



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Meeting of the Parliament (Hybrid)

**Tuesday 16 June 2020**

**Session 5**



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Pàrlamaid na h-Alba

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# Scottish Parliament

*Tuesday 16 June 2020*

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

## Time for Reflection

**The Presiding Officer (Ken Macintosh):** Good afternoon, colleagues. We start our business, as usual on a Tuesday, with our first item being time for reflection. Our time for reflection leader today is the Rev James Maciver, who is the minister of Stornoway Free church.

**The Rev James Maciver (Stornoway Free Church):** Presiding Officer and members of the Scottish Parliament, beannachdan thugaibh à Steòrnabagh. Blessings to you from Stornoway, and thank you for the opportunity to address you today.

Time for reflection is a term we could aptly and profitably apply to our national circumstances since the Covid-19 outbreak. My faith community, the Free Church of Scotland, has always regarded the Bible's teaching as being pertinent to every aspect of human life, so my reflection theme today, without intentionally denigrating any alternative world view, is the Bible's suitability and sufficiency for our national and personal needs.

In the whole sweep of its treatment of our human condition, the Bible takes account of nations as well as individuals. It places both within the unfolding events of history as being under God's sovereign government. Its concern is for the whole of humanity, but also for the wellbeing of every individual, when it presents us with, and invites us under, the lordship of Jesus Christ. After all, our human traits affect every facet of life—individual and corporate. No nation can rise higher or sink lower than its people. Our nation will be what we all—Government and governed alike—make it.

In that light, I suggest that the Bible can be seen as our greatest asset, setting the principles and conduct of human life within the bounds of the God-defined "righteousness" that Proverbs, chapter 14, verse 34, calls that which "exalts a nation".

The evil of racism cannot survive in the atmosphere of the Bible's ethic that all human beings are created equally in the image of God, which in turn undergirds the Bible's denunciation of sinful pride, hatred, prejudice, and intolerance, all of which are destructive of human dignity. The Christian ethic, founded on the Bible, contains the principles and practices of freedom of thought,

speech, conscience, religion and worship—the fundamental liberties of the human spirit. It also demands our respect for human life—for its sanctity in all its stages and conditions, from the unborn to the grave.

Probably the most important consequence of the 1560 reformation in Scotland was the making of the Bible available to the people, for wherever the Bible went, education followed. It is the book of the people and for the people, which presents the ideals that enable the state to maintain its responsibilities to God and to its people, while simultaneously providing the framework for our individual liberties.

Thank you, and God bless you.

## Business Motion

14:04

**The Presiding Officer (Ken Macintosh):** Our next item of business is consideration of business motion S5M-22053, in the name of Graeme Dey, on behalf of the Parliamentary Bureau, setting out revisions to this week's business.

*Motion moved,*

That the Parliament agrees the following revisions to the programme of business for—

(a) Tuesday 16 June 2020—

delete

6.00 pm Decision Time

and insert

5.30 pm Decision Time

(b) Wednesday 17 June 2020—

delete

6.00 pm Decision Time

and insert

8.00 pm Decision Time—[*Graeme Dey.*]

*Motion agreed to.*

## Topical Question Time

14:04

### Queen Elizabeth University Hospital (Review)

1. **Anas Sarwar (Glasgow) (Lab):** To ask the Scottish Government what its response is to the review into the Queen Elizabeth university hospital. (S5T-02267)

**The Cabinet Secretary for Health and Sport (Jeane Freeman):** As members know, I commissioned the independent review in January 2019, with the remit to establish whether the design, build, commissioning and maintenance of the Queen Elizabeth university hospital and the Royal hospital for children have had an adverse impact on the risk of healthcare associated infection, and whether there is wider learning for NHS Scotland.

I have welcomed the report that was published yesterday, its important findings and recommendations, and the contribution that it will make to the public inquiry. I will respond fully to its findings and recommendations in due course.

In thanking Dr Fraser and Dr Montgomery for their considerable work, I record again my sincere thanks to the whistleblowers for their courage and persistence in the face of the difficulties that were placed in their way.

I recognise that for some of the families who have been affected the report does not provide all the answers that they rightly ask for, but I hope that the report, the outcome of the independent case review that is under way, and our response to both will assure them of the extreme seriousness with which I take their concerns.

**Anas Sarwar:** I welcome that response from the cabinet secretary. It is a small step in the right direction although, sadly, it leaves many big unanswered questions.

As the health secretary said, the report is one of several pieces of work. It is crucial that any process takes with it the families who have been affected. That is not helped by there being clear inconsistencies. On one hand, the co-authors say that the review was not about looking at individual cases, and that they therefore did not speak to families, but, on the other hand, the report makes judgments on individual cases. That is not acceptable. Its success or failure will depend on getting answers from Milly Main's parents and all the parents who have been affected. Will the cabinet secretary give a firm commitment that families will be at the heart of the next stages—namely, the clinical case review and the public inquiry?

**Jeane Freeman:** I am very happy to give Mr Sarwar that assurance. As he probably knows, following my meeting with a number of the families involved, we undertook a number of actions, one of which was to place a very senior clinical member of my team in Queen Elizabeth university hospital as direct liaison between the board and the families, to ensure that when the families had questions on any matter, they were speedily given full answers. He continues to do that work.

Families have been involved in the work of the oversight board and its design, and have assisted in developing how the independent case review will go forward. Individual families in specific cases that will be independently reviewed are aware of that, and have the option to be alongside the case review while it happens—or not, depending on how they want to engage. They will certainly be involved and will have the findings of the case review fully reported to them in person, and will have as many opportunities as they need to return with further questions.

Finally, the remit of the public inquiry was considered by the families involved in order to ensure that it would achieve what they hoped that it would achieve. Members of Parliament were also given the opportunity to comment through their parties' health spokespersons.

The remit is now finalised. I will speak to Lord Brodie later this week. I hope, following that, to be able to update members on when the public inquiry will begin. Lord Brodie has been keen from the outset to understand how he can best engage with the families; I understand that he intends to appoint a family liaison officer to the inquiry, in order to ensure that that happens.

**Anas Sarwar:** The authors of the review accept that their report was about the future, not the past. However, the past matters, especially to those who have lost a child, because there are indisputable facts. The Queen Elizabeth university hospital was built with design flaws. The independent water-quality report at the time of opening found that there was high risk of infection. That was not actioned at the time, and there were infections in children. Milly Main died from *Stenotrophomonas* infection; that is written on her death certificate.

There is a culture problem, and there was an attempt by the leadership of the health board to ridicule and silence whistleblowers. Does the cabinet secretary accept that the public inquiry must look at those issues and provide answers? Will she publicly support Milly's parents' demands for a fatal accident inquiry, so that they can try and get justice and answers on their daughter's death?

**Jeane Freeman:** I completely agree with Anas Sarwar that the past matters. It is often

unanswered questions about the past to which many families desperately require answers. I completely concur, and I believe that the public inquiry will work very hard to address that. It needs to look at the past in order to provide answers and the lessons that we need to learn for future infrastructure building in our national health service.

The independent case review—with independent experts in their field looking case by case—is also looking at the past. I hope that all the families, who have been contacted, choose a way of engaging with the case review that best meets their needs. As I said, they have a range of reviews.

I understand that Ms Darroch's case—Milly's case—has been reported to the procurator fiscal. Cases need to go through due process, in which—as I know Anas Sarwar understands—it would not be appropriate for me to intervene. We need to let that happen, we need to let the public inquiry begin, and we need to see how Milly's mum feels as a consequence of the review of her daughter's case. We will then see whether we need to take further steps.

**The Presiding Officer:** I note that seven members would like to ask a question; I am not sure that we will get them all in. Nonetheless, I ask for succinct questions and answers.

**Miles Briggs (Lothian) (Con):** I have two questions. First, on 28 January, the cabinet secretary told me that the 80 families who had been identified would have, at the very least, a face-to-face talk through with regard to their specific case. Has that happened?

One of the points in yesterday's report was that the impact and benefits of single rooms should be reviewed and that any future design around that should be considered. Will the Scottish Government now review single-room occupancy in hospitals?

**Jeane Freeman:** With respect to the face-to-face talk through, part of the work of the independent case note review has been delayed—as Miles Briggs might expect, it is taking longer because of Covid-19. The independent reviewers are working through different ways in which they can have that face-to-face talk through, the commitment to which remains. They have undertaken some of that, and it will take longer. It is now anticipated that the initial report will be available in the autumn. However, that may not be the complete report; it depends on how they can meet the commitment to the face-to-face talk through in circumstances in which we are still dealing with Covid-19.

In relation to single rooms, I note from an initial reading of the report—I am sure that I will read it

again more than once—that the specific point that was picked up was in relation to the maintenance of, in particular, hand wash basins and the water supply in single rooms in which, inevitably, the water flow was not as great as in a four-bedded bay in which the water was used more often. There was a maintenance issue that was not picked up and addressed at the outset. That is part of what we need to consider as we progress, because we know that single rooms also play an important role in effective infection prevention and control, notwithstanding the points that the report makes in that regard.

**David Torrance (Kirkcaldy) (SNP):** What role will the national body that was announced in the programme for government to strengthen infection prevention and control have in ensuring that we have a wide range of skills and the expertise that is required for the construction of these particularly complex structures?

**Jeane Freeman:** The national body that has been announced and on which progress is being made—albeit more slowly than we would have anticipated before Covid-19—will have a critical role. Notwithstanding Mr Sarwar’s comments about where he would have liked this independent review to have gone and his concerns around it—which I hope that we will discuss later—there are clear lessons in it.

The national body will consider the lessons, such as those about single rooms, maintenance schedules and the kind of maintenance that should be done, and the design at the outset, which should allow for a better balance between energy efficiency and the right air flow, particularly for groups of patients who are immunosuppressed.

The design of a building such as the Queen Elizabeth university hospital needs to be capable of being flexed depending on the particular needs and vulnerabilities of different patient cohorts. That has to be a key lesson even of this review, far less what the public inquiry will teach us.

**Alison Johnstone (Lothian) (Green):** One of the review’s findings is that

“Some of the difficulties encountered with water and ventilation systems were the result of ambiguity concerning the status and interpretation of guidance”.

The independent review of the Government arrangements for the Royal hospital for children and young people likewise found that the issue with ventilation in critical care stemmed from “confusion” over interpretation of standards and guidance.

Why do such critical errors in the building of our hospitals keep being made, and what assurance can the cabinet secretary give that clear guidance

will be produced in the future, and that it will be followed?

**Jeane Freeman:** There is an argument that the guidance is clear. The instances to which Ms Johnstone refers relate to local interpretations of the guidance. Part of the point of the national centre’s role in signing off design and build, and in providing guidance, is that we will remove the opportunity for local interpretation of guidance. We will have clear national guidance and a single interpretation of it, which will remove some of the areas of perceived ambiguity that arise due to local interpretation. In one place, there will be a body of experience and expertise that moves from one infrastructure project to another with a degree of consistency and skill that we do not get if we leave matters up to each individual board.

**Alex Cole-Hamilton (Edinburgh Western) (LD):** The failure of mechanical ventilation to change over the air in critical care elements of the new sick kids hospital in Edinburgh is the reason why the move to the new building was halted and why remedial changes to the building are having to be effected at a cost of many millions of pounds. Given that the same problem has been identified in the QEUH, what remedial work is required to ensure adequate air flow in that hospital?

**Jeane Freeman:** The remedial work in the Queen Elizabeth campus has already begun. It involves internal construction work; therefore, as in other areas, progress has slowed due to the response to the pandemic. Even in the first phase of easing restrictions in the construction industry, work has not been possible because of where it will take place—wards 2A and 2B in the children’s hospital.

Considerable initial work has been done, but it has not yet been completed to ensure the ventilation flows and the air changes that are needed across wards 2A and 2B. Initially, the intention was simply to deal with one ward, but the decision has rightly been made that work should be done across both wards. As Alex Cole-Hamilton might remember, patients and families were decanted from the area to wards 6A and 6B in order to allow the work to happen. The work is under way, although I do not yet have the final timeline for when it will be completed, due to reasons of construction supply as well as construction work. As soon as I have the final timeline, I will make sure that members know it. The work will have to be signed off by all the regulatory bodies before I agree that children can move back into the area.

**Monica Lennon (Central Scotland) (Lab):** What assurance can the cabinet secretary give that the terms of the public inquiry will allow proper scrutiny of the decisions that were taken by the



Government and successive ministers in respect of the QEUH and the Royal hospital for sick children in Edinburgh?

Notwithstanding the cabinet secretary's comments about family engagement, some families are feeling quite upset and let down by the process so far, and they feel that there has been a cover-up. What is her response to those families?

**Jeane Freeman:** There has certainly been no attempt by me to cover up anything in that regard.

We have taken a number of steps to ensure that families are heard and that when they have shared concerns, those concerns are addressed. That is Professor White's daily role and has been for a number of weeks. Where there are individual family issues around a child's case, such as how the case has been managed and whether there was an impact on the management or treatment of the child, and for those tragic cases in which a child died as a consequence of the environmental issues, we have also taken steps to ensure that the independent case review has a clear determination to work with a level of family engagement that the families determine themselves.

As I already said, Lord Brodie has been clear from the outset that he wants to personally hear from families directly about their concerns and issues. As I also said, the draft remit, which he was content with, was circulated for comment to families who are engaged with and affected by issues at the children's hospital at the Queen Elizabeth university hospital, and those comments were incorporated into the final remit that we will publish.

A great deal of work has gone on to ensure that that all happens. How Lord Brodie conducts his inquiry is of course entirely for him. It is a statutory inquiry with a number of significant powers. He was thoughtful before agreeing to chair the inquiry, because he is determined to get to the bottom of a number of issues that he has already identified as needing to be drilled down into. That includes the role in decision making of Government, and he will consider and conclude whether that has been appropriate or whether mistakes have been made and failures have occurred. I am certain that he will pursue his public inquiry without fear or favour and in the manner that he thinks is correct. I cannot tell him how to do it, and I would not dream of doing so. He will get on and do it.

On whether there is more that we can do to address questions that families still have, I remain, as always, open to meet, speak to and hear from individual families about their concerns and to see whether there is anything more that I can do to address them.

**The Presiding Officer:** I apologise to Neil Findlay and Daniel Johnson, but we have to move on to the next question.

### Schools (Part-time Learning Model)

2. **Jamie Greene (West Scotland) (Con):** To ask the Scottish Government whether it will provide further clarity to comments by the Deputy First Minister that schools could adopt a part-time learning model for the whole of the next academic year. (S5T-02270)

**The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney):** I indicated on Sunday that we do not want the blended learning model to go on for a moment longer than is required for public health reasons and that we want young people to be back having face-to-face learning for 100 per cent of the school week as soon as it is safe to do so.

Ensuring that our children and young people have the highest-quality education is of critical importance. To that end, our regular three-weekly reviews of the coronavirus regulations will include specific consideration of the evidence and data relating to transmission in schools and among young people. Where that suggests that specific safety restrictions can be lifted or eased without putting pupils or teachers at undue risk, we will take that course of action.

**Jamie Greene:** My inbox is full on this matter, as I suspect is the case for other members. Parents around Scotland were justifiably concerned and angry this weekend. They are concerned about how they can possibly return to work with their children being educated only part time and they are angry that no one in the Government can give them clear answers to fundamental questions about their children's education next year.

Instead, we have had mixed messages, confusion and a chronic lack of leadership. On Sunday morning, the cabinet secretary told broadcasters that part-time schooling could last all next year, only to be undermined by the First Minister a few short hours later.

On behalf of parents, and to help the cabinet secretary clear up any confusion on the matter, I have a simple question. Knowing that we cannot rely on a vaccine for the virus being available any time soon, by what date does he believe that schools will return to normal?

**John Swinney:** As I made clear in my first answer, I want schools to return to normal as quickly as it is safe for that to happen. The Government is working with its local authority partners through an agreed framework, which has been discussed and agreed with the teaching professional associations and representatives of

the parental community, to ensure that we have a workable approach to sustain the learning of children and young people, part of which will happen in school and part of which will happen at home, supported by a range of digital learning support that is available just now and will be strengthened as we approach the resumption of the school term in August.

As I said in my earlier answer, we will bring to an end blended learning when it is safe to do so.

I acknowledge that this is a challenging period for parents. However, I too have had communication from many parents about the importance of ensuring that our schools are safe places for children and young people. I am sure that members will understand the importance that I have to attach to ensuring that our schools are safe places for the education of children.

**Jamie Greene:** The cabinet secretary is saying, in essence, that he cannot give a date. However, the First Minister was able to say yesterday that the blended model will

“not ... last a year or anything like it”.

What exactly does that mean?

Parents and pupils need more detail, but we are getting two competing messages from the Government's two most senior ministers.

Since the education secretary does not know whether, or when, schools will fully reopen, perhaps he can answer some questions to which he should know the answer. How much additional classroom capacity could schools deliver if social distancing was reduced to 1m? How many additional teachers have been recruited since March to deal with his plans for blended learning? Will he guarantee to members that children will be able, next academic year, to access the same breadth of subjects as was available to them this year?

**John Swinney:** The blended learning model is the product of an agreement between the Scottish Government, local authorities, the teaching professional associations and parents. It has been worked on for some weeks since the lockdown began, to ensure that we had an agreed framework that could be deployed locally to maximise the impact and effect of education on young people.

On school occupancy, answers vary around the country, as Mr Greene will know. As I explained to the Education and Skills Committee on Friday, some schools operate significantly below full occupancy and, in many cases, will be able to deliver almost a full timetable for children and young people. At the other end of the spectrum are schools that have much more significant rolls, which may be close to capacity, or even, in some

circumstances, over capacity. They have to manage very carefully the accommodation that is available to them.

The strategic framework put in place the facility for, and the requirement on, local authorities to maximise available accommodation and staff resources. That is what we expect of local authorities, and it will vary because of the options that are available around the country. In the plans that come forward from local authorities, we will be looking for detail on how they are maximising the use of accommodation and the recruitment of staff.

The General Teaching Council for Scotland is contacting registered teachers who are not currently teaching, to assess their availability to support the expansion of learning models around the country.

**Iain Gray (East Lothian) (Lab):** The Scottish Government produced a detailed route map for the reopening of economic and social life. It is not perfect, but at least it is a timetabled plan towards normality for every part of Scotland. Why on earth, therefore, was there no route map for a return to full-time school for every pupil in Scotland—as is, after all, their right?

**John Swinney:** Mr Gray has obviously not been reading carefully enough, because that is precisely what the strategic framework does. It underpins the importance of restoring full-time education for young people, at the earliest possible opportunity, when it is safe for us to do that for staff and pupils. If Mr Gray is prepared to be cavalier with the safety of staff and pupils, he is welcome to that view, but it is not one that I share.

**Kenneth Gibson (Cunninghame North) (SNP):** The cost of providing blended education will be different for each local authority, and we do not yet know how long the approach will last. Can the cabinet secretary provide a best estimate of the educational and financial impact for each month in which blended learning remains in place in Scotland? Will local authorities be permitted to end blended learning and return to normal when they consider it appropriate to do so?

**John Swinney:** The assessment of financial issues will flow from the development of local authority plans to deliver the blended learning approach around the country. That commitment was given in the strategic framework that the Government published in May and the issue will be the subject of detailed discussion as we assess and consider the plans that individual local authorities put forward. Mr Gibson is correct to say that plans will vary from area to area across the country.

**Willie Rennie (North East Fife) (LD):** The mammoth effort to get our health service ready for

the virus and to protect our businesses from the virus has not been replicated in the context of young people's education.

If the Scottish Government is asking parents to return to work, the Scottish Government has an obligation to make provision for full-time childcare. If school hours are cut in half, childminder provision is cut back and grandparents are not allowed to look after kids, who exactly is going to look after them?

