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Tuesday 26 March 2019

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Scottish Parliament

Tuesday 26 March 2019

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

Time for Reflection

The Presiding Officer (Ken Macintosh): Good afternoon. Our first item of business today is time for reflection. Our time for reflection leader is the Rev Sally Foster-Fulton, who is the director of Christian Aid Scotland.

Reverend Sally Foster-Fulton (Christian Aid Scotland): Good afternoon. You have a great deal of work to do, so I offer a short reflection and, I hope, a lens.

I invite you to call to mind somebody that you love. Close your eyes and imagine the shape of her eyes, the curve of his smile, the sound of their laughter. Call to mind the way that he smells, the way that she feels and that look they give you that says, "I've had just about enough."

If you can hold that face, that feeling, that love, consider this: 100 trillion cells, 7 million years of evolution, 40 weeks' gestation and years of love, lessons and laughter—tears, no doubt, too—have gone into that person that you brought to mind, who holds your heart.

Now consider this: our planet home holds more than 7 billion souls. Every single one is a unique, one-off and never-to-be-repeated-ever-again creation. We are more than 7 billion, and behind every number is somebody's name, and behind every statistic is somebody's story, dream, unique purpose.

What if, when I ask where we are from, our first thought is not Edinburgh, Glasgow, South Carolina or Scotland, but, "I'm a citizen of planet earth. I'm part of a global neighbourhood, intricately interrelated—one family, and indivisible, as vast as the ocean and as intimate as a face, a smell, a feeling, a touch."

"Them and us" is a myth that we can no longer afford to tolerate. Never has it been more important for the world to embrace this truth: no one is an only child.

Scotland, though small, is a beacon. Climate justice is grounded in there being no "them and us". Will we stretch for what is necessary rather than settle for what is feasible now? Will we embed policies that cherish those who are pushed to the margins, even when it means all of us moving over, a small part of something bigger?

Thank you for governing us well. When decisions loom, look wide—salty drop in a deep blue ocean; grain of sand on an endless white beach; leaf on a tree in a vast, majestic forest; petal in a sea of poppies; blade of grass in a field green and growing, we are part of something bigger.

Note in a song, voice in a choir, instrument in a symphony of sound; word on a page, chapter in a story, character in an evolving saga; face in a crowd—one in a million, a billion, or 7 billion, or 8 billion—we are part of something bigger.

Being human depends on there being others to be human with, so let us embrace our interdependency and, when decisions loom, look wide. Thank you.

Topical Question Time

14:04

ScotRail (Remedial Plan)

1. Mike Rumbles (North East Scotland) (LD):

To ask the Scottish Government when passengers will see improvements as a result of ScotRail's recent remedial plan. (S5T-01584)

The Cabinet Secretary for Transport, Infrastructure and Connectivity (Michael Matheson): ScotRail is investing £18 million to deliver a remedial plan containing a range of commitments that are designed to deliver improvements over the next year. The key commitments include: completion of the current driver and conductor training programme in the east of Scotland by the end of May 2019, which will allow more class 385 trains and high-speed trains to be operated; recruitment of an additional 30 conductors, available to operate services by July 2019; and recruitment of an additional 55 drivers, available to operate services by May 2020.

I expect ScotRail to bring about sustained improvements through delivery of those contracted commitments. That needs to happen now for ScotRail to ensure that customers see improved reliability, fewer cancellations and more seats on the most badly affected routes.

Mike Rumbles: Since the start of the ScotRail franchise, we have had three improvement or remedial plans. Three years ago, the Scottish Government published an improvement plan containing 249 action points. Last year, we had another improvement plan, with 20 measures for improving performance, and today we have a remedial plan with another nine initiatives. We have had three plans, in three years, under two cabinet secretaries.

Meanwhile, there have been more cancelled trains in the north-east and trains that start their journeys from Haymarket when they should start from Waverley. Passengers are sick and tired of putting up with late trains, trains where they cannot get a seat and the substandard service provided. Will the transport secretary explain why long-suffering passengers should have any faith in this third plan?

Michael Matheson: The member is correct to say that there have been previous improvement plans. Those are somewhat different from the remedial plan that we are discussing, the purpose of which is specifically to address areas where ScotRail is in breach of the franchise agreement and to take measures to address those areas in order to get the company out of breach. That is

what the actions set out in the remedial plan are intended to do.

The member will recognise that one of the things that came from the improvement plan was the Donovan review, which set out a range of actions that ScotRail had to take forward in order to improve services and reliability across the network.

The member will also recall that the Office of Rail and Road published an updated report on progress that ScotRail was making in taking those recommendations forward. The ORR highlighted that ScotRail was making good progress on those recommendations, although there were still areas where further work had to be undertaken.

The Donovan review set out wider improvement across the whole rail network, and in some areas work has been completed. We have seen improvements, particularly in the Strathclyde electric area. However, that does not address the concerns of people who are experiencing disruption in the east of the country as a result of cancellations that are largely due to a lack of trained crew. As a result of the level of cancellations, ScotRail is now in breach of its contract.

I expect the remedial plan to address the issues in the east of Scotland. However, the wider Donovan review work, which is about improving the network overall, is making good progress, as was highlighted by the report from the ORR late last year.

Mike Rumbles: I represent people in the north-east and their service has deteriorated. The plans have not worked, and the remedial plan says that the company's performance is unlikely to reach acceptable levels until May 2020. That is one month after the Government can take action to terminate the contract. Will the Government take action by April next year to terminate the contract if performance levels continue to be breached?

Michael Matheson: There is a 2020 timeframe because it takes around a year for the figures to work their way out of the system. That is in the very nature of how these franchises operate—franchises that I no longer believe are fit for purpose or serve the travelling public well. In addition, it takes more than a year to train train drivers.

If ScotRail fails to deliver on its contractual commitments, as set out in the remedial plan, which is now part of the contract and is different from an improvement plan, it will default on the franchise. If ScotRail defaults on the franchise at the end of the remedial plan, we will be in a position to terminate the contract. That power exists. That does not mean that we could not terminate the contract if ScotRail defaulted on

other parts of it. The remedial plan creates a contractual obligation on ScotRail to deliver the improvements. Should it fail to do so, it would default on the franchise and be in breach of the contract. At that point, the Government could make a decision on whether to terminate the contract.

Jamie Greene (West Scotland) (Con): Like many—although not all—members, I want the franchise to succeed. However, we all have constituents who are bearing the brunt of the daily cancellations, delays, unreliability and severe overcrowding on carriages right across Scotland. That situation is—it must be—unacceptable to each and every one of us.

The plan will take some time to implement—including the time that it will take to recruit and train drivers, which is one of the key points in the plan—but the reality is that commuters do not have 12 months to wait; they want improvements now. What is there in the plan that fills the cabinet secretary, and should fill us, with confidence that passengers will start to see tangible improvements now, not in 12 months' time?

Michael Matheson: As I said, ScotRail has to start delivering now in order to get out of being in breach of the contract. As ScotRail completes its training of drivers and conductors, particularly in the east of Scotland, it will be provided with the cohort of staff that is required to meet the demand for services. The recruitment of additional staff will assist in removing ScotRail's need to be dependent on rest-day working, which has been an issue of contention in the past. That will provide greater resilience in the network.

As more of the Hitachi 385s are delivered—they are late in being delivered; Hitachi might not deliver all those trains until the summer—there will be increased capacity, in terms of seats, on the network overall. That increase in capacity is feeding into the network, and that will continue as more of the Hitachi 385s are delivered.

Alongside that, we should ensure that the crew of the new trains are able to operate them on their designated routes. That will allow some of the diesel units, which are being replaced by the Hitachi 385s but are being used on other routes at present, to be cascaded to routes in Fife and the east and the Borders route, for example, to provide additional capacity.

Once more of the high-speed trains are introduced, there will be increased capacity on the network. Their introduction has been delayed because of Wabtec's failure to deliver.

These are not excuses—this is the reality of where we are. Once the additional rolling stock is in place, there will be a substantial increase in the number of seats that are available at peak times

on the busiest routes. That is why it is important that we continue to do everything that we can to ensure that ScotRail, Network Rail, Wabtec and Hitachi are all focused on delivering on their commitments, so that passengers get the services that they deserve. I am determined to ensure that they remain focused on that task, and that we see improvements sooner rather than later.

Bruce Crawford (Stirling) (SNP): I thank the cabinet secretary for his useful answers to the questions.

On behalf of my Stirling constituents, let me be the first to say that the performance of Network Rail has simply not been good enough. I have written to the cabinet secretary about that. What can he do about Network Rail, whose signal failures in the Stirling area last week caused huge inconvenience to my constituents? Is it not time that Network Rail is devolved to the Scottish Parliament, so that customers can be absolutely clear about where accountability and responsibility lie across the network?

Michael Matheson: The member raises an important point. I have said previously in the chamber that we must ensure that both parts of our rail network—ScotRail, which provides rolling stock and services for passengers, and Network Rail, which provides services that support infrastructure—are operating effectively. Just last week, the failure of a piece of infrastructure at Haymarket caused massive inconvenience to travellers across the east of Scotland, which rippled into the west of Scotland. The same piece of infrastructure had already failed earlier in the week. That demonstrates the need to make sure that the rolling stock and service providers and the infrastructure providers are aligned.

Mr Crawford might recall from previous questions in the chamber that the Office of Rail and Road has issued notice to Network Rail because of its failure to deliver recovery properly where there have been system failures on the infrastructure side. We have had quarters in which the level of cancellations and delays that have been caused by infrastructure has been greater than the level of cancellations and delays that have been caused by ScotRail.

At the end of the day, passengers want the services that they deserve, and they want to be able to access train services as and when they require to do so. Both parts of the system must play their part in bringing that about. I have stated time and again that Network Rail needs to be devolved to the Scottish Parliament so that we can ensure that the way in which the organisation is managed and aligned reflects the Scottish route. That will allow us to make sure that both parts of the system operate effectively, instead of Network Rail's operations here in Scotland being decided

on in Luton. In that way, Network Rail will be more accountable to us and to communities, businesses and the public in Scotland for the services that it delivers. Both parts of the system have an important role to play in addressing the issue.

Colin Smyth (South Scotland) (Lab): The remedial plan estimates that ScotRail will not stop breaching on punctuality until 2020, but no timescale is provided for ScotRail hitting the overall punctuality target that it is paid hundreds of millions of pounds of taxpayers' money to meet.

Does the cabinet secretary honestly believe that the current holder of the ScotRail franchise will ever meet the 92.5 per cent punctuality target? A simple yes or no will do. If the answer is yes, when will it do so?

Michael Matheson: The remedial plan is not intended to enable ScotRail to achieve that target—that is the role of the wider Donovan review. ScotRail's forecast for achieving the 92.5 per cent target is that it will do so by the end of reporting period 13, in 2020-21, and it believes that it is on track to achieve that.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I draw members' attention to my entry in the register of members' interests.

Can the cabinet secretary give an indication of for how long the Scottish Government will accept applications to the local rail development fund, so that the benefits of our improved railway system can reach even more communities, such as Ellon in the north-east of Scotland?

Michael Matheson: I am aware of the interest in a line to Ellon. The local rail development fund was a £2 million fund that was established in February 2018 to provide funding to allow communities to appraise potential options and develop proposals that aimed to tackle local rail connectivity issues. Ten organisations were successful in securing £0.7 million from the fund.

Given the significance of the interest that was reflected in the application process, we provided communities with an opportunity to bid for the remaining £1.3 million on 28 February this year. I encourage all members in whose constituency or region there is interest in applying to the fund to go to Transport Scotland's website, where information is available. Applications should be completed and returned by 28 June this year.

Natural Retreats and Cairngorm Mountain (Scotland) Ltd

2. Rhoda Grant (Highlands and Islands) (Lab): To ask the Scottish Government, in light of the recent BBC investigation, what action it is taking regarding its dealings with Natural Retreats

and Cairngorm Mountain (Scotland) Ltd. (S5T-01570)

The Cabinet Secretary for the Rural Economy (Fergus Ewing): The situation is extremely disappointing, and it is important that we understand what has happened with regard to public funds. I have asked Highlands and Islands Enterprise, which is the accountable agency for Cairngorm Mountain, for a full account of the situation, and I will meet HIE to establish what more, if anything, can be done.

Snow sports are an important part of our rural economy. Through our enterprise agencies, we have committed £6 million to infrastructure projects since 2014. It is important now that we all work together to secure the future of Cairngorm to benefit the local community.

Rhoda Grant: Cairngorm Mountain is crucial to the economy of Badenoch and Strathspey and, for some time, the community there has been expressing concerns about management of the mountain by Natural Retreats, and about the flow of money into and out of Cairngorm.

There is a complicated web that includes a public body and its interaction with private companies, so can the cabinet secretary tell me what financial checks were made of both Natural Retreats and Natural Assets Investments Ltd before they gained the management contract and while it was running.

Fergus Ewing: Rhoda Grant is correct in saying that the success of Cairngorm Mountain is extremely important to the local economy in Badenoch and Strathspey, and to the wider Scottish snow-sports community. She is also correct to say that there have, for some time, been concerns among the local community. I am well aware of some of them.

In answer to the question, I confirm that Highlands and Islands Enterprise carried out due diligence financial checks for Natural Retreats. It reported that NR's turnover for the year ending March 2013, prior to the procurement process, was £2.8 million. HIE was also assured by two forms of security—an intercompany guarantee and a personal guarantee from the main shareholder in the NR family of companies.

Rhoda Grant's second question related to the process in relation to other changes that followed the financial checks. I confirm that appropriate checks were carried out at every stage and that, where appropriate, professional advice was sought. However, I want to reassure Rhoda Grant and all other members that—as I mentioned in my original answer—those matters are of concern to the public and are of considerable public interest. I am seeking a full accounting from HIE on them, and full answers to the questions that have been

raised by the media, local community members and others.

Rhoda Grant: Was Cairngorm Mountain (Scotland) Ltd in breach of contract when it went into receivership? If so, could HIE have cancelled the contract rather than having to pay the receiver to take it back into ownership? Given the community's desire to own the asset, will the Scottish Government now look at transferring it to the community while ensuring that all monies that are owed to HIE and the Scottish Government are recouped from Natural Retreats?

Fergus Ewing: That is a legal question, and it would be imprudent of me to give off-the-cuff legal advice. I have already said that I am seeking a full response on all issues. I will say only that HIE was faced with the decision to ensure that it took action to enable skiing to continue—snow conditions permitting—and that it took that obligation extremely seriously. It became aware that CML was in serious difficulty in October 2018, when a working capital loan of £1.8 million was sought, but the company was unable to provide security. HIE staff then sought to progress a managed exit. The aim was not to end up in the courts, which could have prevented any operation at all on the hill. Rather, the aim was to enable skiing and snow-sports activity to continue on the hill, if possible. The vast majority of local residents were happy to receive that news.

I am not saying that Rhoda Grant's question was not appropriate; it was perfectly reasonable. I will ensure that it, and any others that it would be imprudent for me to answer off the cuff now, will be answered in due course, because we take those matters extremely seriously.

Edward Mountain (Highlands and Islands) (Con): Given that it will probably take two years to get the funicular railway operational, and with the new snow factory probably being in the wrong place, there is little to attract families to Cairn Gorm. Will the cabinet secretary confirm what actual cash funds are committed from today to support the mountain over the next two years?

Fergus Ewing: I was grateful that Rhoda Grant expressed her support for skiing on the hill, and I hope that Edward Mountain has a similar view. However, I am afraid that I do not accept as correct the sweeping judgments that he has made.

To be quite honest, it is simply impossible to answer a question about how much money is required until we know the facts. The way to carry out government is first to assess the facts and therefrom to decide what conclusions are relevant. That is important.

As Edward Mountain knows, we are due to receive shortly the peer-reviewed assessment by COWI, the firm of structural engineers that has

been examining, as its professional expertise enables it to do, the structural state of the Cairn Gorm funicular and the steps that are required to deal with it. Until we have established what the recommendations are and the assessment is peer reviewed, it is by definition not possible to assess what action will be required to remedy the defects in the funicular, far less to make a budget. That is the task that we are engaging in.

I am pleased that HIE has established a local body—the funicular response group—that is chaired by a local councillor and has a substantial membership. It is liaising and working practically with the grain in order to find a solution to all those matters. My concern is to find a solution through working with all relevant parties. That is what we will continue to do.

John Finnie (Highlands and Islands) (Green): The cabinet secretary can be reassured that all members wish to see a successful tourist industry in the area. When we discussed the issue previously, the cabinet secretary took grave exception to my description of the situation as “a shambles”. In the interim, has he had time to reflect on that judgment, and has he undertaken an assessment of the reputational damage that has been caused to Highlands and Islands Enterprise and of the—sadly—possible wider implications for Badenoch and Strathspey?

Fergus Ewing: I fully accept that the situation is disappointing. However, I point to the fact that HIE intervened successfully to resume responsibility for running the operations on the hill. If it had not done so, there would be no chance of any operations on the hill. HIE should be given credit for that. It has set up a local response group that works sensibly and is looking at the facts and dealing with the realities.

I think that Mr Finnie expressed his support for the hill, but he did not mention the fact that HIE also contributed to the procurement of snow-making equipment. The people who operate the five outdoor snow-sports resorts in Scotland recognise that snow-making equipment has the potential to be game changing, because it could extend the season and enable snow sports to continue when snow is relatively thin on the hill, as it has been this year, sadly. HIE's action last October in procuring that equipment, which it had been working on for a considerable time, is also welcomed locally.

The priority now is not to seek a post mortem; it is to make a prognosis and find the way ahead. That is where I shall focus my efforts, while ensuring that answers to perfectly legitimate questions, such as those that have been asked by Mr Finnie, Ms Grant and others, will be answered by HIE. Arrangements are in place for me to meet relevant HIE officials in the coming weeks to deal with all those matters.

South of Scotland Enterprise Bill: Stage 1

The Presiding Officer (Ken Macintosh): The next item of business is a stage 1 debate on motion S5M-16542, in the name of Fergus Ewing, on the South of Scotland Enterprise Bill. I invite all members who wish to contribute to the debate to press their request-to-speak buttons as soon as possible.

14:29

The Cabinet Secretary for the Rural Economy (Fergus Ewing): I am delighted to open the stage 1 debate on the South of Scotland Enterprise Bill on a significant day for the south of Scotland. Members will recall that, in May 2016, the First Minister announced an end-to-end review of the enterprise and skills system, as we wanted to ensure that it was delivering effectively for the people of Scotland. One of the review's key recommendations was to establish a new enterprise agency for the south of Scotland. This bill establishes that new body: an organisation that will focus on inclusive growth and supporting a diverse and resilient economy, that is able to respond to the different and distinct rural economy of the south of Scotland, and that is welcomed by the south.

I am proud to be the minister who is leading the bill through Parliament. I wish to thank the Rural Economy and Connectivity Committee for its careful and thorough stage 1 scrutiny, and I thank the other committees that contributed. The REC Committee's report

"fully supports the creation of a new enterprise agency for the south of Scotland"

and

"supports the general principles of the Bill and recommends to the Parliament that they be agreed to."

The report goes on to make a number of helpful recommendations and observations about the detail of the bill, on which I have offered the committee a written response. I look forward to further consideration of its recommendations and points that might be made today.

