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AITHISG OIFIGEIL

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Wednesday 2 March 2022

Session 6



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Scottish Parliament

Wednesday 2 March 2022

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

Business Motion

The Presiding Officer (Alison Johnstone): Good afternoon. I remind members of the Covid-related measures that are in place, and that face coverings should be worn when moving around the chamber and across the Holyrood campus.

The first item of business is consideration of business motion S6M-03443, in the name of George Adam, on behalf of the Parliamentary Bureau, setting out revisions to today's business. I call on George Adam to move the motion.

The Minister for Parliamentary Business (George Adam): Thank you, Presiding Officer. It is just as well that I am here.

I move,

That the Parliament agrees to the following revisions to the programme of business for Wednesday 2 March 2022—

after

followed by Scottish Government Debate: UK Shared Prosperity Fund – What This Means for Scotland

insert

followed by Ministerial Statement: National Strategy for Economic Transformation

delete

5.40 pm Decision Time

and insert

6.10 pm Decision Time

Motion agreed to.

Portfolio Question Time

14:01

Covid-19 Vaccination Certification Scheme

1. Mark Ruskell (Mid Scotland and Fife) (Green): To ask the Scottish Government whether it will provide an update on how it is ensuring that the Covid-19 certification scheme records the vaccination status of people who received their vaccine outwith Scotland. (S6O-00788)

The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney): There is an established process for individuals who have received their coronavirus vaccinations outside Scotland to upload official proof of their vaccination in an approved country to their Scottish vaccination record, through NHS Inform. That will allow those who have been vaccinated in the UK or internationally to receive a combined “fully vaccinated” status. We are currently working to increase the number of countries to which that applies.

Mark Ruskell: Is the cabinet secretary aware of the issue of people who have received the first and second doses of vaccine elsewhere being unable to update their Scottish vaccination record to reflect that? People have been advised by the vaccination helpline that their record could be updated by their general practitioner, but have subsequently been told that their GP only receives vaccination records and cannot update them. The booster that they received in Scotland is showing on the vaccination app as their first dose.

It seems to be a bit of a guddle, so can the cabinet secretary look into the matter and ensure that any glitches in how vaccination status is recorded and updated can be resolved and communicated clearly to the public?

John Swinney: In a previous portfolio question, I answered questions from Mr Rennie and Ms Boyack on fairly similar territory—difficulties in updating vaccination status. I invited both Mr Rennie and Ms Boyack to advise me of the details, and we are working on the particular issues. If Mr Ruskell would like to do that as well, I will happily try to address the issues.

In a programme of such scale, there will undoubtedly be individual cases in which there are issues. The vaccination certification process has worked very well for the overwhelming majority—a huge number—of cases, but I accept that there might well be individual cases in which there are issues. If Mr Ruskell would like to give me more details, I will happily pursue those issues.

Siobhian Brown (Ayr) (SNP): From Monday, the Covid certification scheme ceased to be a legal requirement, but the app remains available to support businesses that wish to implement a voluntary scheme. Does the cabinet secretary agree that although it is right to lessen restrictions as we cautiously move forward, such voluntary certification schemes are valuable tools in maintaining our vigilance on Covid?

John Swinney: There is a need for us to remain constantly vigilant about Covid. Although we are in a much stronger position today than we were, there are obviously dangers and risks out there for us, given the prevalence of the virus. The strategic framework, which the First Minister set out last Tuesday, sets out the type of baseline measures that we will have to have in place on an on-going basis in order to maintain vigilance. Testing infrastructure will also be required. The helpful suggestion that Siobhian Brown has made is that businesses may decide voluntarily to use the certification scheme. If they wish to do so, the strategic framework encourages them to take that decision.

Douglas Lumsden (North East Scotland) (Con): Last week, the Information Commissioner's Office said that it warned the Scottish Government and NHS Scotland last year that there were serious privacy problems with the Covid status app, but that not all those problems were fixed before it was launched. On Friday, the ICO's deputy commissioner said:

"When governments brought in COVID status schemes across the UK last year, it was vital that they were upfront with people about how their information was being used. The Scottish Government and NHS ... Scotland have failed to do this with the NHS Scotland COVID Status app.

We require both bodies to act now to give people clear information about what is happening with their data. If they don't, we will consider further regulatory action."

Will the cabinet secretary give us assurance that the Scottish Government is acting as requested by the ICO?

John Swinney: I gave that assurance on the Government's behalf at the end of last week. It is important to consider the matter in its proper context. The ICO has asked the Government to redraft the privacy notice in order to present the information in a concise, transparent, intelligible and easily accessible form. That is an entirely reasonable request. Mr Lumsden will be familiar with the enormous complexity that exists in relation to the general data protection regulation. It is important that the information is set out clearly and simply, so the Government will do that.

We welcome the engagement with the Information Commissioner's Office, but there must be acknowledgement that there is a huge amount of complexity involved in wrestling with many of

the questions. The Government tries to present the information as clearly and as transparently as possible.

Willie Rennie (North East Fife) (LD): I thank the Deputy First Minister for helping out with my constituent's case last month. The issue has been resolved, after previous repeated attempts by the constituent to resolve it.

There seems to be a particular communication problem on the issue between Scotland and Wales that does not exist between Scotland and England. Has the Deputy First Minister got to the bottom of the problem, and can he resolve it?

John Swinney: I am breathing a sign of relief because Mr Rennie is able to say that the issue has been resolved. I feared that we would have a rematch of the previous portfolio question time. I am glad that it has been resolved and I am grateful to him for his engagement on the matter.

The information-sharing agreements that are in place with England are more straightforward than those that we have with Wales. We are trying to resolve the issues. There is no difficulty in working our way through them; it is just taking time. I assure Mr Rennie that we are working to resolve the specific issues in relation to the agreements.

Covid-19 Recovery Strategy (Vulnerable People)

2. Audrey Nicoll (Aberdeen South and North Kincardine) (SNP): To ask the Scottish Government whether it will provide an update on how its Covid recovery strategy is aiming to support the most vulnerable in Scotland's communities. (S6O-00789)

The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney): The Covid recovery strategy is focused on bringing about a fairer future, particularly for the people who have been most affected during the pandemic. Our actions will increase financial security for low-income households, enhance the wellbeing of children and young people, and create good green jobs and fair work.

We are working closely with our partners to deliver that strategy. Alongside the president of the Convention of Scottish Local Authorities, I chair the Covid recovery strategy programme board, which will oversee the ambitious transformation of public services. Further details on the matter are available on the Government's website.

Audrey Nicoll: The pandemic has exacerbated long-standing inequalities, and hardships that are experienced by many people have been brought to the forefront of public consciousness. During the pandemic, demand has drastically increased

for support from organisations such as CFINE—Community Food Initiatives North East—which offers assistance to disadvantaged, vulnerable and low-income families. The pandemic has shown what is possible when we work collectively to achieve shared goals. Does the cabinet secretary share my view that we should all resolve to apply the same energy to tackling hunger, poverty and inequality as we have applied to tackling Covid-19?

John Swinney: It is very clear to anyone who looks at the experience of the pandemic that the inequalities that existed prior to Covid were exacerbated during Covid. The Government is determined to address that, which is why tackling inequality, addressing hunger and work to eliminate child poverty lie at the heart of the Government's Covid recovery strategy.

I very much agree with the point that Audrey Nicoll has advanced and I assure her of the Government's determination to use the aftermath of Covid and implementation of the Covid recovery strategy to make the maximum impact when it comes to tackling poverty and eliminating it from our society.

Carol Mochan (South Scotland) (Lab): The cabinet secretary will be aware that our children and young people have been particularly impacted by the pandemic. Given that problems to do with children and young people's communication needs have been exacerbated by Covid-19, will the cabinet secretary say how the Scottish Government plans to incorporate into its wider Covid recovery strategy the recommendations in "Equity for All: Children's Speech and Language Therapy Services in Scotland"?

John Swinney: I am very sympathetic to those issues, because a fundamental point that was clear to me during all my interactions as Cabinet Secretary for Education and Skills is that communication difficulties lie at the heart of many of the challenges and issues that are faced by young people who have perhaps been isolated in society or have been unable to fulfil their potential as much as they should have been. Early addressing of communication difficulties is utterly fundamental to the life chances of such individuals, so I am wholly supportive of the point that Carol Mochan has made.

As I said in my answer to Audrey Nicoll, the Covid recovery strategy is designed to tackle fundamental inequalities. We are determined to ensure that equality of access to services that support people to overcome difficulties is anchored at the heart of our strategy.

Covid-19 Recovery Strategy (Ending of Self-isolation)

3. Colin Beattie (Midlothian North and Musselburgh) (SNP): To ask the Scottish Government what assessment it has made of any potential impact on Scotland's Covid recovery strategy due to the United Kingdom Government's decision to end the legal requirement to self-isolate for people who have tested positive for Covid-19. (S6O-00790)

The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney): In Scotland, self-isolation has always been set out in guidance for the general population. It is for the United Kingdom Government to decide how to tackle Covid-19 in England. Currently, the Scottish Government will continue to ask people who test positive for Covid-19 to isolate for the recommended period, and we will continue to make self-isolation support payments available to people who are eligible while isolation remains in population-wide guidance.

We will publish a detailed transition plan for test and protect in March, which will set out our priorities in more detail. As with all Covid interventions, all decisions, including those on the future of test and protect, will be informed by the latest scientific and clinical advice, as well as careful consideration of the four harms.

Colin Beattie: The Scottish Government has, rightly, plotted its own distinct course in navigating through the pandemic. Does the cabinet secretary share my concern that the end of self-isolation in England from 1 April could undermine the hard work and sacrifices that we have all put in to get us to where we are now?

John Swinney: As I indicated, it is up to the United Kingdom Government to decide on self-isolation policy in England.

My response to Mr Beattie is that we all have to proceed with a great deal of care. The point of self-isolation is to try to break the circulation links of the virus, and if we do not do that effectively when the virus is still a very significant presence in our society, we run the risk of cases increasing and the burdens on our national health service increasing as a consequence.

The Scottish Government intends to proceed by listening to the clinical advice and epidemiological information and taking actions that we think are appropriate for Scotland. The application of guidance to continue with self-isolation and the support arrangements is, in our view, appropriate at this time.

Murdo Fraser (Mid Scotland and Fife) (Con): Mr Beattie's question highlights the fact that there was never a legal requirement in Scotland for

people to self-isolate, except in limited cases for international travellers. Nevertheless, people adhered to the rules by exercising personal responsibility. Given that people have demonstrated that they will adhere to guidance, does that not give us a model for a way forward in which we rely on people exercising personal responsibility and we therefore do not need to make draconian emergency powers permanent, as the cabinet secretary proposes to do?

John Swinney: I fear that, on that point, we will go round the houses regularly for the foreseeable future because, fundamentally, the issue comes down to whether our statute book is equipped to deal with all eventualities that come our way. That is the point. That is why we are doing this. On any other day, the Conservatives could be criticising the Government for not taking enough steps. I have heard them do that on countless occasions in the past, during my service in the Parliament.

We are simply preparing the statute book for difficulties that might come our way. I hope that they do not come our way, because we want to avoid them, but if they do, I want us to be prepared and ready for them. That is not an unreasonable thing for even the Conservatives on their most grudging afternoon to come to terms with.

Covid-19 Recovery (Support) (Highlands and Islands)

4. Rhoda Grant (Highlands and Islands) (Lab): To ask the Scottish Government what cross-Government strategies have been identified, as part of its work on Covid-19 recovery, to support any communities and businesses in the Highlands and Islands that have not received any or substantial help throughout the pandemic. (S6O-00791)

The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney): The Scottish Government is committed to supporting a fair recovery from the pandemic, including for businesses and communities in the Highlands and Islands. Since the start of the pandemic, businesses in Scotland have benefited from £4.5 billion in support from the Scottish Government, and we have engaged extensively with businesses to ensure that our support is effective.

Last week, we announced a new £80 million Covid economic recovery fund that will target support for businesses and communities as we move into a new phase in the pandemic. Subject to parliamentary approval, councils in the Highlands and Islands will receive more than £8 million from the fund and they will have flexibility in determining how best to use the funding to support local businesses and low-income households.