**John Swinney:** Mr Rennie does a disservice to the educators the length and breadth of the country who have done a significant amount of work to deliver learning in the extremely challenging circumstances that we currently face. If Mr Rennie will not pay tribute to the teachers who are delivering that education, I am very pleased to do so, to make sure that teachers understand that the Government appreciates and values the contribution that they are making in difficult and challenging circumstances.

The route map that the Government set out indicates clearly the relationship between the resumption of economic and work activity and the resumption of school activity in the country: they must go hand in hand. That is the design of the route map, and further details on that will be shared with the Parliament by the First Minister on Thursday.

**Jamie Halcro Johnston (Highlands and Islands) (Con):** Bruce Adamson, Children and Young People's Commissioner Scotland, said:

"We know the home based learning that they have been doing just doesn't work. It is no substitute whatsoever for a real-life, school-based education."

He went on to say that the proposals for blended learning are

"heavily based on home learning",

which is

"going to have a real impact on children's right to education. So we need to do much better."

Does the cabinet secretary need to do much better?

**John Swinney:** As I indicated in my earlier answers, the Government has formulated a framework for the resumption of full-time schooling, in partnership with our local authority colleagues, the professional associations and parents, to make sure that we resume learning as early as we can do.

I have accepted publicly—I did so in front of the Education and Skills Committee on Friday—that blended learning is not as good a model as the education delivery model that we had in place before Covid.

We have to resume full-time education as early as we possibly can do. However, I have to deal with the reality that the scientific and clinical advice to me just now does not enable us to restore full-time learning in schools. We will do that at the earliest possible opportunity. I am sure that the Parliament understands the importance of our listening to and following carefully the scientific and clinical advice that is available to us, because the safety of children and staff must be paramount in the decisions that we take.

### Protests (Glasgow)

3. **Sandra White (Glasgow Kelvin) (SNP):** To ask the Scottish Government what its response is to the violent scenes that took place in George Square, Glasgow, at the weekend. (S5T-02272)

**The Cabinet Secretary for Justice (Humza Yousaf):** I was completely appalled by the shameful scenes that took place in George Square last Sunday, first because there is never any excuse for violence or intimidation, and secondly because our police officers have been on the front line in keeping us safe during this pandemic, and for them to have to face the disorder that we witnessed on Sunday is simply unacceptable.

The scenes were very much in stark contrast to the peaceful Black Lives Matter demonstrations that took place in Scotland the week before.

I remind everyone that we continue to be in a crisis situation and that mass gatherings of people put at risk the lives our citizens and front-line public service workers. The First Minister and I have been crystal clear in supporting everyone's right to protest, but we have called on those who wish to do so to consider alternative ways to protest, such as through social media and digital means.

**Sandra White:** The minister will be aware of Tommy Ga-Ken Wan, a Scottish-Chinese gentleman who is a photographer in Glasgow. He was racially abused and punched on the head. According to Tommy, the police threatened him with action if he did not leave. A staff member for *The Herald*, who was also there, said:

"Went along to #GeorgeSquare today—folk patrolling the perimeter threatening people who are taking photos ... After being approached by a few men I deleted most of my pictures".

Can the cabinet secretary outline what action the police can and should take in such circumstances and why no action was taken on Sunday against those thugs?

**Humza Yousaf:** I was deeply moved by Tommy Ga-Ken Wan's comments and the story of the disgraceful incident that he had to face. As someone who has also publicly faced racist abuse, I know how hurtful it can be. I read his

account in the *Glasgow Times* this morning. I was deeply moved by it and ashamed that we live in a country where someone has to suffer that racial abuse. I offer solidarity to Tommy during this difficult time.

Over the years, including before I was justice secretary but particularly during my time in this role, I have spoken about hate crime to Police Scotland's most senior police officers—chief constables, deputy chief constables and assistant chief constables. There is zero tolerance for hate crime in any form.

With regard to the specific incident that Sandra White raised and the disappointment that Tommy expressed in his story, the chief constable is accountable for police operations. Therefore, if Sandra White has not already done so, she should write to the chief constable, who will undoubtedly respond. If Tommy is equally unhappy with Police Scotland's actions in regard to this particular incident, he can also make a formal complaint about it. If he is not satisfied with the response to his complaint to Police Scotland, he can make a complaint to the Police Investigations and Review Commissioner in relation to the handling of that complaint. There are avenues to take that forward.

**Sandra White:** I have written to the police, but I have not yet received a reply. I have already spoken to Tommy—I would not put forward anything that he had not agreed to—and I have offered to speak to him again.

Those people were thugs. I witnessed police officers, helicopters, mounted police and police motorbikes and vans, and the whole square was closed down to ordinary people walking about.

Although the people were thugs and their actions were criminal, there is more to it. That intolerance comes from people's ignorance of the history of slavery and colonisation. I ask that this subject be taught in our schools, as part of our school curriculum. A good place to start would be the television programme, "Slavery: Scotland's Hidden Shame", which is presented by David Hayman. I ask the cabinet secretary to speak to the Cabinet Secretary for Education and Skills, because the events stem from ignorance about what happened all those years ago.

**Humza Yousaf:** I agree with Sandra White's characterisation that the individuals involved were thugs—there is no getting away from that. In my opening remarks, I specifically made the point that the scenes in Glasgow on Sunday were in stark contrast to the Black Lives Matter protests in Scotland the previous weekend.

With regard to Sandra White's substantial point, the Deputy First Minister and I have had that conversation. He can give her more details, but the curriculum for excellence allows the

opportunity for the slave trade and Scotland's role in it to be taught in our schools. If there is something further that we can and should do in that regard, the Deputy First Minister would be happy for me to say that we could actively explore that.

What I would say is that, for all the negatives—there are many of them—that have been raised by the Black Lives Matter movement, there is a silver lining, in that we have been forced as a nation to confront that part of our past in a way that I do not think has happened in my lifetime. I suppose that the message that I would send is that we should not waste that opportunity and we should ensure that we educate not just ourselves but future generations on the role that Scotland played in the slave trade.

**The Presiding Officer:** I apologise to James Kelly and Patrick Harvie, who have been waiting patiently to ask a supplementary question. We have run out of time.

## Greenhouse Gas Emissions Statistics (2018)

**The Presiding Officer (Ken Macintosh):** The next item of business is a statement by Roseanna Cunningham on greenhouse gas emissions statistics for 2018. The cabinet secretary will take questions following her statement, and I ask all members who wish to ask questions to press their request-to-speak buttons as soon as possible.

14:40

**The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham):** The most recent greenhouse gas emissions statistics for Scotland were published this morning. The statistics are historical and apply to the period up to the end of 2018 only. They therefore predate the First Minister's declaration in 2019 of a global climate emergency and the substantial work that has been undertaken by the Government since then to combat climate change.

Reporting to Parliament is an annual requirement under Scotland's climate change legislation. However, this year's statement occurs in circumstances that could not have been predicted. Of course, our immediate focus must continue to be on responding to the public health crisis of Covid-19 and on protecting lives and livelihoods. However, the climate crisis has not gone away. It remains the greatest long-term challenge facing humanity. Unchecked, climate change has the potential to cause significant and irreversible social and economic damage, here in Scotland and globally. That is why the Scottish Government's response to the global climate emergency continues in earnest. We remain absolutely committed to ending Scotland's emissions contribution by 2045, with a 75 per cent reduction being achieved by 2030. Covid-19 means that our starting position has most definitely changed, but our ambitions have not, and we are committed to delivering a green recovery from this pandemic.

Today's statistics are the first to be reported under the new, more transparent arrangements that the Government introduced in the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, in accordance with recommendations from the United Kingdom Committee on Climate Change. On that new reporting basis, emissions in 2018 were down by 50 per cent from the 1990 baseline, which is exactly half of the way to net zero. That strong long-term progress means that Scotland continues to lead the UK as a whole and to rank second only to Sweden among our western European neighbours.

However, the annual target to reduce emissions by 54 per cent has been missed. That outcome is certainly disappointing, but we should not lose sight of two things. First, Scotland's annual targets, shaped and agreed across the chamber as they were, have intentionally been set to provide an extremely stretching pathway to net zero. Such a world-leading pathway will inevitably face challenges but, by being ambitious and by stretching ourselves in pursuit of net zero, we will go a long way to reaching our destination.

Today's statistics highlight one such setback, with changes to the national energy mix and freezing temperatures from the east during the early months of 2018 contributing to a rise in emissions from energy supply and heating used for buildings. To set that in context, although emissions reductions were seen in all other sectors—including transport, industry and agriculture—during 2018, the overall effect was a 1.5 per cent increase, and we expect that a substantial part of that was driven by the cold weather.

Secondly, many other developed countries are experiencing a journey towards net zero that is similar to ours. We are now in a transition period in which changes across the whole of society will be essential to achieving future reductions.

As I have said, we must remember that these statistics are always two years after the event and so do not capture many recent Scottish Government actions. Among the actions that are not yet being picked up are most aspects of our 2018 climate change plan, which rises to the shared, international whole-society challenges that I have referred to. The statistics also miss all the measures that were announced following the First Minister's declaration of a global climate emergency in 2019.

Just a few examples of specific work that is not yet captured in the statistics are the development of an ambitious deposit return scheme; the further increase in our tree-planting ambition; last year's announcement of increased funding for the restoration of our vital peatlands; increasing the budget for the energy efficient Scotland programme this year to more than £150 million across a range of domestic programmes; making available an extra £2 billion of infrastructure investment over the next parliamentary term for measures to support tackling climate change; and ensuring that the Scottish National Investment Bank has the transition to net zero as one of its primary missions. The recent acceleration in action reflects our recognition of the scale of the challenge that is represented by Scotland's world-leading targets, and of the need for a national effort to meet those targets.

However, the nature of the challenge that is faced by Scotland and other countries has now been fundamentally altered by the lasting impacts of Covid, particularly on our economies. The foundation from which we will now journey towards net zero has changed. In recognition of that, the Scottish Government is developing a green recovery and reflecting carefully on last month's advice from the Committee on Climate Change. We have welcomed the committee's six key principles to rebuild while delivering a stronger, cleaner and more resilient economy.

That will include a revised version of the 2018 climate change plan, which I hope to lay before Parliament in December to align with the Scottish budget, if possible. The recast plan will set out a credible pathway, as part of a green recovery, to meeting Scotland's world-leading climate targets over the period to 2032. It will also set out plans to reduce emissions further in order to make up for the shortfall from the missed annual targets for 2018 and 2017. I continue to chair a sustainable renewal advisory group to help shape the recasting of the plan and to work towards a green economic recovery.

In addition to the principles from the Committee on Climate Change, we are awaiting further expert advice on shaping the recovery from Scotland's just transition commission and the advisory group on economic recovery. That strong collective platform of expert advice will guide our approach to sustainable economic recovery.

We are also looking to learn lessons from the changes to people's lives during the pandemic. We know that there is support for a green recovery, and we are committed to supporting people to embed new behaviours that reduce emissions and benefit both our environment and health.

We are already taking action. In April, we announced a £10 million fund for Scottish pop-up cycle lanes and wider pavements to support active travel during lockdown. In May, the fund was tripled to £30 million. Last week saw the launch of ScotWind—the first offshore wind leasing round to be administered in Scotland—which is a significant milestone for Crown Estate Scotland and for our climate change ambitions. We have also launched the energy transition fund, which is a £62 million package of support for recovery and a just transition through growth in markets such as hydrogen and carbon capture, utilisation and storage.

Tomorrow, the Minister for Energy, Connectivity and the Islands will set out plans for low-carbon infrastructure funding, as part of the phased delivery of the heat transition deal, to support recovery in the energy efficiency, heat and low-carbon energy sectors, and to accelerate much-

needed investment in heat decarbonisation projects.

Of course, Scotland's ability to deliver a green recovery and meet our emissions reduction targets is also dependent to a very significant extent on United Kingdom Government action. That matter was also referred to by the Committee on Climate Change. Substantial responsibilities and regulatory controls that could assist in our objectives are retained by the UK Government. Those include parts of the fiscal system, decarbonisation of the gas and electricity grid, the development of hydrogen capacity and further investment in carbon capture and storage. I have recently written to the UK Government to call on it to take the action that currently only it can in those vital areas.

Finally, global co-operation is crucial in the fight against climate change, just as it is crucial in the fight against Covid-19. The 26th conference of the parties—COP26—will be in Glasgow in 2021. We look to other countries to follow our lead and come forward with strategies to reach net zero emissions and deliver a green recovery. We will share our experiences, but we will also learn from others. COP26 must build on green recovery plans and help to set the world on course to net zero in a way that is fair and just.

We are committed to a green, just and resilient recovery for Scotland—one that places us firmly on the pathway to net zero emissions by 2045 at the latest. Covid-19 and climate change present global challenges of unparalleled scale, and Scotland is making progress in tackling both.

**The Presiding Officer:** The cabinet secretary will now answer questions on her statement.

**Annie Wells (Glasgow) (Con):** I thank the cabinet secretary for advance sight of her statement.

The Scottish National Party Government is very good at setting ambitious targets, but meeting them is a whole different story. Not only did we miss the target by 4 per cent, but we are actually going in the wrong direction: source emissions have gone up. The cabinet secretary's statement blamed the cold weather for the increase. Does she really believe that cold weather is a good excuse in Scotland? We were all aware of the cold weather when those targets were set.

The cabinet secretary also talks a good game about what this Government has done in recent years. However, the SNP has been in power for more than a decade. The missed target is their failure. How will the Government make up the lost ground? We need a clear road map, not just promises.

A few years ago, we saw a lot of headlines about Nicola Sturgeon's energy company. Where is it?

Finally, during this pandemic, what is the Government doing to help people to recycle more?

**Roseanna Cunningham:** Annie Wells is relatively new to her role as shadow cabinet secretary for environment, climate change, land reform and COP26, so I will be as kind as possible.

I remind her that Scotland continues to outperform the UK in reducing long-term emissions, and that in western Europe it is second only to Sweden. Targets have been intentionally set to provide an extremely stretching pathway. If we did not set stretching targets, we would be accused of making things too easy for ourselves. Instead, this country has one of the most constrained, legislative ways of dealing with climate change of any country in the world. We are the only country in the world that sets these annual targets for ourselves. There will always be hiccups on the way.

Of course we have to take Scotland's weather into account. However, even Annie Wells has got to acknowledge that, occasionally, some of our winters are more severe than others, and the "beast from the east" was one of those winters.

**Claudia Beamish (South Scotland) (Lab):** I thank the cabinet secretary for prior sight of her statement.

It is immensely disappointing that the 2018 target has not been met. At worst, sectoral changes showed inexcusable emissions increases, and at best there were measly reductions of a few percentage points. If we are to meet the interim 2030 target of a 75 per cent reduction in emissions—which is vital to keep global warming below 1.5 degrees—we need robust and urgent action now.

There are indisputable connections between the climate and nature emergencies, and we must address them together for the sake of people and the planet. The failures of the years that are focused on in this report only strengthen the need for transformational change and bold governance now.

Will the cabinet secretary act to extend the life of the just transition commission to help embed equality at the heart of the path to net zero?

Will she guarantee to work with all portfolios to ensure that the updated climate change plan reflects the urgency? As the cabinet secretary mentioned in her statement, the UK Committee on Climate Change's letter to her highlights a number of actions that we can take to bring in the new skilled jobs across Scotland that we need, both

urban and rural, and the recent Scottish Trades Union Congress report reinforces the opportunities that we can take together as we come out of the Covid crisis. That includes action for a publicly-owned energy company. Can the cabinet secretary give an update on the progress toward that?

**Roseanna Cunningham:** The question was quite long, but I will try to be as quick as possible.

Claudia Beamish knows that the energy company does not sit in my portfolio. I will refer her comments to the relevant portfolio.

I have already tasked the just transition commission with looking at the economic recovery scenario that we are immediately dealing with, and it is working hard on that. Although I have not taken any formal decision about extending the life of the just transition commission, I do not want to say that that will not happen. I need to consider it.

Claudia Beamish knows that work is happening with all portfolios. Very serious work is being undertaken across all portfolios. All portfolios are challenged to reduce emissions, and all are trying to do that as well as dealing with Covid. We will keep trying to do that across the board as we move out of the economic emergency that we are confronting. The cross-portfolio work goes almost without saying. I speak regularly on those matters with my colleagues.

**Mark Ruskell (Mid Scotland and Fife) (Green):** Today's statistics are final evidence that the Scottish Government has failed to have any positive impact on transport emissions. You get what you pay for. In Ireland, 20 per cent of the transport budget will now go to walking and cycling and two thirds of the rest will go to public transport, thanks to the Irish greens.

Does the cabinet secretary agree that the experience of the Covid lockdown shows us that people want change and that they want green transport choices? Does she agree that the billions of pounds that the Government is spending on road expansion should be redirected to cycling, walking and public transport to give everybody real transport choices?

**Roseanna Cunningham:** One year's report on what is an annual reporting issue is not final evidence of anything. Somebody will be standing here next June giving a statement on the statistics. An enormous amount of work is being done, as Mark Ruskell knows.

Mark Ruskell must also be aware that transport is one of the areas facing major challenges as a result of Covid-19. There are strong moves—as I highlighted in the statement—towards walking and cycling. We hope that we can embed those

behaviours. I would have expected Mark Ruskell to acknowledge that there may now be significant challenges about any return to mass transportation. Those are some of the issues that we must grapple with as we analyse the impact of the Covid crisis on people's behaviour.

**Ruth Maguire (Cunninghame South) (SNP):** We have many natural assets that can help contribute to meeting our emissions reduction targets and support economic recovery and jobs. Will the cabinet secretary outline recent developments in which Scotland's natural assets are being used in innovative ways?

**Roseanna Cunningham:** Our natural assets will be central to our national journey towards net zero emissions. Claudia Beamish also referred to that.

The recent launch of ScotWind reflects how our seas host some of the best offshore wind resources in the world. The North Sea oil and gas sector can also play a positive role in Scotland's energy transition by helping to design the diverse energy system that we need for the future. I welcome today's report from Oil and Gas UK, which is committed to halving operational emissions over the next decade. That report is timely and follows our announcement last Friday of £62 million to support the energy transition.

I could not let the opportunity pass without mentioning the ambitious programme of nature-based solutions, including the action to restore Scotland's vital peatlands, which is one of the things that I am most excited about.

**Liam McArthur (Orkney Islands) (LD):** I thank the cabinet secretary for early sight of her statement.

The fact that Scotland has again missed its climate change targets is seriously damaging. The rhetoric and promises have been world-leading; the delivery of change has not.

Given that the work "not yet captured" by the statistics includes the deposit return scheme, the Scottish National Investment Bank and other promises that are still only in the pipeline, does this not mean that we are looking at more annual targets being missed in the future?

**Roseanna Cunningham:** I cannot speak for the future; I can speak only for the statistics that I have in front of me. I spoke about a minister standing here next year and dealing with the 2019 statistics. I rather suspect that the minister standing here in 2022 dealing with the 2020 statistics will have a very different story to tell for very different reasons. That is one of the issues that we have to deal with, because the fact is that, year to year, we sometimes have to cope with unpredictable scenarios.

A lot of measures are now in play. I cannot wave a magic wand. I cannot say that a deposit return scheme, having gone through Parliament, can be instituted overnight—we all know that that is not possible. However, we also all know that a DRS will contribute to the longer-term emissions reductions, and that is what the Parliament has to keep doing.

**Joan McAlpine (South Scotland) (SNP):** In many important ways, Scotland's ability to make progress in emissions reductions is linked to UK Government action. Can the cabinet secretary say more on the impact of UK actions and share details of the communications with the UK Government on that matter?