We could not have got here without the support of people in the south of Scotland. Our work has been informed by the people of the south of Scotland—we listened to what they said and have responded. Many people offered their views and I am particularly grateful to the 268 folk who took the time to respond to our pre-legislative consultation, almost 90 per cent of whom agreed with our vision. More than 500 people attended public meetings last year, and the committee benefited from the 120 responses that were

submitted in response to its call for views. Continuing engagement remains key as the bill progresses and we take forward work to establish the agency. I want to make sure that the agency is rooted in the south and driven by the south. Last week, my officials were in Galashiels and Kirkcudbright to hear from more than 50 community representatives. I welcome the future events that the south of Scotland economic partnership will run later in spring and early summer, which will provide an opportunity for individuals and businesses to continue to shape our work.

Let me say a little about the south of Scotland economic partnership. We established it as an interim measure while we are taking through legislation to establish the agency. The partnership brings together the public, private, third and education sectors to support activity across the area. In its first year, it is bringing a fresh approach to economic development, delivering strong stakeholder engagement and paving the way for the south of Scotland enterprise agency. I look forward to that continuing over the next year as we move to the agency.

I thank the partnership's chair, Professor Russel Griggs, for his energy and personal commitment. I should also like to thank his board. I welcome its members' deep understanding of the region's needs and their commitment to working with us to make a difference. I met them and attended a board meeting, and I was thoroughly impressed by the diligence, imagination and energy that they have brought to their task. Finally, I recognise the contribution of the public sector partners and the support that they have brought. The partnership's activities have been shaped around local needs and priorities, responding to consultation with businesses and communities from across the region.

We are supporting the work of the partnership with additional investment of £10 million in this financial year and £12.7 million in the next financial year. At this point, I should express my gratitude to the gentleman on my right—the finance secretary—for making that possible. That investment is supporting activity that would not otherwise have been possible, responding to the needs of the south of Scotland. We are investing in skills, with more than £6 million supporting the development of a learning network to make it easier for people to access opportunities. There are also projects across communities in the south, helping to build their economic capacity and future success.

We are all aware of the issues that are impacting on the economy of the south of Scotland. Its population is ageing, meaning that there are fewer people of working age. Its young

people are, in some cases, leaving the region and are not seeing opportunities to return. Wages are low, with the council areas ranking 30 and 32 for median weekly earnings. However, it is an area with many natural advantages, which makes it attractive for residents, businesses and visitors. It is strategically well placed. It has significant land assets and energy resources. It has active further and higher education sectors and innovative businesses operating across the sectors. It has vibrant communities with a rich history and culture.

The creation of the new agency builds on our commitment to the south, including our investments of £353 million in the Borders railway; over £32 million since 2017 in the development of school campuses; £275 million in the state-of-the-art Dumfries and Galloway royal infirmary, which was completed in December 2017; and £133 million by the end of 2021 to improve internet connectivity in the south, which is the biggest public investment ever made in a United Kingdom broadband project. It also builds on our commitment of £85 million to deliver the Borderlands inclusive growth deal.

The new agency will bring additional investment to the region. We have committed to funding it on the same per capita basis on which we fund Highlands and Islands Enterprise, recognising the similarity of both remits and challenges.

Oliver Mundell (Dumfriesshire) (Con): I would be very grateful to the minister if he was able to set out what the budget would have been this year on that basis, in order to give businesses in the south of Scotland an idea of the type of investment that will come once the agency is with us.

Fergus Ewing: It might be my fault, but I am not quite sure that I understood the question. I mentioned the current budget of £10 million and the budget of £12.7 million for next year.

Oliver Mundell: Will the cabinet secretary take an intervention?

Fergus Ewing: I want to move on. I will come back the matter in closing, perhaps, if the member wishes. The financial memorandum sets out more detail. I do not have time to go into it now, but the financial memorandum sets out the facts as to the process. As I recall—we will hear shortly from the convener of the committee—there was agreement in the committee on the principle that governs our process, which is that, pro rata, the funding should move over time to be at the same level as HIE's, but that a new body needs to learn to walk before it can run, and it will take some time for that to be implemented. I say to Mr Mundell that that is all set out clearly in both the memorandum and, I think, the evidence to the committee, and I think that it is broadly the right approach. However, it is

a fair point, and no doubt we will come back to it during the afternoon.

The bill will establish a new enterprise body for the south of Scotland. Our vision is for a body that will drive inclusive growth, increase competitiveness and tackle inequality in the south of Scotland through maximising the area's contribution to Scotland's inclusive growth; supporting a diverse and resilient economy; sustaining, growing, building and strengthening communities with joined-up economic and community support; harnessing the potential of people and resources; developing skills; promoting assets and resources; and maximising the impact of investment in the area.

The bill is deliberately high level and enabling. It sets out the body's overarching strategic aim, which is to

“further the economic and social development ... and ... improve the amenity and environment of the South of Scotland.”

It gives a few examples of the sorts of activities that the body could undertake, but it does not suggest an exhaustive list. That approach ensures maximum flexibility for the new body to shape the activities that it takes forward and respond to the circumstances of the south.

As well as setting out the aims of the new body, the bill makes provision for its structure and legal framework to ensure that it can operate effectively.

I will touch on some of the committee's recommendations. First, it recommended that we develop

“appropriate mechanisms to facilitate collaboration and coordination”

between agencies. The new agency will be part of the Enterprise and Skills Strategic Board, ensuring national alignment, and we will ensure that it works collaboratively with other organisations.

The committee also recommended

“that the new agency carries out to work obtain feedback on its performance and effectiveness from communities and other stakeholders”.

It is crucial that the new body is accountable to local people, and we are working with stakeholders to put in place arrangements to deliver that when the body is operational. It is important that we build on existing successful regional structures, such as the south of Scotland alliance.

Of course, as well as establishing the legislative framework for the new agency, we need to take forward work to deliver the new body. If the Parliament agrees to the principles of the bill today, that activity will increase. Our work here will ensure that we have a credible agency that is

ready to assume its legislative functions on 1 April next year.

The practical arrangements that are put in place for the new agency will enable it to begin to develop and deliver its vision, building its capacity and capability from its establishment. If Parliament approves the principles of the bill, we will begin the appointments process for the new chair, which will ensure that the future leaders of the agency are involved in the decisions to establish the body.

We will also ensure that the new agency is able to operate everywhere across the south of Scotland. Those who contributed to the consultation expressed the strong view that that accessibility was needed.

Establishing a new enterprise agency for the south of Scotland is a great opportunity to do things differently in the south. I will continue to work with members from across the chamber to ensure that the legislation establishes a body that is as successful as it can be, helping to drive transformational inclusive growth, increase competitiveness, promote fair work and tackle inequality for all in the south of Scotland.

I move,

That the Parliament agrees to the general principles of the South of Scotland Enterprise Bill.

14:41

Edward Mountain (Highlands and Islands) (Con): I am pleased to contribute to the debate in my capacity as the convener of the Rural Economy and Connectivity Committee.

The committee's stage 1 report was published on 4 March, and the report makes it clear that the committee fully supports the creation of a new enterprise agency for the south of Scotland. I am grateful to the cabinet secretary for his letter of 21 March, in which he responds to the various recommendations in the report.

When the committee started its stage 1 scrutiny, it became very clear that there was a high level of interest in the proposals among all sectors in the Scottish Borders and Dumfries and Galloway. The committee is extremely grateful to all the organisations and individuals who provided oral and written evidence to inform our deliberations.

As part of the evidence gathering, the committee held a formal external meeting and an informal workshop in Dumfries, as well as a discussion event in Galashiels. Those sessions were particularly well attended by a wide range of representatives of stakeholder groups and members of the public. More than 140 people attended the discussion events, and the committee is grateful to all those who participated, providing valuable input to the consideration of the

bill. The committee's formal meeting in Dumfries was held in the evening, to allow more local people to come along. Given that it was attended by more than 60 people, the committee felt that it was extremely worth while.

Overall, the committee heard strong support for the creation of the new enterprise agency. More than 80 per cent of respondents to the committee's online survey also agreed with the idea of a new agency being established. That sentiment was mirrored by a significant majority of those who provided oral and written evidence and by those who attended the informal public meetings.

After taking evidence, the committee was in no doubt that the creation of a new enterprise agency in the south of Scotland is required. It is clear that the area faces a significant number of economic, social and geographic challenges, which have not been—and are not being—addressed through the current economic support mechanisms. The overwhelming view of most of those who gave evidence to or engaged with the committee was that the new agency will help to support the enterprise and skills needs of the area and will provide a vehicle by which to encourage economic growth.

The committee commends the south of Scotland economic partnership for the significant consultation and preparation work that it has carried out. It is clear to us that it provides a solid foundation on which to develop the new body.

On the issue of the area, the committee is satisfied, on the basis of the evidence that it received, with the proposal that the new enterprise agency should cover the Dumfries and Galloway Council and Scottish Borders Council areas only. However, the committee also heard views expressed that it should perhaps be extended to cover adjoining local authority areas, where communities may face challenges that are similar to those that are faced in Dumfries and Galloway and the Scottish Borders.

Although the committee did not believe that the area to be covered by the agency should be altered, it called on the Scottish Government and Scottish Enterprise to ensure that those other areas continue to have access to economic development opportunities that are appropriate to their needs. We welcome the cabinet secretary's commitment to supporting all regional economies, which he set out in his letter.

The committee also heard that it is important that the new agency has sufficient flexibility to operate outwith its geographical boundaries and to collaborate with other enterprise agencies in order to fulfil its role. I welcome the confirmation in the

cabinet secretary's letter that the bill, as drafted, provides for that flexibility.

The committee also called on the Scottish Government to ensure the development of appropriate mechanisms to facilitate collaboration and co-ordination between the new agency and all the existing agencies that are operating in the region, building on the positive work that is already being carried out by the south of Scotland economic partnership. We are encouraged that the cabinet secretary has asked his officials to explore that matter with stakeholders and that he will respond to the committee formally in advance of stage 2.

The committee acknowledges that the broad aims for the new agency, which are set out in section 5 of the bill, have been drafted with the express purpose of avoiding a prescriptive approach and thus providing the agency with flexibility. However, in evidence and at its discussion events, the committee heard that it would be beneficial to have those aims supplemented to cover several key areas. In response to that, the committee called on the Scottish Government to amend at stage 2 the aim of improving the amenity and environment of the area that is covered by the new agency to make specific provision in relation to the sustainable use of the environment. The committee further called on the Scottish Government to amend the aim that involves furthering the economic and social development of the south of Scotland to make specific provision in relation to encouraging the development of a sustainable economy, supporting the enhancement of transport networks and digital connectivity, supporting community land ownership and assets ownership, furthering fair work and encouraging the creation of a more balanced demographic. We note that the cabinet secretary is to consider those recommendations further.

The location of the new agency was a recurring discussion point. It is clear, however, that there is strong support for co-locating it with other agencies where that is practical. The committee is of the view that that will bring significant benefits in terms of the agency's presence across the area and the ability of people across the area to access it. That will aid the provision of a one-stop-shop approach as well as being more cost effective.

The committee received the clear message that getting the board membership of the new agency right was of huge importance. The committee agrees whole-heartedly with that and considers that it is essential that the board is made up of individuals with as wide a range as possible of interests, skills, expertise and experience that is relevant to the south of Scotland. I welcome the cabinet secretary's indication that he will ensure

that applications are encouraged from as wide a range of interests as possible.

In considering the bill, the committee reached the view that a mechanism was required to ensure that there was genuine local accountability for the new agency's performance and effectiveness. It has, therefore, called on the Scottish Government to lodge an appropriate amendment requiring the new agency to obtain feedback on those issues to inform the action plan development process. I note, however, that the cabinet secretary has stopped short of saying that he will do so and that he has instead said that he has asked his officials to consider how that accountability will be delivered by the new agency once it is operational.

On funding, the committee considers that the Scottish Government's intention to ensure that, initially, there is an equivalence between the budget that is provided for the new agency and that which is provided to HIE is an appropriate and proportionate approach. The committee also noted that the £42 million of funding for the new agency in 2022-23 will provide an overall increase in funding for the area. However, it asked the Scottish Government for an estimate of how much of an increase in funding that would represent. I note, from his written response, that the cabinet secretary will respond further to the committee on that issue.

The committee looks forward to considering at stage 2 amendments that will further enhance a bill that has a high level of support among stakeholders and communities in the south of Scotland. As it stated in its stage 1 report, the Rural Economy and Connectivity Committee supports the general principles of the bill and recommends to the Parliament that they be agreed to.

14:50

Finlay Carson (Galloway and West Dumfries) (Con): I am pleased to open this afternoon's debate for the Scottish Conservatives.

I am the constituency MSP for Galloway and West Dumfries, and it is fair to say that the constituency that I serve is vast—it is 75 miles from Stranraer to Dumfries. A dedicated agency that recognises the unique needs of the south of Scotland is long overdue. For local people and businesses, today's stage 1 debate is a hugely positive step in the right direction.

In our 2016 election manifesto, the Scottish Conservatives highlighted the urgent need to replicate the success of Highlands and Islands Enterprise by creating a south of Scotland enterprise agency. Such an agency, coupled with the Borderlands growth deal that was recently announced—another Conservative manifesto

commitment for the south of Scotland—is now being delivered. The region stands on the cusp of a huge economic boost, which it badly needs.

I am delighted that, in light of increased Conservative representation in the region, the Scottish National Party Government has started to listen to the calls from members on the Conservative benches and has pressed ahead with plans to create the agency.

The Borderlands growth deal shows the strength of the UK Government and Scottish Government working together, with a total funding package of £345 million for the cross-border region. The communities that I represent in Galloway and West Dumfries link closely, on a daily basis, with the Scottish Borders and our friends and neighbours in Carlisle and Northumberland, and the approach can only strengthen those as-yet-not-fully-exploited economic and social ties. Indeed, the Borderlands partnership has described the plans as a “game changer” for the region.

The new agency will also be a game changer. It is important that members are aware of the stark facts of the economic situation in the south of Scotland. The business start-up rate in Dumfries and Galloway is significantly lower than it is in Scotland as a whole, with only 31 businesses per 10,000 people, compared with an average of 50 per 10,000 in Scotland as a whole. Even more concerning, gross value added is a whopping 24 per cent lower than the Scottish average, with median weekly earnings 10 per cent lower than the Scottish average.

The lack of sustained growth in the south of Scotland has sharpened the focus on my region and demonstrated the need for a dedicated agency to support businesses to fulfil their potential.

It is regrettable that my constituents are right when they say that the region is the forgotten corner of Scotland, given the lack of action from this Government, whether we are talking about digital infrastructure, road infrastructure, rail infrastructure or health and education provision, compared with the action that the Government has taken for our central belt neighbours.

The need to boost the infrastructure and provide a fertile environment for training and jobs in my region has never been greater. We must do that in tandem with a taxation policy that will encourage people to live and work in the region.

Fergus Ewing: On the member’s claim that we do not invest in the south of Scotland, is he aware that in the financial year 2017-18 the Scottish Government spent more than £1.2 billion in the south of Scotland? I gave examples of our spending in my opening speech.

Does the member agree that the recent success of Scottish Enterprise and Scottish Development International’s work with the Scottish Government and the local authority to find a new investor to take over the Pinneys of Scotland plant—in the shape of Atlantis-Pak—illustrates quite the opposite of his argument that we are not involved in active promotion of the economy of the south of Scotland?

Finlay Carson: If the cabinet secretary had been listening to my speech, he would have heard me say that it is only now that the Scottish Government is stepping up to the plate and starting to deliver, and that we are only getting parity with the rest of Scotland, action having sadly fallen short in the past.

The policies that this Government is pursuing, backed up by the Greens, are hitting workers close to the border with higher tax rates than people who live just a few miles away in Carlisle face. We run the risk of people who work here not wanting to pay the higher rate of tax and boosting the economy of not Dumfries but Carlisle. We have a great opportunity ahead of us with the agency and the Borderlands growth deal, so it will be very disappointing if we miss out on the very best talented individuals and businesses due to a misguided tax policy.

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

Finlay Carson: No—I want to make some progress.

At present, we have cross-border organisations and individuals who live in Scotland and work in Carlisle. It is hardly fair that people who do the same job and earn the same salary have quite different take-home pay.

Maureen Watt (Aberdeen South and North Kincardine) (SNP): Will the member give way?

John Finnie (Highlands and Islands) (Green) rose—

Finlay Carson: I will give way now.

Maureen Watt: Why do so many people want to come from south of the border to north of the border to live here? Older people, especially, find it a great area to retire to.

Finlay Carson: The point about coming here to retire is very interesting. I knew that the Scottish Government would counter by talking about free higher education and free prescriptions on this side of the border. However, that is hardly relevant to the skilled workforce in the 25 to 45-year-old band, which is exactly the demography that we want to attract to fill the new jobs that are created in that area.

In one case, a relatively high earner is paying thousands of pounds more in tax than an equivalent partner on the same income. Should he live south of the border, and commute the short distance to Dumfries? How many other high earners across south or central Scotland might think the same thing?

I have already raised a couple of examples with the SNP Government in the Parliament. In June 2017, I stressed that the agency would have to have an autonomous board, similar to that of Highlands and Islands Enterprise. For far too long, we have had an SNP Government that is obsessed with centralisation, that takes away local accountability and that has heralded an attitude that central Government knows best. Government does not have a monopoly on good ideas and one size does not fit all; we need a local board with local accountability. I am delighted that the cabinet secretary shares that view.

This time last year, when the finance secretary announced £10 million of support for the south of Scotland economic partnership, I raised concerns and surprise that vital sectors including tourism and energy had not been included in the headline priorities at the time—covering such a vast region, we cannot afford for any sectors to miss out. Transparency and accountability will be key to the agency. I recognise the invaluable work in the consultations that the south of Scotland economic partnership has undertaken under its chair, Russel Griggs. However, I have spoken to many local businesses during the time that the interim partnership has been in operation and there is a clear sense of frustration at some of the process. Businesses have been unaware of where or to whom they can apply for funding, or of the reasons behind decisions that have been made about their applications. Lessons need to be learned. It is vital that business has a voice in shaping policy and giving the respective agencies a steer on where the investment may be best directed.

It has always been a concern of mine and others that the Borderlands growth deal has been council led, and I have to question whether enough people within the leadership there have had genuine experience of business and life at the coalface. I have concerns about the danger of there being too much public sector and council involvement. Businesses locally have no desire to see the public sector and councils control all their plans. They want an agency and the projects that it supports to be autonomous from council decision makers. Businesses do not want to run the risk of the agency being undermined in its striving for economic growth and investment. As the committee highlighted, the south of Scotland enterprise board must be made up of individuals much like some of the individuals on the south of Scotland enterprise partnership, who bring as

much interest, skills, expertise and experience as possible. We must encourage interest from individuals who will ensure that the agency will deliver on its full potential.

Another note of caution concerns the vote in this Parliament two years ago, after a Conservative-led debate, which defeated plans to take away the Highlands and Islands Enterprise board and replace it with an overarching management committee. With a sense of relief, those plans were defeated, which allowed Highlands and Islands Enterprise to retain its local identity. As my colleague Edward Mountain said in the debate:

“HIE is not broken. It works. Stop trying to break it.”—
[*Official Report*, 18 January 2017; c 41.]

