes, whether they really are that irresponsible. I support the budget proposals that are in front of us today.

16:37

**Elaine Smith (Central Scotland) (Lab):** This is not a stand-alone budget. It builds on the cuts of past years, and it also must be viewed in the context of the fact that the SNP Government has been in power for 11 years. We need to look at that.

We are 11 years on, and satisfaction with ScotRail has hit a 15-year low, so clearly there is no prospect of granting Labour's request for reduced fares for our constituents. Eleven years on, homelessness is on the rise and people are dying on our streets. Eleven years on, and Scotland's colleges have 120,000 fewer students, which means that, in our constituencies, women returners and disabled people are losing their courses. Jenny Marra also outlined very well the problems in our health service.

Those are far from the only failures of the SNP Government. Right now, in 21st century Scotland, one in four children is living in poverty. Frankly, that is shocking. The SNP's answer to that is to

reduce child poverty by 2030, which will be more than 20 years since the SNP became the Government—although I doubt that it will still be the Government then.

Today, of course, we found out that the Government has met only four of the 15—*[Interruption.]* I think that the Government should want to listen to what its poverty advisor said. The Government has met only four of the poverty advisor's 15 recommendations.

The SNP is the Government of a country in which food banks have become the norm. Children who are living in poverty need action now, and this Government has the power to implement Labour's budget request and increase child benefit by £5 a week. The give me five campaign asked families what they would do with that £5 top-up, and one mum said:

"I have two kids, so £10 a week extra could allow us to buy fresh fruit and hopefully not rely on foodbanks so much".

**Derek Mackay:** Will Elaine Smith take an intervention?

**Elaine Smith:** I usually would, but Derek Mackay has said that the Labour Party has not been engaging, when he knows fine well that James Kelly has met him on several occasions. He is not listening—he is not listening to Labour MSPs, trade unions, churches or poverty campaigners and he is not listening to councils, so I do not think that I will take an intervention.

Eleven years on, the SNP has the powers to mitigate the Dickensian Tory welfare policy. It could support Labour and use the budget to end the two-child cap and the repugnant rape clause, but it seems that that is not a priority. Eleven years on, life expectancy has dropped to the lowest in the UK for the first time in 35 years, with significant differences between local authority areas. There is a variation of more than 10 years between North Lanarkshire and parts of Perth and Kinross.

That brings me to the state of councils 11 years on from the SNP taking power. Neil Findlay and Kezia Dugdale made the point that it is not possible to deliver the services that our communities need with the continued reduction in year-on-year funding and a depleted workforce. It will not be possible to reduce poverty when the biggest employers in communities are being forced to shed their staff. Those job losses are undoubtedly the fault of the SNP Government. Households with the least need local government services the most.

As Jenny Marra suggested, spinning ring-fenced funding as an increase is really just a big con. SPICe confirmed at the first stage of the budget that the local government settlement is a real-terms decrease of £319 million, and we should



remember that that is from the amount needed just to stand still. An increase in core funding of £90 million does not fill that gap. Eleven years on, preventing poverty and reducing its impact surely must mean properly investing in local government and not continuing to slash funding.

Derek Mackay told the Local Government and Communities Committee that every council has to make efficiencies, but there are no more efficiencies to be made. Joe Cullinane, the leader of North Ayrshire Council, has asked whether SNP-run Falkirk Council is instructing its headteachers to write to parents about the £5 million reduction in school budgets because that will mean a more efficient education for their children. Keith Brown mentioned Clackmannanshire. Joe Cullinane has also asked whether SNP-run Clackmannanshire Council is considering closing primary schools and reducing the high school week because that will be more efficient. If SNP-controlled Moray Council was more efficient, could it achieve a balanced budget?

This week, I met Labour councillors from North Lanarkshire to hear at first hand their deep concerns. They cannot sustain the services that communities need with this vicious year-on-year financial assault from the SNP Government, and the jam tomorrow deal with the Greens does nothing to change that.