Rhoda Grant: I welcome that flexibility, but the cabinet secretary will be aware that the funding that was made available during the first lockdown left many businesses behind. Despite the time that elapsed, the same funding was issued subsequently. That was extremely frustrating for businesses that received no funding on either occasion, some of which are close to going under. Will the cabinet secretary consider ways in which he can help businesses that have missed out on substantial funding over the piece to start up again, to survive and to go forward in order to help the economy in the Highlands and Islands to recover?

John Swinney: I am very happy to engage on that question. If Rhoda Grant wishes to supply me with further examples or areas where she believes that to be appropriate, I will happily consider them.

The Government designed a host of different business support schemes, some of which applied to a particular sector, such as hospitality. We tried to design them to have as broad a reach as we possibly could, but I accept that some businesses will not have been neatly caught by any of them. That is why we put in place discretionary relief funds for local authorities to do exactly as we envisage with the £80 million fund that the First Minister announced a week past Monday. It is designed to give local authorities the ability to address the issue that Ms Grant puts to me, which is that there might be businesses that have not been reached by discrete funds that could be supported by more general provision.

I will be happy to receive some further information and thoughts from Rhoda Grant on that question, but I also encourage her to point businesses in the direction of local authorities, which have been given substantial discretionary relief funds to try to address exactly the circumstances that she puts to me.

The Presiding Officer: Before we move on to question 5, I ask colleagues to ensure that questions and responses are succinct.

Covid-19 (Programme for Government)

5. Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): That always seems to happen just before I get up. Thank you, Presiding Officer. It is duly noted.

To ask the Scottish Government what resource impact Covid-19 has had on the timetabling and delivery of legislation and other proposals set out in its programme for government. (S6O-00792)

The Minister for Parliamentary Business (George Adam): It used to happen to me as well when Christine Grahame was in the chair.

The programme for government, which was published in September 2021, sets out the Government's priority of leading Scotland safely through the pandemic. All programme for government commitments are monitored, including delivery of the legislative programme. That ensures that any delivery risks are highlighted early, and mitigations are put in place.

Christine Grahame: The enduring pandemic has, rightly, caused the Government to divert attention and resources from those plans in order to keep people safe and protect the national health service. Will the minister share whether funds have had to be diverted from other budgets to support the efforts to combat Covid-19? If that is the case, what is the ballpark figure, if he can share that with us? Does he share my view that Opposition parties should take cognisance of the scale of the effort and the cost that have been involved in getting us to this stage of the pandemic when asking questions about delays to policies—and, indeed, when asking for additional funding?

George Adam: As always, I agree with much of what Ms Grahame says. Our spring budget revision last month confirmed that our total Covid-19 allocation since the pandemic began exceeds the United Kingdom Government Covid funding that was received by about £300 million, with the additional amount being made up from our central reserves and reprioritisation.

Douglas Ross (Highlands and Islands) (Con): In discussing the issues that have not had prominence because of Covid and other matters, the business minister will know that the Scottish Conservatives have asked on a weekly basis for a statement about maternity services in Moray. I have also tried to get urgent questions on that. It was in the Scottish National Party's manifesto to restore a full consultant-led maternity service in Moray. Can we have a statement or will the Scottish Government lead a debate on its response to the independent inquiry into and report on maternity services? We have now had a case of a Moray mum, Alexandra Naylor, giving birth in a lay-by. Can we have time in the chamber to debate this crucial issue so that no more Moray mums have to give birth, or fear giving birth, in a lay-by?

George Adam: As always, I say to the member that there is a process in place in Parliament that we work within. The member's business manager comes to the Parliamentary Bureau every week and we negotiate and come to a decision on what will be put forward. Only this week, we said that we would look at that very issue, and I will contact his business manager in the normal manner.

Covid-19 Recovery (Support and Resources)

6. Finlay Carson (Galloway and West Dumfries) (Con): To ask the Scottish Government what additional support and resources it will provide for its actions across government to recover from the Covid-19 pandemic. (S60-00793)

The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney): The Scottish Government recognises the unequal impact that the pandemic has had on our communities, businesses and public services. We are providing significant investment to support recovery, such as the £80 million Covid economic recovery fund that was announced just last week and, of course, the investment of more than £1 billion in the national health service recovery plan.

Finlay Carson: I take this opportunity to highlight a serious problem that has been encountered by businesses, including a number of gyms, that have missed out on vital funding. Dumfries and Galloway Council advised businesses that, if they had been in receipt of the strategic funding, they would be contacted. That happened in mid-January. However, the deadline for leisure businesses, for example, was 31 January. They literally had only a 10-day period. The council, which has to date an unallocated £1 million left in the funding pot, admits that the turnaround was tight. However, it has been informed by the Scottish Government that it will not be allowed any leeway on the deadline date.

If the businesses received strategic funding and the council is aware of them, they will surely still be entitled to the money, and it is money that they desperately need. Will the cabinet secretary look into that and intervene to ensure that the businesses get the funding allocated to them? It is, after all, not the council's money or indeed the Scottish Government's money, but money that has been promised to those businesses.

John Swinney: If Mr Carson would like to send me further details of that example, I will certainly look into it. He will appreciate that there are financial rules that have to be followed and there has to be appropriate scrutiny of grant allocations. With those caveats, I am happy to look at the issue.

I know that a number of local authorities are sitting on unspent allocations of resources for Covid purposes. I encourage them, provided that these are prudential decisions to take, to make sure that the financial support is available to fund recovery in the way that Mr Carson puts to me.

**Local Government Elections
(Support for Disabled and Partially Sighted
People)**

7. Miles Briggs (Lothian) (Con): To ask the Scottish Government what support it is providing to local authorities to ensure that disabled and partially sighted people are able to participate in the 2022 local government elections. (S6O-00794)

The Minister for Parliamentary Business (George Adam): Stuart McMillan asked a similar question last month. I refer Miles Briggs to my answer on the topic, in response to question S6O-00696, which I gave on 2 February 2022.

Returning officers have the statutory responsibility for running local government elections. Under the law, they have to make certain provisions for voters with disabilities and sight loss, including providing tactile voting devices. However, typically, much wider support is offered. I am committed to working in partnership with the community to make improvements in accessibility.

Miles Briggs: Will local authorities be asked to publicise ahead of the elections the order in which candidates will appear on the ballot paper? Blind and partially sighted people are often looking for that key piece of information, which has not previously been provided.

Given that, at its elections, the Northern Ireland Assembly is providing voter kits, including audio devices, to blind and partially sighted members of the community, what plans does the Scottish Government have to review the position and look at trialling voter kits in Scotland?

George Adam: On the first question, I went to a recent meeting of the cross-party group on visual impairment, where that issue was brought up. It is an on-going issue and we are willing to look at it, in order to find solutions that will help many of the individuals for whom it is a problem.

With regard to the future and whether we are looking at pilots, as with many other public services, delivery of elections has been a real challenge during the pandemic. I have been very open with colleagues and the stakeholder community that we have not made as much progress as we would have hoped for on the issue. As I set out in my previous answer, progress has been made by the Government and our partners in local government and I intend to drive this agenda forward in the coming months and years.

Stuart McMillan (Greenock and Inverclyde) (SNP): I thank Miles Briggs for posing the question. The minister referenced the cross-party group on visual impairment meeting last week. I thank him for his engagement with that meeting,

as well as with the event that took place last October, at which the secret ballot box proposals were put forward.

Does the minister share my belief that, as a society, we must all do more to support blind and visually impaired voters to allow them to vote in confidence and in person? They deserve to have the right to vote in the way that they want to vote—in person.

George Adam: Presiding Officer, for the first time, you will hear me say that, despite the fact that I am a boy from Paisley and Mr McMillan is from Greenock, I strongly agree with him. Improving the accessibility of elections, with a particular focus on people with sight loss, is a programme for government commitment.

As Mr McMillan knows, I am in regular contact with the sight-loss community on that vital agenda. Like him, I found the event that we attended at the Forth Valley Sensory Centre last year to be valuable and instructive. The meeting of the cross-party group on visual impairment last week was another good opportunity for me to share and listen to the perspective of the members of that community.

All members, including Mr McMillan, understand that I have a reason for my commitment to accessibility of voting, which is that my wife has a mobility problem. I confirm that I will work as hard as I can to make sure that we make things better.

**Local Government Elections (Covid-19
Restrictions)**

8. David Torrance (Kirkcaldy) (SNP): To ask the Scottish Government whether it anticipates any disruption to the administration of the forthcoming local government elections as a result of Covid-19 restrictions. (S6O-00795)

The Minister for Parliamentary Business (George Adam): Returning officers are responsible for running the elections. Preparations take account of guidance from the Electoral Management Board for Scotland and the Electoral Commission, which will reflect the strategic framework. In running the local government elections, returning officers will draw on their experience of delivering last year's Scottish Parliament election safely and securely.

David Torrance: Councillors from all political parties work extremely long hours and are dedicated to helping their local communities. Although many put their careers on hold to do so, the relative lack of financial protection for local councillors could pose a difficulty in attracting people to take up the role of local councillor, which is the only paid public role with no financial protection or entitlement to redundancy. Does the minister agree that that issue might need to be

addressed in order to ensure that we continue to attract people to participate in that vital aspect of our local democracy?

George Adam: As a former councillor, I am aware of council colleagues who have difficulty when they end up no longer being councillors. I recognise that councillors of all political affiliations work incredibly hard to improve life for people in their communities. In partnership with the Convention of Scottish Local Authorities, the Minister for Social Security and Local Government recently announced that an independent review of councillor remuneration will take place as a step towards supporting increased diversity among councillors in Scotland. I will explore whether the issue that Mr Torrance raised can be considered as part of that on-going work.

Neil Bibby (West Scotland) (Lab): Parliamentary candidates are entitled to one item of freepost literature to each elector, but candidates in local government are not. Such a measure would ensure that all candidates can get their message out to electors, even if public health restrictions return. Does the minister agree that it is regrettable that that disparity has not been addressed in time for the council elections in May?

George Adam: That has been an on-going debate—Mr Briggs asked a similar question. We can talk about and debate the issue in the future, but we started to talk about the issue with COSLA and others far too late for the upcoming election. I am willing to talk to people, but we have to be careful about the consequences.

Net Zero, Energy and Transport

Ministerial Cars (Emissions Reduction)

1. **Russell Findlay (West Scotland) (Con):** To ask the Scottish Government what action it is taking to reduce emissions produced by its ministerial cars. (S6O-00796)

The Minister for Transport (Jenny Gilruth): The Scottish Government is fully committed to the decarbonisation of its vehicle fleet, including vehicles that are used in the Government car service. The GCS fleet is currently made up of 28 vehicles, of which 100 per cent are ultra-low-emission vehicles. The Scottish Government has made a commitment to phase out the need for petrol and diesel cars for the wider public sector fleet by 2025 and that includes the Government car service. To support that, a replacement strategy has been implemented to replace end-of-life vehicles with fully electric alternatives wherever possible.

Russell Findlay: Sitting in a stationary vehicle with the engine idling can result in a £20 fine, yet most days, ministerial limos can be seen doing

just that in the Scottish Parliament car park. Even worse, they are frequently in disabled bays. Will the minister commit to stopping those abuses?

Jenny Gilruth: I give the member the assurance that I will raise that matter with the Government car service and get back to him in more detail. I understand his point. He will also recognise that there is a need for a Government car service with all that we do in Government. I take some of the points that the member has made on board. I am not aware of Government cars regularly waiting for long periods in the car park, but I am happy to take those points up with the service directly and will get back to him.

Colin Smyth (South Scotland) (Lab): While ministers benefit from Government cars, hard-pressed commuters are facing the prospect of a new tax on going to work. Does the minister agree that the best way to reduce emissions, whether from Government cars or commuters, is to back alternatives to car dependency, such as having buses under public control and a restoration of pre-pandemic rail services?

Jenny Gilruth: I assume that the member is referring to the workplace parking levy. Of course, the City of Edinburgh Council would need to arrive at a decision on that matter, because that power is for local authorities. It is then for employers, including the Scottish Government, to decide whether to pass the levy on to their employees.