All that said, the consultation process has given us a great starting point as we progress the bill through Parliament. Almost 90 per cent of responses to the consultation agreed with ambitious plans for the south of Scotland and outlined things that are already successful in the region that the agency can build on, including tourism, land management, heritage, natural capital and our history, as well as quality of life.

The Scottish Conservatives fully support the bill at stage 1, in line with the Rural Economy and Connectivity Committee’s report. The region needs a dedicated vehicle that will help to transform growth and provide more opportunities for people who live and work here, from Stranraer in the west to Eyemouth in the east.

We must have a clear communication strategy, so that businesses, colleges and universities and the third sector, including social enterprises, can be fully aware of the services that the agency will provide and how they will benefit from those services. That was highlighted in the conclusions of the committee’s report. When the committee was in Galashiels, it was highlighted that the agency must have a clear statement of ambition and resources, rather than simply being created with the hope that it will work.

We look forward to strengthening the bill further to meet the needs of local people, with amendments at stage 2 and stage 3. After far too long a waiting period, we owe it to the south of Scotland to ensure that this piece of legislation can truly meet its demands.

15:00

Colin Smyth (South Scotland) (Lab): It is a privilege to open the debate on the South of Scotland Enterprise Bill on behalf of Scottish Labour, and to welcome the bill. It is a decade since the Government abolished Dumfries and Galloway Enterprise and Scottish Borders Enterprise. I believe that, with hindsight, that decision will be seen as a mistake. Yes, it allowed

more democratic accountability for the economic development functions that were subsequently transferred to local councils, but, when other powers were centralised to Scottish Enterprise, the remit and direction that were given to Scottish Enterprise from Government ministers meant that the south of Scotland lost out.

That is why since then I have, along with many others, campaigned vigorously for better support for the south of Scotland's economy. In my first speech in the chamber in May 2016, I called for

“a radical change in the remit of Government agencies”

in order to deliver that better support. I made this point in that first speech:

“It is simply unfair that a business in the Highlands and Islands can receive support, but—because the remit of Highlands and Islands Enterprise is different from that of Scottish Enterprise—the same business would not receive the same support if it was based in the south of Scotland.”—[*Official Report*, 31 May 2016; c 40.]

I have campaigned against that fundamental inequality for a decade, including as chair of Dumfries and Galloway Council's economy committee and as the chair of the south of Scotland alliance. It was clear to me in those roles that the south of Scotland was a forgotten region and that the substantial economic challenges that we faced were simply not being addressed.

One challenge is the chronic level of low pay. It is a scandal that average earnings in Dumfries and Galloway are £11.52 per hour, compared with a national average of £14.30, which makes the region the lowest paid in Scotland. There is also a real skills shortage in the area. Just over a quarter of the population of Dumfries and Galloway and the Borders are graduates, but the national figure is more than a third. There are also low levels of productivity and growth. Gross value added per person in Dumfries and Galloway is 21 per cent lower than the national average and is 26 per cent lower in the Borders.

As a result of those and many other economic weaknesses, many of our young people simply leave the area because of the lack of high-pay and high-skill employment opportunities. That has given the region a real demographic challenge. The percentage of the population that is of working age in Dumfries and Galloway is 59 per cent, compared with a national average of 64 per cent.

It is not just that those challenges are not being tackled: the opportunities, strengths and potential of the area are also currently not being realised. I am privileged to live in the south of Scotland. It is an area of outstanding natural beauty and it has historical and cultural heritage to rival that of anywhere in the country. However, tourism—important though it is to the region—is still in many ways untapped.

There are sectors that have a reputation for excellence—forestry, energy, arts and culture and more—that offer real opportunities for the future, but need better support in order to develop. We have a strong small-business base, although that has a negative as well as a positive effect. When the area is hit by an economic tsunami, such as the closure of Pinneys of Scotland, it is difficult for small businesses alone to absorb the number of people who are looking for employment. The number of small businesses means that there is potential for many of those businesses to grow, with the right level of support.

Our strategic location also means that parts of the region are just two hours' travel from 14 million people—14 million potential customers in the central belt and the north of England.

Crucially, among the people who live there, there is a real community spirit, with desire and determination to make the south of Scotland better. That determination is one of the reasons why there is such strong support in the area for the bill to establish the south of Scotland enterprise agency.

Crucially, the agency will have a social element and will allow businesses and enterprises to receive support that they simply do not receive from the existing Scottish Enterprise model. Therefore, Labour very much supports the bill, and we will support its principles when we vote later today.

However, we would like it to be amended to make a number of significant improvements, as it makes its way through the parliamentary process. We believe that the aims of the agency should be strengthened. I appreciate that the cabinet secretary has said that the aims have been drafted to provide a high level of flexibility, but we believe that more direction is needed and that that should include a focus on inclusive growth and recognition of the demographic challenges that the area faces.

We support Community Land Scotland's call for the bill to include specific reference to community ownership. In its submission, it rightly highlighted the huge discrepancy across Scotland in respect of the 560,000 acres of land in community ownership, almost 530,000 acres of which are in the Highlands and Islands, compared with just 800 acres in the south of Scotland. Supporting community ownership should be a key aim of the new agency.

We believe that supporting the enhancement of transport networks and supporting digital connectivity should also be key aims. I know that the cabinet secretary did not share that view when he gave evidence to the Rural Economy and Connectivity Committee; he pointed out that other

agencies have that role. However, the same could be said about the proposed aim to enhance skills: it could be argued that Skills Development Scotland has that role. I believe that that approach ignores the leadership role that the new agency should have. I want the agency to take the lead—to bring people together and to drive the change that we need in order to grow the economy of the south of Scotland. Improvement of transport and digital infrastructure should always be at the heart of that change.

In creating the new agency, we have an opportunity to embed values and aspirations from the very start, including the principle of fair work. In its submission to the Rural Economy and Connectivity Committee, the Scottish Trades Union Congress rightly called for the bill to be amended so that the agency's aims include specific commitments on promoting collective bargaining and advancing fair work, as defined by the fair work convention. It also called for proper workforce recognition on the board of the new agency. Labour fully endorses those suggested changes to the bill.

If the new agency is to work effectively, it needs to be driven by, and be accountable to, the communities that it serves. That was the overwhelming message from the people of the south of Scotland in submissions to the Rural Economy and Connectivity Committee. When the committee visited Dumfries and Galashiels, attendance levels at and engagement in the events highlighted the real support for the new agency.

In giving evidence to the committee in Dumfries, the leader of Dumfries and Galloway Council, Elaine Murray, noted:

"The new agency will be accountable to ministers, but it does not say anywhere in the bill that it will be accountable to the people of the south of Scotland."

In the same session, the chair of the south of Scotland economic partnership, Professor Russel Griggs, stated:

"In the end, it is the people of the south of Scotland who should manage the new agency while a governing body runs it from day to day."—[*Official Report, Rural Economy and Connectivity Committee*, 14 January 2019; c 19-20, 21.]

In its response to the committee, the Scottish Government said that it supports the principle of local accountability, but with ministers making decisions on the location of the headquarters, on the first chief executive, on the chair and members of the board, on signing off the action plan and on issuing of direction, that principle is not very obvious in the bill as drafted.

I hope that, as the bill progresses, it will be amended to include a clear legal requirement for

the new agency to consult and report on performance to the most important people—that is, the people of the south of Scotland, who have the biggest stake in it. The new agency must be rooted in the south of Scotland: it needs to have the local membership, the budget and the powers that are required to deliver the real change that the south of Scotland needs. It must be an agency that is very much for the south and from the south.

15:08

John Finnie (Highlands and Islands) (Green):

The Parliament is at its best when its members are doing scrutiny work in committees; that is where we see the best collaborative work. Not everyone will agree with every word of the report that the committee produced, but that is the nature of the process. We must try to find consensus: there was unanimity about the bill being very worth while. That is certainly the view of the Scottish Green Party, which will support its general principles at decision time tonight.

A couple of members have said that the south of Scotland has felt forgotten. If that was previously a perception or reality for people, it is certainly not the case now.

I was a bit confused by Finlay Carson, who I thought had inadvertently turned up at the wrong debate. However, after he had completed a lengthy list of demands of the public sector, but also referred to, I think, "too much public sector", I realised that his speech was just the usual Tory contribution.

One issue that the Rural Economy and Connectivity Committee heard about, and which a couple of members have referred to, is where the south of Scotland is. That is written at the top of my notes. There was a lot of debate about the bill's scope. The Highlands and Islands Development Board—Highlands and Islands Enterprise's predecessor—had an advantage in that there was, very much, a binding together of the crofting communities. We heard representations about the needs of communities in South Ayrshire and South Lanarkshire. Another point is that we can have communities of interest, as well as geographic communities.

However, as we have heard from some members, the borders counties have a history of working together; they also have a close association and long-standing links with communities on the other side of the border, which are being strengthened. That suggests that the agency's proposed scope is appropriate, and the committee took that on board. We heard that, as happens with Highlands and Islands Enterprise, there would be scope, when a common interest goes beyond the new agency's geographic

boundaries, to support that interest. Indeed, Highlands and Islands Enterprise has been assisting in relation to the bill.

When we were in Dumfries, I spoke to a great number of people and—typically—they spoke about issues in Dumfries, just as people elsewhere speak about their areas, because everything is local. The measure of the bill will be in how locals gauge its effect. The new agency is needed. Finlay Carson mentioned that it was in the Conservative manifesto; it was also in the Scottish Green Party manifesto. The committee's report said that there is "no doubt" that the agency is required. Creating the agency sends a positive signal. If one signal is that the south of Scotland is not a forgotten part of Scotland, that will be positive.

I was interested to know about the existing arrangements with Scottish Enterprise, so I would be concerned if the bill lets it off the hook in any way. Scottish Enterprise has a role—albeit limited—in the Highlands and Islands, for example, so we will need to look at its role. The committee's report said that the new

"agency should enhance the current support landscape",

which includes Scottish Enterprise,

"rather than adversely impact on ... existing provision."

We heard from the cabinet secretary that the bill was informed by the people of the south of Scotland. The committee's convener talked about the huge level of support, and Colin Smyth talked about the community spirit in the region. The committee heard about the south of Scotland economic partnership and the solid foundation that it put in place. Credit is due to Professor Griggs and his team, because it was apparent from everything that we heard that they had been out and about and engaging with people.

Highlands and Islands Enterprise's strength is very much in its community links and its social responsibility aspect. The new agency will produce an uplift in that in the south of Scotland.

I am a proud highlander and a representative of the Highlands and Islands, but this is not a competition with north versus south or Highlands versus Lowlands. The new agency should complement existing arrangements. We should all be keen to ensure that frailties in our communities are addressed.

There are huge differences between the north and the south, not least in relation to land and the traditional patterns of land ownership. In the short time that is left, I will talk about that. Dr Calum Macleod of Community Land Scotland gave us extremely interesting input. He said:

"One of the south's interesting assets is land."

It is interesting to compare the figures—I have them here—for community land ownership. Of the 562,000 acres of land that are in community ownership in Scotland, the vast majority is in the Highlands and Islands; in Dumfries and Galloway and the Scottish Borders, 794 acres of land are in community ownership. Community Land Scotland argues that one of the main barriers to changing that is in the culture and the thinking about where opportunities lie. I recall that Barbara Elborn of Newcastleton & District Community Trust gave evidence that

"Newcastleton has recently taken on and established its own community assets, and that ownership has engendered a feeling in the community to drive things forward."—[*Official Report, Rural Economy and Connectivity Committee*, 14 January 2019; c 27, 28.]

I hope that the bill will do precisely that in respect of community ownership, community transport and the community spirit that has been referred to.

Continuing engagement will be required. The need to collaborate is clear; no one wants duplication, which is why co-location is important. This is not about having a new shiny headquarters; it is about people sitting side by side at desks to work for the benefit of the people of the south of Scotland.

The challenges, which are noted in our report, are demographics, wages and fragile communities. Those will remain, so further action on them will be needed. It was mentioned that the area is losing young people. The reverse is true in the Highlands and Islands, which is to be welcomed.

The Greens will support the general principles of the bill at decision time tonight.

15:15

Mike Rumbles (North East Scotland) (LD): I am very pleased to speak in this debate on behalf of the Liberal Democrats. There is no doubt in my mind of the real need for a south of Scotland enterprise agency—an agency that is based in the south of Scotland, for people who live in the south of Scotland.

As an MSP who represents the north-east of Scotland, I am somewhat jealous—if that is the right word—of the setting up of a new agency for the south of Scotland, given that I believe that having such an agency for the north-east would be of great benefit, too. I have no wish to add to the cabinet secretary's huge workload, but perhaps that is an idea for a future Scottish Government bill.

The point about the new south of Scotland enterprise agency is that it will not replace Scottish Enterprise but will be complementary to it. However, perhaps we need to look again at how

our agencies work together to achieve the aims that are set out in the bill. In particular, we need to look at the financial arrangements for each organisation that is involved in economic, social and environmental issues.

Edward Mountain, the convener of the Rural Economy and Connectivity Committee, of which I am a member, pointed out in his speech that the financial memorandum that accompanies the bill anticipates a budget of about £42 million for the agency. During the committee's visits to the south of Scotland, there was much discussion in our evidence-taking sessions of whether that £42 million was new money and new investment for the region. I am not making a party-political point—the people who gave us evidence raised that as a genuine point, to which they wanted to know the answer.

When the cabinet secretary gave evidence to the committee, he told us that the £42 million would, indeed, be the agency's budget in year 3, and that that would be an increase in the overall funding for the area. However, he was unable to say how much of an increase it would be. I find that surprising; I would have thought that if the cabinet secretary was able to say that it would be an increase in funding, logically, he should know the current funding for economic development in the south of Scotland.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): Notwithstanding the line of argument that the member is developing, does he agree that there would be some benefit in transferring control of existing funding to an agency that was based in the Borders?

Mike Rumbles: I heartily concur—there is obvious benefit in doing that. I repeat that I am not trying to be party political. The people from whom we took evidence—and the member was there—were interested to know whether there would be a genuine increase in funding. Some of the people who currently receive funding want to know whether their budgets will be cut, so it is a reasonable question to ask.

Fergus Ewing: Mr Rumbles makes a fair point, and I will revert to the committee, as I undertook to do, in due course.

Scottish Enterprise is the existing economic agency that serves the whole of Scotland, other than the HIE area. Not all of Scottish Enterprise's expenditure is geographically identifiable. Much of its expenditure relates to schemes that apply to the whole country. Therefore, in order to compute the precise amount of money from the Scottish Enterprise budget that is attributable to the south of Scotland, it is necessary to make an apportionment of that part of its expenditure that is nationally based. That is one complexity.

Another complexity is that an awful lot of the expenditure, which totalled £1.2 billion over 2017-18, applies to economic development that was not in the grant of Scottish Enterprise but came from other agencies.

I am just saying that, as with so many things, government is more complicated than perhaps we would like.

Mike Rumbles: I entirely accept what the cabinet secretary has said—I just hope that work is being done to give us an estimate.

I turn to the issue of ensuring broad representation on the enterprise agency's board, which is also a matter of particular concern to the people who gave us evidence on our visits to Dumfries and Galashiels.

The cabinet secretary will be pleased to hear—this surprised me—that there was little concern over the fact that Scottish ministers would appoint the board members. People seem to be quite happy with that approach. However, there was concern about exactly how the Scottish Government intended to ensure that a broad and representative board would be in place from the start. For instance, we were told that there are 2,300 voluntary organisations of one kind or another in the region—that is a heck of a lot—and that it would be difficult for just one person to represent such a wide variety of organisations.

Others said that they want the new agency to do things differently, and to actually address economic, social, environmental and cultural issues. If it was to do that, they said, it would need grass-roots accountability. We know what the cabinet secretary's intentions are, but we would like to know exactly how he will ensure that he gets the membership of the board right, and how he envisages the board being accountable to the local people whom it will serve. Such things are not easy to do, and I would appreciate more certainty on how they are to be achieved.

This is a good bill and I congratulate the cabinet secretary on introducing it. The Liberal Democrats wholeheartedly support the bill and we look forward to voting for it at decision time, and to examining in detail some of the issues that I have raised today when it returns to the committee at stage 2.

I have kept just within my six minutes, Presiding Officer.

The Deputy Presiding Officer (Linda Fabiani): Thank you, Mr Rumbles.

As is very typical, I have some time in hand today. We move to the open debate. I ask for speeches of six minutes, please, although I can allow extra time for interventions.

15:21

Maureen Watt (Aberdeen South and North Kincardine) (SNP): I believe that the proposal to create a bespoke south of Scotland enterprise agency was in the manifesto of not only the Scottish National Party's manifesto at the most recent Scottish Parliament elections, which is probably why, from the outset, committee consideration of the bill has benefited from a large degree of consensus—something that is not afforded to many bills in the Parliament.

I, too, thank the clerks, security, the official report, broadcasting and all who made the official committee meeting in Dumfries such a success. I thank all members of the public who turned up to that meeting and to the evening meeting in Galashiels, and the witnesses who came before the committee, whose input was very valuable in our deliberations. The wide interest in the bill should remind Parliament how important it is for us to get out and about.

We have already heard that the economy of the south of Scotland is unique and requires its own agency, and that the area requires more attention than perhaps it has had. The current agency, Scottish Enterprise, account manages 107 companies in the region—42 in Dumfries and Galloway and 65 in the Borders. In the past two years, Scottish Enterprise has spent between £3 million and £5 million annually in grants and services, and has supported companies that are either headquartered in the area or that are headquartered elsewhere but have operations in the area.

We have heard comparisons with Highlands and Islands Enterprise and what it has been able to achieve. However, in and of itself, the creation of an agency is not a panacea; the issue is what it can do. Not everyone in the Highlands is satisfied with HIE, but it is based in the Highlands, covers the Highlands, is staffed by people who live in the Highlands and is served by board members who have the interests of the Highlands very much at heart. There have been many successes there.

In the evidence that we have taken, there has been a degree of confusion about the role of Scottish Enterprise vis-à-vis the roles of other agencies. Encouraging economic growth is the work of a number of bodies, including Scottish Enterprise, Skills Development Scotland, the Scottish Further and Higher Education Funding Council and local authorities, and I am pleased that those bodies have been working together in the south of Scotland.

In some quarters, there is a notion that all would be well if Scottish Enterprise could attract a few big employers to the south of Scotland. I hope that we have learned from recent history, and indeed

the current situation with Brexit, that although inward investment is very welcome—and Scottish Development International works hard on that—in a global world, companies can and will locate anywhere in the world. Those companies carry a degree of risk.

Therefore, I hope that the new south of Scotland enterprise agency will be a catalyst for the growth of indigenous companies, given the wealth of resources in the region. In other debates in Parliament, we increasingly talk about embedding the rural economy in everything that we do. That approach will be vital if we are to recognise the huge contribution that our rural areas make to our country through the provision of food and drink, including water, tackling climate change and protecting our environment. We have a great opportunity to support that work through the bill.

Let me give an example. As a dairy farmer's daughter, I am puzzled as to why, in an area such as the south-west, with its abundance of grass and increasing concentration of Scotland's dairy farmers, we do not see the emergence of companies like Mackie's, which is based in the north-east, and Graham's, which is based in the heart of Scotland. I know that there is great Galloway ice cream, and I am sure that there are opportunities to develop and grow companies in the area on the back of the success of dairy products.