**Roseanna Cunningham:** It is the case, as the Committee on Climate Change notes in almost every one of its reports, that Scotland's ability to deliver a green recovery is dependent on UK Government action. Substantial responsibilities and regulatory controls remain reserved. In particular, to progress in Scotland, urgent action is required in parts of the fiscal system, in the decarbonisation of the gas and electricity grid and in the development of hydrogen capacity. Additional investment in carbon capture and storage is also needed.

There are also key areas where action from the UK Government is essential to help capture the opportunities from the transition, such as in heat decarbonisation, industrial decarbonisation, zero emission vehicles and green finance.

I have written to the UK Government on a number of occasions in that regard, and did so most recently at the start of this month.

I must remind everyone that the Committee on Climate Change suggested a target of net zero by 2045 for Scotland at the same time as it suggested that target by 2050 for the UK as a whole.

The UK as a whole will not reach the 2050 target if Scotland does not reach the 2045 target, and we will not reach the 2045 target if the UK Government does not commit itself to getting to the 2050 target and shows itself to be willing to take the action to do that.

**Finlay Carson (Galloway and West Dumfries) (Con):** This Government has failed and will fail to deliver on time the reaching 100 per cent—R100—programme. It has failed to deliver on its commitment to implement the deposit return scheme in its suggested timescale. This Government is good at making big announcements but appalling at delivery. The Government likes to tell the world how ambitious it is, but, when it comes to hugely important issues such as reducing emissions, it simply does not have the policies to deliver.



Unlike the air that many people are forced to breathe, the result of the Government's decade of failed policies to improve air quality is clear. Domestic emissions rose by 1.5 per cent between 2017 and 2018; emissions from energy supply are increasing; and emissions from transport, which is still Scotland's highest-emitting sector, fell by only 4.9 per cent.

Under the requirements of the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, when a target has not been met, the Scottish Government must now lay a report setting out proposals and policies to compensate for the excess emissions. Will the report be delivered on time, and why should we have any faith that the policies contained in it will deliver?

**Roseanna Cunningham:** I am interested in the fact that Finlay Carson was so opposed to the delay in the introduction of the deposit return scheme. I suspect that many of the companies and organisations that he normally wants to speak for will be astonished at that.

In Government, we have to deal with reality. We have to make sure that what we are doing is doable—that is important. Yes, we have to report on the 2017 and 2018 missed targets. That will be done as part of the work that is being progressed for December, and the report will be laid before Parliament as part of the recast climate change plan update.

**David Torrance (Kirkcaldy) (SNP):** Does the cabinet secretary agree that hydrogen has an important role to play in reducing Scotland's greenhouse gas emissions? Will she outline what support the Government is giving to universities for research and development work on using hydrogen as an alternative source of energy?

**Roseanna Cunningham:** I have mentioned hydrogen a couple of times already. It has the potential to play a very important part in a low-carbon future and to assist in the comprehensive decarbonisation of the Scottish heat, industrial and transport systems. We have appointed consultants to undertake a Scottish hydrogen assessment, on which work is well under way. In accordance with our commitment in the programme for government for 2020-21, the findings of that assessment work and other studies will help to inform the development and delivery of a Scottish Government action plan for hydrogen and a hydrogen policy statement.

**Sarah Boyack (Lothian) (Lab):** Given the huge impact of the pandemic, what is the Scottish Government doing now to accelerate investment programmes to reduce CO<sub>2</sub> emissions, to increase energy efficiency and community-owned renewable heat networks, to tackle fuel poverty in our homes, and to create Scottish jobs, including

in manufacturing, from the offshore wind projects that the cabinet secretary mentioned?

**Roseanna Cunningham:** A lot of work is being done in those areas right now. My statement mentioned some of the aspects that Ms Boyack has raised, including the money that has been allocated in the area of transport. We are doing a lot more, but I do not want to step on possible further announcements or to pre-announce matters from portfolio areas that are not mine. We intend to do—and will do—as much as we possibly can.

Among other things, Sarah Boyack ought to at least acknowledge the £2 billion that has been committed to investment in low-carbon infrastructure over the lifetime of the Parliament. Enormous amounts of both money and resources are being, and will continue to be, committed to such work. That has to be the case, because it is the only way in which we will achieve our targets.

**John Mason (Glasgow Shettleston) (SNP):** There appear to have been some environmental benefits from the Covid-19 crisis, such as the presence of cleaner air in Hope Street, in Glasgow. However, does the cabinet secretary see it also presenting challenges in the future?

**Roseanna Cunningham:** We are currently trying to understand the impacts of the crisis on emissions reductions in Scotland. John Mason has mentioned one positive example that has come out of it, and the increase in cycling and walking is another.

However, other aspects have been less positive. The planned activity on nature-based solutions and other work that would have happened in recent months of this year has had to be restricted because of the physical distancing requirements. No doubt, some members will pooh-pooh the advancing of that as a reason, but the reality is that that has been the impact. There are other challenges, including, as I mentioned earlier, people's concerns about using public transport in the current situation.

We must work towards having a better understanding of such impacts, learning from the crisis and applying our learning as we build a greener, fairer and healthier future.

**Maurice Golden (West Scotland) (Con):** Does the cabinet secretary know—and will she share with members—the percentage by which the deposit return scheme will reduce overall emissions by 2025?

**Roseanna Cunningham:** No—I cannot remember that. However, I will get that information to Maurice Golden.

**Angus MacDonald (Falkirk East) (SNP):** I welcome the cabinet secretary's responses to

earlier questions on the Government's engagement with groups such as the CCC and the just transition commission. It is clear to us all that there needs to be industrial decarbonisation on a large scale, together with a global shift to clean growth by driving technologies, services and markets to produce low-carbon industrial products. What discussions has the Scottish Government had with the Industrial Decarbonisation Research and Innovation Centre—IDRIC—which is based at Heriot-Watt University, with a view to moving clean growth forward at pace?

**Roseanna Cunningham:** There is constant engagement along the lines that Angus MacDonald has asked about—it is part and parcel of the work that we do. As a matter of fact, I have raised industrial decarbonisation with my counterparts in the UK Government. In our discussions on the setting up of an emissions trading scheme, I pressed very strongly for the money that would flow through such a scheme being very much dedicated to industrial decarbonisation. I would like the UK Government to make the same commitment.

**Colin Smyth (South Scotland) (Lab):** Transport remains Scotland's biggest emitter, and its emissions have been falling 10 times more slowly than overall emissions since 1990. We will need transformative policies to get people back on to public transport when it is safer to do so. Is the Government still committed to delivering free bus travel for under-19s by January 2021, and will it consider extending free bus travel to all under-26s?

**Roseanna Cunningham:** I understand that the commitment is still there. There may be some delay—we are trying to analyse the impact of Covid—but we are not withdrawing from that commitment at all.

**The Presiding Officer:** Thank you very much. That concludes this item of business. We will move on to the next item shortly. I remind members to observe social distancing when entering or leaving the chamber and when moving throughout the building.

## Covid-19 Fiscal Implications

**The Deputy Presiding Officer (Christine Grahame):** The next item of business is a debate on motion S5M-22033, in the name of Kate Forbes, on the fiscal implications of Covid-19.

15:11

**The Cabinet Secretary for Finance (Kate Forbes):** Covid-19 has presented Scotland, as it has much of the world, with twin economic and health crises. It has demanded a fiscal response that would have been unimaginable a few months ago. With that in mind, it is important that we debate both the fiscal response to date and the actions that are still required, as we move to the next phase of our response.

Let me be very clear: just as we have devoted our full and collective efforts, energy and creativity to dealing with the health emergency and to saving lives, so we will deploy all our resources and ingenuity to dealing with the economic crisis and to saving livelihoods. Since the beginning of the crisis, with the support of parties across the chamber and informed by stakeholders, we have taken a series of urgent actions, all with significant fiscal implications, in response to the challenges that are being faced by individuals, communities and businesses the length and breadth of the country.

In light of the pace and scale of those actions, fiscal transparency is vital in building shared understanding of our opportunities and constraints. Accordingly, I have brought to Parliament an early update through a summer budget revision, which the Finance and Constitution Committee has considered.

It has become ever clearer that the fiscal framework was not designed with a pandemic or an economic emergency in mind. It is not fit for the purpose of flexible budget management in the current circumstances. That matters, because it will make the difference between investing in our communities, our economy and our public services and not investing in them. I am pleased to see cross-party recognition from Labour, the Lib Dems and the Greens of the need for additional flexibilities and powers.

The estimated Barnett consequential that have been notified by the Treasury currently stand at £3.791 billion. We are directing all such funding to our Covid-19 response. However, I highlight the risk that the sums are subject to change and could be revised downwards—as they were, by £70 million, a few weeks ago. I am liaising closely with the Treasury, and continue to press for assurances that funding will not be clawed back.

To recap on our key spending actions to date, I note that all additional funding so far for health and social care has been passed on directly. That currently stands at about £780 million, with more anticipated in respect of personal protective equipment and test-and-protect costs. We have committed to more than £2.3 billion of business support measures, which are being targeted to reflect the differences between Scotland's economy and recovery and those of the rest of the United Kingdom.

We have established sectoral schemes, including the 100 per cent rates relief for tourism, retail and hospitality businesses, and focused assistance for groups including fishermen, self-employed people and small bed and breakfasts. In fact, some of the groups that were highlighted over the weekend by the media and the UK Treasury Committee as falling through gaps in the Chancellor of the Exchequer's schemes are being caught by our extra funding.

We have ensured that our response is nimble. Where demand has been lower than anticipated, we have repurposed funding. The prime example of that is the £120 million pivotal enterprise resilience fund, which is supporting companies that are considered to be vital to local economies or the national economy.

Our £350 million community support package is ensuring that the people who are most affected by the pandemic get the help that they need, in particular with emergency food. That funding supports low-income families with children, disabled people, older people, people who are self-isolating and others who are at risk. It has also helped to support the third sector, which is doing a brilliant job in very challenging circumstances.

We have committed more than £300 million of direct support for local authorities, including some of the communities package. We are in regular contact with the Convention of Scottish Local Authorities and individual councils about funding and other operational issues, which reflects the importance of those bodies.

I have been clear that the UK Government funding to date is welcome—not least, because it is our only source of extra funding during the pandemic, as we are not yet permitted extra powers or flexibilities—but it falls short of what is needed. The fiscal framework, which was agreed in good faith, is too limited for us to address the gap. Therefore, together with Wales and Northern Ireland, I continue to engage with the UK Government to press for fiscal flexibility. Today's motion seeks support for that principle.

In respect of the summer budget revision, my main intention has been to support early parliamentary consideration of it, given the scale

and pace of our fiscal response. The revision seeks to amend the Budget (Scotland) Act 2020 by allocating more than £3.5 billion in Covid response funding that has been notified by the Treasury; £112 million of other consequentials that have been generated by the UK budget; and a further £255 million that is being reprioritised from existing allocations. It is a snapshot from mid-May, and we intend to bring forward, in the usual way, autumn and spring budget revisions during the financial year.

The summer budget revision does not capture the extent to which the costs that we are now facing across all levels of Government exceed the very welcome funding that we have received to date. Based on notified consequentials, we currently estimate a shortfall of hundreds of millions of pounds. The risk of a shortfall was highlighted in March by the Institute for Fiscal Studies, and has now come to pass. That is based on budget that has been committed across portfolios to date, together with our central estimate of additional health and social care spend this year, excluding spending on PPE and the test and protect strategy, which are the subject of separate funding discussions with the UK Government, at the moment. That shortfall is before inclusion of any further portfolio pressures that we anticipate as a result of support for on-going containment, reopening and recovery this year. I make that point with the aim of being open about the on-going challenge and the context for any further UK funding.

Recovery from the Covid-19 outbreak will require significant further funding. For example, our transport system will need to adapt to the continuing constraints of distancing, as the economy reopens. The education system, from childcare to universities, will require new ways of working as children, pupils and students return. Our social security system will need to assist those who have been affected by the loss of income, while our employability and skills support will need to adapt to meet the challenge of growing unemployment.

Without additional funding or flexibilities, we will face the impossible choice between not funding those areas and, thus, harming the economy and the recovery, and making deep cuts to other areas of expenditure, which would similarly undermine recovery. Without certainty on funding, we are planning for recovery with one hand tied behind our back.

The funding that has been provided to date is most welcome, but we will not be clear on what is available through the Barnett formula until the UK Government has finalised its funding decisions, which might be too late for the decisions that we need to take now. I want to invest significantly in

our economy, to restore confidence and to support Scottish businesses in creating jobs and protecting livelihoods. We will do what we can, but I want to be straight with the nation: as long as we are denied the ability to borrow for those purposes, to use our budget as efficiently as possible, and to get full guarantees on the funding that is available, risk, uncertainty and volatility will undermine our best efforts.

It is not just the Scottish Government that is making those arguments; people of other political persuasions and none are making them, too. The Institute for Fiscal Studies, which I have already quoted, has written that

“There is therefore a case for giving the devolved governments greater access to borrowing”.

A man whom I do not often quote—the former chancellor, Alistair Darling—said that Scotland should benefit from low-cost borrowing. The Fraser of Allander institute has said that

“the flexibilities in the fiscal framework are not sufficient”—  
[*Official Report, Finance and Constitution Committee*, 14 May 2020; c 4.]

to bear the risk of the pandemic. Those arguments underline the case for reasonable additional powers and flexibilities in respect of the fiscal framework, alongside the case for receiving assurances from the UK Government on estimated Covid-19 funding.

This is not a technical debate about fiscal flexibility, and it is not a proxy debate on the constitution. It is an appeal for common sense and cross-party recognition that movement on those matters will enable us to invest, and to reject austerity. Failure to make progress will prove to be unthinkable for our communities, our economy and our public services.

In the meantime, as we debate matters, we in the Government are still working as quickly to support the economy as we did at the beginning of the pandemic. On Friday, Fiona Hyslop announced our investment in oil and gas. We have published guidance and offered certainty. We are committed to investing.

The lockdown has impacted on capital investment plans across various parts of the Scottish Government, with the result that planned expenditure within some portfolios has been slowed or paused. The Scottish Government has a significant programme of planned infrastructure and capital investment, with £6.2 billion having been included in the budget for it in 2020-21.

However, in some cases, paused or delayed activity has meant that portfolios now anticipate underspends. Therefore, I am pleased to announce a 2020-21 return to work package, which will comprise £230 million of reallocated

capital and financial transaction investment. That will be deployed across a range of activities that accelerate digital transformation and support access to digital services for the most vulnerable groups. It will bring an early boost to our ambition for a green economy and will bolster the remaining pipeline of 2020-21 construction activity, which will give additional support to the sector when we start to get under way.

Covid-19 has emphasised that digitally enabled public services are not only possible, but necessary. The package will, through further investment in digital transformation, build on the considerable progress that has been made in moving services online.

The package provides approximately £87 million altogether in a range of investments to bolster the pipeline of 2020-21 construction activity, which we estimate will support about 700 jobs in the wider Scottish economy, including through a range of place-based regeneration schemes.

The package also brings forward investment in multiple schemes that aim to support the transition to net zero emissions. It delivers investment across Scotland, in every part of Scotland—and that is only phase 1 of our economic response. As people go back to work, larger programmes will follow.

I will, of course, continue to press for additional funding. Although views on the detail might vary, I hope that members across Parliament can agree in principle that further fiscal flexibility will only enhance our collective response to the pandemic, and will enable us to invest and to reject austerity.

**The Deputy Presiding Officer:** Thank you, cabinet secretary. Will you move the motion, please?

**Kate Forbes:** I move,

That the Parliament recognises the significant and ongoing fiscal pressures due to the COVID-19 pandemic; welcomes the additional funding made available to date by the UK Government; notes that the funding requirements of responding to COVID-19 have significantly exceeded that additional funding; agrees that additional fiscal flexibilities beyond those in the Fiscal Framework are required to be able to respond sufficiently to the pandemic, including support to businesses, communities and public services; further agrees that Scotland's public finances should not face undue risks via the Fiscal Framework on account of any differential impact of COVID-19, and agrees that all parties and spheres of government should continue to work collaboratively and transparently on the collective fiscal response.

15:24

**Donald Cameron (Highlands and Islands (Con):** I welcome the opportunity to open for the Scottish Conservatives.

The pandemic has undoubtedly presented us with significant challenges, be that managing public health in the safest way possible, protecting our economy from the immediate shocks of closure or ensuring that our children continue to receive the best education that they can in the circumstances.

The financial support that has been offered to Scotland's workers and businesses has been paramount in sustaining livelihoods. I genuinely believe that, for the most part, both Scotland's Governments have responded quickly and effectively.

The UK Government, in particular, has stepped up by injecting significant financial resources into the Scottish economy. I mentioned some of the sums that it has provided a few weeks ago, but they bear repeating so that the sheer enormity of that response, which is undoubtedly unprecedented, can be acknowledged. During a crisis as significant as the one that we are going through, the United Kingdom is Scotland's insurance policy, and it has paid out in full and on time. *[Interruption.]* No, I will not give way.

The UK Government has provided £3.8 billion of Barnett consequentials, which have been vital in supporting our public services; £4.8 billion of support through the job retention scheme and nearly £700 million for our self-employed workforce through the self-employed scheme; and, through the British Business Bank, £825 million of bounce-back loans and £460 million of business interruption support. That represents the provision by the UK Government of more than £10 billion-worth of support to date, and it illustrates the strength of a union that enables resources to be spread across the nations of the UK during tough times. *[Interruption.]* That level of support has been widely welcomed. I am being pressed to give way by Mike Rumbles.

**Mike Rumbles (North East Scotland) (LD):** I thank Donald Cameron for giving way.

I certainly accept that the UK Government has done a great deal in providing £10 billion for Scotland, but a number of people have fallen through the net because they are not covered by the various schemes. I must give credit to the Scottish Government, which has covered some of that, but there are still people who are falling through the net. Is there any room for manoeuvre to help those people?

**Donald Cameron:** Mr Rumbles makes a good point; we have been pressing for that for some time. There are a number of workers and businesses that still fall through the cracks. Another problem is the speed with which applications are being processed.

The level of support that the UK Government has provided has been noted by others. Professor Jim Gallagher stated:

"The extent to which the UK Government has spent money has probably surprised the Government itself."—*[Official Report, Finance and Constitution Committee, 5 June 2020; c 23.]*

Of course, I welcome the fact that the cabinet secretary has consistently acknowledged the support that the UK Government has provided. *[Interruption.]* I am afraid that I must move on, because I have limited time.

It would be remiss of me not to acknowledge and welcome what the Scottish Government has done during the crisis to mirror support schemes. In that regard, I welcome the extra support that has been announced today.

However, I would like to address some of the issues that the motion mentions in relation to the fiscal framework and more borrowing powers or flexibilities. We will certainly await the publication of the details of any proposals. The fact that we cannot make any sort of commitment without seeing those details is one reason for our inability to support the amendments of the Labour Party and the Liberal Democrats, despite sympathising with many of the points that they make.

Of course we accept that the pandemic is a unique event with ramifications that none of us foresaw or wanted, and that, therefore, a unique response is needed. However, many will treat the various calls for more borrowing powers or an urgent review of the fiscal framework with a heavy dose of scepticism.

Let us recall a few facts. First, the fiscal framework was a joint effort. It was agreed in good faith by the UK Government and the Scottish National Party Government of the day, which was led in the negotiations by John Swinney. As many have noted, not least in their evidence to the Finance and Constitution Committee, the fiscal framework is working as it should—it is doing what it says on the tin. The resilience of the fiscal framework is notable, and that fact should be recognised. Despite the economic ravages of the virus, Scotland's budget this year is mostly insulated in terms of income tax revenue.