He makes a point regarding the public control of buses. In Scotland, we have the community bus fund, which helps to support local authorities, and further powers will be coming to local authorities through the Transport (Scotland) Act 2019. With regard to public control of our railways, I am sure that the member will welcome ScotRail coming into public ownership on 1 April.

Free Bus Travel for Under-22s

2. **Fulton MacGregor (Coatbridge and Chryston) (SNP):** To ask the Scottish Government how North Lanarkshire Council and other local authorities are supporting the roll-out of free bus travel for under-22s. (S6O-00797)

The Minister for Transport (Jenny Gilruth): Like the long-standing older and disabled persons free bus travel scheme, the new young persons free bus travel scheme, which went live on 31 January, is delivered through the national entitlement card.

The Improvement Service is responsible for processing online applications, including through the online portal. Offline applications are handled by local authorities. Many councils have dedicated staff on hand to help applicants who might need particular support with the application process,

including care-experienced young people and asylum seekers.

In some council areas, schools are co-ordinating applications on behalf of their pupils and will contact parents or guardians and pupils directly. North Lanarkshire Council is co-ordinating applications via schools for those pupils who are moving to secondary school.

Fulton MacGregor: I hope that, like me, the minister is looking forward to her visit to Coatbridge next week, where we will give her a Coatbridge and Chryston welcome.

She will be aware of the high levels of deprivation and low income in my constituency and in the North Lanarkshire area more generally, which mean that many children and young people may not have access to the internet, a passport or a driving licence, and so they need to apply for their entitlement to free bus travel offline.

Does she share my disappointment that it would seem that the Labour-Tory administration in North Lanarkshire is not doing more to enable more of those young people to get their entitlement through council offices and facilities such as libraries, particularly given that they stand to benefit most from accessing the free bus travel scheme?

Jenny Gilruth: I share some of Mr MacGregor's reservations, although I must say that local authorities are really keen to deliver the scheme. I wrote to local authorities—I think that it was a week before the scheme launched—to ensure that those mechanisms were put in place.

The collective efforts of the Scottish Government, the Improvement Service, local authorities, the national entitlement card programme office, Young Scot and bus operators will be crucial. Those organisations are working together to deliver that landmark policy.

I look forward to the welcome that I will receive next week.

I recognise and understand that some people have found the online application process pretty complex and hard to undertake, not least because of the identification requirements. I met the Improvement Service, which manages the online application process, to discuss those issues. It is currently reviewing the process, to make it as straightforward as it can.

However, given the importance of the offline application channels that Mr MacGregor spoke about, particularly for the people he mentioned, who might not have internet access or the required documentation, I wrote to all local authorities on 31 January, as I mentioned. I pointed out in my letter that it is really important that local authorities put in place measures to support the offline

application process, as well as make use of the available school option, which can be used to better identify young people who do not have access to the internet and ensure that they are signed up so that they can benefit from the under-22 scheme.

Mark Ruskell (Mid Scotland and Fife) (Green): Along with those options, I welcome yesterday's launch of the Transport Scotland app, which I think is targeted at Young Scot cardholders to enable them to migrate their existing cards over to the new under-22 entitlement. Will the minister say a little bit more about that? How many people might that benefit?

Jenny Gilruth: Mr Ruskell is correct to point out that we launched the Transport Scotland pass collect app on Monday. That lets existing cardholders who are aged 16 to 21 download the free bus travel card on to their current card. That will make it easier for up to 140,000 existing cardholders in that age group to start enjoying the benefits of free bus travel.

By close of business on 1 March, the Improvement Service reported that the national entitlement card programme office had dispatched 144,377 NECs or Young Scot NECs with free bus travel. That figure includes over 100,000 applications that were submitted online and just over 40,000 that were made offline.

Bus Usage

3. Alex Rowley (Mid Scotland and Fife) (Lab): To ask the Scottish Government what plans it has to increase bus usage across the country. (S6O-00798)

The Minister for Transport (Jenny Gilruth): The Government is investing more than £500 million during this session for bus priority infrastructure. From April, the network support grant will provide an additional £40 million to support services as demand recovers from Covid. We are implementing the powers in the Transport (Scotland) Act 2019 to help local transport authorities improve services in their areas and we have introduced the community bus fund to support them to do so.

To encourage children and young people to travel sustainably, we recently launched free bus travel for under-22s in Scotland. That complements our continued support for existing free bus travel for disabled people and for over-60s.

Alex Rowley: I have recently found myself in a position in which I am unable to drive, and I have become much more dependent on public transport. My journey from my home in Kelty to my regional office in Lochgelly took about 10 minutes by car. Now, making that journey by bus—the only

public transport that I can use to do that—takes me at least an hour. I have to get two buses. I have to get a day ticket for the return journey, which costs £6.50. Compare that with the fares charged by the publicly owned Lothian Buses, on which I can get from one end of Edinburgh to the other for £1.80, and I can travel all day for a capped fare of £4.50.

How can the Scottish Government address the disparity that exists between different bus companies in different parts of the country? What is stopping the Government from joining trailblazers such as Estonia and Luxembourg and expanding free public transport for everyone?

Jenny Gilruth: There are a couple of points to unpack. First, rural provision is a challenge, and I recognise the critical importance of bus services in rural areas in particular. It would be difficult to compare the member's experience in Fife with the experience of people who live in Edinburgh for example, where provision differs, but I recognise some of the challenges.

However, with regard to his further point on powers for local authorities, we consulted on that during the passage of the Transport (Scotland) Act 2019. We are working again with our local authority partners to help ensure that we can give them the opportunity to better serve their local areas. The community bus fund, which I mentioned in a previous response, will support local transport authorities to improve public transport in their areas. Some £1 million has been allocated to that fund, and we will work with partners on the fund's design.

On the member's wider point about affordability, I have mentioned some of our investments related to the under-22 scheme. Additionally, I would point to the fair fares review, which is being undertaken now and will look at transport across all modes. On his wider point about joining up journeys across different modes of transport and their affordability, I recognise that we are in challenging times with regards to the cost of living. I understand that, and I hope very much that the fair fares review will give answers to some of the points that Mr Rowley has raised.

Karen Adam (Banffshire and Buchan Coast) (SNP): Can the minister detail how Scotland's young people are benefiting from the free bus travel scheme?

Jenny Gilruth: The extension of free bus travel to all under-22s will make public transport more affordable, which will help to improve access to education, leisure and work, while supporting people to adopt sustainable travel behaviours early in their lives.

As we have heard, affordability is a key issue for many young people. Giving that initiative on

buses, which form the widest network of public transport provision across the whole of Scotland, will help in delivering our commitment to a just transition.

Willie Rennie (North East Fife) (LD): A student was alarmed to discover that the night buses in Edinburgh are not covered by the under-22 scheme. Given the challenges that young women are facing in the United Kingdom in relation to gender-based violence, and this Government's commitments on that matter, will the minister consider extending the scheme to night buses?

Jenny Gilruth: I hope that Mr Rennie will understand that I will not give him an assurance on that point now, in the chamber, but I will take it away. He might be aware that, during a statement that I gave to the Parliament in the last week of term, before the February recess, I launched our plan to consult on the safety of public transport. That is a much broader issue than looking just at night buses, but I think that Mr Rennie's point falls into the same area, which I am keen that we explore further, because I recognise that there is a challenge there. I apologise that I cannot give him a direct answer on the provision of the card, but I can undertake that that will be looked at and considered through the consultation. I very much recognise some of the challenges in terms of women's safety.

A9 (Completion of Dualling)

4. Murdo Fraser (Mid Scotland and Fife) (Con): To ask the Scottish Government whether it will provide an update on when it expects to complete the programme of dualling the remaining sections of the A9 between Perth and Inverness. (S6O-00799)

The Cabinet Secretary for Net Zero, Energy and Transport (Michael Matheson): Determination of the optimal procurement approach for delivery of the remaining sections of the A9 dualling programme is on-going. It is a complex exercise, which is considering a pipeline of work in a form that can be delivered by industry, supports post-Covid economic recovery and minimises disruption to users of this lifeline route. It is expected that the work in progress will complete in the coming weeks to inform decision making on our procurement approach, at which time an update will be provided.

Murdo Fraser: We were originally supposed to have the programme completed by 2025. I appreciate that Covid has got in the way, but I am concerned that we still do not have any definite timescales for completion of the work, given the amount of interest that communities along the A9 have in seeing what is one of Scotland's most dangerous roads completed.

We also have an issue with owners of properties along the A9 route whose properties are, in effect, blighted at present. Until definitive plans are published for the new route, they do not know whether their properties might be compulsorily purchased. The need for certainty is acute. Can the cabinet secretary be more definitive about when the Parliament will be told when the next deadlines will be set?

Michael Matheson: I recognise the member's point. He acknowledged and recognised that Covid-19 has had an impact on the timetabling of the completion of the dualling of the A9. The member will also be aware that the design work for the remaining eight sections is well advanced. The statutory process has commenced for seven of those sections, four of which have already completed made orders. They are already at a very advanced stage in determining the route that the road will take.

Once we have completed the procurement approach exercise that is being undertaken, that will help to inform the development of the finalised timeline for the remaining sections of the road. At that point, we should be in a better position to inform members of the final delivery timescale for the completion of the road.

Ferries (Procurement)

5. Jamie Halcro Johnston (Highlands and Islands) (Con): To ask the Scottish Government what progress has been made on the procurement of new ferries. (S6O-00800)

The Minister for Transport (Jenny Gilruth): In February 2021, the Scottish Government announced investment of £580 million in ports and vessels as part of our wider five-year infrastructure investment plan. That investment is in addition to the delivery of MV Glen Sannox and hull 802, which are under construction. Caledonian Maritime Assets Ltd is currently assessing bids from four shipyards for two new major vessels on the Islay routes, and CMAL is also progressing design work for the small vessel replacement programme, and is considering up to seven vessels for the Clyde and Hebrides routes and for Gourock to Dunoon and Kilcreggan.

Jamie Halcro Johnston: In February 2021, Michael Matheson admitted to me that the Scottish Government's purchase of the existing ferries operating on the northern isles routes had made the target that 30 per cent of public ferries will be low emission by 2032 more stretching. What has the Scottish Government done over the past year to make achieving that target more realistic? Is the minister confident that the target will still be met? Can she confirm that, when the two long-overdue vessels at Ferguson Marine are completed, they

will meet the latest standards for low-emission technology?

Jenny Gilruth: On Mr Halcro Johnston's point about vessels 801 and 802, both of those are really important. The latest update from the yard's turnaround director indicated that the handover of 801 is now planned for summer 2022 and that handover of 802 is planned for summer 2023. Following handover to CalMac Ferries, it is estimated that a further three months will be required for testing, training and familiarisation before the vessel is able to enter service.

The member asked a specific question with regard to emissions. I do not have a note on that in front of me, but I am happy to write to him and give him an update on that in due course.

Kenneth Gibson (Cunninghame North) (SNP): Does the minister agree that the small vessel replacement programme, which is essential to enhance services to islands such as Cumbrae in my constituency, should be expedited, given the increasing number of breakdowns suffered by older smaller vessels, which impact on lifeline services to some of our most fragile island communities?

Jenny Gilruth: Yes, I do. I recognise some of the frustration in our island communities regarding resilience at the moment, with the issues being compounded by poor weather recently. I know that the issue is hugely important for the communities that the member serves.

I am pleased to reiterate what I have just said, which is that progress is being made on the small vessel replacement programme, with design work well under way. I know that Mr Gibson and I are due to meet very soon, and I am sure that we can discuss the issue in further detail at that time.

Neil Bibby (West Scotland) (Lab): The state of lifeline ferry services in Scotland is unacceptable and, frankly, islanders have lost faith in the Government's handling of ferry procurement. Only last week, Cumbrae community council told me that the latest technical faults meant that children missed school, patients missed medical appointments and businesses were unable to open. What will the minister do to upgrade the CalMac fleet to ensure that we have new fit-for-purpose ferries to serve islands such as Cumbrae, because islanders are fed up waiting? Can the minister confirm that she is willing to meet Cumbrae community council to hear about the concerns directly?