Oliver Mundell: I thank the member for making the point about the importance of indigenous companies. However, does she acknowledge that we have Roan's dairy and a number of cheese producers, such as Arla in Lockerbie in my constituency, which, together with the presence of Scotland's Rural College, are examples of the dairy industry doing very well in the south of Scotland?

Maureen Watt: Yes. We should build on that success, but the fact is that too much of our milk still goes south of the border to be processed and made into other products.

With a little encouragement and support from the new south of Scotland enterprise agency and its partners, I am sure that the growth of similar enterprises is possible. We know from the National Council of Rural Advisers that there is the drive and ambition among our young people in agriculture and other land-based enterprises. We just need a catalyst and focus for that to happen. Similarly, downstream activities from the huge forest areas in Dumfries and Galloway and the Borders are ripe for development locally.

Land ownership was mentioned during the committee's deliberations. There is little doubt that, in the Highlands and Islands, community buy-outs have provided an opportunity for new thinking

and new ways of working. Like Colin Smyth, I would like further developments in that area, so that we can provide similar opportunities in the south of Scotland.

The tourism industry is also ripe for growth, as more and more people see Scotland as a great destination. I congratulate my colleague Emma Harper on her promotion of the south-west coastal 300—not to compete with the north coast 500, but to enhance tourism in Scotland. The bill should be a catalyst for improving tourist attractions and accommodation in the south of Scotland, in order to attract more tourists to the region.

Many people see the ageing population as a threat, but I would rather see it as an opportunity, as many older people have significant levels of disposable income. Community enterprises are building on that

Throughout the committee's evidence taking and deliberations, I was conscious that many businesses in the south of Scotland are in the low-wage economy. It is vital that more businesses pay the living wage and more, and that fair work is at the heart of what they do. That, in itself, will uplift the whole economy, as those who live in the area will have more disposable income.

The Deputy Presiding Officer: Draw to a close, please.

Maureen Watt: Like John Finnie, I congratulate Russel Griggs on providing the basis for the new enterprise agency.

Many people in the south of Scotland have a can-do attitude, rather than the woe-is-me attitude that we heard from Finlay Carson. I am sure that we can build on the positive mental attitude and drive that we have seen in the south of Scotland, and I look forward to further consideration of the bill at stage 2 and beyond.

15:29

Oliver Mundell (Dumfriesshire) (Con): I am pleased to speak in today's debate and even more pleased that we have arrived at this point. Parliament's recognition of the unique interests and needs of the south of Scotland has been long overdue, so, in this the 20th year of devolution, it is pleasing that Parliament and Government are finally recognising the ambition of Dumfries and Galloway and the Scottish Borders.

It is genuinely great—and it is greatly appreciated—to hear members across the chamber talking up the potential of the south of Scotland. There is no doubt that the creation of the new agency, alongside the recently announced Borderlands growth deal, has the potential to reverse the economic fortunes of our region. In many senses, it recognises for the first time the

unique cross-border dynamics in the area and the fact that, for my constituents, what happens in Carlisle is every bit as important as what happens here in Edinburgh or, for that matter, Glasgow. In doing so, it says that a one-size-fits-all approach undervalues and underresources our communities and fails to capture the strength and potential that we have as a diverse nation.

In addition, the creation of the new agency takes on board the feeling of many people in the south of Scotland that our area is distinct from the central belt and that "remote and rural" is not a term that applies only in the Highlands and Islands. It also recognises that devolution was never just about centralising decision making and that, when it comes to important decisions about the future of our economy, local and regional views and perspectives really matter.

Beyond the geographical reason, the other vital reason for the creation of the new agency is to ensure that we have high-skilled opportunities for young people who want to join the workforce. Just as we struggle in other remote and rural parts of Scotland, it is clear that there has been an exodus of young people from the south of Scotland. Without a vibrant economy that creates high-skilled jobs and opportunities and has its eyes firmly set on the future, we stand no chance of reversing that trend. Equally, we need to ensure that the locally available skill set matches—in so far as that is possible—the needs of the businesses that are there already and are looking to grow and expand their operations.

I do not want to spend too much of my speech focusing on the negative, because the creation of the new agency is a good news story, but it would be remiss of me not to highlight to the Parliament and other members that, as the committee has concluded, there is a strong feeling in the south of Scotland that Scottish Enterprise has served our region poorly and has, in some senses, failed to meet the perceived needs of the business community and the local economy.

Mike Rumbles: Although that was true in Dumfries, it was not true of what the Rural Economy and Connectivity Committee heard when it went to Galashiels, as I am sure that the convener of our committee can confirm, where quite a number of people were positive about Scottish Enterprise.

Oliver Mundell: I appreciate Mike Rumbles's input. Naturally, as the constituency member for Dumfriesshire, my knowledge is based and my attention is focused on what is happening in my community, where there is a feeling that Scottish Enterprise is predominantly interested in large companies and companies that create a large number of jobs.

Fergus Ewing: By its nature, Scottish Enterprise is interested in larger companies, because the business gateway, which is operated under the auspices of local authorities, serves smaller businesses.

Would Mr Mundell agree that the hard work of Scottish Enterprise and others contributed to the success in Annan, which he welcomed, where a promise of £9 million of investment and 120 jobs has been secured? Is that not an example of success by Scottish Enterprise and the very hard-working individuals who work for the organisation, who I think deserve a bit of credit?

Oliver Mundell: I take Mr Ewing's point in the spirit in which it is offered. My experience since entering Parliament is that Scottish Enterprise failed to identify that Young's Seafood was planning to leave the site in Annan and failed to identify in a timely manner that there were problems in Dumfries at Penman Engineering. On a number of other occasions, it failed to get on top of, and it underestimated the importance of, the problems that companies that employ large numbers of people in the region were facing. I think that most people who live in the region recognise that it is our small and medium-sized enterprises that will be the engine room for growth. Those are the companies that are there already and that have kept going and kept working hard when the south of Scotland has been unfashionable for Governments of different political colours in the Parliament over the past 20 years. They are dedicated and care passionately about our economy, and they love our region. They are the people who need to be supported by the Government.

Saying that small and medium-sized enterprises are a matter for council organisations with much smaller budgets than an enterprise agency, and without its resources, expertise and strategic overview across the whole region, does not match the ambition that I feel for my region. That is why I am pleased that, albeit belatedly, the Scottish Government has come to share the view of those who have been campaigning for the agency for the last few decades. Today is about those people, and I pay tribute to them, because this is their prize for all their hard work. We should not lose sight of that.

I want to see something that looks like Highland and Islands Enterprise agency. We in the south of Scotland are coming late to the table, but that does not mean that we cannot get there. I issue a word of caution: Highlands and Islands Enterprise has been around for a long time and we cannot expect the new agency to immediately replicate it. The biggest challenge that the new agency faces is that of expectation management. People are ready to see the step change. I hope that we can

allow an organisation to come together that can share our ambition to grow and develop, that will bang the drum for our region and ensure a place-based approach that drives forward growth, as well as ensuring that our region is no longer forgotten.

15:36

Joan McAlpine (South Scotland) (SNP): I am delighted to speak in the debate and to welcome the new enterprise agency for the south of Scotland. I welcome the committee's findings. I note that a number of comments have been made about the board of the future agency. I suggest that people look at what is happening at the moment with the south of Scotland enterprise partnership board, because that points to the direction of the future agency. The SOSEP board has been appointed by ministers and it includes some fantastic local entrepreneurs and social enterprise activists such as Tracey Roan from a family dairy business in Galloway, Amanda Burgauer from Scottish Rural Action and Professor Sir Russel Griggs, who is a resident of the south of Scotland.

I regularly speak to members of the SOSEP board, including Professor Sir Russel Griggs. Only this week, I raised an issue on behalf of my constituent, and he got back to me straight away. He also outlined a little bit about the direction of travel for SOSEP, which, if members will bear with me, merits quoting, because it was very encouraging. He pointed out that the consultation work that SOSEP did last year involved speaking to 90 businesses across the south, and he outlined some key themes that emerged, on which the significant amount of extra money that SOSEP has is being spent.

The first theme was

"Supporting our young people to learn new and different skills that they cannot currently access in the south"

which is key to the significant grant given to the colleges for that kind of learning.

The second theme was

"focussed on growing enterprises and ... communities who have the ambition and desire to want to grow and ... create new businesses and help their existing businesses."

The third theme was:

"An integrated public transport system"

that

"is at the top of businesses list".

He intends to focus on that, which is particularly important for young people to access work and college. That gives an example of how in touch the current SOSEP board is and it bodes well for the future and the future agency.

Since I was elected to represent the south of Scotland in 2011, I have consistently raised the need to address its unique challenges. In particular, when I sat on the Economy, Energy and Tourism Committee in the 2011 to 2016 parliamentary session, I was repeatedly reminded that many communities and businesses in the south felt that their needs required business support that was more tailored to smaller companies.

Such businesses in rural areas may not grow as fast as those in cities, but they are often the linchpin of the community, sustaining not just jobs but schools, the high street and smaller businesses further down the supply chain. Small and medium-sized enterprises have found it hard to access support. That applies not only to public sector support: there have also been challenges with accessing bank lending post 2008. That issue came up a lot in the Economy, Energy and Tourism Committee in the previous session of Parliament and is another reason why a bespoke solution is needed.

I am therefore absolutely delighted that the Scottish National Party is delivering that bespoke solution and that it is focused on the community development approach that has been pioneered so successfully by Highlands and Islands Enterprise. Of course, the new agency will be by and from the south, while taking the best of what we have learned from HIE. I am delighted that we have a commitment from the cabinet secretary that the agency in the south will mirror HIE's capital spending per head—that is really good news.

As has been said, the south of Scotland has a different and distinct rural economy, with wide-ranging and significant opportunities. It is a really beautiful area that has long played an important part in the history of the Scottish economy. It has nurtured our textile industry, its agriculture and forestry sectors are thriving and it has a growing tourism industry. VisitScotland's new see south Scotland campaign is another initiative that is happening in the region as a result of action by the SNP Government. I was absolutely delighted to co-host an event about that campaign with my colleague Rachael Hamilton MSP. I think that we can agree that the level of enthusiasm at the event showed that things are happening in the south of Scotland, which has to be good for the young people of the region.

As has been said, support for the agency is echoed by people right across the south of Scotland, where the vast majority of people support it. I particularly welcome the committee's finding that the new agency should build on the work of Scottish Enterprise in the south. I recognise the point that some small businesses

make, which has also been made by members today, that the focus on high-growth companies has not always been appropriate for small family-owned businesses in rural areas. However, we should not take anything away from the fact that large manufacturing companies in the south that I have spoken to are very happy with the support that they receive from Scottish Enterprise.

To give just one example of that, I recently helped with an intervention relating to Jas P Wilson, which is a manufacturer of harvesting equipment for the forestry industry that is based in Dalbeattie. It has been working closely with the Government on developing the young workforce, and it hires a lot of local apprentices and provides high-quality jobs. Coming together with the banks and Scottish Enterprise has helped the company to develop its business so that it can have a proper sales office. The company serves the forestry industry not just in the south of Scotland but all over Europe. It is a good example of an exporter in the south of Scotland that is being helped by Scottish Enterprise. I know from speaking to the family that runs the company that they are keen that the level of expertise in Scottish Enterprise, which they appreciate, is continued in the new agency, and I have absolutely no doubt that it will be.

I welcome the new agency, which could not come at a more appropriate time, given the challenges that the south of Scotland faces from Brexit. No new agency can be a panacea for that, but I wish it all the best, and I am delighted to support the bill.

15:43

Claudia Beamish (South Scotland) (Lab): I welcome the bill, which will create the south of Scotland enterprise agency. I am pleased that the Rural Economy and Connectivity Committee agreed to the principles of the bill in its recent stage 1 report. I am not a member of that committee, but South Scotland is my region and I have taken the issue seriously for a long time. I am particularly happy that the committee has recommended amending the aim for the agency to “improve the amenity and environment”,

and supplementing it at stage 2 to make specific mention of

“the sustainable use of the environment”.

It is imperative that that vital recommendation goes through at stage 2. I wish the committee well with that, and with its recommendations on

“encouraging the development of a sustainable economy ... supporting the enhancement of transport networks and digital connectivity”

and

“supporting community land ownership and assets ownership”.

I support those recommendations being taken forward as the bill progresses.

Community Land Scotland recently pointed out the staggering figure, which we have heard from other members today, that more than half a million acres of land in the Highlands and Islands are community owned. In contrast, the Scottish Government estimates that a mere 794 acres of land in the south of Scotland are in community ownership. Given that Dumfries and Galloway and the Scottish Borders, which are the areas that will be covered by the new enterprise agency, form only part of the south of Scotland, that is a very low figure.

Since the outset of the possibility of a new enterprise agency that is specific to the south of Scotland, I have argued that it must have a social and environmental remit, and I am pleased that the REC Committee has come to the same conclusion at stage 1. However, it is disappointing that that was not initially included in the bill, which perhaps shows a lack of focus on those important issues from the Government.

I and other members have already highlighted that land justice is one of the most important issues with regard to the bill. However, I will go into it a little more detail, as the issue is very important to Scottish Labour. A slightly longer quote from Community Land Scotland highlights the issue very well, so, if people will bear with me, I will read it.

“One of the most important factors in helping to nurture the growth of community land ownership in the Highlands and Islands was the creation of the Community Land Unit in Highlands and Islands Enterprise in 1997.

In the intervening period it has provided invaluable technical, financial and capacity-building support to community groups in terms of purchasing and managing land and other assets.

A comparable service is vital for the south of Scotland to help kick-start an expansion in community ownership there similar to the surge that has occurred in such ownership in the Highlands and Islands over the last 25 years.”

I thank members for bearing with me as I read that out. It makes an important point with regard to community development in the south. That development is happening, but it needs more support.

Last year, I met Professor Russel Griggs in Clydesdale to discuss the good work that the SOSEP was doing through the consultation process that it was carrying out at that point. We also discussed the need for better-connected rural communities—on which I am sure we can agree across the chamber—where good-quality education and jobs can be provided in the community. I was pleased to see the REC

Committee’s report address those issues with regard to the purpose of the bill.

Can the cabinet secretary say how the agency will support co-operative development, which is important in my region, and the development of SMEs? I often hear that there is a big challenge regarding not just starting up SMEs, but their development. As my colleague Colin Smyth has often argued, tailored support is needed.

I welcome the assurances that were given to the REC Committee with regard to the remit and boundaries of the new agency, and that it will be flexible in working along its boundaries, as John Finnie highlighted. It will be of no surprise to anyone in this chamber that the less well-connected communities along the outside boundary of the proposed agency—such as Ayrshire and Clydesdale—feel left out. I am aware that the issues are addressed in the REC Committee’s report and I accept the reasons for the boundaries being where they are, in that they are coterminous with local authorities. However, I point out to the cabinet secretary that few people in Clydesdale feel that they are closely connected to Glasgow, and the idea that the Glasgow city region deal is somehow a replacement will not put many of my constituents in Clydesdale at ease.

I therefore call on the Scottish Government to do more to support those areas through Scottish Enterprise, as they are suffering the same real need for investment as the areas in the new agency’s geographical area, but will not get the same level of focused support under a social remit. I hope that the cabinet secretary will answer some of those concerns in his closing remarks. I support the principles of the bill, as does Scottish Labour, and I welcome this important development for part of my region.

15:49

Alex Neil (Airdrie and Shotts) (SNP): Like everyone else, I welcome the arrival of the South of Scotland Enterprise Bill. It is an excellent proposal, as we would expect from Mr Ewing, who has a great track record of bringing forward visionary proposals for the economy. However, I would like to make a number of points that might differ from what others have said, because I want to concentrate on what the new agency can do to galvanise the economies of Dumfries and Galloway and the Borders.

The first thing to say is that we are not dealing with one homogenous economy in the south of Scotland. In effect, we are dealing with two regional economies—those of Dumfries and Galloway and the Borders—and in their external communications they tend to orient themselves towards the north and the south, and sometimes

the west in the case of Dumfries and Galloway and its connections to Northern Ireland, rather than to each other. In the future, we need to invest in cross-country roads and infrastructure to improve the connectivity between the east and the west. In Scotland, outside the central belt, the connectivity between the east and the west is much poorer than the connectivity running from north to south and from south to north.

Brian Whittle (South Scotland) (Con): Will the member take an intervention?

Oliver Mundell: Will the member take an intervention?

Alex Neil: I will in a minute.

The economy of the south of Scotland would benefit from investment in cross-country roads and infrastructure.

Brian Whittle is going to ask me whether I agree that the A77 from Ayr to Stranraer should be dualled. My answer is, "Absolutely." I give way to Mr Whittle.

Brian Whittle: I refer members to the answer that Mr Neil gave a moment ago. [*Laughter.*]

Alex Neil: I am not saying that the Tories are always predictable, but there we go.

The fundamental, serious point here is that the creation of the south of Scotland enterprise agency with the remit that it will have is essential to the regeneration of the south of Scotland economy in both Dumfries and Galloway and the Borders and will help to make it genuinely a much more homogenous economy. However, it will succeed in the long run only if there is a major—and I mean major—investment in infrastructure in both Dumfries and Galloway and the Borders.

Oliver Mundell: Will the member take an intervention?

Alex Neil: I will in a minute.

I will give an example. Cairnryan port is the single biggest port in Scotland, yet the A77 is a disgrace south of Ayr. The idea that we could grow Cairnryan port to its full potential without dualling the A77 is just nonsensical. That is a prerequisite. However, it cannot be done tomorrow morning. I suggest that, to support the work of the new enterprise agency, the local authorities and all the key players, there should be a 15 to 20-year national infrastructure investment plan for the south of Scotland, which should foresee major road improvements, including to the A77, the A75 and the A76 on the Dumfries and Galloway side and the A1 and numerous other roads in the Borders, and east-west connections.

John Finnie: I share the member's view on east-west connections, but will he acknowledge

that, with four of the parties in this Parliament being committed to £6 billion of expenditure on two roads, none of that is realistic?

Alex Neil: When I was the Cabinet Secretary for Infrastructure and Capital Investment, I was told by officials that it was not realistic to plan to dual the A9 and the A96. We are going to have the A9 done by 2025 and the A96 dualled between Inverness and Aberdeen by 2030. It took an SNP Government to actually do that, which had been promised for many years but never delivered.

Finlay Carson: Given that a review of the road and rail infrastructure in the south of Scotland is going to be published very soon, does the member agree that, if any projects are identified that it is important to bring forward quickly, they should be accelerated ahead of the national strategic transport review?

Alex Neil: My view is very simple and straightforward. It is that, to unleash the full potential of the south of Scotland economy in both Dumfries and Galloway and the Borders, we need a major—

Oliver Mundell: Will the member take an intervention?

Alex Neil: I have taken enough.

We need a major upgrade in infrastructure, and primarily transport infrastructure. I have said that that has to be done over a 15 to 20-year period for the reason that Mr Finnie suggested: that the resources are just not there to do it in the shorter term. If there are shorter-term opportunities, we should seize them as quickly as possible, because economic development relies on modern transport hubs and modern infrastructure. If we cannot get the investment for modern infrastructure, we will not realise the full potential that can be delivered by the new agency and, more widely, by the south of Scotland economy.