**Stuart McMillan (Greenock and Inverclyde) (SNP):** Does Donald Cameron not accept that, when the fiscal framework was established in 2016, the economic situation was somewhat different, to say the least, from the one that we face now, especially with Brexit on the horizon, and that, therefore, the fiscal framework needs to change?

**Donald Cameron:** I would accept that the fiscal framework protects the Scottish budget from UK-wide economic shocks, but managing any

differential impact is the responsibility of the Scottish Government. That is the principle that underpins the Smith commission, and it works—it incentivises the Scottish Government to grow the economy while protecting the budget.

Here, it is important to remember the context for the discussion about borrowing powers. As a result of budgetary decisions that it took before the pandemic, the Scottish Government requires to find some very significant funds to plug the £1 billion black hole in our finances that is a result of tax reconciliations.

I do not want to spend more time going through the borrowing powers that the Scottish Government has in resource borrowing, capital expenditure and the Scotland reserve. The problem is that the Scottish Government already substantially committed that borrowing even before the virus struck.

For the first time, the Scottish Government has used its resource borrowing powers this year. Since 2015, the Scottish National Party Government has borrowed £2.5 billion in capital funds. The sum left in the Scotland reserve is £165 million, which is a relatively small sum. Having virtually maxed out the credit card with little left in the kitty, is it any wonder that there is cynicism when more credit is being sought?

It is not just the Conservative Party that is cynical. Professor Gallagher said to the Finance and Constitution Committee that the issue was a “red herring”. He was also clear that the UK Government’s ability to borrow, even at negative interest rates, was a formidable weapon in the fiscal armoury. That is not something that would be available to the Scottish Government.

I will draw my comments to a close—

**The Deputy Presiding Officer:** I will give you a little extra time because of the interventions.

**Donald Cameron:** I am grateful. Thank you, Presiding Officer.

We do not see the need to renegotiate the fiscal framework—and absolutely not in the midst of a crisis such as the one that we are experiencing, when the priorities must be public health and economic recovery. The fiscal framework is due to be reviewed next year.

Any debate on the fiscal implications of the pandemic should first be framed in terms of the human cost and the lives that have been tragically lost to this horrific disease. We also require to compute the economic loss, and not just in terms of the fiscal impact and the public finances. Workers and businesses in Scotland today are thinking day to day and week to week about financial survival. The Scottish Government is making political decisions that affect that, as the

cabinet secretary candidly admitted last week when she said that recovery could be slower in Scotland as a result of lockdown being eased in a different way from how that is happening the rest of the UK. All our efforts should be focused on getting businesses back on track and rebooting our economy, ensuring long-term recovery and then growth, so that our public finances are secure. That should be the unwavering, unstinting and unrelenting aim of everyone in Parliament.

I move amendment S5M-22033.1, to leave out from “that the funding requirements” to “impact of COVID-19” and insert:

“the Scottish Government’s current borrowing powers and the extent to which they have been used in the current 2020-21 budget; further notes that the Scottish Government now plans to make use of a further £66 million of reserves, leaving a total of £165 million in the Scotland Reserve; acknowledges that the UK Government is estimated to have spent in excess of £10 billion in Scotland throughout the course of this crisis to date; agrees that the Fiscal Framework concluded by both the UK and Scottish governments in 2016 is currently operating as it should; welcomes the protection of 800,000 Scottish jobs, thanks to the UK Government’s unprecedented economic interventions”.

**The Deputy Presiding Officer:** I have practically no time in hand, so interventions will have to be absorbed.

15:32

**Jackie Baillie (Dumbarton) (Lab):** It is fair to say that the implications of the Covid-19 pandemic will be far reaching. We have seen extraordinary pressures placed on our health and social care system and personal challenges faced by individuals and families, and we are now starting to see the economic devastation and loss of jobs that will impact on every community across Scotland. Only today, the Office for National Statistics told us that unemployment in Scotland has risen to 127,000, which is the highest figure in all the UK nations.

There is also pressure on the public finances. Some are immediate and short-term pressures that require flexible approaches now, and some are longer-term issues that will require careful negotiation in the year ahead. Both scenarios require Governments to work together in the interests of the people.

I caution the SNP not to come up with a shopping list of transitional demands that are not strategic. Let us not create grievance with the UK Government as our starting point. It would be better to secure its agreement going forward. I also caution against ad hoc adjustments to the Barnett formula because we know that it serves Scotland well.

I am a great believer in setting out the outcomes that we want to achieve right at the start. Our primary objective should be to apply maximum resources to rebooting the Scottish economy. That goes well beyond the detail of the fiscal framework and means marshalling all the resources that will be available in Scotland directly from the UK Government, as well as from the Scottish budget, into a coherent strategy. As well as resources, we need a plan, and the reality is that that plan needs to be integrated across the different levels of government.

I welcome the cabinet secretary's announcement about developing jobs but, as I understand it, the reprofiled capital is for one year. What happens in the following year when such initiatives are still required? We need to support businesses and the development of a sustainable and greener economy. At the moment, I do not see that integrated plan across all levels of government.

It would be much easier for both Governments to have a discussion about concrete proposals based on a shared understanding of the challenges faced across the country. Agreement about the fiscal levers would flow from that. Demands for more borrowing would undoubtedly land better if there were actual proposals about what to use it for.

The scale of the support from the UK Government has been significant and welcome. A third of the Scottish workforce is currently being paid by the UK Government, but the danger is that we face a cliff edge in October, and I know businesses that are already consulting on redundancies. We need the UK Government to stay at the table and to deliver sector-specific job retention schemes in areas such as tourism and hospitality beyond October.

The Scottish budget faces an immediate challenge and I agree that flexibility is required now. We know that the income from land and buildings transaction tax is likely to fall. Equally, we know that spending on social security is likely to rise. Borrowing to cover the tax shortfall might be necessary, unless the cabinet secretary thinks that the £93 million of remaining borrowing that is available this year, together with the Scotland reserve of £165 million, is enough.

There is, of course, a problem with the budget that pre-dates Covid-19. Both the Scottish Government and the Scottish Fiscal Commission overestimated our income tax take over the past three financial years, so that just shy of £1 billion needs to be repaid—£555 million in this year alone. It is reasonable for the cabinet secretary to ask for some time to pay, given the current circumstances.

I turn to the question of asymmetric shocks. The fiscal framework provides for the possibility that Covid will turn out to be a substantial asymmetric shock, but not if it occurs as a result of the Scottish Government's decisions. That is something that can be reviewed when the overall fiscal framework is considered. I am reminded, including by other members, that the fiscal framework was negotiated and signed off by John Swinney. At the time, he hailed it as a great deal, but it is now quite the reverse. The deal is bad for the Scottish Government and I say, as gently as I can, that the SNP has no one to blame for that other than itself. We need more flexibility.

Finally, I turn to local government. Much has been made in the past about parity of esteem between the Scottish Government and local government, but that is not borne out by the SNP's actions. In the period from 2013 to 2019, the cut to the Scottish budget from the UK Government has been 2 per cent, but the cut to local government has been 7 per cent. The SNP has taken Tory austerity, given it a tartan ribbon and tripled it to pass on to local government.

In this pandemic, local government has stepped up to the plate, whether by providing food parcels, organising childcare hubs, providing social care or processing business grants. Aside from the money that should have been passed to councils, which still is outstanding, they have spent £145 million more up to June, and that is before we consider education.

There is a clear need for national leadership and for resources and guidance to be provided to local authorities. Instead, the education and finance secretaries have been stalling for weeks in the hope that there will be UK consequential. Meanwhile, attainment plummets, the inequality gap grows and parents are struggling to home school. I urge the SNP to go back to the drawing board and give councils the resources that they need, because parents and children deserve better.

I move amendment 22033.2, to leave out from "recognises" to end and insert:

"notes that the funding requirements of dealing with the COVID-19 pandemic have been substantial for both the Scottish and UK governments; welcomes the additional funding made available by the UK Government to tackle the pandemic, providing support for businesses and to retain jobs; further notes that both the Scottish Government and local authorities have contributed additional resources, that councils are equally exposed to financial risk and that there is likely to be a budget shortfall in local government; agrees that additional short-term flexibilities in the Fiscal Framework should be negotiated with the UK Government; notes that the limitations in the Fiscal Framework were agreed by the Scottish Government, and welcomes the opportunity to review this next year; agrees that all parties and levels of government should continue to work collaboratively and transparently on the collective fiscal

response, and urges the Scottish Government to bring forward a package of measures to restart the economy.”

15:38

**Patrick Harvie (Glasgow) (Green):** I welcome this debate which, as the cabinet secretary said, we are having in the context of in-year budget revisions on a bigger scale than is typical for us. However, passing the budget revision document is largely a technical decision and what we need is a wider debate about the fiscal situation. Today’s debate will not be the end of that, by any means, but it is an important opportunity for us to begin to broaden out our discussion of the situation.

All Governments are responding to a public health and economic emergency, and it would not be reasonable to suggest that any Government is doing so with perfect foresight or clarity about how exactly they should use all the tools that are available to them. However, the fiscal response by Governments is only one set of tools—it is important, but it is only one set of tools. Most Governments can exercise it freely, without constraint, in the context of wider macroeconomic powers, but the Scottish Government is tightly constrained in the way in which it can fiscally respond to the situation. It is therefore critical that we make the case for wider UK action as well as for wider flexibility for the Scottish Government to take steps.

Important steps have been taken so far, which we should recognise. However, although the motion and the comments from the other parties recognise that, far more will be needed. The motion recognises that and the limitations of what is possible, and is very clear that fiscal flexibility is required.

The Labour and Liberal Democrat amendments introduce very important points in relation to local government, and I agree with the sentiment of what both suggest. Both those amendments also delete substantial parts of the motion. I am not sure that the Liberal Democrat phrase

“additional fiscal flexibilities ... should be considered”

is quite strong enough, and I hope that the Labour Party might confirm in its closing speech that, when it says that it

“welcomes the opportunity to review”

the fiscal framework next year, it is not closed off to the idea of immediate flexibility being introduced.

**Jackie Baillie:** I confirmed in my speech that I think that flexibilities are required in the short term and, therefore, now.

**Patrick Harvie:** I am grateful for that clarification and I am more sympathetic to the amendment in that context.

The Conservative amendment says that the fiscal framework is

“currently operating as it should”.

It might well be operating as it was designed to, but it was designed to hamstring and shaft the Scottish Government. I criticised it at the time and, had I been in John Swinney’s shoes, I would not have signed it off. However, it is what we are working with now. It is not enough simply to say that it is working as it should any more than it should be enough to say that the operation of any part of our economy is working as it should when people are being exploited or when we have unsustainable economic activity.

The phrase

“maxed out the credit card”

comes up time and again. Saying that the Scottish Government has

“maxed out the credit card”

is, in fact, a telling analogy. It is quite honest in saying that that is the kind of economic power that a Scottish Government ought to have. It can have a wee credit card, it can pay through the nose to use it and it can have none of the meaningful powers that any other Government would expect to have. What a piece of nonsense is the phrase

“maxed out the credit card”.

I will move on to talk about the elements that are raised in my amendment, because further steps are absolutely going to be necessary, as other Governments are recognising. In fact, on 27 May, the European Commission presented in the European Parliament a €750 billion economic stimulus plan, which is in addition to the action that is being taken by member states. I deeply regret that the UK will not have access to the ability to work collectively with other EU countries as a full member state, but that is a result of UK Government choices.

As for the affordability of the stimulus package that will be necessary, I refer members to the work of the Resolution Foundation, which says:

“while borrowing is high, there is no sign that the government is struggling to finance itself.”

It points to the

“healthy levels of demand for the record volume of gilts issued since the lockdown”

and the fact that

“the Debt Management Office has successfully raised over £89 billion from gilt auctions since mid-March.”

It goes on to say:



“Even under a 12-month lockdown, the debt interest-to-revenue ratio (a measure of the financial burden that debt imposes on the public finances) remains close to historic lows.”

There is therefore no question about the affordability of the stimulus package that is necessary—and it is, clearly, necessary.

I very much agree with Jackie Baillie that the job retention scheme clearly needs to be extended beyond the immediate cut-off, particularly in areas such as hospitality, if we want to avoid the horrendous levels of unemployment that we may be about to see.

Building back better will require the bold, courageous and creative role of the state not only in stimulating recovery but in steering it, and not only in rebooting the economy but in redesigning it to ensure that we achieve the fairer, more equal and greener economy that so many members talk about. We need to put that into practice.

I move amendment S5M-22033.3, to insert at end:

“; recognises that economic recovery from COVID-19 will require a very substantial fiscal stimulus package as well as continuation of the job retention scheme in at least some sectors such as the hospitality industry; notes that the need for these further measures is recognised at EU level and regrets that the UK will be unable to participate in the EU’s stimulus package as a result of the UK Government’s choices, and believes that all fiscal interventions to respond to and recover from the COVID-19 pandemic must be designed to build back a better, fairer and more sustainable economy, and that investment in a green economy must be the most urgent priority for all governments, instead of supporting the continuation of exploitative and unsustainable practices.”

15:45

**Willie Rennie (North East Fife) (LD):** The debate is an important early discussion on what steps we should be taking not only to restart the economy but to shape it for decades to come.

Just as liberals and reformers worked on the new order that followed the second world war with the creation of the national health service among other things, now it is our responsibility and opportunity to build something new. However, it is not just about dreamers; it is about delivery.

From my inbox, I know that people are hurting, and they are worried about their future. One in 10 people could be unemployed by the end of the year, and the economic hit could last for three years, if not longer. We need to give them comfort, certainty and hope.

The chancellor’s announcement later this year about the recovery plan will be important. That is when decisions will be made about the size of the state, the level of the intervention, how we manage or pay off the debt, and the level of the

annual deficit. Our view is that, if the UK Government seeks to impose on itself a needless, masochistic rule to pay off the debt and operates too tight a fiscal arrangement, it will snuff out any economic recovery.

There is significant tolerance in the markets to greater borrowing by Government. This is a global issue, so the UK is a relatively safe place for someone to put their money. Equally, future generations would never forgive us if we left them a massive debt without also leaving them a better country that is stronger, fairer and greener. That means new green homes; more green energy, heat and electricity; more pay for those in the front line of the pandemic, including care home workers; new job schemes; and support for our excellent universities. *[Interruption.]* I will not take an intervention just now.

Today’s debate on the flexibilities in the fiscal framework may seem rather inconsequential in the scheme of things, but it is important nevertheless, as it deals with the immediate financial issues that are ahead of us following the monumental effort by those who work for us across the public service. With a fraction of the time that is normally required, they reinvented the state to come to the aid of businesses, people and communities. The enterprise agencies, councils, the Scottish and UK Governments and so many others have stepped up, so now it is our time to step up for them.

It needs to be noted that the support for Scotland from the UK Government is more than the funds that it supplies to the Scottish Government. The support also includes the furlough scheme, self-employment schemes and the various loan and grant schemes. I am afraid that the cabinet secretary’s motion does not include reference to that point. Such schemes are giant economic stabilisers that are provided automatically by the UK Government, so they should be part of our discussions today.

Today’s unemployment figures show that 30,000 more people were out of work in the months until April, which is before the real teeth of the economic crisis will have bitten. Those people alone will get £100 million of direct unemployment support. That money does not come across the Scottish Government’s desk or pass through its accounts, but it is important to people in Scotland. When the economic shock is asymmetric—as today’s unemployment figures are—the system works to give more support to Scotland, not just the Barnett share—*[Interruption.]* I will not take an intervention just now. The system gives more support, not just the Barnett share of the support for lower English unemployment. A full analysis of the fiscal framework needs to include the full numbers, which are currently missing. That is why my amendment acknowledges the direct funding

from the UK Government and suggests that adjustments to the framework “should be considered”. I would expect that to be done once we get fuller financial information from the Scottish Government.

We should recognise, as Jackie Baillie did, the endless hours that John Swinney invested in coming up with the fiscal framework. At the time, he praised it as being fair to taxpayers; he thought that it was a good agreement. It would be helpful if, in the cabinet secretary’s summing up, she could set out some of the details of the fiscal flexibilities that she seeks.

We are prepared to support short-term flexibilities, as we do not believe that those changes would fundamentally undermine the strength and benefits of the United Kingdom. It is right that the framework allows for the effects of decisions that are made by the Scottish Government to be felt by the Scottish Government, but that does not apply in the case of Covid-19. This is an exceptional event and we should be able to cover it through the flexibilities.

The construction industry has been largely absent for months, so it is no surprise that the Scottish Government has been unable to spend its capital on construction work. We should have flexibility in that area.

The current borrowing requirements on resource are designed to deal with in-year management or budgeting errors, yet greater borrowing to deal with the pandemic would be helpful. We should get flexibility in that.

The Labour amendment pre-empts mine but is broadly similar, so we will support it at decision time. I encourage the Scottish Government and other members to support it, too. Nevertheless, I will move my amendment, even though I hope that we do not even get to it.

I move amendment S5M-22033.4, to leave out from “; notes” to “differential impact of COVID-19” and insert:

“and directly to individuals and businesses in Scotland; notes that the funding requirements of responding to COVID-19 have been significant, and have also put pressure on local authorities responsible for delivering many of the services required to tackle the pandemic; agrees that additional fiscal flexibilities beyond those in the Fiscal Framework should be considered to be able to respond sufficiently to the pandemic, including support to businesses, communities and public services; further agrees that Scotland’s public finances should not face undue risks via the Fiscal Framework on account of any differential impact of COVID-19; believes that local government in Scotland should be treated fairly and transparently by the Scottish Government”.

**The Deputy Presiding Officer:** That is very gracious of you.

15:51

**Bruce Crawford (Stirling) (SNP):** I am glad that we are holding this debate, which comes at just the right moment. I sincerely thank party business managers for enabling it. I would like to cover a fair bit of ground, but I will start with the fiscal framework that was agreed between the Scottish and UK Governments following the work of the Smith commission.

In the main, it is accepted here, at Holyrood, that the framework required reform even before the advent of Covid-19, particularly with regard to the borrowing powers that are available to manage the risk and volatility arising from forecasting errors. That is not to say that the designers of the framework got it wrong. Only experience could have shown us where improvements might have been required, and the cries of blame from Jackie Baillie are not helpful in that context. After all, a review process was built into the agreement from the outset.

In the face of these unprecedented times, it is fair to recognise that, at least in the short term, the agreement has provided a level of protection for the spending power of the Scottish Government budget. However, the Covid crisis has demonstrated that we do not have the reach in fiscal responsibility that is required to match the scale of the challenge that we face as we seek to rebuild the Scottish economy.

Evidence is emerging that the Scottish economy may suffer a greater downturn than the economy in the rest of the UK because of our larger relative footprint of oil and tourism-related activity, but there is also evidence suggesting that the public sector being relatively larger and pay levels being, on the whole, a little more generous in Scotland might prove to be levelling-out factors.

As we all know, due to the way in which the fiscal framework operates, if the fall in economic activity is greater in Scotland than in the rest of the UK, our spending power will reduce and, because of Covid-19, so will our take from income tax. There is a potential double whammy. Time alone will tell us what the true picture is, and we will not know the full extent of the reality that we face until the outcome of the reconciliation process in 2023-24. Time is not on our side. We cannot afford to wait, and we must start pump-priming the economy now if we are to keep unemployment to a minimum and avoid a tidal wave of debt and poverty.