Jenny Gilruth: I did not catch the first part of Mr Bibby's question but, on the second part, on Cumbrae community council, I am more than happy to do that. Actually, this morning, I met Angus Campbell, who chairs the ferries community board, and we had a wide-ranging

discussion on some of the points that Mr Bibby has mentioned, including of course the resilience of the fleet and contingency plans. Equally, we talked about community engagement, which is where I recognise some of the tensions play out. I think that I will be meeting Mr Bibby tomorrow, and I am more than happy to meet the community council.

The Presiding Officer: Mr Bibby, would you like to put the first part of your question again?

Neil Bibby: No, it is okay, Presiding Officer. I am satisfied with that response.

Buses (Decarbonisation)

6. Joe FitzPatrick (Dundee City West) (SNP): To ask the Scottish Government whether it will provide an update on its action to decarbonise buses. (S6O-00801)

The Minister for Transport (Jenny Gilruth): On Monday, I announced grant awards worth £62 million to support bus operators to acquire 276 new zero-emission buses and associated charging infrastructure. That means that the Government has now supported the acquisition of 548 zero-emission buses, of which 344 have been or are being built in Scotland. The investment has been well split across the country, and includes investment in the bus fleet in Dundee, which I am sure Mr FitzPatrick will have noticed in his constituency. The most recent funding has included support for several smaller and more rural operators, which is vital for a just transition to net zero and will be the priority for future funding.

Joe FitzPatrick: Thanks to substantial Scottish Government funding, a dozen brand-new zero-emission “electric emerald” buses have been deployed by Xplore Dundee across the city, including on the number 28 route, which includes Lochee Road—the fourth most polluted street in Scotland—in my constituency. Does the minister agree that the Scottish National Party can be proud of the support that it has provided in driving forward the decarbonisation of buses in Dundee and in delivering clean, green and free public transport for young people in my city?

Jenny Gilruth: Absolutely. The work of Dundee City Council is a great example of what can be achieved when the SNP is in charge at both national and local government levels.

The Scottish Government supported the dozen electric buses through the £2 million award to Xplore Dundee in 2021. Under the bus partnership fund, we have awarded the Tayside bus alliance with £586,000 to support appraisal work covering improvements to strategic bus corridors in the region.

On top of that, Dundee City Council is advancing a project to deploy 12 hydrogen buses for operation in the city, with support from the Scottish Government, Scotland’s Hydrogen Accelerator and the Michelin Scotland Innovation Parc. The parc serves as a key hub that supports sustainable zero-emission mobility in Scotland, including the technology and skills that are needed to support a fair and just transition to a net zero economy.

Liam Kerr (North East Scotland) (Con): Of the 272 buses that were supported by the forerunner Scottish ultra-low-emission bus scheme, nearly a quarter were imported from a Chinese manufacturer at a cost of more than £11 million. The minister said earlier this week that fewer than half of the new buses that will be supported by the zero-emission bus challenge fund will be built in Scotland. Will the rest of them be built in the United Kingdom, or will those orders go abroad, too?

Jenny Gilruth: I point out that 137 of the buses are being built in Falkirk, which means that local skilled jobs are being created.

Liam Kerr asked me to give an assurance on the future of the scheme. The first part of the ScotZEM scheme was launched on Monday. We will evaluate the impact of the scheme and look to learn lessons for the future. He is right to say that we should be investing in sustainable green jobs in Scotland. I agree with him on that point.

Net Zero Heating (Support for Rural Households)

7. Sue Webber (Lothian) (Con): To ask the Scottish Government what support it plans to provide to rural households to transition to net zero heating. (S6O-00802)

The Minister for Zero Carbon Buildings, Active Travel and Tenants’ Rights (Patrick Harvie): Rural households can face challenges in the transition to zero-emissions heating, such as those relating to generally higher costs of installation, older buildings and fuel poverty. In recognition of that, our area-based schemes provide enhanced support to rural households, and the warmer homes Scotland scheme supports those in, or at risk of, fuel poverty.

This year, we made £3 million available for Scotland’s most remote off-grid communities to upgrade their energy systems. As we develop the islands energy strategy, we are considering options for an islands uplift across our delivery programmes to provide additional support in island areas.

Sue Webber: How will the Scottish Government ensure that households in rural and isolated areas are able to keep their homes warm in cases of

power cuts that last for multiple days, as took place after storm Eunice two weeks ago and storm Arwen last November?

Patrick Harvie: The answer lies partly with Scottish Government programmes and partly with the United Kingdom regulated energy system, which needs to take action to ensure that we have upgrades to the electricity grid so that it is more resilient. That factor is recognised in the Scottish Government's "Heat in Buildings Strategy—Achieving Net Zero Emissions in Scotland's Buildings" and in our on-going work and engagement with the UK Government.

It is worth recognising that even existing fossil fuel boilers will suffer if there is an electrical power failure. People cannot necessarily rely on existing systems. Some of the challenges relating to the resilience of the electricity grid apply to existing systems, just as they will to net zero heating systems.

ScotRail Nationalisation (Discussions with Unions)

8. Graham Simpson (Central Scotland) (Con): To ask the Scottish Government what discussions it has had with rail unions regarding the nationalisation of ScotRail. (S6O-00803)

The Minister for Transport (Jenny Gilruth): Engagement with staff and trade unions began in early January, and I am pleased to confirm that arrangements for the formal transfer of ScotRail staff from Abellio ScotRail Ltd to ScotRail Trains Ltd are progressing as planned. On 10 February, I met rail trade unions and welcomed their open and frank discussions on several topics. I have also arranged to meet each trade union individually over the coming weeks, starting tomorrow.

Graham Simpson: I thank the minister for meeting the unions and for her on-going engagement with them. She will then be aware of their view, which I share, that freight by rail should be increased. The rail delivery group believes that rail freight should treble in England and Wales by 2050, which would mean a reduction of CO₂ emissions of 4.2 million tonnes per year. Meeting that target would require a 4 per cent annual increase and a 22 per cent increase in the next five years, but Transport Scotland's target is just 7.5 per cent in that period. Does the minister agree that Transport Scotland's target should be far more ambitious, and will she set out how she plans to increase freight by rail?

Jenny Gilruth: I do not want to pre-judge the outcome of the meetings that I am about to undertake with the trade unions, which will cover a range of issues that were rehearsed in the debate that we had before the end of term and in the parliamentary statement. Graham Simpson has

touched on the freight issue, and he is correct that we need to facilitate that modal change from the road on to our railways. I am keen to support that work but, equally, I want to speak to the unions first and not pre-judge the outcomes of those discussions.

I cannot give the member the update that he has asked me on Transport Scotland's freight targets now, but I am happy to come back to him on the specifics of that point if he allows me to do so. I recognise the challenge and I am keen to support that work.

The Presiding Officer: I can take a question from John Mason, if the question and response are brief.

John Mason (Glasgow Shettleston) (SNP): Can the minister confirm that the Government provided considerable extra funding to the railways for both Covid and nationalisation? Can she confirm whether Labour and the Tories acknowledged that provision or supported it in the budget?

Jenny Gilruth: Although it is disappointing that Labour and the Tories did not support the budget, I reiterate that, since 2007, the Government has invested more than £9 billion into our railways, hoping to reconnect communities and to improve services and the rail infrastructure all over the country.

The Presiding Officer: That concludes portfolio questions.

United Kingdom Internal Market

The Deputy Presiding Officer (Liam McArthur): The next item of business is a debate on motion S6M-03389, in the name of Clare Adamson, on behalf of the Constitution, Europe, External Affairs and Culture Committee, on the United Kingdom internal market inquiry. I invite members who wish to participate to press their request-to-speak buttons or place an R in the chat function.

I call Donald Cameron to speak to, for around seven minutes, and move the motion.

14:58

Donald Cameron (Highlands and Islands) (Con): I am speaking on behalf of the Constitution, Europe, External Affairs and Culture Committee, and I pass on the apologies of its convener, Clare Adamson, who is currently self-isolating.

In her absence, I take the opportunity to thank her for her work on the inquiry and report. I also thank other colleagues on the committee for their constructive and consensual approach to this important area of work. I see many of them in the chamber today and I look forward to hearing their contributions.

In its consideration of the UK internal market, the committee identified three significant and interrelated tensions that arise from, and/or have been exacerbated by, the UK leaving the European Union: first, tension between open trade and regulatory divergences; secondly, tension in the devolution settlement; and thirdly, tension in the balance of relations between the Executive and the legislature.

I intend to concentrate on the first and second of those tensions. With regard to the first, one of the main themes of our inquiry is the tension that can exist between open trade and regulatory divergence in the constituent parts of an internal market. The committee's view is that it is essential in resolving that tension that the fundamental principles that underpin devolution are not undermined.

At the same time, the committee recognises the significant economic benefits of the UK internal market and open trade, and believes that it would be regrettable if one of the consequences of the UK leaving the European Union is any dilution in the regulatory autonomy and opportunities for policy innovation, which has been one of the successes of devolution.

The UK Internal Market Act 2020 seeks to address the tension between open trade and regulatory divergence. It creates two market access principles: the mutual recognition principle

and the non-discrimination principle. All devolved policy areas could be impacted by those principles, although some exemptions are provided in the act.

The committee recognises that the principles do not introduce any new statutory limitations on the competence of the Scottish Parliament or Scottish ministers, but they can automatically disapply Scottish legislation. Although the 2020 act might not affect the Scottish Parliament's ability to pass a law, it might have an impact on whether that law is effective in relation to goods and services that come from another part of the UK.

The committee also recognises the significant differences between the market access principles within the 2020 act, and principles that operate within the EU single market. In particular, the list of exclusions on public interest grounds from the application of the mutual recognition principle are much narrower in the act.

There was a clear consensus in the evidence that the committee received that the 2020 act places more emphasis on open trade than regulatory autonomy compared to the EU single market. The evidence that we received suggests that, in seeking to resolve the first tension that I described, the act has shifted the balance in the devolution settlement away from regulatory autonomy by privileging market access. The committee has therefore written to the UK Government and invited ministers to explain how the act will provide

"as a minimum, equivalent flexibility for tailoring policies to the specific needs of each territory as is afforded by current EU rules."

At the same time, the committee recognises that the common framework programme provides an opportunity to manage the tension between regulatory divergence and open trade on a consensual basis.

The committee notes that the published common frameworks do not generally provide for minimum standards or for common approaches as set out in the joint ministerial committee principles; rather, they appear to be technical documents that provide for ways of working for Government officials that might include agreeing UK-wide or Great Britain-wide minimum standards for a common approach. The published documents are therefore limited in their ability to improve public awareness and understanding of policy areas in which a UK-wide or GB-wide approach is likely, and they also provide limited information on minimum standards.

The committee is therefore concerned that the published documents have not provided the certainty and clarity that businesses, consumers and other stakeholders expected the frameworks

to provide. The committee therefore believes that there is a risk that the emphasis on managing regulatory divergence at an intergovernmental level might lead to less transparency and ministerial accountability, and tension in the balance of relations between the Executive and the legislature, which is something that I hope to explore in my closing speech.

Our report demonstrates that an understanding of how the act affects policy and legislation needs to be embedded within the Scottish Parliament's scrutiny processes and procedures. Equally, an understanding of how common frameworks impact on policy and legislation is essential. The convener discussed that with colleagues on the conveners' group last week. A key issue considered was the importance of interparliamentary working in addressing parliamentary oversight and stakeholder involvement in intergovernmental relations. That was one of the main issues considered at the very first meeting of the interparliamentary forum, which I attended with the convener last Friday in the House of Lords. The forum agreed the terms of reference, including ensuring appropriate levels of respective ministerial accountability and transparency in a range of areas, which, in many cases, might require new scrutiny processes.

Initial priorities for the forum will include oversight of intergovernmental relations, including agreeing a joint annual report on addressing common scrutiny challenges, and we look forward to continuing that work with colleagues from the House of Commons, the House of Lords, the Northern Ireland Assembly and the Welsh Senedd.

Finally, as a general observation on our report, we found that—as is illustrated in our report—there is a deal of complexity in the post-EU regulatory environment in Scotland. That presents a huge challenge for policy makers, legislators and those seeking to influence the policy-making and legislative process.