My second point relates to the remit of the agency, which Joan McAlpine touched on. One of the major reasons why the HIDB and, subsequently, HIE have been so successful in the past 54 years is that, unlike the Scottish Development Agency or Scottish Enterprise, they have always had a social and community development remit. In order to regenerate our rural communities, particularly remote rural communities, we need that combined remit. I welcome the fact that the Government has given the new agency the same kind of remit as was given to the Highlands and Islands Development Board in 1965.

My final point is in relation to the role of the agency and where it can add real value. It seems that there are two broad areas. One is that there are many indigenous resources—including the

people, the land, forestry and tourism—in Dumfries and Galloway and in the Borders whose potential has come nowhere near being realised. Therefore, the broad remit should be to exploit those existing industries and that potential much more fully. The second area is that we also need to grow more new high-tech industries in Dumfries and Galloway and the Borders. If we are going to raise wages, gross value added and the business start-up rate, we need to be talking about the industries of tomorrow, which means moving into the tech area. Without going into too much detail, as I am just finishing, that is another area in which both Dumfries and Galloway and the Borders have huge potential, which has been grossly underrealised until now.

15:57

Michelle Ballantyne (South Scotland) (Con): I am pleased to represent my party and my constituents in the debate on the South of Scotland Enterprise Bill.

As others have mentioned, the bill seeks to set up a new public body with the aim of encouraging economic growth, business development and employment in the Borders. I declare an interest in that, 30 years ago, we came back to the Borders to do just that, and we were greeted then by an arrangement called the SDA, which was basically a couple of men in a small temporary building. I have to say that they were excellent. They were persuasive, very helpful and very active, and we went on to build our business in the Borders, where it continues to thrive.

Over 30 years, we have seen a lot of changes, with Scottish Enterprise coming in and its remit changing. I was a member of the south of Scotland economic partnership during my time as a councillor, and we had a lot of discussions about what we really needed in the south of Scotland. No matter whether someone was there as a business representative or as a political representative, the one thing on which we all agreed was that we needed an agency that was south of Scotland-centric. We needed someone who actually understood what we needed, looked at what was going on, worked closely with small, medium-sized and large enterprises and who did not have a focus that was only about a national strategic interest.

From a cross-party point of view, we are all going to support the bill. I hope that, as it goes through the various stages, the discussions will be very much focused on what is best for the south of Scotland. The Scottish Borders and Dumfries and Galloway face a particular set of economic challenges, which have been highlighted by some members in the debate. Therefore, those areas

are particularly well suited to sustaining a local body that is dedicated to inclusive growth.

Nevertheless, I am heartened by the amount of investment that has gone into the south of Scotland recently. That investment has been made by the UK Government and the Scottish Government, and I hope that we will not get to the stage where we are arguing about who has done what and who is the most important, because that belittles what has been done. What is happening is very important. The next decade will see the Borderlands growth deal, with £150 million of funding dedicated to the Scottish Borders. I am hopeful that the south of Scotland enterprise agency will be at the forefront of assisting businesses and local groups with the management of that investment, however it is allocated.

Much has been made of the economic challenges that we face in the south of Scotland. I think that the new enterprise agency will be adept at highlighting local issues, but there are several areas on which I want to see a bit of a focus. One of the biggest areas of concern, certainly in the Scottish Borders, is digital connectivity. It is no secret that the Scottish Borders is lagging behind in the roll-out of superfast broadband. In fact, Borderers' access to superfast broadband is 10 per cent below the national average. At the moment, the bill does not include any powers over digital connectivity. However, if business innovation and competition are to be treated holistically by the agency, it would be somewhat remiss not to mention digital connectivity in that connection. I appreciate that the Cabinet Secretary for the Rural Economy does not want the new agency to be lumbered with the expectation that it will solve issues around digital connectivity problems, particularly as it will lack the budget to do so, but I am concerned that the lack of any reference to digital connectivity will leave the agency hamstrung when it is trying to attract or assist new businesses, especially those that seek to break into the new technology industry, which Alex Neil talked about.

Fergus Ewing: I agree that digital connectivity and the physical connectivity that Alex Neil talked about are key to economic development. However, I point out that, under the reaching 100 per cent—R100—programme, a sum of £133 million has been earmarked to improve connectivity, and, in particular, access to superfast broadband at the level of, I think, 30 Mbps. That is entirely separate from the work that the Scottish Government is doing in relation to the south of Scotland enterprise agency. I would have thought that everybody, including the Scottish Tories, would welcome that £133 million investment in the south of Scotland, with the aim of providing access to superfast broadband extremely quickly.

Michelle Ballantyne: The point is not about not welcoming what has been done—we welcome what has been done. I am talking about joining up the thinking around it and not putting everything into silos. You cannot have enterprise development without digital connectivity embedded in it. There must be good connections, and there must be a role for the enterprise agency, which is trying to encourage enterprise and attract to the area industries and new businesses that want to go into technology. If the agency has to tell those businesses that another organisation deals with digital connectivity, those businesses will not be impressed. They do not want to have to go from door to door to find out what is happening with each element; they want to be able to work with the local agency, and the local agency must be able to cover all aspects.

That brings me nicely to my other point, which is on the need to ensure that the Borders and Dumfries and Galloway can cultivate and retain a young workforce. Several members have spoken about the difficulties around that, and the Scottish Borders certainly has an ageing population, with over-65s accounting for more than a quarter of the area's residents. That will simply not be sustainable unless we have young people in the area who are developing businesses and can thereby support the provision of services. Because of high levels of outward migration of young people, we have to work even harder in the south of Scotland to ensure that the young, skilled workforce is retained and that young workers find the idea of moving to the Borders and Dumfries and Galloway an attractive prospect.

For that reason, I am keen to see the new agency work with local employability groups that are already active. If it does not—if it just sets up a new work stream—we will lose the benefits of a lot of the good work that has already been done. That includes the work that has been done in the textile industry—which is developing its own training programmes because it is having difficulty in attracting people—in agriculture, in schools and in Scotland's Rural College. South of Scotland enterprise needs to become embedded with those bodies rather than come in over the top of them.

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

Michelle Ballantyne: We must ensure that there are good connections in that regard, because, as we have heard, we are in danger of creating too many groups and therefore not working effectively.

It is fair to say that all members welcome what has happened and support the general principles of the bill. As always, the devil will be in the detail and the real test will come in determining how

south of Scotland enterprise will be organised, where it will be based and how it will be funded.

The bill provides a chance to shape the economic future of the south of Scotland. If we are to make the most of that chance, we need to create an agency with teeth—

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

Michelle Ballantyne: The agency must have the power and the connections that are necessary if it is to support the south of Scotland not just now but in the future.

The Deputy Presiding Officer: Most of the additional time has now been used up. I ask the members who follow to be a bit more careful about timing.

16:05

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): As the committee proceeded with its scrutiny of the bill, it was an absolute delight to have the opportunity to visit the south of Scotland.

My personal connections with the area are extremely limited. My grandfather was married in Eyemouth on 2 May 1890, but he came from West Lothian and his wife came from Northumberland, so I have no idea how that happened. My first visit was on 20 January 1952; I was five, and my father was preaching at the church in Leitholm. Maureen Watt might be interested to know that, in the late 1960s, I had the first yoghurt of my entire life, on the harbour at Kippford, while participating in the Scottish OK dinghy sailing championships. I did not do too well in the championships but I enjoyed the yoghurt.

A number of issues have come up in the debate. Alex Neil properly identified that the border area that the new agency will cover is not a single, cohesive, homogenous area. When the committee went to Galashiels, we got a different response to what is going on to that which we got when we went to Dumfries.

I say immediately that Gala was substantially easier to get to. We got on the train to Galashiels and then walked and got a taxi to the venue, and we were able to return on the train, on a midweek evening. As for Dumfries, if the committee had not previously realised the important need for infrastructure investment in the area, the journey to Dumfries—for me, at least, coming from the north of Scotland—perfectly illustrated that need. I was not persuaded that I could get back from Dumfries to Linlithgow—where I have a house in which I live during the parliamentary week—in the evening, so I had to drive from the north of Scotland all the way down to Dumfries and then back to Edinburgh.

That was a minor inconvenience for me, on a single occasion, but it perfectly illustrates the need for investment for the people who live and work in the area. Transport is an important issue, and I think that there is a consensus on the need to do something about it. The new agency can take a lead in promoting the issue, working with the regional transport partnership.

We have talked a lot about Highlands and Islands Enterprise. I think that Kenny Gibson and I are the only constituency members in the chamber whose constituencies cross the boundary between the Scottish Enterprise and Highlands and Islands Enterprise areas. Some 15 per cent of my electors are in the Highlands and Islands Enterprise area. As a constituency MSP who is exposed to both agencies, I see how markedly different the two agencies' priorities and modes of operation are.

We are right to consider Highlands and Islands Enterprise's way of operating as the model for the south of Scotland agency. It is clear, for example, that there is an important emphasis on social responsibility and social enterprise. HIE's documentation talks about its being aim to

"Support social enterprise and community-led development through our Community Account Management programme".

I am not suggesting that that programme should be lifted, unchanged, to the Borders, but it is worth having a look at, especially given that the new agency is likely to be dealing with similar problems to those that were present at the time of the creation of the Highlands and Islands Development Board and, subsequently, HIE.

The Highlands area now has Inverness, which has been fundamentally transformed in the 50 or so years since my wife left her home territory. It is now a very significant regional conurbation with a strong economy, but that still leaves a lot of the Highlands needing support. Dumfries has no equivalent of Inverness, but we might hope that the intervention of the new body might get us there.

The way in which Highlands and Islands Enterprise works is fundamentally different from Scottish Enterprise. It has a different account management structure whose focus reaches much closer to community bodies and small enterprises in a way that Scottish Enterprise does not.

The fact that incomes are lower in the border areas is a key indicator of the need to do what is proposed. It is important, too, that we look at helping communities to make their own decisions. Highlands and Islands Enterprise allows community account management to help

"communities to ... identify and realise their aspirations".

In other words, it is not centralised decision making—the Highlands telling them what to do. We do not want that model in the border counties either.

It is very important that the constitution of the board and the way in which it works ensure strong lines of accountability from the board back to its communities and strong channels for input from communities, to allow the board to be demonstrably responsive to them. That is quite different from the idea of a board that is representative. I want people with the greatest skills and people who understand and, preferably, live in the area concerned. I want people to be there not simply as representatives but because of their skills and to sustain accountability and responsiveness.

The Deputy Presiding Officer (Christine Grahame): Thank you.

Stewart Stevenson: I will be happy to support the motion at decision time.

16:12

Rhoda Grant (Highlands and Islands) (Lab): We, in the Scottish Labour Party, welcome the bill. It has been a long time coming, but I truly hope that it will bring to the south of Scotland the economic focus that it needs.

I cover the Highlands and Islands and feel that we have a constant battle to be heard. Centralisation devastates our communities and the Government sometimes treats us with a degree of arrogance that we would normally expect from an absentee landowner. I fight against that every day and put forward the case for my region. Imagine then my surprise when I speak to people from the south of Scotland; they look on us, in the Highlands and Islands, with envy and perhaps a small touch of resentment. We have our own enterprise body, Highlands and Islands Enterprise, while they have not had a focus on their economic needs and often feel ignored by Scottish Enterprise, because their needs appear paltry when compared to the large centres of population. Therefore, for people from the south of Scotland, getting their own enterprise company is a step in the right direction.

However, the new agency must have the same powers and breadth as Highlands and Islands Enterprise. The committee seemed relaxed at the lack of compulsory purchase powers, but I am not. I believe that the advantage in holding those powers is as powerful as the powers themselves. Scottish Enterprise and Highlands and Islands Enterprise have never used their compulsory purchase powers, but nor have we measured the impact that holding those powers has had. Does

the knowledge that those powers exist bring people to the table?

Other powers are also omitted from the bill, and I ask that they be added at stage 2. Examples are the power to enter land and the power to acquire information, which are important to have in order to allow the south of Scotland enterprise agency to regulate those to whom it has provided support.

It is also important for the south of Scotland enterprise agency to have the same social remit as Highlands and Islands Enterprise, to allow it to take a more holistic approach, which is really important for our rural areas. Working with communities is as important as working with big business in those areas, and community ownership needs to be a priority.

I noted with interest the wishes of the community, which were echoed by Community Land Scotland, about the accountability of the board and who should select its members. There has been a tendency for this Government to choose yes-men for its boards. When the very existence of Highlands and Islands Enterprise was challenged, there was not a squeak from the board. I am pretty sure that that would not have happened in Jim Hunter's day. Therefore, I understand the wish of the community to have its say in who is selected, and I ask the cabinet secretary to look at that to see how the community could be involved.

Evidence to the committee also suggested the involvement of young people, and I believe that to be right, because we are talking about their future. Too many young people from rural areas are forced away from home just to access education and a career. If we are to build the economy of the south of Scotland, young people need to be at the heart of it.

I would like to see a commitment to a 50:50 gender balance on the board from the outset. It is a new board, and we do not have to wait for a transition. I hope that the Scottish Government will start in the way that it means to go on. As other members have said, we must also see a commitment to fair work—those who receive assistance and grants from the south of Scotland enterprise agency must commit to fair work practices.

The new agency is welcome, but the Scottish Government also has tools at its hand to stop the economic decline and depopulation of our rural areas. It must step away from its centralisation agenda, which has done untold damage to our rural areas by removing high-quality jobs and therefore having a disproportionate impact on those economies. When decision makers are removed to urban areas, areas are disempowered and we end up with urban decisions as a result.

The Government has introduced the Community Empowerment (Scotland) Act 2015 and the Islands (Scotland) Act 2018, but its style of management flies in the face of those aspirations. Until it loosens its grip on power, we will see continued centralisation.

Procurement is at the heart of this. Centralised contracts have no protection for SMEs. The Federation of Small Businesses points out in "Broken Contracts: Smaller Businesses and Scottish Procurement" that, despite the Procurement Reform (Scotland) Act 2014, small businesses are not winning any more contracts. They are actually receiving far fewer. The number of SMEs supplying goods and services to the Scottish Government has halved under the SNP.

In a letter to Jackie Baillie, the Cabinet Secretary for Finance, Economy and Fair Work confirmed that 1,502 SMEs supplied the Scottish Government in 2007-08 but that that figure had fallen to just 716 in 2017-18. Colin Smyth said that the south of Scotland enterprise agency will host a large number of SMEs. It is important that we support them, because they provide us with a far greater return. They have a vested interest in their communities and they are much less likely to leave. They are also likely to spend their money and procure goods in those same areas. Therefore, the decline in their number must be turned around.

Those are things that the Government can address now and which would have a disproportionate impact on the economy of our rural areas. I hope that the Government will act on that now.

16:18

John Mason (Glasgow Shettleston) (SNP): I, too, am happy to support the bill. It is clear that HIE is highly thought of in the Highlands and Islands; that was seen in particular when it was suggested that there might be some amalgamation of enterprise bodies covering the whole of Scotland. I agree that there has been a need for a more joined-up approach to the enterprise and skills sector, without going as far as amalgamation. I hope that the strategic board will provide that co-ordination without the regional and other bodies losing their identities.

There seem to be a lot of similarities between the Highlands and Islands and the south of Scotland. Both are largely rural, are at some distance from the central belt, have seen young people drifting off to the cities and not returning, and have had difficulty in attracting new businesses or growing existing ones. I very much agree that there is a strong argument for a new south of Scotland enterprise body. I confess that

the south of Scotland can sometimes be overlooked by those of us in the central belt. If we were asked where in Scotland there is a big area with a sparse population, beautiful scenery and opportunities for getting away from it all, I think that many of us would think first of the north, rather than the south. However, all those things are true of the south as well.

The committee made two visits to the south of Scotland—as others have said, we went to Dumfries and to Galashiels. Those visits were very useful, and there were good turnouts in both places. There were very engaged audiences and there was real enthusiasm for the new agency. One or two folk questioned the need for a new agency, with the risk of increased bureaucracy and money being spent on administrative costs rather than front-line services, but my feeling was that they were very much in a minority.

Questions were raised about how much Dumfries and Galloway has in common with the Borders—Alex Neil touched on that. It is true that there are significant differences between Dumfries and Galloway and the Borders. At least parts of the Borders have a very strong link with Edinburgh and reasonably good transport. Galloway is considerably more remote. As has been said, members were able to travel to and from our evening meeting in Galashiels by train. That would not have been possible if we had gone to Stranraer.

It is also true that the east-west links across the south of Scotland are not strong and that many people may not think of the south of Scotland as one region. However, overall, there are a lot of common strengths and weaknesses, and it seems wise to have one agency for the two council areas.

Another factor that was discussed was whether the new agency should cover a wider area than just the two council areas. It is clear that there are similar challenges in South Lanarkshire and the south of Ayrshire, but boundaries have to be drawn somewhere, and I am afraid that they are often artificial. Therefore, I am comfortable with the proposal that the new agency's boundaries match those of the two existing councils.

The people whom we met in Dumfries had little good to say about the existing work and profile of Scottish Enterprise. However, to be fair, the gathering in Galashiels was more positive. A show of hands indicated that a dozen or so businesses had had involvement with Scottish Enterprise, and most of those people were positive.

To be fair to Scottish Enterprise, I do not think that, with its budget, it can give the same level of personal or financial support to a more rural area with smaller enterprises that HIE can give to the

Highlands and Islands. Fundamentally, that is why we need the new agency.

The question of the relationship with existing agencies such as Scottish Enterprise came up several times. I think that there is a lack of understanding that SE has a national role for certain specific tasks and it would not get involved on the ground in routine work in the south in the future. Maybe some work needs to be done on clarifying those roles.

The role of the strategic board is linked to that. The board is not set up in statute and, in many ways, it is still settling into its new role, so it is difficult to define too specifically what the relationship between the new agency and the board will be. However, we can make some general assumptions about that. I agree that it is probably not appropriate to refer to the strategic board in the bill, as it does not appear in other legislation.

The comparison with HIE was an underlying theme throughout the committee's work on the bill. I have said that there are clear similarities between the north and the south, but that raises the question whether the funding per head in the two areas should be the same. The Government proposes that, and the committee agreed with that. I accept that there may be some catching up to do, because HIE has been in existence for five decades, and the south of Scotland has not had that input. However, I am not entirely convinced that funding per head in the south should be the same as that in the Highlands and Islands in the longer term. The distances in the Highlands are much greater, and people live in more remote areas there. As Colin Smyth said, people in the south live within two hours of 14 million people. That is not true of people in the Highlands and Islands.

Oliver Mundell: Will the member take an intervention?

John Mason: If I have time.

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

John Mason: I am sorry; I am not allowed to take an intervention. I would be happy to discuss the matter with Oliver Mundell, and I am sure that it will come up in the future.

HIE covers many islands, which the south does not have. The Islands (Scotland) Act 2018, which the Rural Economy and Connectivity Committee also dealt with, requires that we take into account islands when we make any decisions, including decisions about funding. The fact that there are so many islands in the HIE area suggests that it needs higher funding. I find it a bit strange that HIE is to get no extra funding to take account of its

islands, but I note that there is equivalence in the budget initially. I presume that there will be a review in the longer term.

In conclusion, I am delighted to support the bill, which will result in a third enterprise body to work alongside SE and HIE. Of all the bills that I have been involved with, I think that the South of Scotland Enterprise Bill has probably had the widest agreement. I hope that that will continue and that we will see a real boost to the economy and wellbeing of that important part of our country.