I very much welcome the support that the UK Treasury has so far provided in the early stages of the fight against the impacts of Covid-19, albeit that I agree with the cabinet secretary that there badly needs to be more certainty around Barnett consequentials. Commitments made must be

honoured; otherwise, a road of confusion, uncertainty and dispute lies ahead. If the chancellor will not—or cannot—release the resources that are required to do the job of rebuilding Scotland, he must, at the very least, agree greater freedom from the borrowing straitjacket in which we currently find ourselves bound.

That does not need to be seen as a threat by those who do not wish the Parliament to have greater responsibility. There is no reason why such additional flexibilities cannot be temporary in nature, so as to enable the Parliament to respond effectively to the crisis that we face. Simple measures, such as enabling capital to be spent on revenue in the short term, could help to deal with some very real challenges that our budget will soon face. It is certain that not acting would leave Parliament trying to rebuild Scotland with one hand tied behind its back, and that would simply not be acceptable.

In Scotland, we have to be honest with people about the scale of the challenge that we face—because it could be horrible and grim. Our job is to provide hope for the future and to demonstrate that we are doing all that we can to rebuild to the best of our abilities. We therefore need to look at where new revenue could be raised, at a national or local level, perhaps targeting those sectors of the economy that have significantly benefited from the Covid crisis. For cases in which we do not have powers, we should encourage Westminster to act.

It may end up being a painful process for some, involving difficult political decisions. We must do it early and with resolve if we are to do our best for the people of Scotland. That will be the real test for the Parliament and a massive challenge for a minority Government. Can we lay aside our political differences in the collective best interests of our citizens?

I sincerely believe that there will emerge from these difficult days a thirst for a new kind of politics in this country. I suspect that those who do not show willing to find new ways of coming together and operating collaboratively will pay a heavy price. From today's amendments, I can see that, in general, the Labour Party, the Scottish Green Party and the Liberal Democrats understand that need. The Tories and Donald Cameron obviously have some way to go to grasp it—that is regrettable—and have attempted to turn the debate into a constitutional rammy.

No one could have imagined that we would find ourselves in these unprecedented circumstances; however, history will judge us on how we, as a collective, respond to the challenge of our age. Let us rise to that challenge and show the world that this institution has found its time and come of age.

15:57

**Maurice Golden (West Scotland) (Con):** Coronavirus is the biggest economic challenge of our lifetimes. It has required a massive fiscal response, and that is exactly what the UK Government has provided.

Ten billion pounds has been ploughed into Scotland to fight the virus—£3.8 billion directly to the Scottish Government budget, and more besides to save jobs, increase welfare payments and protect businesses.

The scale of that intervention is staggering. Almost a third of the entire Scottish workforce—some 800,000 Scots—have had their jobs saved by the UK Government. That is on top of all the other UK Government measures, such as instructing banks to give mortgage holidays; instructing energy companies to help people who are struggling with bills; offering interest-free loans to businesses; boosting universal credit by £1,000, and more besides. [*Interruption.*]

I hear derision from SNP members. That will come as cold comfort to those 800,000 Scots whom the SNP presumably wishes were receiving no furlough payments at this time. That is what those marks of derision speak to. The UK Government's response has gone beyond many people's expectations.

**Jackie Baillie:** I welcome the job furlough scheme, but does Maurice Golden agree that it needs to carry on beyond October, because our reliance on tourism and hospitality will extend right into March? Will he argue for an extension of the job retention scheme for that specific purpose?

**Maurice Golden:** We will see the recovery package from the UK Government, and elements might need to be looked at, such as sector deals for tourism and hospitality.

I was making the point—which I concede that the Labour Party supports—that the furlough scheme is to be welcomed. Of course, the SNP appears to be turning its back on that support. [*Interruption.*] I will not take an intervention now; I need to make progress.

The Chartered Institute of Taxation said:

“the UK Government has responded with more largesse than one might have anticipated”—[*Official Report, Finance and Constitution Committee*, 5 June 2020; c 22.]

The finance secretary has publicly praised the UK Government's response, and—not to be outdone—the economy secretary took to the airwaves to describe the job retention scheme as a “lifeline”. It has been a lifeline in keeping the economy from collapse until it can be restarted, and that is where our economic efforts should now be focused.

**Kate Forbes:** I am pleased that the member noted that I welcomed the furlough scheme. Will he remind members how it is being funded?

**Maurice Golden:** It is funded through the £10 billion package that the UK Government has offered to Scotland. We should all welcome that £10 billion, which includes £3.8 billion from Barnett consequential, to help to fund measures.

We require further action from the Scottish Government, in tandem with the UK Government's efforts. When we consider the response over the past few weeks, it is worth noting that construction sites in Scotland were allowed to reopen only last week, despite their having drawn up safe working plans and English sites having been open for weeks.

On the manufacturing front, Scottish firms that have been safely producing orders for the national health service have been barred from fully reopening and competing for contracts to secure their future.

Businesses need more information about plans, so that they can prepare to get staff back, take bookings and open their doors again. We need an open conversation with businesses about delivering a balanced restart of our economy.

The finance secretary has called for more borrowing powers and even fiscal autonomy. She says that more powers are required to tackle the crisis. The reality is that full fiscal autonomy would lead to cuts and austerity. Public spending was almost £14,000 per person in Scotland before the coronavirus, which is considerably higher than the UK average of £12,000. Full fiscal autonomy would mean an end to that extra spending. In the middle of an economic crisis, making every man, woman and child in Scotland £2,000 poorer is the last thing for which anyone should be arguing.

More borrowing powers for revenue are not the answer, either. I am not making a political point; this is purely an economic argument. We are talking about a bizarre scenario in which the Scottish Government would utilise funds from the Bank of England without its having the regulatory oversight required as the lender of last resort. Without a union lock on such proposals, the likelihood of a default would be high.

On a more general point, the Scottish Government had used up more than half its borrowing capacity before the crisis, with the outcome that growth was projected to lag behind that in the rest of the UK for years.

Full use of existing powers and the billions of pounds in support for Scotland should be the priority, not arguments about new powers.

Just the other week, the associate director of the IFS told the Finance and Constitution Committee:

"The borrowing powers were not designed to make up for long-term shortfalls"—[*Official Report, Finance and Constitution Committee*, 5 June 2020; c 26.]

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

**Maurice Golden:** The fiscal challenge ahead requires not short-term fixes but prudent long-term economic management. That is how we will create jobs, boost wages and protect our NHS.

16:03

**Angela Constance (Almond Valley) (SNP):** The stark reality is that what is required to combat Covid, protect our public services, care for our communities and build businesses far exceeds what is available in tools of the trade and hard cash.

This debate is about the here and now. It is about the budget, its revisions and the fiscal framework, which all impact on every aspect of economic and social justice in this country. Therefore, the debate is also about our shared future and the Scotland that we seek.

As we look to life beyond lockdown, we need to rewrite the rules and rebuild an economy that is more democratic, more entrepreneurial and fairer. In times of crisis, those with the least always suffer the most, so we need a resilient economy that cannot be blown off course when it comes to jobs, proper pay and ending poverty.

Where do we start? I start by declaring an interest—I sit on the board of Common Weal, which, in a recent publication, made three suggestions for the here and now. The first two could be done by Westminster at the stroke of a pen: to remove the borrowing cap and give full dispensation to the Scottish National Investment Bank. The third action is around public procurement, which, under the Scottish Government, has come on in leaps and bounds, but there is more to do. I have always been interested in the work of Preston City Council, which systematically increased the proportion of its budget that was invested and spent locally.

I am being political when I say that we have a problem but not all the tools to sort it. The Finance and Constitution Committee received evidence that the fiscal framework is not designed for a crisis in which we need to be fleet of foot. Instead, we sit and wait for Westminster to develop, cost and announce, and then we wait for the cheque to arrive in the post. We know that consequential can be revised downwards as well as upwards—a risk that Audit Scotland highlighted. We do not

even have the ability to transfer capital to resource funding; that is not radical, but a simple, flexible measure that most other countries have.

The UK Government can borrow to fund additional Covid-related spend; the Scottish Government cannot. The UK can borrow cheaply in the long term with no binding limits; by contrast, the Scottish Government has to balance its budget, although other Organisation for Economic Co-operation and Development countries have relaxed rules for devolved Administrations. Will we even be allowed greater access to the national loan fund?

I am glad that the UK Government has got over its austerity-driven aversion to borrowing. I have never understood the logic of a Government that opts out and pleads prudence, yet is content to see individuals, families and businesses burdened by debt, insecurity and poverty. I am disappointed that Alex Neil is not speaking today, because he would be arguing for Scotland's share of the £645 billion that the Bank of England is printing for the UK Government.

The big question is how we will support economic recovery without more borrowing powers and additional flexibility. The question for Westminster is, will it give us more powers or more money? I worry about how one of the most fiscally centralised Governments in the world will answer that question, which will mean that the choices for the Scottish Government might be completely unpalatable.

Those of us who represent or were raised in constituencies that still bear the scars of unemployment from the 1980s or the financial crash of 2008 will be desperate not to go back to the future. The prospect of unemployment reaching 10 per cent or more is grave, particularly given the fact that it would mean a corresponding rise of two to three times that in youth unemployment, possibly reaching 30 per cent. According to the Social Market Foundation, in constituencies such as mine, the nature of the local economy means that it faces the disproportionate impact of a double whammy of Brexit and Covid.

For those of us who are looking to life beyond lockdown and want to rewrite the rules to include a jobs guarantee scheme, a citizens basic income, more investment in housing and the maximum response to the biggest crisis of our lives, the choice is how, when Westminster says no, we say yes and work together for the right powers for the right purpose.

16:09

**Alex Rowley (Mid Scotland and Fife) (Lab):** I want first to acknowledge and pay tribute to all

those who have continued to work on the front line throughout this crisis providing key services and goods to meet the basic needs of the population. That cannot have been easy, considering the threat of an unknown and deadly virus, but the shop workers, the food producers, the drivers, the cleaners and, of course, our front-line care staff all deserve recognition and thanks. Is it not ironic that those workers include some of the most undervalued and underpaid in our economy? As we restart and rebuild the economy, we must not simply try to get back to where we were, because where we were was not good and, indeed, the lack of resilience in the economy has been exposed like never before by the virus.

Low pay is bad not only for those who are poorly paid but for the whole economy. Therefore, any detailed plan that is brought forward by the Government must at its core be built on ending low pay. The same goes for an economy that is built on and dependent on people and businesses running up unsustainable amounts of debt. The Scottish Parliament information centre has reported that unsecured consumer credit across the UK reduced by £3.8 billion in March 2020, compared with an average monthly increase of £1 billion for the previous 12 months. There must surely be a realisation that we cannot build and maintain a successful economy based on consumer debt.

The Tory dogma that private debt is good and public debt is bad has fallen apart in this pandemic. That is why Scottish Labour supports the view that the Scottish Parliament must have a greater ability to borrow to invest in Scotland's future. Government borrowing to invest in the economy must happen and is key to any recovery plan.

I also note that, in its recent publication on the way forward, Common Weal calls on the Scottish National Investment Bank to be given immediate dispensation from the UK Treasury to be recognised as a proper bank and, as such, to be able to invest to stimulate the Scottish economy. Last week, I asked the Cabinet Secretary for Finance to publish a paper outlining where further powers are required, and I hope that she will do so in order that we can get on the same page and understand how the Government intends to move forward in this economic crisis.

However, I have to say that the Government's record of investing and supporting companies in, for example, offshore wind has not resulted in jobs for Scotland. Indeed, in that example, it seems that it has resulted in jobs for every country but Scotland. It is a disgrace that we have yards in Methil, Burntisland and Stornoway lying empty when the work to build the wind farms around our coast is going everywhere but Scotland. Recently,

I read that the French finance minister has told the car industry in France that the state will stand by it, but only on the condition that vehicle production is gradually repatriated to French shores. Our approach must not simply involve the state putting money in so that the profiteers can take the rewards. Rather, the state must increasingly have a greater role in the economy and ensure that the rewards are distributed throughout and remain within the economy.

I also want to make clear that the current financial framework is putting enormous pressure on Scotland's finances and must be renegotiated. How any Government that puts Scotland's interests first could have signed up to that is somewhat baffling, and the situation must be addressed.

It is also important that we learn from the previous financial crash. The greatest lesson from that is that failed Tory austerity must not be an option. The Tories' decision to impose deep austerity on the least able did not just cause human misery; it damaged and held back economic growth. Failed Tory austerity also resulted in a situation in which front-line public services were not in any shape to face a global pandemic and it is only down to the dedication and commitment of front-line workers that we have been able to struggle through this last period.

That is why the Scottish Government must recognise the real financial pressures and difficulties that councils up and down Scotland face. If we want to open up our schools, councils will require far greater finances than they have received to date. We also must recognise the role of local government in driving the economy. That is why there must be a new relationship and a new deal between local government and central Government, with a common objective of driving forward the economy in a sustainable way.

16:15

**Kenneth Gibson (Cunninghame North) (SNP):** Across Scotland, 628,000 jobs are furloughed, and 14,000 of those are in North Ayrshire. That is a ticking time bomb for when the furlough scheme ends. Today is the last date by which large employers can give staff 45 days' notice of redundancy before national insurance and pension contributions resume on 1 August. Sadly, some employers will issue those notices. The furlough scheme must be extended.

The 2016 fiscal framework agreement between the Scottish and UK Governments must work for Scotland, and greater flexibility is needed, as the Fraser of Allander institute and a number of members have said. Under the framework, if we need to go further than the UK Government on

coronavirus-related measures, other areas of spending might have to be cut, as has already happened in Wales.

A number of members appear to have forgotten that it is a matter of public record that, during the discussions on the fiscal framework in the previous parliamentary session, both Labour and Conservative MSPs were willing to accept an early deal that would have cost Scotland £7 billion over a decade, had John Swinney not dug in his heels.

We are in a deep recession, with unemployment rising steadily, lives ruined and hopes and dreams dashed. Saving lives has been our collective priority. Thankfully, the number of infections is now in steady decline, so the economy must increasingly take centre stage. Confidence in the future is critical, as is a sober appraisal of where we are. Doomster talk of a possible viral spike this winter will simply depress consumption, increase precautionary behaviour, cut demand and increase unemployment further.

At this time, when all Government economic and fiscal powers must be harnessed to support recovery, Scotland's lack of powers has never been so glaring. Members are aware of the straitjacket that we are in, and of Scottish ministers' limited room for manoeuvre, despite their performing heroically.

The Cabinet Secretary for Finance has rightly requested devolution of more powers, particularly borrowing powers, but we must also insist on devolution of the funds that go with them. The UK Government has form on that matter, however. When council tax benefit was devolved, only 90 per cent of funding came with it, which forced Scottish ministers to cough up £17 million a year, with £22 million coming from local government. Sneakily, employment programmes were cut by 92 per cent just before they were devolved. Neither increase provoked even a cheep from Tory MSPs.

Scottish ministers are, therefore, in the unenviable position of looking to a capricious UK Government for help to weather the storm, while optimising the Scottish Government's own fiscal resources. Budgets should be trawled for areas in which the pandemic has reduced expenditure and in which savings can be made without causing damage. Indeed, £255.2 million of existing expenditure has already been reprioritised.

Two other areas spring to mind in which changes will not impact on struggling communities or inflict austerity. Several times, I have raised the fact that booming supermarkets have been excused paying non-domestic rates for this financial year. That amounts to tens of millions of pounds, so supermarkets should be asked to resume payments from 1 July. The resources that are being saved could then be reallocated—not

least, to the pivotal enterprise resilience fund, which would help hard-pressed but job-rich sectors of our economy, such as hospitality and tourism.

I also make a plea for island communities. Enthusiastic social distancing on the MV Caledonian Isles will cut its capacity from 1,000 to a feeble 75, which will make recovery from the pandemic nigh on impossible for Arran's tourism businesses.

**Neil Findlay (Lothian) (Lab):** Kenneth Gibson has mentioned Arran. I am sure that he will welcome the building of council houses on Arran for the first time in a long time by Labour-run North Ayrshire Council. Angela Constance mentioned the excellent work that is being done in Preston. Will the member commend the excellent work that is being done by North Ayrshire Council, under Joe Cullinane's leadership, and very much in collaboration with Preston City Council?

**Kenneth Gibson:** I am not a big fan of protectionism, so I will not congratulate the council on that. As far as the 34 council houses are concerned, they would not have been built without the money that is coming from the Scottish Government. We all remember the six council houses that were built by the previous Labour Administration in Shetland.

Before the pandemic hit home, ministers decided that European Union students who will be studying in Scotland from this autumn will have their fees paid by Scottish taxpayers, despite our withdrawal from the EU. Last year, the figure for that was £97.8 million. If EU students were to be charged fees, their numbers might fall, but their fees being paid, together with the resources that are currently provided in support of EU students, will undoubtedly assist the higher education sector, which is desperately short of money, following the loss of non-EU student income. Brexit is also certain to damage our economy and finances.

It is hard to see the economy getting back on track, with rising productivity and recovery of our fiscal position, if schools are doing blended learning and parents have to take more time off to look after their children.

It is increasingly clear that the risk from on-going and permanent damage to children's education, along with diminished social interaction and increasing incidence of mental health problems, is becoming disproportionately high, relative to the risk that is posed to children by Covid-19.

It is important to note that the Scottish Government does not have the resources to recruit the thousands of teachers—even if they existed—that the Educational Institute of Scotland

and others demand in order to teach smaller classes, and ministers should say so.

Even before lockdown, people were suffering loss of individual economic power, with low productivity growth across the UK, stagnant income since the financial crisis, and stubbornly high levels of poverty and inequality. Many workers are financially insecure—in stark contrast with the tax-dodging elites who have salted away money into overseas havens while corporate executive's pay has rocketed.

While Scotland remains devolved, the solutions lie at Westminster, so we must press it to act. We must press it to devolve more resources and the flexibility to use them to invest in infrastructure, which has a higher gearing effect on revenue expenditure, on support for our public services and on back-up for threatened job-rich sectors and our entrepreneurs. Not only that, but we must strengthen our fiscal position and tap into new revenue sources by taxing online giants including Amazon, Apple, Facebook and Google for the private data that they hold on us, and by taxing online retailers in order to level the playing field for our seriously challenged high streets. All that would help.

As I urged in March, coronavirus profiteering must be tackled by the UK Government, which has the power to act. The Competition and Markets Authority has little power, but Her Majesty's Revenue and Customs has power. In both worlds it imposed taxes of over 100 per cent where necessary, and in 1981 and 1982 Mrs Thatcher's Tory Government imposed profiteering taxes on, respectively, banks and oil companies. That was followed in 1997 by Labour imposing a windfall tax on privatised utilities. Scottish ministers should lobby for the UK Government to act, and for Scotland to get its rightful share of consequentials.

16:21

**Graham Simpson (Central Scotland) (Con):** These are difficult times for all of us. The pain of lockdown is starting to bite, and the downsides are becoming obvious. We are debating the financial implications: there are many. What began as a reaction to a public health crisis is causing potentially catastrophic long-term damage not only to health and wellbeing, but to public services' ability to cope.

Much of the heavy lifting for the Government has been done by councils, so I will focus on them. It seems to me that councils in Scotland are undervalued by the Government. They always are. They always have to fight for every penny that they get, and it is never enough. It is the same every year—as Jackie Baillie said—and the situation has been exacerbated during this crisis.

Council finance chiefs have been doing an ongoing exercise on costs that are associated with the crisis. The finance secretary knows all about that, because she hung on to the first set of figures until agreeing to hand over £155 million to councils in consequentials. The exercise and the cash were not linked, so that was only a time-wasting ruse. Eventually she did start paying up, albeit in weekly instalments. So far, so slow. I really do not know why.

**Kate Forbes:** How long does Graham Simpson think the Scottish Government should “hang on” until it is given that £155 million from the UK Government in the first place?