I move the motion in the convener's name,

That the Parliament notes the Constitution, Europe, External Affairs and Culture Committee's 1st Report 2022 (Session 6), *UK Internal Market Inquiry report* (SP Paper 113).

15:05

The Cabinet Secretary for the Constitution, External Affairs and Culture (Angus Robertson): I am delighted to follow on from the committee's deputy convener. Both in my opening speech and in summing up, I will speak directly to some of the points that he has raised in his opening remarks.

I begin by thanking Clare Adamson and wishing her a speedy recovery, and I pay tribute to all members of the Constitution, Europe, External Affairs and Culture Committee. I am a regular attendee at the committee, and I know how much work all of its members undertake. In a unicameral parliamentary system, the role of committees is absolutely vital in ensuring that oversight and interworking between members of the Scottish Parliament and the Scottish Government are as efficient and effective as they can be and that we learn—especially when dealing with complex issues regarding the options going forward, as we are doing in this case.

The Scottish Government will take time to study the wide-ranging conclusions and recommendations in the report, and we will provide a full repose to the committee in due course. For today's short debate, however, I will concentrate on a few key points, just as the deputy convener did.

I will start with what is perhaps the most important point in this and other related debates: people in Scotland voted overwhelmingly to remain within the European Union. Scotland has been forced out of the EU and, worse, it has been forced into a hard Brexit outside the single market and the customs union, against the will of the majority of people in this country. Such a democratic outrage, with such damaging effects, should never be normalised or ignored, and the passage of time does not make it any more acceptable. The legislation—and, therefore, the committee's report and this debate—would not be happening if the democratic wishes of people in Scotland mattered in any way to the Conservative Government at Westminster.

The fact that the United Kingdom Internal Market Act 2020 drives a coach and horses through the devolution settlement further demonstrates the contempt that Westminster has for those wishes. The committee's report discusses trade links between Scotland and the rest of the United Kingdom. Under any constitutional future, those links will continue to be important, and the rest of the UK will, of course, continue to be Scotland's closest friend and neighbour. It is interesting to note that, over its years of EU membership as an independent country, Ireland has diversified its trade into Europe and has become less dependent on the UK. The more it has diversified and grown its trade with the EU, the wealthier it has become.

One of the many self-inflicted wounds from the UK Government's hard Brexit is the fact that we have left the rules and institutions of the European Union, a single market that protected the powers of the devolved institutions while ensuring that there were no unnecessary barriers to trade

across these islands or, indeed, with the European Union. The European single market, the world's most advanced and sophisticated internal market, is based on co-operation, co-decision and equality among member states, and it offers a model of how to balance market efficiencies with the ability to set rules at a local level—the first tension that Donald Cameron spoke about.

Willie Rennie (North East Fife) (LD): Will the minister give way?

Angus Robertson: Of course. I would be delighted to give way to Willie Rennie.

Willie Rennie: Does the minister not think that there are some lessons here for those in the nationalist movement, such as that breaking up long-term economic partnerships is damaging, protracted and bad for business? Should he not learn the lessons instead of trying to repeat them?

Angus Robertson: I am sorry that Willie Rennie did not listen to what I said immediately before he intervened on me, in relation to Ireland's experience. Ireland has become wealthier and has exported more. Unfortunately, Willie Rennie wishes to maintain dependency on one single market that is significantly smaller than the larger one that we have just been forced out of.

How different—

Liam Kerr (North East Scotland) (Con): Will the cabinet secretary take an intervention?

Angus Robertson: Forgive me, but I want to make some progress.

How different that is from the fundamentally flawed internal market regime ushered in by the UK Government's United Kingdom Internal Market Act 2020—an act imposed on this Parliament without its consent and imposed on the people of Scotland despite their overwhelming rejection of Brexit. It is an act that, at its heart, sees devolution as a problem to be fixed in a UK that is conceived of as a unitary state to be controlled by Westminster rather than a voluntary political association of nations.

The Scottish Government warned from the outset that the 2020 act represented a fundamental change to the devolution settlement that people voted for in 1997—a change achieved by stealth, and a chipping away at the powers and responsibilities of this Parliament. The committee recognises—unanimously, across all political parties—that the 2020 act

“can automatically disapply Scottish legislation”.

That is extraordinarily serious and alarming for anyone who cares for Scottish democracy. Laws that are passed in this Parliament, by democratically elected MSPs, can be radically

undermined by the 2020 act. As the committee puts it,

“While”

the 2020 act

“may not affect the Scottish Parliament's ability to pass a law, it may have an impact on whether that law is effective”.

Surely, that cannot be acceptable to any member of this Parliament, regardless of their party.

It is not just the Scottish Government and the committee who are raising these concerns. The overwhelming weight of evidence from across Scottish society and the near-unanimous views of legal experts and constitutional academics support that view. Witnesses to the inquiry have laid bare the negative impact of the 2020 act.

If I may, Presiding Officer, let me quote just a couple of examples that were identified by the committee. It said:

“There is a clear consensus within the evidence which the Committee received that”

the 2020 act

“places more emphasis on open trade than regulatory autonomy compared to the EU Single Market.”

The animal protection charity Onekind was of the view that the 2020 act

“undermines devolution and will limit the ability of the Scottish Parliament and Government to improve farmed animal welfare standards.”

Liam Kerr: Will the cabinet secretary take an intervention on that point?

Angus Robertson: I would be happy to.

The Deputy Presiding Officer: The cabinet secretary is beyond his time already.

Angus Robertson: Am I beyond my time already?

The Deputy Presiding Officer: You are.

Angus Robertson: Forgive me. May I move on to my peroration, briefly?

The Deputy Presiding Officer: Yes.

Angus Robertson: That is very kind.

Time constraints prevent me from touching on all the issues raised by the committee's report, from the interactions with the UK Withdrawal from the European Union (Continuity) (Scotland) Act 2021 to the increasingly complex challenges that the Parliament faces in fulfilling its scrutiny function. However, I look forward to responding in writing to the committee on all those matters.

The central issue remains the one that I have focused on today: the profound damage that the 2020 act is doing to the devolution settlement. It is an internal market regime that has been imposed

on its constituent members without their consent. It is democratically unsustainable and unjustified, and the act should be repealed.

15:13

Maurice Golden (North East Scotland) (Con):

I thank the clerks, witnesses and colleagues for their work in putting together this important report.

It is right to acknowledge that the UK's internal market is of vital importance to the Scottish economy. Trade with the UK represents 60 per cent of Scotland's export markets. Protecting Scotland's ability to trade freely and fairly with the rest of the UK is essential, and the United Kingdom Internal Market Act 2020 is designed to do exactly that. It also prevents the emergence of new trade barriers, given the potential for increased regulatory divergence between different parts of the UK, and it enshrines in law the market access principles of mutual recognition and non-discrimination.

One SNP argument is that the 2020 act will provide a green light for the UK Government to halt progress in the setting of regulations and standards, which, in turn, may effectively prevent the Scottish Government from setting regulations and keeping pace with emerging EU legislation. That, of course, was one of the SNP's main arguments for the introduction of the UK Withdrawal from the European Union (Continuity) (Scotland) Bill. In reference to that bill, Mike Russell said that

"proposals on environmental principles and governance will also help us to maintain high standards, in line with the EU, in Scotland."

Let us look at the evidence. In the area of environment and climate change, which was allegedly of great concern to the SNP, it told us that the UK Government would, at the earliest possible opportunity, roll back environmental targets and regulations and seek to diverge from the EU. The evidence shows that the UK Government did, indeed, take the first possible opportunity to diverge from the EU with regard to environmental targets—it increased them, making the UK more ambitious. The UK has set a target of a 68 per cent reduction in carbon emissions by 2030. The EU's target is only 55 per cent. If we had still been in the EU, we would also have been signed up to a target of 55 per cent.

Jenni Minto (Argyll and Bute) (SNP): Does Maurice Golden agree that the EU's targets are minimum targets and that there is nothing to prevent other European countries from going above and beyond those targets?

Maurice Golden: In some areas, there would be restrictions and an inability to meet our targets, such as our net zero target.

I will give an example. In legislating for England, the UK Government has diverged significantly on agriculture policy since Brexit, which has been possible only because of Brexit. It is going considerably further than the EU when it comes to supporting sustainable agriculture and farming practices, all of which should accelerate the move towards net zero. That would not have been possible if the UK had still been in the EU.

Mark Ruskell (Mid Scotland and Fife) (Green): Will Maurice Golden give way on that point?

Maurice Golden: I would like to make some progress. I have just answered a question.

In addition, the UK plans to end the sale of petrol and diesel cars by 2030, whereas the EU's target is 2035. There has been no roll-back on regulations. In fact, in areas such as the environment, the UK has made even firmer commitments than the EU has.

Meanwhile, in Scotland, the SNP continually fails to meet environmental and climate change targets and seems to have diverged from the EU's targets, despite the fact that its policy position is to align with them.

When it comes to protecting the devolution settlement through the implementation of the United Kingdom Internal Market Act 2020, the UK Government is committed to working with the devolved Administrations on the principle of respecting the reserved powers of each devolved Government. In short, there is a relationship of mutual respect and trust. The recently published review of intergovernmental relations sets out new structures and ways of working that provide a positive basis for productive relations and that facilitate dialogue when views are aligned and resolution mechanisms when they are not. Through the existing common frameworks and the introduction of new ones, if that is required, any tensions within the devolved settlement can be resolved by managing regulatory divergence on a consensual basis.

At some point in the future, there will undoubtedly be situations in which constructive dialogue is required. If the SNP wants to act in the best interests of Scotland, it will engage constructively. If it wants to sow division, cause conflict and take the opportunity to promote its separatist cause, it will not engage constructively, but that would be to the detriment of Scotland's economy and its people.

15:18

Foysoil Choudhury (Lothian) (Lab): It is a pleasure to open the debate on behalf of Scottish Labour. I thank the committee and its members for

their report. It is an in-depth and considered look at a topic with many strands, and the committee has done well to pull them all together. I also thank the many witnesses who contributed to the committee's inquiry. The sheer breadth of their expertise is impressive and has provided us with a considerable resource as we proceed to consider these matters.

It is clear that the creation of the United Kingdom Internal Market Act 2020 was a watershed moment. It not only signalled the effective end of the immediate Brexit process, but inaugurated the new and uncomfortable era in which we in the devolved Parliaments and Assemblies of this country now find ourselves. The committee's report does a good job in highlighting the tensions that are at play between the devolved institutions and Westminster, and it provides constructive commentary on how those tensions might be mitigated in the future.

It is necessary to look back briefly at how we got into this situation. It was clear to everyone that certain powers would be repatriated when the UK left the European Union. It would therefore have made sense for the UK Government to engage with the devolved Governments and institutions to arrange how that would work in the context of the devolved settlement. The fact that it did not do so and we are now in a situation of considerable tension within the devolved settlement illustrates that devolution works best when Westminster and the devolved nations work together, rather than apart.

I hope that future Governments learn the right lessons from that experience. It is unfortunate that we find ourselves in a situation in which an act of the UK Parliament was created despite the withholding of legislative consent in Scotland and Wales. However, we are where we are. Scottish Labour remains committed to devolution and to allowing it to work well. Let me move on to the tensions that are set out at the heart of the report and the committee's suggestions on how they might be resolved.

On the tension between free trade and regulatory divergence, the committee's view appears to be that the UK Government has got the balance very wrong. We in Scottish Labour agree. We agree that there needs to be room for Scotland to innovate in policy and in its economy, and that the UK Government has come down too harshly on the side of being prescriptive about what must be done in devolved areas. We are concerned that, in effect, the 2020 act reinforces the Tory free-market view of the world and stifles Scotland's ability to set its own standards in public procurement practice.

On the principles of non-discrimination and mutual recognition, Scottish businesses,

particularly in the agriculture sector, could be put at risk if the Tories pursue their worst regulatory instincts and insist on lowering the standards to which we have become used over the past few decades. However, I am pleased that the committee, having examined tensions in that regard, underscores the importance and economic benefit of open trade across the UK.