Jim Logue, the leader of North Lanarkshire Council, said in a letter to MSPs:

“the revenue budget for North Lanarkshire—as with all local authorities—has been significantly reduced over the last eleven years. This has meant a shortfall of over £230m in funding over the last decade, which has had a devastating impact on the delivery of our ... services.”

That is £230 million. In response to Derek Mackay’s council tax announcement, Jim Logue tells us:

“a budget settlement that gives a tax cut to Government ministers whilst forcing councils to increase council tax on hardworking people across North Lanarkshire to pay for their services is not a fair deal”.

He goes on:

“the Scottish Government have quadrupled the austerity it has received from Westminster and we can all see the impact cuts have had on our crucial services”.

Eleven years on, the on-going cuts to councils are cuts to communities. It is worse than the Thatcher years, and the same old Tories want to make sure that the rich do not pay more tax.

To respond to Willie Coffey, Unison tells us:

“a different and better budget is possible ... by expanding the fiscal envelope”.

The Government needs to think again and bring back a budget that properly invests in communities

and puts income in the pockets of families to tackle poverty. Scottish Labour will not support this cuts budget.

16:44

**Adam Tomkins (Glasgow) (Con):** The context in which the budget is set is that the Scottish Government’s budget is going up by more than £1 billion in cash terms this year. That translates into a real-terms increase of nearly 2 per cent and, as we heard earlier from Miles Briggs, it includes more than £2 billion of increased spending for the national health service in Scotland by 2023. That is the context in which the SNP seeks to pass yet another pay more, get less budget, ensuring that Scotland will remain the highest-taxed part of the United Kingdom.

The second context in which the budget is set is one of subdued growth. The SNP’s economy in Scotland lags behind UK economic growth and is forecast to do so every year not merely until the end of this parliamentary session but well into the middle of the next one. As Scottish Fiscal Commission growth forecasts for Scotland are going down, Office for Budget Responsibility growth forecasts for the rest of the United Kingdom are going up. That costs businesses, but it also costs the public services dear. Only this afternoon, we heard the cabinet secretary say that in an independent Scotland he would grow the economy to pay for the cuts that the European Union would impose on him, but he should be growing the Scottish economy now.

The third contextual element that needs to be understood to understand the budget is the SNP’s broken manifesto commitment not to increase income tax rates. Seeking election in 2016, Nicola Sturgeon said:

“We will freeze the basic rate of income tax throughout the next Parliament to protect those on low and middle incomes”

In the rest of the United Kingdom, everyone who earns up to £50,000 a year pays income tax at 20 per cent. By contrast, in the SNP’s Scotland, everyone who earns more than £25,000 will pay income tax at 21 per cent. That is a broken promise and the true foundations of this year’s budget are broken nationalist promises.

The choice that the finance secretary has made is not merely to persist with that but to extend the income tax gap between Scotland and the rest of the United Kingdom, which means that all those in Scotland who earn between £43,000 and £50,000 will face a marginal tax rate of 53 per cent. It means that public servants such as police sergeants, senior nurse managers and principal teachers will pay more tax in Scotland than their

counterparts south of the border and, in some cases, will pay more than £1,500 a year more.

There is growing evidence that that is already causing tax flight—people who would otherwise come here to live and work are being put off because of the SNP's tax hikes and people who are already here are seeking to leave to escape the SNP's punitive tax rates. It is already costing the Scottish Government tax revenue—pay more, get less. We need a budget that increases the number of Scottish taxpayers, not one that puts them off coming here or drives them away.

A week ago, the Finance and Constitution Committee heard in evidence on the budget that, for every 20 new additional-rate taxpayers we attract to Scotland, the Scottish Government receives £1 million in additional tax receipts. Yet when challenged about that in the committee, the cabinet secretary could not identify a single Government policy designed to increase such jobs in the Scottish economy. It is higher wages that drive increased tax revenues, not tax hikes.