16:24

Brian Whittle (South Scotland) (Con): I am delighted to speak in the debate about this important bill. As we have heard from across the chamber, the south of Scotland—specifically the south-west—has long been the forgotten part of Scotland in terms of investment by the Scottish Government. The region certainly has its challenges—its GVA is low in comparison with the Scottish average; average earnings are 10 per cent lower than those for Scotland; the business start-up rate is considerably lower than the Scottish average; small businesses account for a greater share of employment and income than is the case in Scotland as a whole; and more people are self-employed.

However, the region has many strengths, not least of which are its natural environment and the quality of life. The region is also steeped in cultural heritage. It is therefore unsurprising that the sectors that are important to the region include tourism, agriculture, forestry and fishing. The proposed south of Scotland enterprise agency offers a fantastic opportunity to give the area a long-awaited shot in the arm.

I will focus on the Scottish Conservatives' call for the agency to have the flexibility to work outside its geographical boundaries and to collaborate across agencies, so I would welcome a commitment from the cabinet secretary, in summing up, on the Government's position on that.

The proposed enterprise zone is surrounded by areas that are the subject of three growth deals that are worth about £1.45 billion—the Borderlands growth deal, the Ayrshire growth deal and the Belfast region city deal. I include Belfast because it is directly connected to the area by the port of Cairnryan, through which some £1 billion of goods flow, including about 45 per cent of Northern Ireland exports. That significant investment should be a key element of any strategy that aims to regenerate the region's economy. If the three growth deals had an element of collaboration with the potential of the

proposed south of Scotland enterprise agency, benefit could be realised.

For a start, the investment—coupled with the business confidence that it might bring—would go a long way in encouraging business start-ups. Scottish Enterprise and the Scottish Investment Bank have expertise in developing start-ups. The enterprise investment scheme and seed enterprise investment scheme have evolved since I was involved in them, but they can still significantly influence inward investment. The schemes allow Scottish Enterprise to invest and take a shareholding in a company under the same investment protocols as private investors. Not only do private investors get the confidence that a Government agency is backing a new-start business, with all the advice and expertise that it brings to the table, but they receive significant tax breaks if they leave their investment with the new-start company for at least three years.

With its loans and grants scheme, Scottish Enterprise can help to ensure that there is appropriate funding for any new start or developing business, as well as giving businesses access to the best business advice. We need to encourage more would-be entrepreneurs, risk takers and job creators to consider the south of Scotland as a destination, so I encourage them to interact early with Scottish Enterprise to seek the help that it can give. The new enterprise agency can help to drive such interaction.

In the previous parliamentary recess, I travelled across to Belfast to meet politicians of all political persuasions and business leaders, to discuss how Scotland and Northern Ireland can increase trade between the two. After all, as we have heard, the biggest port in Scotland—and the third biggest in the UK—is Cairnryan, and it connects us with Belfast harbour.

Stena Line invested £240 million and P&O Ferries invested £90 million in Cairnryan based on the promise by the then First Minister, Alex Salmond, that the crumbling transport infrastructure in the south-west would be appropriately upgraded. That promise was made in 2010, but it remains unfulfilled.

The horrendous state of the trunk roads—the A75 and the A77, which connect Cairnryan with routes south to England and on into Europe, as well as those into the Scottish central belt—is nothing short of a scandal, and that is not to mention the A76. I agree with what Alex Neil said about infrastructure, but I gently remind him that he was a transport minister in the intervening time, and that he had the opportunity to do something about it.

John Finnie: I understand the concerns about infrastructure. Does Brian Whittle acknowledge

that considerable benefit would be derived from putting in place rail as well as road infrastructure?

Brian Whittle: I definitely agree. I will come on to rail infrastructure, which is important.

Northern Ireland politicians and business leaders confirmed to me that the lack of infrastructure in south-west Scotland is having a negative impact on the Northern Ireland economy.

To date, we have had only an outline commitment of £30 million to build the long-awaited Maybole bypass. That has still to be started, despite many assurances from the Scottish Government that it would be. That compares with the £3 billion investment that was proposed for the A9 upgrade—100 times the investment that has been proposed so far for the whole south-west of Scotland.

We cannot look only through the prism of a new agency at developing and sustaining the economic prosperity of the south of Scotland, hence my focus in the debate on the requirement that the new agency have the flexibility to work outside its geography and to interact on a cross-agency basis. Furthermore, there is a big need to work across portfolios.

The Conservatives agree that the establishment of the agency has great potential for the south of Scotland. However, it is just one piece of the jigsaw, so I urge the Scottish Government to consider taking a much more holistic approach in order to address the long-term lack of investment in the south of Scotland, and ensure its sustainable economic health.

16:03

Emma Harper (South Scotland) (SNP): I am pleased to have the opportunity to speak in this afternoon's stage 1 proceedings on the important South of Scotland Enterprise Bill. The bill is welcome. It is needed to benefit my South Scotland region—its businesses, people, towns, villages and rural areas—so I am pleased to have been involved in the legislative process.

I attended the Rural Economy and Connectivity Committee evidence-taking session in Dumfries at Easterbrook hall. I also attended various events of the interim south of Scotland economic partnership, and met its chair, Russel Griggs, and board members to hear formally and informally about the work that they have been doing.

I have supported the south of Scotland economic partnership by writing to the Scottish Government about its positives and negatives, to ensure that the new agency and the associated legislation are strong.

The Rural Economy and Connectivity Committee's stage 1 report states:

"The Committee is in no doubt"—

I think that there is no doubt about this across the chamber today—

"that the creation of a new enterprise agency in the south of Scotland is required"

and that the agency is essential for the region.

The report also states:

"The Committee supports the general principles of the Bill and recommends to the Parliament that they be agreed to."

I know that those comments will be extremely refreshing for people across the south of Scotland, and I certainly hope that members across the chamber will join me in echoing them today.

I will give some context to how the idea of a south of Scotland enterprise agency first came about. In 2016, the First Minister announced a review of the enterprise and skills bodies across Scotland, to allow the Government better to meet its objective to have a vibrant economy. The review's terms of reference had the objective of enabling a transformational step change in performance across a range of economic outcomes.

The review process identified several challenges facing the economy of the Dumfries and Galloway and Scottish Borders area, about which members have spoken. Those challenges include the area having an older population and out-migration of young people; the relatively low levels of productivity and GDP growth; the transport and digital connectivity challenges, which I will come on to talk about, because the matter is really important; and the higher concentrations of low-paid and lower-skilled sectors. There are also several fragile communities across the region, and relatively low levels of private sector investment, research and development.

I will highlight a few of the challenges that constituencies and businesses across the region have conveyed to me as being the main barriers to the region flourishing.

The region has poor transport infrastructure. In my time here, I and members from across the chamber have lobbied the Scottish Government on, and secured members' debates to highlight, the need for greater investment in the A75, A76 and A77, which are the main arterial routes connecting the south of Scotland to Northern Ireland, the north of England and wider Scotland. Alex Neil eloquently highlighted that point.

Last summer, I hosted in Stranraer a meeting that was attended by the Cabinet Secretary for Transport, Infrastructure and Connectivity. At the

meeting, it was made clear by businesses including Stena Line and P&O Ferries, and various local action groups, that in order to attract investment, business and people to the region, the transport infrastructure must be improved. That is imperative. Therefore, I am pleased to see that one of the Rural Economy and Connectivity Committee's asks in its report is a request to examine transport infrastructure. That work will be in addition to the south-west Scotland strategic transport study, the findings of which are to be published soon. I ask that the cabinet secretary give his commitment that improving transport infrastructure across south Scotland is a priority for the Government and will be part of the agency's remit.

In addition to those challenges, the Scottish Government's consultation recognised several strengths and assets that are enjoyed by the area. They include a strong community spirit that is characterised by a high degree of cohesion, resilience and commitment to the local area; a natural environment that provides a high quality of life, a good place to raise a family and plenty of opportunities for healthy living; a rich historical and cultural landscape, which is particularly important to the development of the area's tourism industry; and a good strategic location, being relatively close to the north of England, the central belt of Scotland and Ireland.

I mentioned tourism. It is vital to the region that it attracts tourists. I agree with Oliver Mundell that the south of Scotland has many micro-enterprises and small and medium-sized enterprises in many sectors, including the food and drink sector, in which we have, for example, the Galloway Soup Company and Professor Pods chillies, which I visited yesterday. There is tourism and leisure at Laggan Outdoor Ltd's centre, Cream o' Galloway and Galloway Activity Centre Ltd at Loch Ken, part of whose remit is to offer activities in which everyone can participate. I would like the new south of Scotland enterprise agency to work to support SMEs and other businesses by helping to attract people to visit them and, ultimately, by improving transport links to them.

I could talk for hours about why the bill is important but, unfortunately, I do not have enough time. I congratulate everyone who worked to get the bill to Parliament and those who have been involved with the interim body—the south of Scotland economic partnership.

I hear what Finlay Carson and others have said about how people in the area feel forgotten. That is what I hear, too, across the whole region. I ask him to help to change that perception. The light is shining on the south of Scotland right now, so let us be positive and objective about promoting our

beautiful region, and let us work together for the benefit of the whole area.

The Deputy Presiding Officer: I am sure that Mr Carson hears you.

16:37

Colin Smyth: After years of work, this debate brings us one step closer to establishing the south of Scotland enterprise agency that the region badly needs. I hope that the agency will be locally led, embedded in the communities that it covers and responsive to the unique needs and assets of the south of Scotland.

I welcome the tone of most of the debate and the widespread consensus from members across the chamber on the need for and the role of the new agency. That consensus very much reflects the views of the people of the south of Scotland.

Of those who responded to the Rural Economy and Connectivity Committee's consultation on the bill, 87 per cent agreed with the plans for a new agency. It is not surprising that there is such a strong appetite locally for change and a new approach. The new agency is an opportunity not just to improve the economic support that is available in the region but to encourage collaboration and develop a stronger voice to advocate for the south of Scotland at a national level. We need that new approach to respond to the economic challenges facing the south of Scotland and achieve the region's potential.

As we have heard in the debate, productivity in the area is almost a quarter lower than the national average, and the business start-up rate is also below the Scottish average. Although the region has a flourishing small business sector, with more than 11,300 enterprises, not enough is being done to support and grow those businesses. It is that type of support—tailored to meet our local needs—that is simply not available at present.

Wages in the region are some of the lowest in the country, and the lack of well-paid, high-skill jobs is one of the key reasons for the continued outward migration of young people. We desperately need to retain young people and, perhaps more important, to attract young people to the area. The key to that is ensuring that young people have real career options locally. That means creating more high-quality jobs, but it also means ensuring that the training and education that young people need are available locally.

As several members have highlighted, the region has also suffered due to long-standing underinvestment in our infrastructure. I believe that the new agency should have a key role to play in advocating for and supporting better transport and digital connectivity in the region.

The region has huge potential. There are thousands of businesses and enterprises in the area and a great deal of potential for growth if the support that those businesses receive is genuinely tailored to meet their needs.

A new agency can also take a holistic approach that provides not only economic but social and environmental benefits. Highlands and Islands Enterprise has been effective in using that approach. In protecting communities and their natural environment, HIE has shown that the approach does not need to be in conflict with supporting the economy. The bill is a welcome step towards delivering that for the south of Scotland.

The bill sets out a strong framework for the new agency. However, as Labour has argued in the debate, and as the Rural Economy and Connectivity Committee's stage 1 report sets out, we want improvements to be made to the bill to ensure that we have an agency that really is rooted in the south of Scotland. That means building on the agency's proposed aims, so that they include tackling the demographic challenges that the region faces, taking a leadership role in improving transport and digital connectivity, supporting community land ownership and furthering the fair work agenda. It also means amending the bill to ensure that there is proper local accountability. The agency needs to be led from the south of Scotland but, as it stands, the board will answer far more to ministers in Edinburgh than it will to local stakeholders.

Mike Rumbles: Will the member outline his thoughts on how local accountability should operate through the bill?

Colin Smyth: I will come to that point in my closing comments. Crucially, local accountability needs to be underpinned by a legal requirement for consultation and reporting back. I will set out exactly how that could work in a second.

In his response to the committee's stage 1 report, the cabinet secretary committed to lodging an amendment that will ensure that ministers cannot issue directions to the agency without consulting first, which I welcome. However, he did not respond to the calls from the committee and me for a formal mechanism, underpinned by a legal requirement, guaranteeing local input and accountability in the agency's action plan and strategy.

The Government needs to be clearer about how we guarantee that the voices of local communities will be listened to and reflected. In response to Mike Rumbles's specific point, I think that that could be done through, for example, a new regional economic partnership or a regular south of Scotland convention, underpinned by a

programme of regular consultation by the agency in communities across the south of Scotland. We have already seen such engagement from the south of Scotland economic partnership. There is also the opportunity to take advantage of the local authorities' committee structures, in order to report some of the performance figures at a local level. That is what Police Scotland and the Scottish Fire and Rescue Service do, and there is the opportunity for the new agency to do something similar. Whatever the mechanism is, it is crucial that we make local accountability a legally binding requirement for the new agency.

We need to ensure that the membership of the board is genuinely representative of the south of Scotland and reflects key stakeholders, from young people to proper workforce representation. The board must also be gender balanced, as Rhoda Grant rightly highlighted.

During the debate, members have made a number of other important points, which I will briefly touch on. There was clear support for the boundary of the new agency to cover Dumfries and Galloway and the Scottish Borders. However, Claudia Beamish made the point that areas on the periphery of Dumfries and Galloway and the Borders, such as Clydesdale and South Ayrshire, have a role to play. The Scottish Government and Scottish Enterprise need to look at the level of support that those areas receive and ensure that the economic development opportunities meet the needs of those areas.

The location of the new agency was touched on. There is a clear view that it should be co-located with other agencies, such as the councils, and that it should have a presence in communities across the two local authorities. In that way, it will provide a one-stop shop for businesses and enterprises that are seeking support.

In many ways, the debate on the bill has focused on the mechanism of having a new agency, but, ultimately, the real test will be what the new agency does from day 1. There is no question but that there will be a lot of expectation. When it does not deliver what we want it to deliver—

The Deputy Presiding Officer: I am sorry—

Colin Smyth: —I will be the first one to highlight that, but—

The Deputy Presiding Officer: Yes, that is your job. I am sorry, but you are finished. [*Interruption.*] I did not mean to be rude, Mr Smyth; you are holding the Government to account, quite rightly.

16:43

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): I declare an interest, as I am a business owner in the Scottish Borders.

In closing for the Scottish Conservatives, I thank the Rural Economy and Connectivity Committee for its work in gathering evidence from across the south of Scotland. From the speeches that have been made today, it is clear that the bill will enable economic growth and business expansion in the south, and we look forward to the establishment of the enterprise agency.

Some members have described the south of Scotland as a “forgotten” region. We have heard that the south of Scotland desperately needs an injection of skilled workers, infrastructure investment and additional business support. At a recent Borders business breakfast that I held, I spoke to business leaders who are desperate for an agency to help to deliver economic growth for the Borders. Engagement is to be encouraged. As we have heard, we need many businesses to get involved in that process, with parity between businesses, the public sector, educational establishments and the third sector.

Many members, including Joan McAlpine, have paid tribute to the good work of Russel Griggs. In the Rural Economy and Connectivity Committee’s report, Professor Griggs is quoted as saying:

“We want to stop talking about businesses and talk instead about growing enterprises. It does not matter whether the enterprise is a community, a social enterprise, a small business or a large one. We want to see a culture of change through the new enterprise agency, with an understanding that we give support to everybody who wants to help to grow the economy.”—[*Official Report, Rural Economy and Connectivity Committee*, 14 January 2019; c 6.]

The Scottish Conservatives believe that the new agency could be a fantastic catalyst for entrepreneurialism and driving the local economy. John Finnie mentioned Barbara Elborn of the Newcastleton & District Community Trust, and Barbara and Greg Cuthbert are energetic individuals who recently set up a community fuel station.

When it comes to community involvement, Colin Smyth, Finlay Carson and Mike Rumbles said that the new agency’s board must have members with a wide pool of experience and that it must be transparent, open and accountable to local communities. Stewart Stevenson agreed that there should be strong lines of accountability to the community and that the members of the board should have strong skills. Perhaps the cabinet secretary could reassure us that that will be the case when he closes the debate, as Colin Smyth requested.

Many Conservative members have welcomed the Borderlands growth deal, which was one of our manifesto commitments. The committee recommended that the agency should have the flexibility to operate outwith the geographical boundaries of the Dumfries and Galloway and Scottish Borders council areas, and we support that, as it will allow for greater collaboration with other enterprise agencies and will help to make the new agency a huge success, given the region’s proximity to the border.

In today’s debate, Scottish Enterprise has been a bit like Marmite—some members believe that it has done a good job, while others believe that it has not. Many businesses that I speak to find access to funding complicated, and that needs to be addressed. There should not be barriers to funding. We would like the new agency to make obtaining funding and support much simpler. Although we recognise that that will not solve all our problems, it might go some way in helping to heal them.

As many members have mentioned, low-paying jobs, the gender pay gap and a skills shortage are problems right across the region. Those three issues are not unique to the Borders, but they are definitely exacerbated in a rural area that suffers from not only poor digital connectivity, which Michelle Ballantyne mentioned, but poor physical connectivity, which Alex Neil and Brian Whittle mentioned. They drew attention to the importance of investment in transport infrastructure and, in particular, the A77, the A75, the A1, the A68 and the A7. East-west connectivity is very important, and the extension of the Borders railway line from Tweedbank to Carlisle would be helpful in that regard, as it would link the Borders to the north-west of England.

The new agency should be an enabler, not a disabler. It must be dynamic, and it must suit the needs of the south of Scotland. Although many members have said that the agency will be based on the model of Highlands and Islands Enterprise, it is important that we recognise that the south of Scotland is distinctive and different from the Highlands, even though we share common challenges, such as the lack of adequate infrastructure that I have mentioned.

Michelle Ballantyne and Oliver Mundell spoke about the need to attract young people to the area and the skills gap that exists. Our demographics are extremely challenging and are becoming more so. I highlight the fact that the dependency ratio—which applies to the proportion of the population under 16 and over 65—is 69 per cent, compared with 55 per cent for Scotland as whole. I welcome what Maureen Watt said about attracting retirees to the area, but given the rising number of older people, to maintain the working-age population of

today, we need at least 800 working-age people to move to the south of Scotland per annum. That presents a real and growing problem that the agency must address, and it must be considered alongside skills development and business growth. That is especially important in the area of technology, as Alex Neil highlighted.

Finlay Carson talked about the poor business start-up rate in Dumfries and Galloway, and Brian Whittle told us that median weekly earnings are 10 per cent lower than the Scottish average. In addition, GVA per head is 24 per cent below the Scottish average. Therefore, we face a unique set of issues. The agency must create jobs through grants to businesses; in particular, it must create high-quality jobs that will attract young people. Crucially, we want to be able to retain those young people, and to grow a vibrant and dynamic local economy.

Many members have mentioned tourism. When it gave evidence to the committee at stage 1, Scottish Land & Estates emphasised that tourism should be a principal purpose that is written into the agency's action plan. My colleague Finlay Carson also called for that.

Joan McAlpine talked about the new see south Scotland campaign, which is very important for attracting new tourism businesses and growing existing ones.