**Graham Simpson:** As the finance secretary should know, I referred to that in the speech that I made last week, and I think that the UK Government should pay up. It definitely should.

Council finance chiefs’ first set of figures showed a £100 million black hole even after the £155 million had been paid. We have never heard how that hole will be plugged. Perhaps the Government should have acted quickly, because then it would not have been caught out by last week’s updated set of numbers.

Anyone who knows anything about black holes will know that they can easily get bigger and bigger, and can become what astronomers call supermassive black holes. We are not there yet, but we are heading in that direction. The £100 million gap has already ballooned to £145 million.

Let me run through some of the figures on that. The cost of immediate mobilisation was £95.7 million, and loss of income—another cost—was £189.5 million. Savings that were not achieved have cost £31 million. The costs of council tax buoyancy, bad debt and cash flow were £9.5 million. Known significant unique costs were £52.3 million and capital costs were £48 million. When we take away reduced cost that has resulted from Covid, we arrive at a figure of £145.5 million, and that figure is only going to get bigger.

The situation is so grim that COSLA has apparently given up trying to get more money out of the SNP and is turning to the Chancellor of the Exchequer. I suppose, given that he has provided £10 billion in Scotland to help to fight Covid-19, you can hardly blame COSLA. It is working with its counterparts in England, Wales and Northern Ireland in appealing to Rishi Sunak for extra help. They have even asked Kate Forbes to join the campaign. You could not make it up.

Mr Sunak has proved himself to be a generous man when it comes to helping Scotland, so you never know. However, there is a risk that if he hands the money to Kate Forbes, councils will be back to square 1, begging her to hand it over to them.

Overall, an enormous package of UK-wide measures has been put in place to help individuals and companies. There have been gaps: that is inevitable. We have all heard people complaining that they have missed out on various schemes. What I was not expecting was that the goalposts would be moved. I learned last week, that in a crafty and largely unpublicised move, the deadline for applying for business grants will not be 31 March next year but 11 July this year. That will catch out a few businesses, and seems to me to be pretty cynical.

The Scottish Government has also told councils that they must hand back any money that they have left over in the business support pot. Given that councils are in such a tough financial position, it might be worth the cabinet secretary’s while to cut them some slack.

I am concerned that there will be some big bills to pay as we emerge from lockdown and I worry that the Government and councils will try to claw back money by hiking taxes. It would be cruel if the damage that lockdown has caused to jobs, to mental and physical health and to a possibly lost generation in our schools were to be paid for by the very people whom it has harmed. That would be the Government penalising the people for the effects of its own policies. I hope that that does not happen. We must plan a recovery. Strangling businesses and the public with higher taxes of all sorts is not the way to do it.

The cabinet secretary has a tough job on her hands. I encourage her to continue to work closely with the Treasury and to do right by councils. Then, we can perhaps get through this and into a new and brighter normal.

16:27

**John Mason (Glasgow Shettleston) (SNP):** As the motion says, I think we can and should be appreciative of much that the UK has done in response to the Covid pandemic. The 80 per cent furlough scheme has been appreciated by both businesses and individual staff within my constituency. Other business support was put in place quickly and, although using the rates register was not perfect, it gave a solid basis to start from.

Attempts have been made to fill in gaps. I accept that some confirmation of a business’s legitimacy had to be required. I know that there have been problems for those without a business bank account, or for those whose employees are not paid through the pay as you earn system, but we know that there have been cases of attempted grant fraud in the past, particularly in Glasgow.

That kind of support has hugely increased public expenditure in Scotland and the UK over the past



three months. That expenditure has been financed by UK borrowing, so the UK deficit and debt have greatly increased, the latter to some £2 trillion. That equates to about £30,000 per head in the UK. Can the UK afford that? Can each of our households afford £30,000 of debt, or £120,000 for a family of four? Should we now borrow more to fund a recovery? Is there an upper limit, beyond which the UK cannot borrow?

Traditionally, when a country has spent much more than it earned, inflation has been allowed to rise in order to reduce the real value of the debt. That also tends to mean higher interest rates. I remember that when I bought my flat for £25,000 in 1990, interest rates were at 15 per cent. That was a bit scary, as I could not have afforded the mortgage had interest rates gone much higher. Thankfully, they came down. Could inflation and interest rates take off again? Yes, that is possible.

What are the other options for dealing with the deficit and debt? The UK Government could keep on borrowing—and it could give Scotland more power to do so, too. That may well be justifiable for boosting the economy through capital investment and for short-term timing differences. However, I do not consider that borrowing to finance current revenue expenditure is sustainable in the longer term. It pushes the problem down the road and will damage our children and grandchildren. When a household hits financial problems, more borrowing is seldom the answer; neither is it often the right answer for a country.

Another option for the UK Government is to cut spending. That has been the traditional route of the Conservatives for balancing the budget and has led to the much-detested term “austerity”. I very much oppose going down that route again. Potentially, that could be even worse than before, given that the UK is in an even weaker state than it was previously.

The main other option for the UK—the option that I favour—is to increase taxation. We could raise more from existing taxes, or introduce new or windfall taxes.

The reality is that some organisations—Mr Gibson mentioned supermarkets—and some individuals, such as members, are either better off, or at least no worse off than they were before the crisis. I am better off, as I am on a fixed salary and have not been spending money on clothes, meals out, football and even haircuts. People like me could afford to pay some more income tax, VAT or whatever.

**Bob Doris (Glasgow Maryhill and Springburn) (SNP):** Mr Mason suggested that those who are doing well in the crisis could pay a little bit more. I wonder whether he recalls the public health supplement, under which this place

gave the Government a power to levy a tax on large retailers. I think that that raised about £70 million to £80 million over three years—I would have to check the figures. Money from a levy could be deployed to get the economy started and help the most vulnerable people.

**John Mason:** That is exactly the type of example that I am thinking of. Mr Gibson also gave examples of some of the online shopping companies and so on that could definitely afford to pay more tax. We should look at that.

If the UK goes down the route of increased taxation, we in Scotland will need to decide how to respond. There could be increases to corporation tax, VAT or inheritance tax, or there might be a new wealth tax. Those are reserved matters, and such changes would impact on all of the UK. However, if changes were made to partly devolved taxes, such as income tax, we would need to decide whether to match those or go further.

I recently read a useful paper that the Institute of Chartered Accountants of Scotland—I am a member of ICAS—produced in May, entitled “The Future of Taxation in the UK”. It makes the point that the coronavirus pandemic might give us

“an opportunity to generate public support for tax reform”

and that, given the current

“strong public support for the NHS”

this could

“be the ideal moment for a public debate about who should pay tax and how much they should contribute.”

That leads me on to my final main point on how the Parliament will manage the Scottish budget. In recent years, the aim in our budget process seems to have been to spend as close to our funding limits as possible. That has seemed obvious, given the clear needs of our health services, local government, public transport, industry support and so on. All parties seem to have agreed on that. The Tories might have had us reduce tax, meaning lower resources, and Labour wanted higher taxes and more resources, but I think that we all wanted to spend all the resources. However, if a few hundred million pounds were left at the end of the year—which is less than 1 per cent of the budget—there was immediate criticism of poor management and calls for the money to have been spent.

We need to look at whether we will put aside money as reserves, or whether we will spend every single penny that we have. By all means, we should use borrowing at UK and Scotland level to get us through the crisis and to start the recovery, but we need to get our finances on to a more sustainable footing. Taxation has a big part to play in that.

**The Deputy Presiding Officer (Linda Fabiani):** Speeches should be no more than six minutes, please.

16:34

**Sarah Boyack (Lothian) (Lab):** The debate could not be more timely. Only yesterday, Councillor Stephen McCabe, COSLA's education spokesperson, and Councillor Gail Macgregor, COSLA's finance spokesperson, highlighted that, once Scottish Government funding is taken into account, local authorities have already had to spend an extra £145 million in order to deal with the additional costs of the pandemic.

We all know that councils have transformed their services and, as I speak, are preparing to reopen schools in August. I had hoped that the joint work between the Scottish Government and our local authorities would give more certainty about plans for the autumn. However, it is clear that there is still a massive challenge there, given the mixed messaging that has emerged from the Scottish Government. The Deputy First Minister says something one day, and the First Minister says another the next. John Swinney had implied that we would see blended learning happening until Christmas. However, that was shot down by the First Minister when she said that all school students need face-to-face lessons with teachers.

We all know that our councils face an impossible situation. After more than a decade of underfunding, they have been working hard to implement the Scottish Government's policy guidance on reopening schools, but without any indication that it is committed to funding their plans. I am worried, because time to get that situation right is running out. We need Scottish leadership on it now.

Major challenges will be involved in meeting the social distancing requirements, which will affect capacity in our schools at a time when many are already at capacity. Then there is the issue of the additional staff who will be required. If we are to see students being able to get back to school at the scale that will enable their parents to get back to work, which all parents are now beginning to think about, that will all cost more money. At the same time, we must see social distancing, support and safety measures being delivered—not just for the children, but for their teachers and vital support staff. We will need extra staff to clean our schools and possibly to manage and clean the additional buildings that will need to be brought into use if teaching is to be delivered.

As Jackie Baillie said, we are already seeing school students losing out because of lack of support and lack of information technology kit. My understanding is that, in Edinburgh alone, the

plans that are being considered are estimated to cost £12 million. However, from reading the headlines in today's *Evening News*, I understand that John Swinney is not happy with those proposals. What is Edinburgh's authority to do? No funding commitments have been made that would let it make more radical proposals that would meet the needs of teachers, parents and school students. There is a real challenge there.

Let us consider the situation in other areas. Fife is looking at a potential gap of £15 million in its budget for opening up schools and continuing free school meals. Midlothian's current estimate for the same is £2 million. That might not sound like so much, but its overall budget is smaller and £2 million is still a lot of money. To top that, Midlothian has been billed £1.5 million by the Scottish Qualifications Authority, even though Midlothian will not be using any of the SQA's services this year.

Then there is the challenge that will be involved in arranging enough school buses to achieve the required social distancing. Councils have been raising that issue for weeks now. For example, instead of the 30 buses that it would usually run, Midlothian might need 90. A reality check will be needed if we are to get such plans in place.

It was incredibly disappointing that no clarity on such funding was given earlier at topical question time. The Deputy First Minister gave absolutely no commitment.

**Kate Forbes:** Will the member take an intervention?

**Sarah Boyack:** Yes—an intervention is timely.

**Kate Forbes:** Many of the points that Sarah Boyack has raised are worthy of consideration and go to the heart of the reason for having the debate. On the horizon, I can see a whole host of different cost pressures, whether transport, education or other matters. Right now, we are meeting a shortfall in our Covid financial need. How will we get additional resource, if not with additional powers?

**Sarah Boyack:** That goes to the heart of the issue. It is not about funding challenges that might be on the horizon; they exist now. Councils have already—

**Kate Forbes rose—**

**Sarah Boyack:** Please let me make my contribution—I have already let the cabinet secretary in.

Councils have already put their council taxes up, using their existing powers. The Scottish Government could give them many more powers and more opportunities to have fiscal flexibility that it has not previously given them.

Measures such as the tourism levy have been proposed. The revenue from such a levy would not be massive, but for the council in my area it would mean £13 million, which would be useful at a time when it is facing a gap of £40 million to £50 million.

**Kate Forbes** *rose*—

**Sarah Boyack:** If I might just continue, Presiding Officer.

COSLA's leadership is absolutely clear that the recovery from the Covid-19 crisis will make the existing situation even harder. As Jackie Baillie mentioned, the previous funding cuts meant that councils were already having to make difficult decisions. As we come out of the crisis, we will have to look at how we might support the sectors that are critical to our economy, our society and the next generation.

The Scottish Government can do much more. The Scottish Government budget is a lot bigger than the local authority budget and more can be done to scrutinise where resources can come from.

Just before we started the debate, the environment secretary dropped hints in the latest climate statement that there might be more investment. What transformation of investment will we see in our local economies that can come from other Scottish Government investment? We need to look at our communities, at tackling fuel poverty, and at building community heat networks. That is vital if we are going to see jobs created, carbon emissions reduced and our local economies regenerated.

To repeat Alex Rowley's point, where will we see the Scottish Government using its influence now? If we are going to get massive offshore wind contracts, will they be built in Scotland?

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

**Sarah Boyack:** Will the Scottish Government use its influence so that our local economies will see companies getting contracts to build vital infrastructure that we know we can build in Scotland—

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

**Sarah Boyack:** The Scottish Government needs to do more and the debate is a chance to highlight what we can do together.

**The Deputy Presiding Officer:** I warn members that the length of final speeches may have to be cut.

16:40

**Stuart McMillan (Greenock and Inverclyde) (SNP):** This is a debate on a situation that nobody in the chamber will have wanted. It is also clear that the financial implications for Scotland are vast and, no matter which way anyone looks at the challenge ahead of us, there is no easy route to take. This is not a debate about independence versus the union. That debate will return, but this debate is about the here and now; it is about our constituents, our local businesses, our high streets and our communities.

Today's debate is about how best to protect every citizen in this country from the economic effects of this awful pandemic which, sadly, has taken too many lives and affected families for ever. I pay tribute to both the Scottish and the UK Governments for the schemes that have been introduced so far. I know that it has been a fast-moving situation, with guidance changing regularly, but it is undeniable that the schemes will save livelihoods and give people a chance as the economy opens up. However, there have been failings in the schemes, as colleagues have already alluded to, and not every business has been saved and not every business has received finance. Some of this has highlighted the various business practices that operate, and that is certainly a discussion for another day.

There are a number of undeniable facts. Spending on measures to counter the Covid-19 pandemic has reached just over £4 billion. The Scottish Government operates within a tight fiscal framework, with limited fiscal powers. The UK Government must provide certainty when announcing funding for Scotland to tackle the Covid crisis, and full fiscal responsibility would provide Scotland with greater flexibility and opportunities to encourage sustainable economic growth, increase tax receipts and invest in public services.

As we have heard today, the Scottish Government has prioritised £255 million from within its existing budget and the room to manoeuvre is very limited. The Tories—today and previously—have suggested reprioritising the Scottish Government's budget. That is happening, but it is limited. If budgets were only to be reprioritised, what would the UK Government have done? If it had not borrowed the estimated £300 billion, the financial support, which has been welcome, would not have happened. Even more jobs would have been lost, even more of an economic catastrophe would have occurred and even more lives would have been destroyed.

The UK Government borrowed the money as it has the powers and the flexibility to do so. Members of the Scottish Parliament need to remember that we will be paying our share of the

borrowing costs, so it is not a handout or charity from London; it is our money and it will be our share of the debt.

The UK Government needs to provide the powers and it needs to provide absolute certainty when making financial announcements. The announcement from London on 2 May that the Scottish Government was to receive £60 million in Barnett consequentials was welcome and the Scottish Government did the right thing by allocating that resource, only to then be told that the money would not be coming to Scotland. In April, £35 million of consequentials was reduced to £25 million by the Treasury. There is also the example, as we touched on earlier, of the £155 million for local authorities that the Opposition continually demanded that the Scottish Government pay out; the Scottish Government had not even received the money but was being told to pay that money out.

If the UK Government wants to help but does not want to allocate any other financial resources that it has borrowed, it must provide the Scottish Parliament with the powers to aid members' constituents.

Political points have been made about the fiscal framework. The situation highlights that the fiscal framework needs to be examined. The framework was not designed for a pandemic such as Covid, which should not be a surprise to the Tories in the chamber.

Sadly, the issue ties in with the catastrophe that will be Brexit, which will have a hugely negative economic effect on Scotland, whether we leave with or without a deal. Two weeks ago, the Culture, Tourism, Europe and External Affairs Committee took evidence from the former permanent secretary at the Department for Exiting the European Union, Philip Rycroft. I asked him about the UK Government's economic modelling for Brexit, which was published in November 2018. He said:

"I have made the point that the modelling that was done by the UK Government, which was published in 2018, was consistent with a lot of the modelling that was done by other groups of economists. I stand by that."

He continued:

"What the modelling did not accommodate at all—because, of course, it could not have done—was the impact of the coronavirus on macroeconomic conditions, around which I absolutely accept that there are huge uncertainties."—[*Official Report, Culture, Tourism, Europe and External Affairs Committee*, 4 June 2020; c 18-19.]

If, according to a former permanent secretary, the Brexit economic modelling was not fit to deal with the pandemic, how can the fiscal framework be fit for purpose? It cannot. The financial powers of the Parliament need to be amended so that even

more citizens can be protected and we give our economy a fighting chance.

If the Tories think that the fiscal framework is fine and does not need to be amended, they must tell the Parliament and Scotland which budgets should be reprioritised and where the money should come from. Do they want money to come from feeding our children to go into business? Do they want money from the health service to go into education, or would they remove the recently announced £62 million for the energy transition fund for the north-east and give it to something else? The Tories need to tell Scotland what they would do.

16:47

**Michelle Ballantyne (South Scotland) (Con):**

No one doubts that the economic consequences of Covid-19 will take years to recover from. Equally, there is a recognition across the chamber that the UK and Scottish Governments have stepped up and responded financially in a manner that has not been witnessed before. Billions of pounds have flowed to Scotland under the fiscal framework to support individuals and businesses at this critical time, with £3.7 billion now expected to come directly to the Scottish Government through Barnett consequentials. The cabinet secretary is correct that initial announcements are estimates but, so far, throughout the crisis, the figures have been revised upwards and not downwards.

Since the start of the cabinet secretary's tenure, rather than the start of the pandemic, she has repeatedly called for borrowing powers and a change to the fiscal framework. Last week, I asked the cabinet secretary whether she is saying that she wishes to keep all the current benefits and consequentials and add more borrowing powers on top of that, but I am still waiting for an answer. In the speech that we have just heard, the member pointed out that all taxpayers will have to pay the bill. If we add more borrowing powers, Scottish taxpayers will have to pay more towards the bill. That will not help; it will hinder.

**Kate Forbes:** There are two answers to the member's question. First, some members have alluded to the fact that we already have borrowing powers, but we have those powers for the wrong reasons—they are for cash management, and I do not need to manage cash; I need to respond to a pandemic. The point is that we need to be accurate on the reason for those borrowing powers.

My second point is on Barnett consequentials. We recognise the welcome investment, but the point remains that the figures are estimates and can be revised up or down. We are simply asking

for guarantees. At an extraordinary time, we need extraordinary measures.

**Michelle Ballantyne:** I am sure that the cabinet secretary understands that consequential often come from different departments across Westminster and that, until the departments actually spend that money, the consequential is not realised. That is just the way things work. Like most businesses and organisations, the Government has to work with some unknowns in its budget.

The reality of Scotland's fiscal challenge is that it is not only a result of Covid-19; it is a direct consequence of policy decisions prior to Covid-19 and of those that will be taken now and as we look to recover from the hit that our economy has taken.

Prior to Covid, as has been said quite eloquently by a number of members, our local authorities were already struggling with a debt burden exceeding £15 billion. Even before the impact of the virus, with their full range of revenue-generating activities, councils were having to find millions of pounds in savings, as well as having to put up council tax significantly. Many of the fiscal challenges of Covid will now fall to our local authorities, and there is no question that they are, rightly, extremely worried.

The Scottish Government needs to consider the risks that it is willing to take. Lockdown was implemented to protect our NHS and save lives. The response from the public, frankly, was heart-warming. Lockdown was predominantly voluntary, but families and businesses responded. The UK Government and the Scottish Government provided financial support to ensure that the impact on individuals was minimised.

However, it was never meant to go on long term. We protected the capacity of our NHS, and front-line workers in the care sector and the food supply chain stepped up. We now need to ensure that we do not undermine everything that has been done by allowing our economy to deteriorate any further than it needs to.