We come to today's deal with the Greens. Once again, Mr Harvie has proved himself to be something of a cheap date and has sold out his own voters. He said that he would not vote for a budget that did not contain significant reform of local government finance, yet we see that kicked into the long grass today, and we are given yet another cross-party working group. As Mr Rennie said, Mr Harvie has settled to be the vice-convenor of the car parking working group. That is the price of his deal on the budget today, and I wonder whether even that may be a little beyond his abilities. The Greens said that they would refuse to vote for a budget that cuts local authority resources—another Green promise betrayed.

**Patrick Harvie:** Will the member give way?

**The Deputy Presiding Officer:** Mr Harvie, he is not giving way.

**Adam Tomkins:** In introducing his deal with the Greens this afternoon, Mr Mackay said that his budget was one that would create certainty and stability, but the only certainty is that we will have ever-higher taxes for as long as the nationalist alliance between the SNP and the Green Party is allowed to dominate. He said that it would be a budget that would prepare our economy for the challenges of the future. No, it prepares our economy for the challenges of future tax rises with regard to tourism, hotel space, car parking, council tax and even the bag that we use to carry our shopping home in. Is it any wonder that the Federation of Small Businesses in Scotland has said this afternoon that the cabinet secretary's deal with the Greens

"will erode the small business community's trust in his administration ... Ministers repeatedly promised firms that

they would not pave the way for tourism taxes without industry support. They're breaking that promise today."

We will be voting against the budget tonight. We will be voting against unnecessary tax rises, we will be voting against a budget that does nothing for growth or for business, and we will be voting against a budget that punishes Scotland's hard-working families.

**The Deputy Presiding Officer:** I call Derek Mackay to close for the Government.

16:51

**Derek Mackay:** It is fair to say that, on some days in the Parliament, we perhaps do not have the most fulsome of debates. It is also true to say that I do not always have early sight of Opposition speeches, but I thank Neil Findlay for early sight of his speech.

**Neil Findlay:** Will the minister take an intervention?

**Derek Mackay:** Not right now.

**Neil Findlay:** Go on.

**Derek Mackay:** Okay—if I must.

**Neil Findlay:** Given my IT skills, this one does not even make the top 10. However, I am in exalted company. As Bruce Crawford reminded me earlier, he has sent the entire programme for government to the whole Parliament in years gone past.

**Derek Mackay:** Neil Findlay has admitted that his IT skills are not very good; neither are his group's budgeting skills, as we have seen in the course of the debate.

I thought that Angela Constance helped establish a calm tone for the budget debate. She explored how we can be constructive—for example, through the use of financial transactions money by credit unions. That is the kind of constructive suggestion that I can take away. She also talked about her affection for me, but I cannot say that I have felt the love from the entire chamber this afternoon. I am slightly resistant to Angela Constance's charms, for reasons well understood by the chamber.

For this minority Government—that was a slow-burning joke, by the way. [*Laughter.*] For this minority Government, it is important for our country to find the necessary compromise to provide stability, certainty, economic stimulus and, importantly, sustainability of public services. Given the challenges that we face, if there was ever a time for this Parliament to be responsible, it is surely tonight, for the sake of public services in this country.

**James Kelly:** The cabinet secretary mentioned sustainability of public services. We started the afternoon with a £319 million cut to local council budgets. The minister then announced £90 million in direct funding, but that still leaves a massive black hole of more than £200 million that councils will have to have to fill. Surely that is punishing local communities.

**Derek Mackay:** In the draft budget, I proposed a real-terms increase for local government. The decisions that I am taking today enhance that offer to local government. It is no wonder that COSLA spokespeople are right now welcoming the Scottish Government's movement on the deal for local government.