I note that the committee heard examples of complete or near-complete integration of supply chains within the UK. It surely follows that the imposition of trade barriers within Great Britain, which would happen eventually under the Scottish Government's plan for independence, would cause significant disruption to such supply chains and the wider economy. Certain members might not like to hear that, but it is the logical consequence of there being such deep integration in our economies.

The report makes it clear that there is room within the common framework to work through some of the tensions that the United Kingdom Internal Market Act 2020 has caused in the devolution settlement, but it also highlights the risk of creating a power imbalance between executive and legislative functions across the UK. That is a crucial point. It is perhaps not surprising that it is committees of this Parliament and the House of Lords at Westminster that are highlighting the tensions and distinct lack of transparency in the intergovernmental system.

To put it simply, members of this Parliament and other legislatures across the UK need to be able to see and comment on the processes to do with the common frameworks, and so, too, do other stakeholders in the economic and regulatory environment. We cannot possibly repair confidence in our devolved settlement if all the work to do so is done in the dark, away from the eyes of people with an interest in the system and how it is supposed to function.

I am grateful to the committee for all its work in bringing those concerns to the Parliament. Labour members look forward to engaging with continuing work to address the matter in future.

15:25

Willie Rennie (North East Fife) (LD): I commend the committee for its hard work and Donald Cameron for stepping in at the last minute and making a considered speech in which he set out the three tensions that exist in this debate.

The fact that the debate is still dragging on six years after we voted to leave the EU and two years after we actually left it is further evidence that breaking up long-term economic partnerships is hard to do and damaging. It is a lesson not only for the advocates of Brexit, but for the advocates

of independence, who think that breaking up the UK would somehow be a breeze in comparison. The truth is the opposite, and the sooner the nationalists understand that, the better off we will be.

Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP): Will Willie Rennie give way?

Willie Rennie: I will not just now.

I am pleased that the committee recognises the economic benefits for businesses and consumers of ensuring open trade across the UK.

Emma Harper (South Scotland) (SNP): Will Willie Rennie give way?

Willie Rennie: The members who are trying to intervene reject the significance of the UK market and, by contrast, believe that the EU market is somehow essential. That ignores the 21 per cent of domestic expenditure on goods that originated in another part of the UK that is part of Scotland's economy. Agricultural exports to the rest of the UK were worth £855 million in 2018. The highly integrated supply chains across the United Kingdom are incredibly important, too. The truth is that both markets were important, but we do not compound the chaos of leaving the EU with the chaos of leaving the United Kingdom.

The minister spent most of his speech advocating independence rather than addressing the content of the report, but I will not make that mistake. The committee is correct to highlight the regulatory innovation tension with devolution. Policy that is developed in Scotland is often adopted elsewhere in the United Kingdom, and vice versa. The ban on smoking in public places is an example.

There was a consensus in the committee and among its witnesses that there is a tilt towards market access over regulatory differentiation compared with the EU experience. Perhaps that is because the UK Government is anxious about its ability to secure good trade agreements compared with the European Union. Perhaps the United Kingdom's hand has been weakened now that it is no longer part of a wider union with the European countries. That is another lesson for nationalists in the Parliament.

Professor Armstrong put it succinctly, saying that the act

"places too much emphasis on market liberalisation over local rights to regulate".

We do not want to have a suffocating straitjacket that snuffs out difference.

The fact that not all the common frameworks have been agreed is bad for business and is a poor reflection on the ability of our two Governments to work together. People expect our

Governments to work in partnership to fix problems, not to pontificate endlessly about their different constitutional positions. However, I sometimes think that our two Governments like nothing more than a good rammy to justify their existence.

That is why we need a federalist solution to resolve differences between the constituent parts of the United Kingdom. When there are disagreements, it should not be the UK Government that has the final say. We need a partnership in the form of qualified majority voting or something similar. We need to entrench the principles of co-operation, partnership and federalism at the heart of the operation of the common frameworks and the trade and co-operation agreement governance committees. I agree with the committee that an interparliamentary forum to mirror the intergovernmental arrangements would help with the scrutiny of any agreements and public awareness.

The committee briefly explored the UK Subsidy Control Bill, which contains the successor to the EU state aid rules. It is currently in the House of Lords—

The Deputy Presiding Officer: You need to wind up, Mr Rennie.

Willie Rennie: We should return to that major piece of work, because it will have a big impact on the way in which this country operates.

I commend the committee for its work and I look forward to the rest of the debate.

The Deputy Presiding Officer: We move on to the open debate.

15:30

Jenni Minto (Argyll and Bute) (SNP): I, too, put on the record my thanks to those who gave evidence to the CEEAC Committee inquiry, the clerks and my fellow committee members. I also wish Clare Adamson a speedy recovery.

I agree that there is a great deal of complexity in the United Kingdom Internal Market Act 2020. Professor Jo Hunt, in her evidence, said that the act views devolution as

"an obstacle and a potential irritant"—[*Official Report, Constitution, Europe, External Affairs and Culture Committee*, 2 December 2021; c 19.]

to the economic integration of the UK. However, we live in a devolved UK. For Scotland, economic integration that is driven by the needs of London and the south-east of England is not what we need.

As Jonny Hall from NFU Scotland said,

“It is vital that the Scottish Government is able to continue to support Scottish farmers and crofters in a way that is most appropriate for Scottish circumstances to deliver the outcomes that we want around food production, climate, biodiversity and so on.”—[*Official Report, Constitution, Europe, External Affairs and Culture Committee*, 16 December 2021; c 15.]

I recognise that assessment from meeting my crofting and farming constituents in Argyll and Bute.

As the cabinet secretary said, Scotland was pulled out of the EU and the EU single market—the world’s largest and most successful example of economic integration—to join UKIMA, the arrangements for which Professor Weatherill described as “idiosyncratic” in his evidence.

There are three main ways in which UKIMA differs from the EU internal market. First, as we heard in evidence, the EU rules are more generous, allowing relaxation of laws for non-economic public policy reasons. In our first evidence session, concerns were raised that that might impact more widely than on trade in products, with policies on animal welfare, wildlife protection and the environment all possibly being chilled as a result of UKIMA. The cabinet secretary said of Westminster:

“What is not right is for them to tell us that we cannot legislate in areas in which we have competence, and to use the internal market act to prevent us from doing so.”—[*Official Report, Constitution, Europe, External Affairs and Culture Committee*, 27 January 2022; c 8-9.]

Secondly, the EU internal market is governed by the principles of subsidiarity and proportionality, and not just by mutual recognition and non-discrimination. Professor McEwen and colleagues say that UKIMA

“arguably creates a powerful disincentive to engage in legal reform or policy innovation, in response to changing social and economic”

preferences.

Thirdly, the EU single market is underpinned by a level playing field where member states implement co-determined regulations or environmental standards. That is not the case with UKIMA, where an asymmetry is built into the legislation, making the act protected within the devolution statutes. Professor McEwen said:

“There is nothing that you and your colleagues”—

that is us—

“can do about that in your law-making capacities to make any amendments. The Westminster Parliament is not constrained in the same way. If, in principle or in theory, it was found that that was a frustration for the UK Government’s ability to pursue and fulfil its policy objectives, it could change that in a way that you cannot.”—[*Official Report, Constitution, Europe, External Affairs and Culture Committee*, 2 December 2021; c 31.]

UKIMA does not work to Scotland’s advantage; it does not help to enrich the lives of our citizens. It means that the economic policies that Scotland needs to defeat poverty, advance equality and promote wellbeing for all are seen by Westminster as

“an obstacle and a potential irritant”.

There is good news for the UK Government: there is a way to remove Westminster’s obstacles and irritants, and that is Scottish independence. Then and only then will Scotland get the economic and social policy that it needs and wants. Only when our economic needs are not viewed through the distorted lens of Westminster, and only when Scotland is free to make its own decisions and run its own economy, can the human and material richness of our nation be harnessed for the good of all.

15:34

Liz Smith (Mid Scotland and Fife) (Con): In recent years, I have sat through quite a number of debates relating to internal market legislation. Like many across the chamber, I never wanted Brexit to happen, but I supported the need for legislation, and that is largely because the common frameworks designed to navigate the UK’s post-Brexit pathways did not provide the legal instruments that would provide the necessary legislative safeguards for open trade across the UK, complemented by provision for regulatory divergence and more effective parliamentary scrutiny.

I note from the committee’s report that there is cross-party agreement on the benefits of the UK internal market with Scotland, and rightly so, for exactly the reasons that Mr Rennie cited. Open trade across the UK is absolutely essential. Scotland trades one and a half times as much with the rest of the UK as it does with the whole of the EU and the rest of the world put together. That trade with the UK is worth four times as much to Scotland as what the EU single market provided. For those reasons, it is absolutely essential that the post-Brexit era poses no new barriers to trade across the UK, and that is very much an agreed conclusion of the committee report.

From previous debates in the chamber, members will know that I harboured some concerns about the initial United Kingdom Internal Market Bill, on the basis of concerns from stakeholders about the potential impact on devolution, which were similar to the concerns that the cabinet secretary spoke about in his speech. I could understand that, if we were not careful with the legislation, there was scope for the UK Government to undermine the devolution settlement, and that was certainly not acceptable.

To avoid that—and it absolutely has to be avoided—it was essential that the legislation protected the right of the devolved Administrations to have their own genuine policy differences, such as minimum unit pricing for alcohol. Those policy differences, which reflect different national and regional circumstances, are absolutely what devolution should be about. Should the UK Internal Market Act 2020 curtail any of that, it would undermine those differences, and that would be a very serious issue.

At the time, my former colleague Adam Tomkins said that the important doctrine of proportionality, with its roots in common law, has relevance here. He was right, because not only does that doctrine govern the legislation, but it puts in place the opportunity to ensure that it is fair and independent and there is trusted adjudication of whether it is delivering on its stated objectives. Those objectives, in relation to the internal market, are agreed across Scotland and the UK, and it is in everyone's interests to aspire to economic growth, better investment, a greener economy, job opportunities and the development of innovation and enterprise. Anything that disrupts the UK internal market would be contrary to the interests of both Scotland and the UK—a point that was very well made by Bruce Crawford when he was convener of the previous Finance and Constitution Committee.

That brings me to the current situation and, later this afternoon, we will debate the shared prosperity funds and how the EU funds absolutely have to be replaced.

There are other issues, such as the concern over the Scottish economy and the difficulties that it faces when it comes to ensuring that it has all the advantages that we would expect it to have, whether it had remained in the EU or as part of the United Kingdom. I will finish on that point, because the reason that the internal market is so important is to help Scotland to flourish in the way that we all want to see.

15:38

Mark Ruskell (Mid Scotland and Fife) (Green): I welcome this committee debate, which reminds us again of what we have lost by leaving the EU. Not only did we leave the world's most successful peace project, but we left the world's most successful free-trade project—a union that was literally forged in post-war reconstruction. The Schuman declaration of 1958 gave birth to the European Coal and Steel Community and started the long process of dismantling barriers to commerce. As we grew closer as a bloc, our differences in geography and politics did not become barriers to trade or regulatory innovation. Subsidiarity ensured that, within the EU internal

market, a level playing field of common rules could still be flexible enough to meet the needs of individual nation states.

As Europe grew, and movements of citizens won new rights to protect their lives and environment, the EU found ways to involve them directly in the development of laws to protect people and planet. That is what we had and what Scotland was forced against our will to give up. The UK Internal Market Act 2020, as a central part of the post-Brexit landscape, threatens the laboratory of devolution that has been so successful in ratcheting up progressive policies across the UK in recent years.

The committee heard wide-ranging concerns from witnesses that the act, in the words of Professor Weatherill,

“contains a structural bias in favour of market access, and against local regulatory culture.”

Other academics stated that the act

“arguably creates a powerful disincentive to engage in legal reform or policy innovation, in response to changing social and economic”

preferences.

Meanwhile, non-governmental organisations that work in environment and public health fields laid out concerns that the act could lead to a “race to the bottom” rather than a “race to the top” in standards.

NFU Scotland raised the concern that even moves to buy local could be challenged and struck down—something that would have been absolutely unthinkable under our membership of the EU common agricultural policy.