Every day I get emails from people who have invested their lives and money in building their businesses, providing employment and giving their children the best opportunities. They need the economy to be unlocked. They need the Scottish Government to explain the scientific reasons for keeping Scotland in lockdown longer than the rest of the UK.

The extension of furlough would not in itself save many businesses, as they will increasingly be unable to meet their fixed overheads and their customers might not return if they have found their supply needs met elsewhere.

If our schools do not return, our children's education will fall further behind. We can argue and we can insult each other in this political bubble that we live in but, for many, the fiscal challenge means the loss of their job, their home and their future.

I know that making decisions that put people's lives at risk is frightening. However, the Covid virus is one risk. I wonder whether hindsight will change many people's perspective on some of the decisions that we are making. The recovery plans for the UK and Scotland have yet to be seen by most of us. I, for one, am extremely concerned that the impact of lockdown on people's lives will be far more devastating than the virus itself.

The Scottish Government needs to work with the UK Government to get us through this, not least because not only do we have to come out of the Covid crisis in one piece, we are Brexiting in December. That means another challenge—whether we like it or not, and all in this chamber have different opinions—and we need to be united in how we deal with it. If we are not, although we might feel politically virtuous, the people will not thank us, because it is their real, everyday lives that we are going to devastate if we do not do all of that well.

16:53

**Tom Arthur (Renfrewshire South) (SNP):** I want to pick up on Michelle Ballantyne's remarks. To be honest, she made a point that will resonate with many of our constituents. People are genuinely anxious. They are worried. They are watching the First Minister's briefings, they are seeing the welcome fall in the numbers of people who are infected and who are dying from coronavirus, and they will be feeling mounting anxiety about their future economic prospects. Will they have a job to go back to in the autumn? Will they be able to pay the mortgage? What about their children going back to school? What opportunities will there be for small business owners?

I declare an interest as a member of the Musicians' Union. As someone who was in the music industry, I know the anxiety that is being felt by so many people across the music sector now. I declare an interest also in that my wife works in television, and I sense the anxiety among many in that sector who are freelance.

I do not agree with everything that Michelle Ballantyne said, and I will explain why in a moment, but I recognise that anxiety. It is important that we do not lose sight of the economic anxiety that the crisis is causing.

However, first and foremost, we have to remember that this is a public health crisis. There

cannot be any economic recovery without a health recovery—that is just the reality of it. That is because of both the practicalities of maintaining a functioning NHS and our ability to ensure a return of consumer confidence.

It is paramount that our efforts and our focus are on ensuring that we suppress the virus. Although it can be tempting to clutch at straws and to reach for magic formulas—I am thinking of the idea that social distancing of 1m can achieve an economic reopening that social distancing of 2m cannot—it is dangerous to do so. All of us have a duty to be consistent in our messaging, because there is a clear path out of lockdown, but if we are to be able to take that path, we must suppress the virus. My genuine fear is that, if we are premature and we have a reckless rush out of lockdown, that will prove to be a false economy and we will be right back to square 1. We must take a strategic view and a long-term approach to ensure that the recovery is sustainable.

I encourage members to reiterate that point in their communications with constituents and in the press releases that they put out. Let us not risk having division among ourselves as politicians in our political parties over a false dichotomy between health and the economy. Without addressing the health emergency, we cannot address the economic emergency.

**Michelle Ballantyne:** I do not disagree with where Tom Arthur is coming from, but there is a bigger issue at stake here. Covid is one health issue. There have been hundreds of thousands of cancelled appointments in the health service, and people are starting to really suffer. People are starting to die. The number of suicides is increasing. Covid is one health crisis, but we have a huge health crisis coming down the road as a result of the decisions that we have made to suppress Covid. Does Mr Arthur recognise that?

**Tom Arthur:** I absolutely recognise that. That is inherent in the Government's decision-making framework, which seeks to balance those harms. However, we must bear in mind that we do not have a full understanding of the virus. We are learning more about it and about the longer-term morbidities that are associated with it, and I think that it would be premature to assume that we have a grasp and a full understanding of the longer-term consequences.

I want to pick up on some of the points that have been made by others. I welcome the cabinet secretary's support for going back to work, but there is a specific issue that I want to raise with her. I do not necessarily expect her to intervene or to respond in her closing remarks, but I hope that she will take it into consideration.

Last week, we marked carers week very differently from how we normally mark carers week—it was all about making carers visible. A scheme that I have sought to champion and promote in the chamber for the past few years is the carer positive scheme. The necessary acceleration of the adoption of home working and the use of digital platforms and remote-working procedures has been challenging for some, but it has also created new opportunities. When we return to a level of normality, there will be reflections on the issues of presenteeism and the need for office space, but those digital platforms have given carers—who we know have been the unsung heroes throughout the pandemic—an opportunity to have a better work-life balance.

I ask the cabinet secretary that, when we consider funding and support for businesses to transition, we make sure that we provide funding and support for businesses that require it to ensure that they can apply the technological gains that have been accrued through digitisation in the course of the crisis and use them to support working carers and give them the confidence that they can remain in employment and work from home and work at the office. An opportunity exists to enhance the carer positive scheme, and I ask the cabinet secretary to reflect on that.

Another point that I want to stress is the need for support for the music sector. I know that I am like a broken record on that subject, which I constantly raise in the chamber, but it is incredibly important. The ecosystem is fragile and support must be provided.

I appreciate that the Scottish Government is operating within very tight fiscal constraints, and I do not want to get into constitutional argy-bargy about the fiscal framework. I hope that we can find consensus. Donald Cameron said that the UK was Scotland's insurance policy. The reality is that, by printing money, the Bank of England has been the UK's insurance policy throughout the crisis.

We need to be realistic about the level of debt that has been accrued, but we also need to be realistic about how it will be paid back. We cannot have an austerity 2.0. That must be out of the question; we must find consensus on that. The debt that has been accrued over the past 13 weeks must be treated in the way that debt is treated after a war—it must be paid off over a long period. If we do not address the recovery in a way that is equitable, fair and sustainable, we risk what has been a health crisis becoming an economic crisis and then a political crisis.

**The Deputy Presiding Officer:** We move to the closing speeches.

16:59

**Willie Rennie:** It took until the end of today's debate for there to be a fascinating mini-debate between Tom Arthur and Michelle Ballantyne. They were quite mature and respectful towards each other and both made important points. Michelle Ballantyne was right about moving faster in easing the lockdown because of the other harms that it has caused.

However, Michelle Ballantyne also failed to recognise three important factors that should lead us to take a more cautious approach. Customers cannot be forced into the shops. They need to feel safe and, when they do, that will build consumer confidence and improve the economy. We need to deal with the health crisis, and that is where Tom Arthur was right.

We cannot force people back to work, for exactly the same reasons. People need to feel safe there, too, and that is why they need to be confident that the authorities are making the right decisions.

Thirdly, as the Confederation of British Industry has pointed out, a second peak would be a hammer blow to the economy. It would obliterate consumer confidence, and that would damage the economy. Nevertheless, I thought that Michelle Ballantyne put her points across quite forcibly and that they were quite valid.

**Michelle Ballantyne:** Does the member recognise that it is not just about customers and shops? Businesses are not necessarily shops.

Secondly, does the member recognise that we can see when we are out on the roads that a lot of people have gone back to work and lockdown is unravelling on its own? That is a problem. We need to be instructing people how to manage it more effectively.

**Willie Rennie:** We need to manage it effectively, and I recognise that the economy is wider than shops, but public confidence as a whole needs to be lifted or it will just falter. That is why we need to go step by step and build confidence as we progress. That would be the right approach to take. Nevertheless, Michelle Ballantyne's points were valid.

For some years in the Scottish Parliament, a feature of debates on the economy and finance has been the contributions of John Mason. They are always frank, and sometimes uncomfortable for his colleagues. However, today he was particularly honest about his currently frugal lifestyle and his membership of ICAS. His contributions are always thoughtful and we should all be grateful for them.

Stuart McMillan was right to say that this is not the time to debate independence. There was a

tension during the debate but it was not between those who support independence and those who do not; it was because some members were trying to raise their eyes to the challenges that are ahead of us and the new ideas that will be required to deal with the crisis and get us through to the other side.

Angela Constance and Alex Rowley in particular rose to that challenge. Alex Rowley talked about not going back to where we were, and made a plea to use the yards that we have on the Forth and in other parts of Scotland. Angela Constance drew inspiration from Preston and the issues with borrowing powers and procurement. At the end of his contribution, Tom Arthur—I am praising him endlessly today—talked about technology for carers and work.

Despite some disappointing parts of his contribution, Kenneth Gibson came up with some suggestions on taxing global operations so that they pay their fair share towards our economy as we get through the crisis.

The Liberal Democrats are prepared to lend our support to the Government's negotiations with the Treasury on flexibilities. A fiscal framework exists in every country that has been set up in a federal way. It covers the resource transfers between tiers of Government, and I think that it is reasonable for us to look at it in detail when a once-in-a-lifetime global challenge comes to visit us, because no agreement between Governments can foresee every eventuality or possible major event.

As the Scottish Government seeks a positive relationship with the UK Government, the same must apply to the relationship with local government. I understand the technical explanation from the finance secretary about the checks that were sought from councils before the allocation of the £155 million—who could not understand that? However, I hope that she understands how irritated and angry council leaders were with the pause that brought uncertainty and doubt about whether the Scottish Government could be relied on to stand by them when they needed help. As did everyone else, I think that they did what was required.

I was immensely impressed by the approach that was taken by officers in Fife to make things work and get the money out of the door to the businesses that needed support. They took decisions at that point because they knew—or thought—that they had the Government behind them. The hesitation decimated that trust in Government and I hope that the finance secretary understands that. That is not a political point; it is about trying to build trust between different tiers of government. An awful lot of political capital was lost at that point.

Sarah Boyack talked about the return to school in August and made some powerful points, but I was disappointed by John Swinney's comments at the weekend. He said that councils had enough money to deal with the challenge ahead and listed the money, which has already been spent, for business support, to provide food parcels and for other support including childcare. I was disappointed by that response and hope that we can move towards a more mature relationship. In that way, together, we can get through this crisis.

**The Deputy Presiding Officer:** I remind all groups and their respective members that those who took part in the debate should always be in the chamber for the closing speeches.

17:06

**Andy Wightman (Lothian) (Green):** This has been a useful debate, and a number of useful points have been raised. The debate is about the fiscal implications of Covid-19, and Covid-19 has revealed the weakness in the fiscal dimensions of devolution. Reforms over the past 20 years have tended to be ad hoc—they were not co-ordinated—and we have not had any substantial reform of the UK's constitution in that regard.

I am pleased that our budget negotiations in past years have succeeded in securing a commitment to developing a fiscal framework for local government, so that a rules-based system similar to the UK-Scotland fiscal framework is in place. We can debate the nature, structure and operation of any fiscal framework, but it is important that it exists in the first place.

I welcomed Willie Rennie's observation that the Scottish Government cannot argue for greater flexibility in terms of the fiscal framework while, at the same time, telling councils that there is no more money. That is not a sustainable position. If we are to have a new fiscal settlement, it needs to cover local government, the Scottish Government and the UK Government. [*Interruption.*] I am afraid that I am very pressed for time—I apologise.

As many members have pointed out, the fiscal framework is not designed for handling a pandemic, and we are facing a situation in which public revenues are declining due to tax reliefs, payment holidays, reduced income tax yields and so on, while the costs to the state in healthcare, business support, wages, social security and more are rising. Debt, too, is rising, but, as Patrick Harvie pointed out, the capacity to repay that debt—the ratio of public sector debt interest to public revenues—is at an historic low. That will be sustainable only for as long as we have low interest rates and low inflation.

Earlier this year, Parliament approved a budget when it was already in circumstances of great

uncertainty because of the lateness of the UK budget, Brexit and adjustments to forecast revenues. The addition of Covid-19 presents real challenges, not just in the short term but in the long term, too. Tax revenue forecasts for Scotland are now meaningless. We will have less income tax, less land and buildings transaction tax, less from non-domestic rates and more costs. The UK Government has responded to the situation by increasing its borrowing, but it is notable that those powers are not available to Scotland, simply because we do not have a central bank. I welcome Kate Forbes's reference to remarks made by the former chancellor, Alistair Darling.

Previous debates on the economy have highlighted the role of the Bank of England in creating new money—so-called quantitative easing. Since 2009, £445 billion has been magicked out of thin air. Patrick Harvie was right to criticise Donald Cameron's credit card analogy. I have a credit card, but I cannot print money, I am not a central bank and I cannot issue bonds. According to the Bank of England's analysis, quantitative easing has enriched the richest 10 per cent of the population by more than the other nine deciles put together, and the bank's £200 billion of quantitative easing in response to Covid-19 will increase that inequality.

Obviously, quantitative easing provides flexibility to the UK Government, as the interest due on that debt is now no longer due to the private sector but is due to a central bank that it owns. There are two consequences of that—two issues and arguments that arise. First, as I argued recently in an economy debate, the Scottish Government should have access to a share of the magic money tree—some £20 billion—to be allocated according to principles designed by the Scottish Government; it should not simply be buying gilts in the private market. Secondly, and more fundamentally, buying gilts from the private sector is not the best way of stimulating the economy, because of the inequality. There is a sound argument, which is made by many economists, for directing much of that £3,000 per head directly to households. If it were all allocated directly to households, someone earning £100,000 would receive 3 per cent of their gross income and someone earning £24,000 would receive a 12.5 per cent boost to their income. That is an example of what needs to be done in what the chancellor, Rishi Sunak, recently called

“a time to be bold, a time for courage.”

I will turn briefly to some of the contributions from other members. Jackie Baillie was correct in arguing for an extension to the job retention scheme beyond October, as well as on the point about time to pay debts, which I thought was very telling.



Willie Rennie was right to raise the question of local government, as others did.

However, arguing that the Government's motion does not include UK interventions—as if they were some kind of external subvention—is a bit misplaced. They are financed by debt that will be repaid by Scottish taxpayers just as it will be repaid by taxpayers from other parts of the UK; it is not in any way aid. Maurice Golden was guilty of failing to recognise that fact and of failing to answer Kate Forbes's legitimate challenge about where the money was coming from. We will pay for it just as much as all the other taxpayers in the UK.

Angela Constance raised a very important point about the steps that have been taken, as highlighted in Common Weal's economic resilience report, which I was very impressed with.

John Mason talked about tax reform, and I agree that the poorest 20 per cent still pay more as a percentage of their income in tax than the richest 20 per cent. We need a shift from flat taxes such as VAT to progressive taxes such as income tax. More importantly, we need a shift from taxes on earned incomes to taxes on accumulated wealth and assets, because there is clear evidence from studies by the Institute for Public Policy Research and others that those who own assets—landlords, shareholders and others—have seen their income substantially protected while the income of those who depend on earnings and have high fixed costs of housing and so on has got much worse.

Members have extolled the virtues of the UK Government, which has—yes—provided significant short-term stability. However, the real question is what we are going to do in the future. That poses real challenges to all of us if devolution is to be sustainable.

**The Deputy Presiding Officer:** I call Rhoda Grant for absolutely no more than six minutes.

17:12

**Rhoda Grant (Highlands and Islands) (Lab):** As the debate started, I feared that it was going to be an argument about which Government had done more. However, there were, in fact, many thoughtful contributions. I am glad about that, because the truth is that we are not through the pandemic and that the required response that we are making now will need to be continued into the future. We will need a lot more intervention to recover from what we have been through, and both Governments need to continue to intervene.

Alex Rowley pointed out that the economy was in a bad place before the pandemic, which makes recovering from it even worse. However, we must

always remember that this is about people, their future and, sometimes, their very survival. We represent them here, and we must do that as we frame the way forward.

Much of the debate has been about the fiscal framework. It is very clear that it is not fit for purpose. It was never fit for purpose, and I do not understand why the Scottish Government signed up to it in the first place. It needs to be changed at the time of the review. Even Donald Cameron talked about the £1 billion black hole, which happened before Covid-19. We need to look at flexibility, and Jackie Baillie suggested that one form of flexibility could be more time to pay back that £1 billion. However, I fear that we may need more than that, because I do not think that borrowing and reserves are enough to meet the level of intervention that our communities need. That flexibility can be gained only through good will from both of our Governments. They need to negotiate that and find a way forward. We, in our amendment, urge them to do so.

Alex Rowley and Sarah Boyack talked about the Government's role in the economy and what it could do; about renewables jobs, which are going elsewhere while our yards sit empty; and about the work that we could be doing with community heat networks, such as retrofitting, to meet our climate change obligations. We want a job guarantee scheme that pays people who could be doing the work that is desperately needed. We need an industrial strategy to manage the economy that we want. Bruce Crawford was quite right to point out that we have a disproportionate dependence on things such as tourism. We must ensure that that does not happen going forward.

The best way of getting revenues to pay for our response is to make sure that people are working and paying taxes. It is good to see converts to the windfall tax and the social responsibility levy, but we must make sure that people are working in order that taxes are paid, and we must use all the levers that the Government has at its disposal to make sure that that happens.

A number of members talked about local government, which really is at the front line of delivery. As Sarah Boyack pointed out, councils have already spent an additional £145 million, so they need the consequential that came to the Government. When I speak to councils, they are often waiting for not only money but advice and guidance on how to proceed. In education, the situation is even more stark, as councils need advice on how to reopen schools.

There is a cost attached to social distancing. Let me be clear: I am not suggesting for one moment that we should not meet the cost. As Tom Arthur said, what is most important to the economy is that we suppress the virus, and changing the required

distance between pupils without scientific proof would cause huge problems in our schools. Therefore, we need more teachers and classrooms, we need to reopen buildings, we might need to use community or church halls, and we need more buses to transport children to school. We cannot simply say that children can go to school for one day a week—that is not good enough. With every day that passes, the attainment gap is widening and some children are receiving no education at all. They are from families that cannot afford iPads, or, if they have iPads, they cannot afford broadband to give their children access to education.

Those who can afford to do so will invest in tutors. Who would not do so to enhance their child's life chances? However, that means that the attainment gap grows and grows. Parents also need to know when their children will be going to school, because they need to go to work if we are reopening workplaces and have enough money in the economy that shops are required.

It is about not only school education but nursery education. Parents need to know what advice is being given, because, primarily, they need to know that their children will be safe. We need to build on such requirements to give people the confidence to go back to school and work. However, we cannot simply go back to the economic norms of austerity. If the pandemic has shown us one thing, it is that austerity was a political choice and one that must never be revisited.

Our economy cannot be rebuilt on the low pay of our key workers, whom we must reward not only with esteem but financially. We must invest in our future and, in doing so, create a country that is worthy of their efforts, because they have borne the brunt of the pandemic.

17:18

**Alexander Burnett (Aberdeenshire West (Con)):** I refer members to my entry in the register of interests.

I join my colleagues and members across the chamber who have welcomed the additional funding that has been made available to date by the UK Government. I know that I am not alone when I say that in the past three months I have received thousands of emails from constituents, detailing their desperation for support to feed their families or to pay their mortgage or energy bills, and from many businesses—small and large—that want to do all that they can to avoid making staff redundant, and to ensure that they will have livelihoods at the end of the pandemic.

As my colleague Donald Cameron said, through support from the UK Government we have had more than £10 billion in extra spending to save

livelihoods and bolster public services. That has meant protection of 800,000 Scottish jobs, thanks to the UK Government's unprecedented economic interventions.

However, it is disappointing that the SNP Government has, in a return to form, started once again to play party politics. I find it rather bold of the Scottish Government to be so brazenly hypocritical in calling for more funding from central Government while simultaneously rejecting the same request from local government. As my colleague Graham Simpson mentioned, the SNP is forcing local authorities around Scotland to raid their reserves in order that they can support their communities through the crisis.