We are investing in the economy, education and the environment. I heard the Conservatives talk about broken promises. The biggest financial challenge that we face right now and the biggest challenge to our public services and to our people is, of course, Brexit. Brexit has been brought upon Scotland by the party that said that people had to vote no in the Scottish independence referendum in order to keep Scotland in Europe. Now we are being dragged out of Europe against our will in the most reckless fashion possible. I will take no lectures from the Conservatives on economic management.

**Patrick Harvie:** One of Mr Tomkins's concerns is tax flight. Even if local councils use their full capacity to increase council tax, it will still be significantly lower in Scotland than it is in England. Are we facing the prospect of a potential tax flight from England to Scotland?

**Derek Mackay:** We would, of course, welcome people from across the United Kingdom coming to Scotland; it is the Tories who are hostile to migration to Scotland, not the other parties in the chamber.

It is true to say that council tax will be lower in Scotland than it is in England and that the rises will be lower than they are in England. We are taking reasonable decisions to empower local authorities, in a fashion that I have heard people from across the chamber talk about for some time.

The economic indicators in Scotland right now are good. They are subdued only because of the uncertainty that is caused by Brexit. We have had seven consecutive quarters of GDP growth, and, in some of those quarters, that growth has outperformed UK GDP growth. We have record low unemployment, at 3.6 per cent; record amounts of foreign direct investment, second only to London and the south-east of England; and soaring exports. All of that is threatened by Brexit and mismanagement at the hands of the Conservatives.

This budget proposes to invest £42.5 billion in the services, infrastructure, welfare and social security of Scotland. It will deliver record sums for the national health service, a real-terms increase for education and more support for local government—it will be the third consecutive year, since I became finance secretary, of a higher-than-real-terms increase for local government. It will deliver record investment in housing, more investment in transport and support for our emergency services. To oppose the budget is not just to oppose the extra £2 billion that we are spending; it is to imperil the ability to raise the necessary revenue of tens of billions of pounds—it imperils the £42.5 billion of the Scottish budget.

The Tories have lectured me. I think that it was Murdo Fraser who made a point about who owns Scotland. That tells us everything that we need to know about why the Tories oppose our progressive and fair tax policies. Tax cuts for the richest and hammering the most vulnerable in our society—that is not the path that we will follow. Under our progressive regime, income tax in Scotland will be fair and progressive, and Scotland will continue to be the lowest-taxed part of the United Kingdom. If we had followed the Tories' tax policies, we would be cutting public services to the tune of £500 million.

I listened to the Labour Party members—I was looking forward to the speech from Alex Rowley, who I knew was on the Labour speakers list. However, when he put forward an idea about how we might fund local government, he was told by the Labour Party to—and I quote—"shut up", because he had no authority to negotiate with me; he is not even allowed to speak in the chamber any more on behalf of the Labour Party. That is what happens when someone in the Labour Party in the Parliament has a good idea.

I asked the Labour Party what its figure for paying for its spending commitments was, and it did not give me an alternative budget. I was promised a shambles, and it overdelivered in that regard. The actual figure for what would need to be raised to pay for Labour's commitments represents a 6 per cent increase in the higher rate. That is a choice, but the Labour Party should be honest with people about what it is proposing when it puts proposals to them.

I have been criticised for doing a deal with the Greens. I would rather do a deal with the Greens any day than with the Democratic Unionist Party, which is backing the Tories in the House of Commons.

On behalf of the Liberal Democrats, Alex Cole-Hamilton said in *The Scotsman*:

"We've made clear to the SNP that we want a budget that focuses on education, mental health and local government funding."

We have delivered on education, mental health and local government funding, but the problem is that I did not dress it up in the union flag, so the Liberals will vote against the budget tonight.

The budget delivers support for the most vulnerable in our society, stimulation for our economy and a competitive business rates regime, and it safeguards Scotland's public services. I have held the rates on income tax and business tax. We are empowering local government. Some Tories said that Theresa May had more chance of getting her deal through Westminster and the European Union than I had of getting a budget through the Parliament. Tonight, we will succeed in the first vote, the first time, delivering for Scotland, against the meagre, ineffective, reckless and irresponsible Opposition that we face.