On the gender pay gap, although I was outside the chamber, I caught Rhoda Grant talking about the need to encourage more women to live, work and start a family in the area. We must address that. Engender's evidence highlighted that, with the Scottish Government's equality impact assessment—

The Deputy Presiding Officer: I am afraid that you have run out of time.

Rachael Hamilton: I will sit down, Presiding Officer, but we look forward to the agency—

The Deputy Presiding Officer: You will sit down now—so much for the gender pay gap. You have made your point.

I call Fergus Ewing to close the debate for the Government. You have until decision time, cabinet secretary.

16:50

Fergus Ewing: I will endeavour to be on my very best behaviour.

I thank all members for their contributions to the debate, which have been largely positive. I very much welcome the cross-party support for the new agency, and I am indebted to the Rural Affairs, Climate Change and Environment Committee, and to everyone who contributed to all the hard work

that led up to preparation of the bill and the evidence sessions that formed part of the stage 1 process.

Whenever I have visited the south of Scotland, over some years as a minister, I have been struck by the enormous energy, success and vibrancy of the people who take part in life and business there. I have never failed to be impressed by the sheer hard work, energy, good humour and resilience of the people whom I have had the privilege to meet in my various responsibilities over a range of areas including forestry, farming, transport, manufacturing, textiles and tourism. However, that potential has not been fully realised, and that is why we are here today.

I accept that many members across the parties have said that there is a perception that the south of Scotland has not received the attention that it deserves. I bow to those who represent the area in that regard. It is not for me to contradict that. I have heard that that feedback has come from the bill consultation process, and it is right that I have regard to that process, as Mr Finnie and others have suggested.

The level of wages and the gender gap problems that were raised by Rachael Hamilton, Claudia Beamish and many others are two of the most serious issues. Of course, we want to ensure that businesses can be as profitable as possible. In tourism—where Rachael Hamilton has done her life's work—many businesses are hampered by a shoulder season. If we can extend the tourist season to 12 months, as we do in parts of the Highland, we can increase revenue, profitability and the capacity of businesses to pay the kind of wages that they would like to pay their workforce. Therefore, we should look at things in the round.

Many businesses in the south of Scotland do not require—or even want—help from the Government. They do perfectly well and run their businesses very successfully indeed, because they are providing services and goods that people want. Not all businesses need or want assistance from the public sector, but those that do should be able to access it. That is why, when I was in Annan recently to meet Keshav Bhagat, the owner of the food processing company Bhagat Holdings Ltd, I was delighted to acknowledge and praise the efforts of public servants to provide a bespoke overall package from Scottish Enterprise, Scottish Development International, the local council and the Scottish Government. Those efforts had the result that Mr Bhagat and his family, whom I had the pleasure of meeting, were persuaded to invest not in other locations that they had considered, but in Annan in Scotland. Thanks to the hard work of Scottish Enterprise and a proposed £1.7 million regional selective assistance grant investment, Mr Bhagat's £9 million investment plan will bring

around 120 jobs to Annan, with the potential for more.

Such inward investments are important to Scotland and to the diverse communities in the area. We have engaged widely across the south, with businesses, communities and individuals, as we want to ensure that everyone's voices are heard. Meaningful engagement with those who are living, working and studying in the south remains a key component of our work. We will continue the engagement with young people and community representatives, which Claudia Beamish fairly emphasised.

As the bill states in describing the body's aims, it will have regard to improving

“the amenity and environment of the South of Scotland”.

That is already in section 5(1). Regarding accountability, sections 13 and 14 require the preparation of accounts and an annual report, and section 6 requires an action plan. Those are ways in which public bodies are held to account. They are also held to account through the Parliament. All public bodies can be summoned to give evidence by committees of the Parliament. I see that Mr Mountain is nodding, and I know that he has done precisely that. The Parliament is the fulcrum of accountability in Scotland, and it will remain so. However, members rightly want us to explore how we can improve lines of accountability even further.

Alex Neil made the point, which has flitted through my cranium from time to time, that one issue for the south of Scotland is that, although there are connections between the Borders and Edinburgh and from Dumfries to the west and to Northern Ireland, the east-west connections between Dumfries and Galloway and the Borders are perhaps not good. That led to Mr Neil's claim for rather a lot of expenditure of public money, although admittedly it would be over a period of two decades, which was a bit of a relief to Mr Mackay. That point was followed up by many other members. No doubt, we will consider the issue at stage 2, but I fully expect the new south of Scotland economic agency to give leadership on those matters.

That takes me on to Mr Smyth's point in that regard. As far as I could gather, he suggested not that the body should have fiscal or budgetary responsibility for those issues but that it should have a say and take an interest in them. It should have an influence and a leadership role. It would be part of the agency's work to consider connectivity, whether that is virtual, through the internet—which is of course of increasing importance—or through transport, both by road and by rail, as Mr Finnie was at pains to remind us more than once, and rightly so. The success of the

Borders railway has been one of the stellar achievements over the past while.

I have been heartened to take part in the debate because, although I would not say that it was characterised by sweetness and light, there was rather less discord than in some of the debates that I have taken part in—I am not looking at anyone in particular. I do not wish to spoil that sweetness and light, but there is a serious job to be done in the remainder of the bill process. I have not had an opportunity to reply to all the points that have been made, particularly by Mr Rumbles, Mr Finnie, Mr Smyth and Mr Whittle, as I wished to do, but we will no doubt come back to the issues before the completion of the passage of the bill.

I pay tribute to Professor Russel Griggs and all those who have played a part in the partnership, which he has chaired. They have done a sterling job. Personally, I cannot recall any example in which there has been more public engagement leading up to the publication of a bill. The members of the partnership bring a wide range of business experience, third sector experience and experience of leadership in further and higher education.

The budget has rightly exercised the minds of members, and we have had a wide range of views on it. Mr Mason indicated that there are arguments with regard to budgetary priorities that we have not heard much about. However, the overwhelming view is that the approach that we are taking is correct, as it recognises that there should in principle be parity of esteem between all citizens in rural Scotland. That should have an influence, and it has had one in determining the approach that we are taking in our policy.

With regard to that approach, I think that I discerned a consensus that we need to walk before we can run. It will take time for the new agency to find its feet and to become established throughout the huge area of Dumfries and Galloway and the Scottish Borders, and to deliver and meet the expectations of the people of the south of Scotland.

I am delighted to have presided over such a cheerful debate—perhaps it is something to do with me; I do not know. [*Laughter.*] I commend the bill to the chamber.

South of Scotland Enterprise Bill: Financial Resolution

17:00

The Presiding Officer (Ken Macintosh): The next item of business is consideration of motion S5M-15863, in the name of Derek Mackay, on the financial resolution to the South of Scotland Enterprise Bill.

Motion moved,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the South of Scotland Enterprise Bill, agrees to any expenditure of a kind referred to in Rule 9.12.3(b) of the Parliament's Standing Orders arising in consequence of the Act.—[*Derek Mackay*]

Business Motion

17:00

The Presiding Officer (Ken Macintosh): The next item of business is consideration of business motion S5M-16577, in the name of Graeme Dey, on behalf of the Parliamentary Bureau, setting out a change to tomorrow's business.

Motion moved,

That the Parliament agrees to the following revision to the programme of business for Wednesday 27 March 2019—

delete

2.00 pm

Parliamentary Bureau Motions

2.00 pm

Portfolio Questions: Communities and Local Government; Social Security and Older People

insert

1.30 pm

Parliamentary Bureau Motions

1.30 pm

Ministerial Statement: Infection incident at Royal Infirmary Edinburgh

followed by

Portfolio Questions: Communities and Local Government; Social Security and Older People.—[*Graeme Dey*]

Motion agreed to.

Decision Time

17:01

The Presiding Officer (Ken Macintosh): There are just two questions. The first question is, that motion S5M-16542, in the name of Fergus Ewing, on the South of Scotland Enterprise Bill, be agreed to.

Motion agreed to,

That the Parliament agrees to the general principles of the South of Scotland Enterprise Bill.

The Presiding Officer: The next question is, that motion S5M-15863, in the name of Derek Mackay, on the financial resolution to the South of Scotland Enterprise Bill, be agreed to.

Motion agreed to,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the South of Scotland Enterprise Bill, agrees to any expenditure of a kind referred to in Rule 9.12.3(b) of the Parliament's Standing Orders arising in consequence of the Act.

Financial Scam Prevention

The Deputy Presiding Officer (Linda Fabiani): The next item of business is a members' business debate on motion S5M-15906, in the name of Maurice Corry, on financial scam prevention. The debate will be concluded without any question being put. I ask members who wish to speak in the debate to press their request-to-speak buttons.

Motion debated,

That the Parliament expresses concern that financial scammers are estimated to cost UK consumers over £9 billion each year and that, sadly, dementia, social isolation and other factors leave citizens vulnerable to predatory scammers and rogue traders, even resulting in the loss of their entire life savings; considers this issue a matter of public safety and believes that there are simple preventative solutions that empower citizens to avoid fraud and protect them from financial and personal harm; highlights that the recent scamming of pensioners in Clydebank and Dumbarton in February 2019 is not unique to these areas and that one in eight people in Scotland are victims of fraud; commends the efforts of the local councils and communities that are already trying to tackle this issue, and notes the hope that the Scottish Government will take further action to protect its citizens from scams.

17:03

Maurice Corry (West Scotland) (Con): I am grateful for being able to open tonight's members' business debate and to talk about the subject at hand. I thank the members who have supported my motion so fervently. I am very grateful for that.

How many of us have received an email from a foreign royal claiming that we are the only one who is able to help them out of a sticky situation, usually involving thousands of pounds; or an offer to invest in gold that will make us richer than we ever dreamed in a matter of days; or a call claiming that our car insurance is overdue, when we do not even have a car? It is almost certain that we have all been exposed to financial scams in our lives.

Although some scams are more obviously fraudulent, scammers are getting more and more sophisticated in their targeted attacks. I had a scam call experience only the other day. It lasted from Friday until Monday, and was from someone purporting to be from BT, but who was clearly phoning from Bombay, or somewhere else over in that part of the world. It took us until Monday to identify that the calls were fraudulent. I then asked the caller whether they could tell me where they were calling from, and they said that they were calling from 81 High Holborn, London. I said, "That's fine—I'll pass that to the police, and they'll be round", and all I heard was, "Oh, my God!" and the phone went down. I never heard from them again. Basically, they were really at it.

In short, we are all exposed to scams, but there are simple preventative measures that we can take to protect our communities and keep people safe. Vulnerable members of our communities are at risk, so we need to implement those preventative measures to protect them from scamming.

The basics are simple. Financial scams are costing United Kingdom consumers £9 billion a year. That, coupled with the fact that one in eight Scots will fall victim to fraud, indicates that a serious public security issue exists. Financial scams manifest themselves in a variety of ways, including as phishing scams, fraudulent calls, bogus callers and rogue traders at the doorstep. Scammers pose as representatives of banks, HM Revenue and Customs, pension funds and other reputable institutions. I ask everyone to note that banks will not send out anything that is riddled with spelling errors requesting personal information.

Scams are a matter of community safety. Last year, no less than £354 million was lost from customers having been tricked into transferring money to fraudulent accounts. Unfortunately, it is often the more vulnerable members of our communities who fall victim to such crimes. Fortunately, however, there are simple ways to prevent people from becoming victims of scams, and to keep our communities safe. Scammers target people who are socially isolated, people with dementia, pensioners and others. For some of those people, who come from a time when most correspondence could be trusted, the rogue traders appear to be legitimate. To them, a phone call from the bank, requesting funds, seems to be genuine.

There is a strong correlation between social isolation and people falling victim to scams, and seven out of 10 victims of scams do not tell anyone about it, so they cannot be helped. In the UK, there are 3.6 million older people who live alone, and 2 million of them are over 75. Of course, not all older people will fall victim to a scam, but we must punish those who target their perceived vulnerability.

Age Scotland's 2017 report on the subject shared a case study that illustrates how a financial scammer targeted someone who was socially isolated. The report says:

"John is a proud retired professional who is living independently with dementia. His wife died several years ago and his only daughter lives 30 miles away. A homecarer arrived at the home one day and noted that 3 men were working on the roof of his property, it transpired they had cold called having noticed a loose roof tile from the road. They initially quoted £80 but had since claimed that the roof needed emergency repairs and the cost had rocketed to £7,500.

John was upset and confused and indicated he just wanted to pay the men to get them away as he felt

threatened and embarrassed. The homecarer contacted the Police and Trading Standards scam prevention team. The alleged workmen cleared off when they realised that the Police were investigating. The Trading Standards scam prevention team then visited John to give him advice on avoiding scammers in future. It transpires that John was also being targeted by scammers on the phone and through large amounts of mail claiming he had won various prizes.

Sadly, John had responded to a large number of fraudsters and over £100,000 of his savings had been withdrawn from his account to pay scammers from all over the world."

What happened to John was unfortunate and totally unacceptable. Thankfully, his local trading standards scam prevention team visited him to ensure that he was not scammed again, but the damage had already been done. That is a sad story indeed, but it highlights how we can deal with and prevent such scams.

Although Westminster is officially charged with responsibility for consumer rights, scammers are a threat to the Scottish community's safety, and we in the Scottish Parliament have a responsibility to protect our citizens from harm, including financial harm. The Scottish police and trading standards Scotland are essential in targeting scammers. Let us work with them and support the community-safety-focused scam prevention work that local trading standards teams undertake.

Sadly, trading standards teams are recognised as being at breaking point, given their funding position and low staff numbers. However, several local authorities have introduced creative prevention initiatives to reduce the risk of residents being scammed, and that creativity is to be commended. BT has found that the average person in Britain receives four nuisance calls a week, but what can be just a nuisance call to some—or a near miss, in my case—can be a devastating financial blow to others. Through nuisance call blocking initiatives, more than 1.5 million calls have been blocked across Scotland, and with increased awareness more nuisance calls will be blocked, thereby protecting the public from parting with their savings.

The Life Changes Trust should be acknowledged for its funding of trading standards teams in East Renfrewshire, Angus and South Ayrshire. It aims to increase awareness of the simple practical solutions in order to prevent scamming of people who are living with dementia. The project is in its third year and has helped hundreds of families who are living with dementia to avoid scams and unwanted cold callers. Feedback shows an increase in confidence and in the ability to maintain an independent life. One recipient of the call blocker said:

"Months ago, I was distressed by nuisance calls, so I am so glad I have the call blocker."

Another said:

“It’s amazing how it has worked. We used to receive several calls a day—now none.”

The Life Changes Trust’s simple project has helped to restore peace of mind to 805 households since 2013, and has prevented up to an estimated £2 million of financial loss. Trading standards Scotland is an integral part of preventing financial scams.

Financial scam prevention can be simple. Beyond call blocking, local police in Aberdeen, for example, have used their monthly bulletin to warn residents of rogue traders and bogus callers. That grass-roots effort utilises existing channels in a cost-effective way in order to help to prevent scams. The police in Dumbarton organised a walkabout to raise awareness, after a local pensioner was scammed out of a four-figure sum. The commitment of the Dumbarton police in their efforts to prevent such incidents from continuing is to be commended. Providing “No cold calling” stickers for doors and a list of local trusted traders is another simple way to prevent financial scams.

Unfortunately, even when someone is completely aware of the risks, they might choose to talk to scammers because it is better than having no one. That is tragic to me, so I hope that, as a Parliament, we will increase our efforts to have a more connected Scotland. There are befriending networks, community classes, men’s sheds and a plethora of third sector programmes to combat social isolation.

Let me touch on John’s story one more time. After suffering his £100,000 loss, the trading standards scam prevention team in his local council helped in a number of ways. John’s daughter obtained a power of attorney over his welfare and financial matters. He received a free nuisance call blocker to stop all unwanted scam and sales calls, and a “No cold calling” sticker for his door, his mail was redirected to his attorney and a list of trusted traders was supplied to him and his family for future use. Finally, John has joined a local supported art class and feels less isolated, and his anxiety levels are drastically reduced.

Let us prevent the need for anyone to feel the need to trust foreign princes with their money.

In conclusion, preventing financial scams is imperative to community safety. With technology and—likewise—scams becoming more sophisticated every year, we must protect our citizens. The new economic crime strategic board is working with

“senior figures from the UK financial sector”

to tackle those scams, but we must not wait. Let us support our local councils, police, and trading

standards officers in preventing and dealing with financial scams. The issue is costing us, not only in pounds sterling, but in peace of mind for our citizens.

17:13

Ruth Maguire (Cunninghame South) (SNP): I thank Maurice Corry for securing the debate on scam awareness.

“If it seems too good to be true, it probably is.” That phrase comes up repeatedly when looking at financial scams and how to prevent them. It was a phrase that came up repeatedly at the tail-end of last year at a scam awareness surgery that I organised in my constituency. Experts from Citizens Advice Scotland, trading standards, Police Scotland and better off North Ayrshire all came along with information and advice on what to look out for and what people should do in order—

The Deputy Presiding Officer: Excuse me, Ms Maguire. Could you pull your microphone towards you a little? I think that that might be better.

Ruth Maguire: A key message to come out of the surgery was that anyone can fall for a scam, but people have a better chance of staying safe from fraudsters if they know what to look out for. That means being wary of unexpected visitors at the door, collecting for charity but with no proof of identity, or a passing trader who knocks on the door to say that your roof is missing a few slates but whose bill to fix it rises from £80 to several thousand pounds after he notices that extensive repairs are needed, or pushy sales people who ring with great discounts on new windows but put pressure on for quick decisions so that victims do not do proper checks. There are also those who use subterfuge and trickery to extract personal details from people or who impersonate their bank and empty their account.

There are signs that many of these messages are being taken on board. Recently, a gentleman visited my office to let us know that he had been approached on his doorstep by someone claiming to be a contractor for a local housing association. He said that he was doing work in the area and offered to install cavity wall insulation in my constituent’s property, saying, “Just while I’m in the area, you understand.” My constituent was immediately suspicious and sought our help in checking it out. We made some inquiries that suggested that the story was most unlikely. Trading standards officers were informed and my constituent was able to avoid what was almost certainly a dodgy deal.

Spotting and stopping financial scamming requires all of us to be and remain vigilant. It puts pressure on our local authorities, police and charities such as Citizens Advice Scotland, which

need to keep up to date with the latest scams to help people avoid them, and which must deal with the consequences when, as happens far too often, people do not avoid them. The cost of that vigilance can be considerable, but the price of failing to be vigilant is heartache, misery and, in some cases, financial ruin.

I will close where I opened: if it seems too good to be true, it probably is.

17:15

Jackie Baillie (Dumbarton) (Lab): I join others in thanking Maurice Corry for bringing the debate to the chamber. As his motion rightly points out, financial scamming, with the effect that it has on an individual and the community, is a serious issue of public safety.

Scamming someone out of their hard-earned money is certainly not a new phenomenon. However, with modern technology, scamming has become more prevalent and embedded in our day-to-day lives. Anyone can be conned out of money. However, the sad reality is that some people in society are more vulnerable than others, and they, unfortunately, become targets. Many of those who are scammed lose thousands of pounds, and many never see that money again. In more serious cases, financial scams can even mean that people are forced to sell their homes and declare themselves bankrupt. As Maurice Corry rightly said, it is shocking that one in eight people across Scotland is a victim of a scam and that there is an estimated £9 billion loss to the UK. I do not think that we discuss the issue enough.