I fear that much of the subsidiarity and trust that we had as part of the EU has now been replaced by tension. As the committee report lays out, not only do we have tension in the devolution settlement; there is a fundamental tension between open trade and regulatory divergence. As a result, there could be a growing tension between Parliaments and their Executives should they become lost in opaque common framework negotiations. On that point, much of this is uncharted territory for us as parliamentarians. We might know that 26 common frameworks exist, but only four of them have been scrutinised by the Parliament, and eight have yet to be published.

In the area of waste and the circular economy, we know very little about the position of the UK Government in relation to a Scottish ban on single-use plastics, including whether the ban could be challenged and how the common framework in that area is working in practice.

The Parliament's founding principles are really important here: the

“sharing of power between the people of Scotland, the legislators and the Scottish Executive”

should be reflected, and the Executive should be fully

“accountable ... to the people”.

To achieve that, the Parliament

“should be accessible, open, responsive”

and participatory. It is clear that Parliaments across the UK will have to work harder to hold all their Governments to account by learning together and collaborating.

We have barely begun to count the cost of leaving the EU, but there are more than 40 years of progress still to defend. The 2020 act should concern all those who value the powers and the work of the Scottish Parliament and the value of the devolution settlement.

15:43

Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP): By consensus, our committee agreed that the UK Internal Market Act 2020 has raised some troubling questions for the devolution settlement. Our report concludes that the act

“has increased tension within the devolution settlement arising from the UK leaving the EU. UKIMA has been rejected by the Scottish Government and the Welsh Government and by the Scottish Parliament, Welsh Senedd and Northern Ireland Assembly as imposing limitations on devolved competence without consent.”

I am glad that, despite our differing political perspectives as committee members, we were able to draw attention to those facts clearly and unambiguously. Like Mr Cameron, I appreciated the way in which we were able to work together to that end. I realise that committee debates are supposed to concentrate on such consensus where it exists, and I will persevere as best as I can on that front for some moments yet.

In the debate, we have heard about how we should find ways to allow Scotland to give consent in areas of working that are shared with the UK Government. However, the fact remains that we are talking about an act of the UK Parliament to which we, as the Scottish Parliament, have indicated our dissent. Many of those who gave evidence to the committee were very direct about their view on that. The Cabinet Secretary for the Constitution, External Affairs and Culture told us that the Scottish Government has

“argued from the outset that”

the act

“represents a fundamental change to the devolution settlement”.

Other contributors, such as Fidra, which is an environment charity, indicated to us their support

for the implementation of environmental policy across the UK, but Fidra pointed out that it was nonetheless

“vital that devolved administrations retain the ability to champion new and progressive legislation within their own areas of responsibility.”

Fidra highlighted the ban on plastic-stemmed cotton buds and the single-use carrier bag charge as two useful examples of policy being developed and implemented at a devolved level and then subsequently implemented elsewhere in the UK.

Others came to the committee to express concerns about what the 2020 act would have meant for the minimum unit pricing of alcohol, were we to try to legislate in that area now.

As I think that Mr Ruskell was alluding to, NFU Scotland pointed out that the non-discrimination principle in the 2020 act could in fact constrain both us and its industry. NFUS cited the example of how, were Scotland to legislate on local procurement and the intention to buy local, the 2020 act would quite likely run up against our Parliament’s legislative intentions, meaning that, in its view, Scotland would

“simply have to allow products to be allowed to compete on price in the market for public procurement rather than being exclusive about it.”—[*Official Report, Constitution, Europe, External Affairs and Culture Committee*, 16 December 2021; c 11.]

I think that we are all agreed about the importance of trade across the UK—that is not really contentious. What is contentious, and what Scotland’s elected Parliament cannot and has not consented to, is a power that allows the UK Government to constrain our ability to act, whenever we dare to be different.

As members are aware, there was a time, until quite recently, when UK acts of Parliament that touched on the powers of the Scottish Parliament were “not normally” passed without this Parliament’s consent. It is pretty clear either that that polite convention simply no longer applies or that the word “normally” has become bleached of any meaning in these abnormal political times.

That goes to the heart of the matter because, as numerous witnesses to our committee pointed out, the UK Internal Market Act 2020 effectively reduces our room for manoeuvre as a Parliament. It represents a step by Westminster into explicitly devolved areas. It seeks to clip Scotland’s legislative wings.

15:47

Sarah Boyack (Lothian) (Lab): This is probably one of the most important debates that we will have in Parliament. I thank the committee clerks, all the organisations that sent us their

views and analysis and the witnesses who shared their expertise and answered our questions.

The work of the Constitution, Europe, External Affairs and Culture Committee is the start of significant scrutiny not just by my committee but by other parliamentary committees. Brexit is only just over a year old, yet it has had a massive negative impact on businesses, farming and food producers, those in the haulage industry and those in our cultural sector. The UK Conservative Government's ambition to create an internal market to lower standards must not throw into reverse the devolution settlement, our food and environmental standards or the labour market.

However, at the same time, we need to have an effective internal market, because that is crucial to our future. As has been referenced, the statistics show that Scotland's exported goods and services to the rest of the UK are worth more than £51 billion, which is 60 per cent of our exports. Therefore, we must have an internal market that works for us in Scotland.

This has been a good debate. It has flushed out the disagreements and we must deal with those issues. We need to focus on the recommendations to manage tensions between Governments and ensure that the principles underpinning devolution are not undermined.

Life after Brexit was always going to be a challenge, so ensuring transparency and enabling all those with an interest to allow our internal market to work while making sure that our businesses across Scotland are not disadvantaged is crucial.

Common frameworks are clearly an important means by which the UK Government and the devolved Governments are able to work together. That gives those in government the opportunity to decide how they can manage the tensions in the internal market and ensure that, where there are strong arguments for divergence and different approaches, those can be enabled and understood.

Although intergovernmental working is crucial, as has been agreed by all parties, the Law Society of Scotland was clear that the current arrangements

"lack sufficient transparency and accountability."

We need to have interparliamentary work and work within our Parliament to make sure that we get that transparency. In that way, our citizens and our businesses will be able see what is coming down the track, as well as understand the timetables, what the frameworks will cover, and the fact that we have public consultations where significant changes are being proposed. That is why the committee calls for clarity and regular

updates to each Parliament across the UK, and for Government to highlight upcoming proposals to enable people to plan ahead.

We recognise the economic benefits for businesses and consumers of having trade across the UK. However, given that a fundamental principle of devolution is the decentralisation of power so that we can meet local needs and address local circumstances, we have to accept the importance of innovation and regulatory learning that has come about. That is why we think that both the Scottish Government and our councils should be able to set standards through public procurement, whether in relation to procurement of food or a deal for fair work.

This is not the time to reject previously high standards, particularly in the aftermath of the ambitions that we all agreed at the 26th United Nations climate change conference of the parties—COP26. Our committee was concerned that the internal market act and the Subsidy Control Bill cut across the devolution settlement, and that concern was expressed very effectively. OneKind expressed concern that the act limits our "ability . . . to improve farmed animal welfare standards".

Professor Weatherill said that the act

"places too much emphasis on market liberalisation over local rights to regulate".

Professor McEwen and her colleagues argued powerfully that the act gives

"a powerful disincentive to engage in legal reform or policy innovation".

Scottish Environment LINK expressed concerns about the lowering of environmental standards in relation to air, water and soil quality, which we should be worried about.

We need greater transparency, and we need effective intergovernmental working. However, as both Foyso Choudhury and Donald Cameron observed, we also have to have interparliamentary debate. The committee had an excellent briefing on our report this morning. One thing that came across clearly was the need for an independent secretariat to resource and monitor common frameworks. We also need a clear traffic light system, so that citizens, businesses, and campaign and stakeholder groups can also monitor common frameworks and alert us, as MSPs, to their interests and concerns, so that their issues can be raised and debated. There will be times when we want to diverge and innovate—and we should be able to do that—but there will also be times when we want to align. That needs to be a debate that is conducted in public, not behind closed doors.

Whether it is about keeping pace or an internal market, what must drive us are the principles of

what we are trying to achieve: environmental standards, quality products, support for our local economies and fair labour market standards. We need to see the Subsidy Control Bill enable strong public procurement that not only gets us value for money but is not a race to the bottom. We need innovative strategic government intervention, both by our Government in Scotland and by our local authorities, when there is a strong case for action.

I think that the UK Government needs to listen to the concerns that have been raised by our committee. Our report was unanimous, and unanimity is not something that we always get on a controversial issue on which there have been differences of opinion in the chamber. To come back to that point: our committee was unanimous. I want the UK Government to listen to our recommendations, and I want it to act. There is an issue about treating our Parliaments across the UK with respect.

15:53

Sharon Dowey (South Scotland) (Con): The free passage of goods between the four parts of the United Kingdom—our largest and fastest-growing export market—is not only desirable but essential for the economic wellbeing of Scotland. I think that we can all broadly agree on that. However, I can understand why some members might have concerns about how all this is going to work. It is a complicated subject, as many of us have been finding out, and it does not look likely to be simplified any time soon.

First, it is important to clear up a couple of myths. We have heard many claims that devolution is under assault, that the Sewel convention has been violated and so on. However, the clue is in the name: it is a convention, not an act or a set of regulations. The Law Society of Scotland noted in its submission that

“there should be no inference drawn that the Sewel Convention has in any way been diluted”.

On the subject of policy divergence, there is still plenty of room for Scotland to choose its own way. In a blunt letter to the Chancellor of the Duchy of Lancaster, the previous cabinet secretary suggested that the UKIMA would threaten policies such as the ban on smoking in public places, the approach to tuition fees and minimum unit pricing.

Dr Allan: Will the member take an intervention?

Sharon Dowey: No.

That could not be further from the truth. As was well reported at the time, a mechanism now exists to create exemptions for policy divergence, which provides a path for devolved Governments to choose their own way.

Today, I will focus mainly on scrutiny. The matter came up time and again in the committee, so I found it a little puzzling that it received such a brief mention in the report, totalling less than 1 per cent of the document. A huge weight of EU law comes into force each year. In 2020 alone, the EU adopted or amended 1,562 different pieces of legislation. All that must be considered, particularly given the Scottish Government’s decision to align with EU law wherever possible, regardless of how it interacts with UK policy making.

An appropriate independent Scottish monitoring service needs to be established. The divergence tracker that has been made available to the committee is a good start, but it is not Scotland specific. The committee agrees, noting that

“Robust guidance should be agreed between the Scottish Government and Scottish Parliament on how transparent and meaningful scrutiny can be delivered”.

The message is clear. Parliament cannot be sidelined, and neither can stakeholders. We must know when and why the Scottish Government is aligning with EU law and what it is aligning with. Perhaps even more notably, we must know when it is diverging from EU law. The decision-making process must be open and transparent, particularly when it comes to the keeping pace power.

The keeping pace power concerns me for a number of reasons, not least of which is to do with the circumstances in which it would be used and how it would be used. Scrutiny of that provision is nearly impossible, with there being only an annual requirement to inform Parliament of when it has been used. Other than that, the only guides that we have to its use are the policy statement and the comments of the cabinet secretary. That is simply not enough detail to go on. I therefore call on the Scottish Government to implement a more transparent reporting process, for the Parliament’s peace of mind.

15:57

Angus Robertson: I give my commendations to members on all sides of the chamber for their contributions. I listened closely to all of them. The deputy convener of the committee, who spoke on behalf of the convener—to whom we all wish a speedy recovery—highlighted three tensions: tensions between open trade and regulatory divergence; tensions around the impact on the devolution settlement; and tensions between the Executive and the legislature. He was absolutely right about that. In a moment, I will speak about common frameworks, because, in my opening speech, I ran out of time and did not reach my comments on those.

Maurice Golden talked about the importance of the UK market. I agree, but I do not agree that we should be dependent on it. We are part of a far bigger trading world, and we should not put all our eggs in one basket. No doubt, we will debate that in the months and years to come.

Foyso Choudhury, on behalf of the Labour Party, praised the report and described the period that we are in as a “watershed moment” in relation to governance post-Brexit. He highlighted the tensions between devolved institutions and the UK Government.