The budget has been months of hard work. Surely, Parliament should now move forward and deliver a budget that works for Scotland, that protects us in the face of austerity and Brexit by accident, and that contains a clear economic plan to support our country and accelerate economic growth.

This is a good budget for Scotland, and I have great pleasure in recommending it to Parliament tonight.

## Decision Time

17:00

**The Presiding Officer (Ken Macintosh):** The first question is, that amendment S5M-15625.1, in the name of Murdo Fraser, which seeks to amend motion S5M-15625, in the name of Derek Mackay, on the Budget (Scotland) (No 3) Bill, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

### For

Balfour, Jeremy (Lothian) (Con)  
 Ballantyne, Michelle (South Scotland) (Con)  
 Bowman, Bill (North East Scotland) (Con)  
 Briggs, Miles (Lothian) (Con)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Carlaw, Jackson (Eastwood) (Con)  
 Carson, Finlay (Galloway and West Dumfries) (Con)  
 Chapman, Peter (North East Scotland) (Con)  
 Corry, Maurice (West Scotland) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Golden, Maurice (West Scotland) (Con)  
 Greene, Jamie (West Scotland) (Con)  
 Halcro Johnston, Jamie (Highlands and Islands) (Con)  
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)  
 Harris, Alison (Central Scotland) (Con)  
 Kerr, Liam (North East Scotland) (Con)  
 Lindhurst, Gordon (Lothian) (Con)  
 Lockhart, Dean (Mid Scotland and Fife) (Con)  
 Mason, Tom (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Mundell, Oliver (Dumfriesshire) (Con)  
 Scott, John (Ayr) (Con)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Tomkins, Adam (Glasgow) (Con)  
 Wells, Annie (Glasgow) (Con)  
 Whittle, Brian (South Scotland) (Con)

### Against

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)  
 Allan, Alasdair (Na h-Eileanan an Iar) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Bibby, Neil (West Scotland) (Lab)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Denham, Ash (Edinburgh Eastern) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)

Dugdale, Kezia (Lothian) (Lab)  
 Ewing, Annabelle (Cowdenbeath) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Fee, Mary (West Scotland) (Lab)  
 Findlay, Neil (Lothian) (Lab)  
 Finnie, John (Highlands and Islands) (Green)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Gougeon, Mairi (Angus North and Mearns) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Greer, Ross (West Scotland) (Green)  
 Griffin, Mark (Central Scotland) (Lab)  
 Harper, Emma (South Scotland) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Johnstone, Alison (Lothian) (Green)  
 Kelly, James (Glasgow) (Lab)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lamont, Johann (Glasgow) (Lab)  
 Lennon, Monica (Central Scotland) (Lab)  
 Leonard, Richard (Central Scotland) (Lab)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Uddingston and Bellshill) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)  
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Marra, Jenny (North East Scotland) (Lab)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McArthur, Liam (Orkney Islands) (LD)  
 McDonald, Mark (Aberdeen Donside) (Ind)  
 McKee, Ivan (Glasgow Provan) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McMillan, Stuart (Greenock and Inverclyde) (SNP)  
 McNeill, Pauline (Glasgow) (Lab)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Rennie, Willie (North East Fife) (LD)  
 Robison, Shona (Dundee City East) (SNP)  
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)  
 Rumbles, Mike (North East Scotland) (LD)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Sarwar, Anas (Glasgow) (Lab)  
 Scott, Tavish (Shetland Islands) (LD)  
 Smith, Elaine (Central Scotland) (Lab)  
 Smyth, Colin (South Scotland) (Lab)  
 Somerville, Shirley-Anne (Dunfermline) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, David (Highlands and Islands) (Lab)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)

Todd, Maree (Highlands and Islands) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wightman, Andy (Lothian) (Green)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