**Kate Forbes:** Will Alexander Burnett advise members where the Scottish Government can get additional resources to fund his additional asks? I am talking about revenue, specifically.

**Alexander Burnett:** There are plenty of projects that have not gone ahead, for various reasons, and the Scottish Government has plenty of powers—[*Interruption.*] If what SNP members say is the case, why has COSLA become so fed up with the SNP that it is now seeking support directly from the UK Government?

It is not just our councils that the SNP is letting down. Right now, our high street shops are being failed by the Government, so I am pleased to say that the Scottish Conservatives are currently calling for support for those businesses. We are asking the Scottish Government to consider various measures, including law changes to relax rules on pavement eating and drinking, temporary scrapping of parking charges to encourage shoppers to go out shopping, and a review of the 2m social distancing rule. Those measures would not only bolster local businesses, but would prevent closures and bankruptcies in towns all around the country.

I know that the Scottish Government has taken many unprecedented steps to assist our constituents during the crisis. However, I cannot help but feel anger because the SNP did not prepare better for a situation such as this. We might not have known that a pandemic of this magnitude would occur, but for 12 years the Government has not listened to us while we warned it about draining reserves and not doing enough to boost our economy. Therefore, we entered the crisis with a weakened economy and not enough left for a rainy day, and now it is pouring.

That feeling is echoed by businesses and academics alike. A fortnight ago, at the Finance and Constitution Committee, Professor Jim Gallagher said:

"In the past 10 years, we have done less well in promoting economic growth than the rest of the UK has. That contrasts with every decade before then, from the 1960s onward."

He went on to note:

"At the time of devolution in 1999, Scotland was the third richest region of the United Kingdom. Since about 2008 or so ... per capita economic growth in Scotland has consistently underperformed that of the UK. In the decades before that, it consistently outperformed that of the UK."—*[Official Report, Finance and Constitution Committee, 5 June 2020; c 15-16.]*

Those are his words, not mine. There has been only one constant in that period of poor performance: this SNP Government.

Nothing strikes fear into business more than Kate Forbes saying that the SNP will use its "ingenuity" to solve the crisis. What has the SNP's reaction been to the pandemic? What is this "ingenuity"? It means demands for more borrowing powers and for full fiscal autonomy. However, that would not solve the problem, but would only make it worse. The SNP's reckless plans for full fiscal autonomy would slash the Scottish budget and leave more Scots struggling to make ends meet during this economic crisis. As my colleague Maurice Golden noted, full fiscal autonomy would lead to cuts and would leave every person in Scotland £2,000 poorer, because we would lose additional funding from the UK. In the middle of a crisis, that is the last thing any of our constituents needs.

Instead of picking constitutional fights or arguing over full fiscal autonomy, the SNP Government needs to focus on the task ahead. I ask it to sort out Scotland's test and trace system, which is vital to getting our economy moving again, and to sort out our education system, which is vital to our children's future.

**The Deputy Presiding Officer:** I call—*[Interruption.]* Excuse me, please. I call Kate Forbes to close the debate.

17:24

**Kate Forbes:** This debate matters, because we are living through an extremely challenging time. Combating coronavirus has required investment in and support for the NHS, our front-line workers and our care homes. The next chapter cannot be dressed up: it will be challenging. However, we are determined to get through it.

In the past, we have debated the choices that we face at this time in our history, which are about building a fairer society, positioning our economy for sustainable growth and embracing opportunities. That is in the middle of one of the greatest challenges of our time. Many members

have made that point, and have provided ideas as to how we can do that.

However, in highlighting the many challenges that we face, we take our responsibilities seriously. We are committed to using all our resources, efforts and creativity to invest in communities, to support the economy and to protect public services. That is why today's announcement of £230 million of capital stimulus is so important.

Investment in high-growth companies, construction projects, regeneration, transport and digitalisation will be just the first phase of our economic response. Larger programmes will follow, as we prepare a fuller response to aid long-term recovery against the economic and social harm that has been caused by the pandemic. That is in order to restore the economic confidence that Willie Rennie mentioned, based on managing the health crisis.

As we do that, I will keep listening to the many ideas that have been offered by Angela Constance, Alex Rowley, John Mason and others on how to navigate these choppy waters. However, we will be making decisions and taking those actions with one hand tied behind our back, unless there is change.

Michelle Ballantyne made the point perhaps better than I will, when she told members that the UK Government's funding figures are not guaranteed until the end of this financial year. During a crisis, that is far too long to wait.

Willie Rennie asked what types of powers and flexibilities we are seeking. They include protection against negative consequential. Alexander Burnett will be interested to hear that they also include the ability to use capital underspend to meet our revenue needs. I am sure that he knows full well the difference between capital and revenue. However, perhaps he does not know that, right now, we cannot use underspends in capital projects to meet revenue shortfalls. Local government, business and the national health service need revenue, not capital, so that is one of the flexibilities that we need.

We have talked about other flexibilities. They include being able to use our borrowing powers for the things for which we actually need them—for example, responding to a pandemic. We need greater flexibility to carry over our capital budget from the Scottish reserve, and we need the ability to manage reconciliations over a longer time.

I will address the remarkable argument that has been deployed by the Tories: that borrowing is bad, at a time when it is forecast that the UK Government will increase its borrowing by £300 billion. That is how it has funded its very welcome interventions in our economy. That is what has bankrolled the furlough scheme and the self-

employment income support scheme. Those are welcome, but we cannot dress the situation up as though the UK Government has reprioritised its budget in order that it could make those funding choices. To ask the Scottish Government to reprioritise our budgets, and thereby in the process potentially to jeopardise key front-line interventions, is therefore hypocrisy.

Graham Simpson's well-made point sums it up. His speech illustrated the core issue. He asked, as is his right, for more funding for local government. He can ask for that, as he can ask for more funding for anything.

**Members rose.**

**Kate Forbes:** I have only a minute and a half left. Graham Simpson told me not to raise taxes for that. That is fair enough—it is his right to make that argument. Perhaps, however, he will tell me what other source of funding we have that would meet those funding requests. The only other source that the Scottish Government has is, whether we like it or not, the UK Government, because we are denied the powers to borrow for a pandemic. I will work with local government to make the case to the UK Government for additional funding and for flexibilities for local government. That point illustrates the core issue that we have been debating.

Various points have been made about the fiscal framework. Some members said that we should use our full borrowing powers before we go looking for more. I remind them that we do not have borrowing powers for a pandemic.

Jackie Baillie said that we are protected by a symmetrical shock, but that we should take responsibility for an asymmetric shock because of our political decisions. David Phillips, of the IFS, told the Finance and Constitution Committee that

“a higher reliance on hospitality and associated industries”

could mean that there is a greater impact on Scotland, irrespective of political decisions. He went on to say that the Scottish Government

“has 100 per cent of the risk at the margin for changes in its relative revenue performance or changes in its relative welfare performance—that is all borne by the Scottish Government. That is quite unusual internationally and it might be worth considering whether that is appropriate.”—  
[*Official Report, Finance and Constitution Committee*, 5 June 2020; c 37.]

My view is that it is certainly not appropriate.

As we approach the vote on the motion, I assure Parliament that if all parties support the call for greater powers and flexibilities, I will continue to negotiate in good faith and with good will. It will take both parties to engage, but I am fully committed to making it happen in order to ensure

that we are investing in our economy and that we are, ultimately, rejecting austerity.

## Corporate Insolvency and Governance Bill

17:30

**The Presiding Officer (Ken Macintosh):** The next item of business is consideration of legislative consent motion S5M-22034, on the Corporate Insolvency and Governance Bill.

*Motion moved,*

That the Parliament agrees that the relevant provisions of the Corporate Insolvency and Governance Bill, introduced in the House of Commons on 20 May 2020, so far as they fall within the legislative competence of the Scottish Parliament, or alter the executive competence of the Scottish Ministers, should be considered by the UK Parliament.—[*Jamie Hepburn*]

## Decision Time

17:31

**The Presiding Officer (Ken Macintosh):** There are six questions to be put today.

The first question is, that amendment S5M-22033.1, in the name of Donald Cameron, which seeks to amend motion S5M-22033, in the name of Kate Forbes, on fiscal implications of Covid-19, be agreed to. Are we agreed?

**Members:** No.

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

### For

Ballantyne, Michelle (South Scotland) (Con)  
Bowman, Bill (North East Scotland) (Con)  
Briggs, Miles (Lothian) (Con)  
Burnett, Alexander (Aberdeenshire West) (Con)  
Cameron, Donald (Highlands and Islands) (Con)  
Carson, Finlay (Galloway and West Dumfries) (Con)  
Davidson, Ruth (Edinburgh Central) (Con)  
Golden, Maurice (West Scotland) (Con)  
Greene, Jamie (West Scotland) (Con)  
Halcro Johnston, Jamie (Highlands and Islands) (Con)  
Kerr, Liam (North East Scotland) (Con)  
Lindhurst, Gordon (Lothian) (Con)  
Mountain, Edward (Highlands and Islands) (Con)  
Simpson, Graham (Central Scotland) (Con)  
Smith, Liz (Mid Scotland and Fife) (Con)  
Stewart, Alexander (Mid Scotland and Fife) (Con)  
Wells, Annie (Glasgow) (Con)  
Whittle, Brian (South Scotland) (Con)

### Against

Adam, George (Paisley) (SNP)  
Adamson, Clare (Motherwell and Wishaw) (SNP)  
Arthur, Tom (Renfrewshire South) (SNP)  
Baillie, Jackie (Dumbarton) (Lab)  
Baker, Claire (Mid Scotland and Fife) (Lab)  
Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
Boyack, Sarah (Lothian) (Lab)  
Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
Cole-Hamilton, Alex (Edinburgh Western) (LD)  
Constance, Angela (Almond Valley) (SNP)  
Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
Dey, Graeme (Angus South) (SNP)  
Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
Fabiani, Linda (East Kilbride) (SNP)  
Findlay, Neil (Lothian) (Lab)  
Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
Gibson, Kenneth (Cunninghame North) (SNP)  
Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
Gougeon, Mairi (Angus North and Mearns) (SNP)  
Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
Grant, Rhoda (Highlands and Islands) (Lab)  
Gray, Iain (East Lothian) (Lab)  
Harvie, Patrick (Glasgow) (Green)  
Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
Hyslop, Fiona (Linlithgow) (SNP)  
Johnson, Daniel (Edinburgh Southern) (Lab)  
Johnstone, Alison (Lothian) (Green)  
Kelly, James (Glasgow) (Lab)  
Kidd, Bill (Glasgow Anniesland) (SNP)  
Lochhead, Richard (Moray) (SNP)

Lyle, Richard (Uddingston and Bellshill) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McMillan, Stuart (Greenock and Inverclyde) (SNP)  
 McNeill, Pauline (Glasgow) (Lab)  
 Rennie, Willie (North East Fife) (LD)  
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)  
 Rumbles, Mike (North East Scotland) (LD)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Sarwar, Anas (Glasgow) (Lab)  
 Smyth, Colin (South Scotland) (Lab)  
 Stewart, David (Highlands and Islands) (Lab)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wightman, Andy (Lothian) (Green)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

**Jamie Greene (West Scotland) (Con):** On a point of order, Presiding Officer.

**The Presiding Officer:** Mr Greene, you may make your point of order after I have read out the result of the division.

The result of the division is: For 18, Against 55, Abstentions 0.

*Amendment disagreed to.*

**The Presiding Officer:** Mr Greene, I take it that you thought that your vote was not recognised.

**Jamie Greene:** I just wanted to check whether it had been, Presiding Officer. It did not appear on the screen, although I see that my microphone is working. I will check the *Official Report*. I might not be able to participate in further votes, such are the joys of technology in this place.

**The Presiding Officer:** Thank you, Mr Greene. We will check. If your vote was not shown, it will be noted on the record that you voted—in this case, are you confirming that you voted with the Conservatives, for the amendment? [*Laughter.*] I see that that is confirmed.

We move to the next question. I remind members that if the amendment in the name of Jackie Baillie is agreed to, the amendment in the name of Willie Rennie will fall.

The question is, that amendment S5M-22033.2, in the name of Jackie Baillie, which seeks to amend motion S5M-22033, in the name of Kate Forbes, on fiscal implications of Covid-19, be agreed to. Are we agreed?

**Members:** No.

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

## For

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Boyack, Sarah (Lothian) (Lab)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Constance, Angela (Almond Valley) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Findlay, Neil (Lothian) (Lab)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Gougeon, Mairi (Angus North and Mearns) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Harvie, Patrick (Glasgow) (Green)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Johnstone, Alison (Lothian) (Green)  
 Kelly, James (Glasgow) (Lab)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Uddingston and Bellshill) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McMillan, Stuart (Greenock and Inverclyde) (SNP)  
 McNeill, Pauline (Glasgow) (Lab)  
 Rennie, Willie (North East Fife) (LD)  
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)  
 Rumbles, Mike (North East Scotland) (LD)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Sarwar, Anas (Glasgow) (Lab)  
 Smyth, Colin (South Scotland) (Lab)  
 Stewart, David (Highlands and Islands) (Lab)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wightman, Andy (Lothian) (Green)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

## Against

Ballantyne, Michelle (South Scotland) (Con)  
 Bowman, Bill (North East Scotland) (Con)  
 Briggs, Miles (Lothian) (Con)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Carson, Finlay (Galloway and West Dumfries) (Con)  
 Davidson, Ruth (Edinburgh Central) (Con)  
 Golden, Maurice (West Scotland) (Con)  
 Greene, Jamie (West Scotland) (Con)  
 Halcro Johnston, Jamie (Highlands and Islands) (Con)

Kerr, Liam (North East Scotland) (Con)  
 Lindhurst, Gordon (Lothian) (Con)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Wells, Annie (Glasgow) (Con)  
 Whittle, Brian (South Scotland) (Con)

**The Presiding Officer:** The result of the division is: For 55, Against 18, Abstentions 0.

*Amendment agreed to.*

**The Presiding Officer:** The next question is, that amendment S5M-22033.3, in the name of Patrick Harvie, which seeks to amend the motion in the name of Kate Forbes, be agreed to. Are we agreed?

**Members:** No.

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

**For**

Adam, George (Paisley) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Boyack, Sarah (Lothian) (Lab)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Constance, Angela (Almond Valley) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Findlay, Neil (Lothian) (Lab)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Gougeon, Mairi (Angus North and Mearns) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Harvie, Patrick (Glasgow) (Green)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Johnstone, Alison (Lothian) (Green)  
 Kelly, James (Glasgow) (Lab)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Uddingston and Bellshill) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McMillan, Stuart (Greenock and Inverclyde) (SNP)  
 McNeill, Pauline (Glasgow) (Lab)  
 Rennie, Willie (North East Fife) (LD)  
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)  
 Rumbles, Mike (North East Scotland) (LD)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)

Sarwar, Anas (Glasgow) (Lab)  
 Smyth, Colin (South Scotland) (Lab)  
 Stewart, David (Highlands and Islands) (Lab)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wightman, Andy (Lothian) (Green)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

**Against**

Ballantyne, Michelle (South Scotland) (Con)  
 Bowman, Bill (North East Scotland) (Con)  
 Briggs, Miles (Lothian) (Con)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Carson, Finlay (Galloway and West Dumfries) (Con)  
 Davidson, Ruth (Edinburgh Central) (Con)  
 Golden, Maurice (West Scotland) (Con)  
 Greene, Jamie (West Scotland) (Con)  
 Halcro Johnston, Jamie (Highlands and Islands) (Con)  
 Kerr, Liam (North East Scotland) (Con)  
 Lindhurst, Gordon (Lothian) (Con)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Wells, Annie (Glasgow) (Con)  
 Whittle, Brian (South Scotland) (Con)

**The Presiding Officer:** The result of the division is: For 53, Against 18, Abstentions 0.

*Amendment agreed to.*

**The Presiding Officer:** Amendment S5M-22033.4, in the name of Willie Rennie, is pre-empted. Therefore, the next question is, that motion S5M-22033, in the name of Kate Forbes, as amended, on the fiscal implications of Covid-19, be agreed to. Are we agreed?

**Members:** No.

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

**For**

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Boyack, Sarah (Lothian) (Lab)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Constance, Angela (Almond Valley) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Findlay, Neil (Lothian) (Lab)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Gougeon, Mairi (Angus North and Mearns) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)

Harvie, Patrick (Glasgow) (Green)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Johnstone, Alison (Lothian) (Green)  
 Kelly, James (Glasgow) (Lab)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Uddingston and Bellshill) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McMillan, Stuart (Greenock and Inverclyde) (SNP)  
 McNeill, Pauline (Glasgow) (Lab)  
 Rennie, Willie (North East Fife) (LD)  
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)  
 Rumbles, Mike (North East Scotland) (LD)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Sarwar, Anas (Glasgow) (Lab)  
 Smyth, Colin (South Scotland) (Lab)  
 Stewart, David (Highlands and Islands) (Lab)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wightman, Andy (Lothian) (Green)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

#### Against

Ballantyne, Michelle (South Scotland) (Con)  
 Bowman, Bill (North East Scotland) (Con)  
 Briggs, Miles (Lothian) (Con)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Carson, Finlay (Galloway and West Dumfries) (Con)  
 Davidson, Ruth (Edinburgh Central) (Con)  
 Golden, Maurice (West Scotland) (Con)  
 Greene, Jamie (West Scotland) (Con)  
 Halcro Johnston, Jamie (Highlands and Islands) (Con)  
 Kerr, Liam (North East Scotland) (Con)  
 Lindhurst, Gordon (Lothian) (Con)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Wells, Annie (Glasgow) (Con)  
 Whittle, Brian (South Scotland) (Con)

**The Presiding Officer:** The result of the division is: For 55, Against 18, Abstentions 0.

#### *Motion, as amended, agreed to,*

That the Parliament notes that the funding requirements of dealing with the COVID-19 pandemic have been substantial for both the Scottish and UK governments; welcomes the additional funding made available by the UK Government to tackle the pandemic, providing support for businesses and to retain jobs; further notes that both the Scottish Government and local authorities have contributed additional resources, that councils are equally exposed to financial risk and that there is likely to be a budget shortfall in local government; agrees that additional short-term flexibilities in the Fiscal Framework should be negotiated with the UK Government; notes that the limitations in the

Fiscal Framework were agreed by the Scottish Government, and welcomes the opportunity to review this next year; agrees that all parties and levels of government should continue to work collaboratively and transparently on the collective fiscal response; urges the Scottish Government to bring forward a package of measures to restart the economy; recognises that economic recovery from COVID-19 will require a very substantial fiscal stimulus package as well as continuation of the job retention scheme in at least some sectors such as the hospitality industry; notes that the need for these further measures is recognised at EU level and regrets that the UK will be unable to participate in the EU's stimulus package as a result of the UK Government's choices, and believes that all fiscal interventions to respond to and recover from the COVID-19 pandemic must be designed to build back a better, fairer and more sustainable economy, and that investment in a green economy must be the most urgent priority for all governments, instead of supporting the continuation of exploitative and unsustainable practices.

**The Presiding Officer:** The final question is, that motion S5M-22034, in the name of Fiona Hyslop, on the legislative consent motion on the Corporate Insolvency and Governance Bill, be agreed to.

#### *Motion agreed to,*

That the Parliament agrees that the relevant provisions of the Corporate Insolvency and Governance Bill, introduced in the House of Commons on 20 May 2020, so far as they fall within the legislative competence of the Scottish Parliament, or alter the executive competence of the Scottish Ministers, should be considered by the UK Parliament.

*Meeting closed at 17:37.*



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

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