Let me paint a picture. Someone hears that their favourite band has announced that they will be playing near them. They have been waiting years to see them. They have saved up all their money in order to buy what can often be a quite expensive ticket. Devastatingly, the tickets sell out in a matter of minutes. Their one final-ditch attempt is to head to the venue on the night of the concert to see if there are any last-minute tickets going spare. It is their lucky day. They pay the inflated price of the ticket to the kind individual who happened to have a ticket going spare, only to find that the ticket is fake, the seller has vanished and, when they attempt to get into the venue, they are denied access. That is becoming far too regular an occurrence and, in the case of music concerts and festivals, it is often young people on low incomes, who have saved up for the ticket, who are left out of pocket.

Those fake ticket scams are also happening online, with many second-hand ticket websites scamming customers out of the price of a ticket that sometimes never arrives. Some scammers will create an almost identical website to the

original one, with only slight differences, such as the URL ending with “.net” instead of “.com”. When the website asks the unsuspecting customer for their bank details to complete the online purchase—

Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP): Will the member take an intervention?

Jackie Baillie: Of course.

Dr Allan: The member rightly points out that websites can be fake. I am sure that she will agree that one of the growing problems, which I have experienced in my surgeries, involves paper invoices being faked on the basis of intercepted emails. That can result in people receiving through the post invoices that seem convincing but that have the wrong bank account details on them.

Jackie Baillie: That is absolutely right. In fact, I recall that there was a period not that long ago when MSPs were receiving similar fake emails with invoices attached. We cannot rely on a judgment that is based just on whether something is on a website or has arrived by email. Of course, some scamming is conducted face to face, too.

The sort of scams that are related to emails and websites would have probably been quite rare two decades ago, but they are now far too commonplace. As I said, scams also take place face to face. One of my constituents in Dumbarton was recently conned out of £9,000 and was left with a damaged roof—it seems that roofs are a particular theme in this debate. According to my constituent, a man approached his house and offered to carry out seemingly essential work on his roof. All my constituent had to do was pay £9,000 up front. Once he had been paid, the scammer was never seen again.

Nobody is immune to scams. We must do more to encourage the public to be vigilant in every aspect of their daily lives.

Another of my constituents, an elderly pensioner in Dumbarton, was conned out of £2,000 after he received a phone call from someone claiming to be from his bank, who said that there was a problem with his account. It is understandable, given that my constituent thought that he was talking to his bank, that he followed the caller's advice. He paid £2,000 to rectify a problem that simply did not exist.

I associate myself with Maurice Corry's remarks about Dumbarton police—and, indeed, all the people in L division, who are working hard to make residents aware of scams.

Scamming is never the fault of the victim. When someone, who is often very plausible, tells us that they can help us, what reason would we have for not believing them? We need to use all the tools at our disposal—awareness raising, legislation and

enforcement—to crack down on the culprits in financial scams. They cannot be allowed to get away with this any longer.

17:20

Richard Lyle (Uddingston and Bellshill) (SNP): I thank Maurice Corry for bringing the important issue of financial scam prevention to a members' business debate, and I welcome the opportunity to contribute.

We face a great problem: many of our citizens and senior citizens are vulnerable to the danger of financial scamming. We need to take appropriate measures to minimise the effect of scamming on people's lives and to make progress towards putting an end to financial scams.

Financial scamming can happen to anyone. We live in a world of technology, which makes it easier for scammers to take advantage of people. For that reason, it is vital that we continue to push agendas and proposals that will make it harder for scammers to achieve their goals.

I am the convener of the cross-party group on dementia, where I have had the opportunity to learn about financial scams. Paul Holland, a member of East Renfrewshire Council's prevention team who is also a member of the cross-party group, is an advocate for people who have been affected by financial scams. According to Paul Holland, it is estimated that £9 billion is lost to scams each year in the UK—Maurice Corry mentioned that. The figure speaks volumes about the problem that we face.

We need to continue to support local organisations that are doing indispensable work to help people who are harmed by financial scams.

Anyone can be the victim of a financial scam, but older adults, including those with dementia, are often targets. We want to care and provide for such people and give them the tools to live independently and free from the worry that they might be affected by a financial scam.

The Financial Conduct Authority helps with the harms that financial scams cause and places great emphasis on treating all unexpected calls, emails and text messages with caution. The people behind scams often know basic information about their target. Only last week, I received an email, through my parliamentary email account, that said that I had won \$1 million. I did not reply.

The evolution of financial scams calls for different answers in the fight against them. The number of financial scams has proliferated in parallel with the growth of information technology. Email and hacking scams have replaced telephone and postal scams. The new threat affects all age groups, from the youngest to the

oldest. We should therefore establish prevention techniques that meet the needs of different population profiles.

Moreover, we must continue to take steps to fight professional scammers. As the Justice Committee has underlined, the first step is to support victims of scams, through guidance. For the younger generation, prevention can be enhanced through education. It is imperative that the younger generation continues to develop computer skills at school, and such education can help to prevent exposure to scams on the internet. Teaching young people to recognise and avoid internet scams appears to be an essential solution.

As for older adults, we should consider offering them training on digital tools to prevent financial scams. Maybe I should take up such training. New technologies occupy an increasingly important place in our lives and their development constitutes a digital revolution. However, given the derivatives that such technologies are able to generate, we should understand the importance of efficient prevention.

Protection from abuse and financial scams is a fundamental right of our older adults. Elders being scammed is a human rights violation that infringes article 25 of the Charter of Fundamental Rights of the European Union—I am not sure whether I can talk about that nowadays—which

“recognises and respects the rights”

of older people

“to lead a life of dignity and independence and to participate in social and cultural life”.

The fight against financial scams will not be won in a single day, but the long-term work to prevent the risk of it seems more necessary than ever. I again thank Maurice Corry for bringing this really important issue to the chamber today.

17:25

Jeremy Balfour (Lothian) (Con): Age UK has described fraud as a challenge that we face as a whole society, and fraud has been identified as one of the most numerous types of crime. Fraud is a crime in which some kind of deception is used for personal gain, and it can have devastating effects on a person's life. Not only can fraud leave people penniless, but it can have serious long-term and lasting consequences on their health and wellbeing.

Fraudsters are becoming increasingly sophisticated and can scam people by post, by phone, online or in person. It is important that we raise awareness of such schemes to prevent more people's lives being affected by those who make it

their job to con people out of their hard-earned money and life savings.

Fraud is a crime that affects people of all ages, but older people are often more at risk because of their circumstances. As we have heard, older people may be isolated, lonely or in mental decline and may be more likely to respond to scams. Indeed, two fifths of older people in Scotland—amounting to 400,000 people—believe that they have been targeted by a scam in the past 12 months. They are more likely to be vulnerable to particular types of fraud, such as doorstep scams, phone scams and pension scams. Age UK's report on scamming noted that the average age of victims of mass marketing postal fraud is 75. That includes lottery and prize scams, and scams that can often seem so legitimate that people take them forward.

That is why it is important that all people, but particularly older people, are educated on ways of determining scams of all kinds. Charities and organisations can provide helpful information and advice; for example, friends against scams is a national trading standards scams team initiative that aims to protect people and prevent them from becoming victims of fraud by empowering individuals and communities to take a stand against scams. City of Edinburgh Council has partnered with organisations, with staff undertaking friends' pledges as a method of spreading awareness of scamming in the hope of having a domino effect across the city.

Charities such as Age Scotland and Think Jessica have helplines that are available to anyone who is affected by a scam; people are encouraged to report a scam to the police in order to help their fraud teams to tackle the problem. ACE IT, a charity that is based in Edinburgh, provides community-based computer training for people aged over 50. It seeks to encourage new and non-confident users to learn basic computer skills and to work out what is a scam and what is not.

There is help out there, but we need to ensure that people know about it. We need to encourage people to speak to their loved ones, friends and neighbours about the different types of scams that are out there, and how they might have fallen into the trap.

I ask the Scottish Government to undertake more detailed research to understand the extent and impact of fraudulent schemes, and to do what it can to ensure that people are aware of what is going on. Without public safety campaigns or people talking about the subject, more and more people will be affected by scams.

I thank my colleague for securing this members' business debate. It is a vital subject that we should

not be scared to talk about. We should be shouting from the rooftops, "Don't do it!"

17:29

Kenneth Gibson (Cunninghame North) (SNP): I congratulate Maurice Corry on securing debating time on an important issue that has concerned me for many years. I ran an extensive information campaign in my constituency on this topic.

It is estimated that over 250,000 people in Scotland fall victim to scams each year, losing hundreds if not thousands of pounds. In 2017, the average loss for scam victims aged 75 to 79 was £4,500. Annually, scams cost the Scottish economy between £500 million and £1 billion. The Office for National Statistics found that people are more likely to fall victim to fraud or cyber offences than to any other crime.

Sadly, older people are overrepresented as victims, including of pension, telephone and doorstep scams, having been targeted because of perceived vulnerability. The average age of a victim is 75. Older people living alone are more likely to be scammed than married people. Half of all people aged 75 plus live alone. Tragically, victims are often lonely, and the criminal is the only so-called friend that they have. Scammers may also intimidate and bully victims into parting with savings.

The stress and pain of victimisation can seriously impact lives and cause depression, isolation from family and friends, and a serious deterioration of physical and mental health. People who are defrauded in their own homes are two and a half times more likely to die or go into residential care within a year. Victims may go through many reactions and emotions, including anger, flashbacks, nightmares, fear of leaving the house, confusion and anxiety. The entire experience can be extremely traumatic and enduring.

Older people are also more likely to suffer repeat scams, which could be because they are overtrusting, socially isolated or suffering from dementia. Chronic victims often refuse to believe they are being scammed and spend huge amounts of time reading, sorting and replying to scam letters. Even when someone recognises that they have been scammed, they may be too embarrassed to seek help or talk about it. It is believed that only 5 per cent of scams are reported, and seven out of 10 victims do not tell anyone, including friends and family. It is important to emphasise that victims of scamming need not feel embarrassed or ashamed. People from all walks of life and of all ages can be scammed.

There are groups and services available that not only try to stop future scamming activities, but provide support to victims. One important group is Think Jessica, a charity that is committed to protecting elderly and vulnerable people from fraud. Victim Support Scotland and Citizens Advice Scotland also deliver vital support and offer guidance on where to turn. Victim Support Scotland does not offer counselling, but it can help people to understand and cope with their feelings. Victims often find it easier to speak to someone impartial than to family and friends. The groups listen and give people time to talk and begin to understand the impact that a scam has had on them, as well as help to identify and agree on any further support that may be required.

Behind each scam lie heart-breaking stories of people and their families being robbed of their entire life savings, as Maurice Corry outlined in talking about John. The Government's national nuisance calls action plan contains a range of measures to raise awareness and is welcome in making it easier for people to protect themselves. However, the power to regulate in this area still lies with the UK Government, which—I am delighted to say—finally agreed to implement Patricia Gibson MP's Unsolicited Marketing Communications (Company Directors) Bill on director-level responsibility, after an unnecessary three-year delay.

When the bill was introduced on 13 September 2015, only companies could be fined, which meant that company directors simply closed down the company upon which the fine had been levied and reopened under a different company name, while retaining the same staff and premises and trading as before. The bill sought to tackle the scourge of nuisance calls by legislating for company directors to be fined up to £500,000 each if they are found to be in breach of the Privacy and Electronic Communications (EC Directive) Regulations. The legislation came into effect on 17 December last year, the UK Government having implemented Mrs Gibson's bill in full. Imposing fines on named company directors will have a huge impact on diminishing this scourge.

There is still much important work to be done in raising awareness and protecting people from all sorts of other scams and fraud. I look forward to seeing further developments and again congratulate Maurice Corry on securing the debate.

17:34

Gail Ross (Caithness, Sutherland and Ross) (SNP): I, too, thank Maurice Corry for bringing this important matter to the chamber for debate. Across my constituency of Caithness, Sutherland and Ross, people are also being defrauded. Just

last week, a family contacted me for help. They had been conned out of a four-figure sum in an elaborate and very organised way, which I will go into later on. I am sure that many of us here have helped constituents who have been victims of financial scams; indeed, studies show that every 15 seconds someone in the UK loses money to a scammer.

Younger people often think that they are less likely to be hit by scams but, in fact, that is not the case. Indeed, many scammers develop particular techniques that are aimed more at young people. As we heard from Jackie Baillie, there are ticketing scams, for example, as well as online scams and subscription traps.

No part of Scottish society is immune to financial scams, and we must work together to ensure that everyone is kept safe. We should highlight how important it is that scams are reported and that people know where to get help if they need it, and we should encourage government at all levels and local authorities to support organisations to inform and educate members of the public about keeping themselves safe.

It has been mentioned that Citizens Advice Scotland has published a lot of very useful information and support for people to access to get help if they have been scammed and tips on how to prevent people from falling victim to a scam. I encourage all members—not only those in the chamber—to have a look at the online information and share it with their constituents.

Citizens Advice Scotland notes the tools that scammers use to entice their victims into parting with their money. Scammers will often create a feeling of obligation, as they are aware that most people will tend to obey requests from authority figures. They also create a sense of personal consequence, as most people will tend to avoid anything that would result in some sort of punishment. They appeal to emotions and try to create a sense of urgency. Members will see that in the example that I am about to give.

A young family in my constituency were contacted recently by what they believed to be Her Majesty's Revenue and Customs—that is what they were told—and thousands of pounds in unpaid tax were demanded from them. The scammers informed my constituent that they would be immediately arrested and taken to court if they did not pay the money straight away.

My constituent lives in a particularly remote location, and there is a two-and-a-half-hour round trip to their nearest bank. The scammers insisted that the money must be paid right away, so they allowed my constituent to make a payment by an alternative method—by purchasing vouchers at

the local shop and giving the details of the vouchers to the scammers. That was completely new to me.

We can see that the scammers used the four classic tools for pressuring people into giving them money: consequence, obligation, urgency and emotion.

The local shop had only a proportion of the vouchers that my constituent had been told to purchase—members might say that that was fortunate—so my constituent decided to travel to a neighbouring village to purchase more vouchers to send. Luckily, they met a family member en route, and they explained the situation to that family member, who realised that that was not a legitimate way for that money to be collected. My constituent was therefore prevented from losing any more money.

As that shows, any one of us can be a victim of a financial scam. Although some people in society are certainly more vulnerable than others, we need to get the message out to everyone that organised criminals can and will target anyone, regardless of their age or health.

I thank Citizens Advice Scotland and the many other organisations that support and help people who have fallen victim to a financial scam, and I encourage everyone to speak up and report scams if they come across them.

17:38

The Minister for Business, Fair Work and Skills (Jamie Hepburn): Like other members, I begin by thanking Maurice Corry for bringing forward this debate. We have a clear responsibility to all our citizens—particularly those who are most vulnerable—to protect them from becoming a victim of scamming behaviour. As Dick Lyle and Gail Ross reminded us, any person can be impacted by scamming behaviour. The debate is therefore important.

Many of the examples that have been mentioned demonstrate the distress and harm that scams cause. We will all be aware of situations that have had an impact on people whom we represent—indeed, many of those have been laid out in the debate. Kenny Gibson and Jeremy Balfour were quite right to remark that the issue goes beyond the immediate financial loss, which is, of course, the primary thing that we think of when we discuss and debate such matters. We should also remember the substantial long-term impact on people's wellbeing.

We are well aware of the prevalence of the problem. Jeremy Balfour asked about Scottish Government research into that, and I say to him and other members that, in March last year, we

commissioned EKOS to review existing research and evidence on the financial cost of scams to the Scottish economy, with the intention of identifying and measuring preventative strategies that are designed to reduce the impact of scams. The research that Jeremy Balfour suggested has been undertaken. If he or any other member would like more information, we would be happy to provide it.

The Scottish Government is working with a range of partners to embed cyberresilience in our education and lifelong learning systems at all levels, so that all citizens have a fundamental awareness of cyber risk and how they can take basic but important steps to reduce that risk. However, we know—as a range of members have eloquently said—that scams do not happen just online, which is why we must undertake other activity.

The Scottish Government provided Crimestoppers Scotland with funding last year to support and empower people to speak up when they need to, in order to help to prevent and solve crime, make communities safer and reduce the likelihood of criminal behaviour. Crimestoppers is leading on the national doorstep crime campaign that will be launched next month, in partnership with Police Scotland, Neighbourhood Watch Scotland and trading standards. The campaign will focus on raising awareness among the over-60s of bogus callers and rogue traders.

We often think that scams affect older people, but Jackie Baillie and Gail Ross were right to say that the issue impacts young people, too.

Through partnership working, we will continue to increase consumer awareness of scams. In June each year, Citizens Advice Scotland runs scams awareness month, and it undertakes additional scams campaigning. It works with local trading standards teams throughout the country and the majority of citizens advice bureaux to ensure that activities take place locally. In 2018, Citizens Advice Scotland worked with Young Scot—that reminds us that the issue affects young people—as well as Police Scotland and many local authorities on a range of activity that gained a huge amount of social media and local and national newspaper coverage in the delivery of a successful campaign.

We need to do more than education and awareness raising, important as they are. We must also recognise how businesses can play a role. Last year, the Cabinet Secretary for Finance, Economy and Fair Work supported the Royal Bank of Scotland in its launch of "The Little Book of Cyber Scams" and its cyberfraud prevention initiative, which is designed to better protect vulnerable customers. The new system involves Police Scotland, the banking sector and trading standards. Launched in March last year, it

prevented more than £5 million of fraud in 2018 and led to a number of arrests. Most of the potential victims were over 65 and there was a range of scamming behaviour.

The protocol kicks in when bank staff suspect that a customer might be about to fall victim to a scam—that often happens when they ask to withdraw an unusually large sum of money. The bank alerts the police, and officers attend the branch with a guaranteed priority response. I commend that initiative, from which many other businesses can learn.

Just as the matter is not only for education and awareness raising, so we should not be looking just to business to take action. We must take action as an Administration and collectively as parliamentarians.

Maurice Corry: I think that we sometimes forget the importance of trading standards officers. I have seen how effective they are in my region, even though they are few and far between. Does the minister agree that it would be better to focus more finance into that service? Trading standards officers are effective and gain a lot of intelligence on the ground. I have seen them in operation, and they have been very effective in the West Scotland region and in the Helensburgh and Lomond area, in particular.

Jamie Hepburn: I greatly value the work of trading standards officers. I have worked very closely with them on a range of activities that our Administration has undertaken, including our initiative to ensure that people are not being ripped off with high delivery charges. Trading standards have an important role to play in that regard. I have had the pleasure of meeting representatives of trading standards officers recently, to discuss what additional work we can do together. I will always be very willing to meet them to discuss such matters.

I recognise the important role that trading standards officers play. Indeed, in 2017, we provided funding of £125,000 to Trading Standards Scotland for the purchase and roll-out of call-blocking devices—Maurice Corry mentioned their effectiveness—which led to the blocking of 100,000 calls and the prevention of an estimated 171 scams, with nearly £605,000 saved.

We will act as a Government and work with others, including trading standards officers. I commend Kenneth Gibson and Ruth Maguire for their local activities to emphasise not only the role that the Government plays, but the role that each of us can play as parliamentarians. They reminded us that this is a shared agenda, with all of us collectively taking concerns about scams seriously. Together, let us resolve to continue to

undertake activity to reduce scams and protect all our citizens.

Meeting closed at 17:47.

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