**The Presiding Officer:** The result of the division is: For 30, Against 96, Abstentions 0.

*Amendment disagreed to.*

**The Presiding Officer:** The final question is, that motion S5M-15625, in the name of Derek Mackay, on the Budget (Scotland) (No 3) Bill, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

**For**

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)  
 Allan, Alasdair (Na h-Eileanan an Iar) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Denham, Ash (Edinburgh Eastern) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Ewing, Annabelle (Cowdenbeath) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Finnie, John (Highlands and Islands) (Green)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Gougeon, Mairi (Angus North and Mearns) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Greer, Ross (West Scotland) (Green)  
 Harper, Emma (South Scotland) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Johnstone, Alison (Lothian) (Green)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Uddingston and Bellshill) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)  
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)

McKee, Ivan (Glasgow Provan) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McMillan, Stuart (Greenock and Inverclyde) (SNP)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Robison, Shona (Dundee City East) (SNP)  
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Somerville, Shirley-Anne (Dunfermline) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Todd, Maree (Highlands and Islands) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wightman, Andy (Lothian) (Green)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

### Against

Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Balfour, Jeremy (Lothian) (Con)  
 Ballantyne, Michelle (South Scotland) (Con)  
 Beamish, Claudia (South Scotland) (Lab)  
 Bibby, Neil (West Scotland) (Lab)  
 Bowman, Bill (North East Scotland) (Con)  
 Briggs, Miles (Lothian) (Con)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Carlaw, Jackson (Eastwood) (Con)  
 Carson, Finlay (Galloway and West Dumfries) (Con)  
 Chapman, Peter (North East Scotland) (Con)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Corry, Maurice (West Scotland) (Con)  
 Dugdale, Kezia (Lothian) (Lab)  
 Fee, Mary (West Scotland) (Lab)  
 Findlay, Neil (Lothian) (Lab)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Golden, Maurice (West Scotland) (Con)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Greene, Jamie (West Scotland) (Con)  
 Griffin, Mark (Central Scotland) (Lab)  
 Halcro Johnston, Jamie (Highlands and Islands) (Con)  
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)  
 Harris, Alison (Central Scotland) (Con)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Kelly, James (Glasgow) (Lab)  
 Kerr, Liam (North East Scotland) (Con)  
 Lamont, Johann (Glasgow) (Lab)  
 Lennon, Monica (Central Scotland) (Lab)  
 Leonard, Richard (Central Scotland) (Lab)  
 Lindhurst, Gordon (Lothian) (Con)  
 Lockhart, Dean (Mid Scotland and Fife) (Con)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 Marra, Jenny (North East Scotland) (Lab)  
 Mason, Tom (North East Scotland) (Con)  
 McArthur, Liam (Orkney Islands) (LD)  
 McNeill, Pauline (Glasgow) (Lab)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Mundell, Oliver (Dumfriesshire) (Con)  
 Rennie, Willie (North East Fife) (LD)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)  
 Rumbles, Mike (North East Scotland) (LD)

Sarwar, Anas (Glasgow) (Lab)  
 Scott, John (Ayr) (Con)  
 Scott, Tavish (Shetland Islands) (LD)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Elaine (Central Scotland) (Lab)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Smyth, Colin (South Scotland) (Lab)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Stewart, David (Highlands and Islands) (Lab)  
 Tomkins, Adam (Glasgow) (Con)  
 Wells, Annie (Glasgow) (Con)  
 Whittle, Brian (South Scotland) (Con)

### Abstentions

McDonald, Mark (Aberdeen Donside) (Ind)

**The Presiding Officer:** The result of the division is: For 67, Against 58, Abstentions 1.

*Motion agreed to,*

That the Parliament agrees to the general principles of the Budget (Scotland) (No 3) Bill.

*Meeting closed at 17:02.*

This is the final edition of the *Official Report* for this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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