Slightly surprisingly, Willie Rennie told the Parliament that “we voted” for Brexit. I can tell Willie Rennie that we most certainly did not vote for Brexit. In this country, we voted to remain in the European Union, and it is our intention to rejoin it as a priority.

Jenni Minto highlighted evidence that the Scottish Parliament can be overridden by Westminster. Yes, it can, and that is not acceptable.

Oddly, Liz Smith spoke about being in favour of being economically dependent on the UK market and said that we should constrain our ambitions to that. Frankly, that would be somewhat limiting.

Mark Ruskell highlighted the threat to devolution. Incidentally, there was remarkable unanimity across the chamber in recognising that that is the case with the operation of the United Kingdom Internal Market Act 2020. He talked about frameworks and parliamentary accountability, as did a number of members. I agree that we will have to get those issues right.

In her summing-up speech on behalf of the Labour Party, Sarah Boyack drew attention to the massive negative impact of Brexit and said that transparency and accountability are important in intergovernmental relations. I agree with her on that.

Alasdair Allan and other members of the committee highlighted the increasing tensions with devolution because of the impact that the operation of the 2020 act will have. Who could disagree with that?

I was slightly confused by Sharon Dowey’s point about scrutiny accounting for only 1 per cent of the committee’s report. It seems to me that, throughout most of the report, scrutiny is pretty important. The Scottish Government takes that issue extremely seriously.

The report considers the implication of the United Kingdom Internal Market Act 2020 on the successful implementation and operation of common frameworks. I recognise the committee’s frustration at the pace at which the frameworks are being rolled out, but it is important to recognise the

damage that the act has done to the development of those alternative models for managing policy divergence on the basis of equality, respect and progress by agreement. Most provisional frameworks have now been published or shared in confidence with committees ahead of parliamentary scrutiny, but I must stress that the frameworks will work only if the UK Government is committed to making them work.

I emphasise that work is under way to monitor and gauge the act’s impact on devolved policy. We continue to work closely with our colleagues in the other devolved Administrations, and we are working with the committee and the Scottish Parliament to address the complex post-Brexit landscape of which the 2020 act is a part.

16:01

Donald Cameron: In closing for the committee, I note that the debate has been useful and informative and will be extremely helpful in informing the committee’s further consideration of the issues that are raised in our report. I appreciate that members in the chamber have, in general, a favourable view of the report.

Before I note some of the excellent contributions from colleagues across the chamber, I will briefly outline the third tension that we identified in our inquiry—the tension between the Executive and the legislature that will arise from a shift towards intergovernmental working in policy areas that were previously within EU competence. A significant risk for the Parliament is that the level of transparency and ministerial accountability that existed while the UK was an EU member state will be intentionally or unintentionally diluted after our exit.

The committee has previously highlighted the need for increased transparency and ministerial accountability in relation to the Scottish Government’s policy commitment to align with EU law. The committee recognises that providing transparency, on the one hand, and maintaining confidentiality, on the other, can be a difficult circle to square when seeking to improve the scrutiny of intergovernmental relations. Although we recognise the challenge involved, the committee nevertheless agrees with Professor McEwen that the recent review of intergovernmental relations by the four Executives within the UK “offers very little” in relation to improving transparency.

The committee’s view is that there is a need to re-examine the UK Government’s approach to intergovernmental relations in the context of common frameworks. The committee is concerned that, if the operation of the frameworks is viewed as relating solely to intergovernmental relations, that might undermine the Scottish Parliament’s

commitment to being accessible, open and responsive. Mark Ruskell said that there is the potential for common frameworks to be “opaque”, and I was struck by that description. That might also undermine the ability to develop procedures that make possible a participative approach to the development, consideration and scrutiny of policy and legislation.

The committee recommends that, to address those concerns, consideration needs to be given to opening up the common frameworks process to allow opportunities for public consultation and parliamentary scrutiny in significant policy areas prior to intergovernmental decisions being made.

Last week, at the first meeting of the interparliamentary forum, which has already been mentioned, we recommended that resolving the tension in the balance of relations between the Executives and the legislatures should be an immediate priority. The committee’s view is that enhanced interparliamentary working is important in delivering more robust scrutiny of intergovernmental working, including on common frameworks.

I will attempt a brief canter through the various contributions that members have made. Maurice Golden spoke about the importance of trade in the UK and about environmental targets at UK and EU levels.

Foysol Choudhury spoke about tensions within devolution and the need for future Governments to learn the lessons, and he noted that the United Kingdom Internal Market Act 2020 proceeded without the consent of either the Scottish Parliament or the Senedd Cymru.

Willie Rennie spoke about the importance of the EU and UK markets and about the Scottish Government and the UK Government preferring a “rammy” to trying to solve problems.

Jenni Minto spoke about complexity and said that London and the south-east drive economic integration, which is not what is needed. In that regard, she quoted the NFUS and spoke about her experience of talking to farmers and crofters in her constituency. She also made an important point about the principles of subsidiarity and proportionality, which exist in the EU but not in the United Kingdom Internal Market Act 2020 framework, where, in her view, a very different and more restrictive environment exists.

Liz Smith spoke about the significance of the UK internal market, of her initial fear about the devolution settlement and of the need to protect regulatory differences.

Mark Ruskell made an excellent speech in which he reminded us of what, in his view, we lost in leaving the EU. He noted the role of the EU in

protecting people and the planet, and he said that the United Kingdom Internal Market Act 2020 threatened “the laboratory of devolution” and that tension had replaced the principles of subsidiarity and trust.

Alasdair Allan spoke about environmental policy. He quoted Fidra, one of the witnesses to the committee, and spoke of the need to develop policy making at a devolved level and then replicate it in the UK. As other members did, he concentrated on the issues of consent—or the lack thereof—from the Scottish Parliament and finished by saying that the United Kingdom Internal Market Act 2020 sought to clip Scotland’s wings.

In closing, Sarah Boyack focused on recommendations about intergovernmental working, saying that clarity is needed and that people want greater transparency and have to be able to plan.

Sharon Dowe spoke about the desirability of the free passage of goods and said that that complex matter was difficult to simplify. She took a different view of the Sewel convention and quoted the Law Society of Scotland.

I am grateful for the cabinet secretary’s acknowledgement of the issues that the report raises, and I welcome his commitment on behalf of the Government to consider at length and in a measured way the issues that we have raised. He reiterated the views of the Scottish Government in relation to many of the matters therein.

We welcome the reception that the report has had, and I am grateful for the constructive tone of the debate. We will, no doubt, revisit the subject in due course.

The Deputy Presiding Officer (Annabelle Ewing): That concludes the debate on the UK internal market inquiry. I remind members of the Covid-related measures that are in place and that face coverings should be worn when moving around the chamber and across the Holyrood campus.

Local Government Finance (Scotland) Order 2022 [Draft]

The Deputy Presiding Officer (Annabelle Ewing): The next item of business is a debate on motion S6M-03394, in the name of Tom Arthur, on the Local Government Finance (Scotland) Order 2022.

16:08

The Minister for Public Finance, Planning and Community Wealth (Tom Arthur): The purpose of the debate is to seek the Parliament's approval for the guaranteed allocations of revenue funding to individual local authorities for 2022-23. Agreement is also sought for the allocation of additional funding for 2021-22, which has been identified since the 2021 order was approved on 18 March last year.

First, to put the local government settlement in the context of the overall Scottish budget, it should be noted that the independent Scottish Fiscal Commission concluded that the overall Scottish budget in 2022-23 is 2.6 per cent lower than in 2021-22. After accounting for inflation, the reduction is 5.2 per cent.

Despite that reduction, the 2022-23 local government finance settlement provides an additional 9.2 per cent, or a real-terms increase of 6.3 per cent, when compared to 2021-22.

For the avoidance of doubt, that increase does not include the £280 million, which the Cabinet Secretary for Finance and the Economy announced during stage 3 of the Budget (Scotland) Bill debate on 10 February, and will enable local authorities to make cost of living awards of £150 to their most-vulnerable council tax payers.

Alex Cole-Hamilton (Edinburgh Western) (LD): Will the minister give way?

Tom Arthur: Do I have time, Presiding Officer?

The Deputy Presiding Officer: Yes, if it is a brief intervention, Mr Cole-Hamilton.

Alex Cole-Hamilton: I am grateful to the minister for giving way. He is doing a grand job of spinning the settlement, but I wonder whether he has spoken to his fellow ministers, Lorna Slater and Ben Macpherson, who were utterly eviscerated at Friday's conference of the Convention of Scottish Local Authorities for the reality of what the settlement means for local cuts.

Tom Arthur: I repeat that the context is that we are facing a 5.2 per cent reduction in our overall budget.

If am wrong, I am sure that Alex Cole-Hamilton will correct me later in the debate, but I do not recall him identifying budget lines for reduction and reallocation to local government. Perhaps he would like to reflect on that and, come the next budget process for the next financial year, he will be able to make a constructive contribution.

The settlement builds on the 2021-22 local government finance settlement, which provided an increase in local government day-to-day spending of £375.6 million compared with the previous year. In 2022-23, including the additional £120 million of general uplift that was announced at stage 1 of the Budget (Scotland) Bill, the Scottish Government will provide councils with a total funding package worth almost £12.7 billion. That includes revenue funding of £12 billion and support for capital expenditure of almost £0.7 billion.

It is important to note that the total of the funding package was finalised by the passing of the Budget (Scotland) Bill. Today's debate seeks the Parliament's approval for the distribution of the approved total funding to individual local authorities.

The order seeks approval for the distribution and payment of £11.4 billion out of the revenue total of £12 billion, with the balance being mainly made up of specific grant funding, which is administered separately. The £11.4 billion is a combination of general revenue grant of almost £8.4 billion, and the distributable amount of non-domestic rates income that has been set at almost £2.8 billion. In addition, the 2022 order includes £250 million of the cost of living funding mentioned earlier, with a further £30 million to be included for approval in the 2023 order, subject to final reconciliation of the actual payments made by local authorities.

The settlement provides local authorities with not only an additional £1 billion for vital day-to-day services and the flexibility to increase council tax rates as appropriate for their local authority area, but continued fiscal certainty, which does not exist in England, through our policy of guaranteeing the combined general revenue grant plus non-domestic rates funding set out in the order. That means that any loss of non-domestic rate income resulting from the impact of Brexit or Covid-19 will be compensated for by increased general revenue grant—unlike the position for councils in England—effectively underwriting that critically important revenue stream.

As approved as part of the Scottish budget, the overall funding package for 2022-23 includes: real-terms growth to the overall settlement; an increase of £120 million in the core budget in cash terms; £353.9 million previously announced for health and social care integration; an additional £200 million to support investment in health and social

care; £145 million for additional teachers and support staff; £68.2 million for child bridging payments; maintained funding for 100-day commitments, including scrapping curriculum and music tuition charges and expanding the school clothing grant; and an extra £64 million revenue and £30 million of capital funding to support the expansion of free school meals.

Although not explicitly within the settlement itself, agreeing to the order will also ensure that the funding to protect against increases in the cost of living finds its way into the pockets of households the length and breadth of Scotland.

A further £124 million of revenue funding will be distributed once the necessary information becomes available and it will be included for approval in the 2023 order.

In addition to the revenue funding contained within today's order, specific revenue funding amounting to almost £785 million is paid directly by the relevant policy areas under separate legislation.

The 2022 order also seeks approval for £840.7 million of changes to funding allocations for 2021-22. The full list of changes can be found in the report to the 2022 order.

The funding includes almost £256 million to address Covid-19 pressures. Taken together with the additional £259 million included in the funding approved by the Parliament on 18 March last year, and the £1.2 billion provided in the previous financial year, that brings the value of the overall Covid-19 support package for councils up to more than £1.7 billion, over and above their regular grant payments.

The Scottish Government has also replaced almost £1.7 billion of non-domestic rates income for the cost of Covid reliefs, with additional general revenue grant since the start of Covid.

In summary, the Budget (Scotland) Bill ensured that total funding from the Scottish Government to local government next year amounts to almost £12.7 billion, which represents an increase of more than £1 billion or 9.2 per cent in cash terms. That is a real-terms increase of 6.3 per cent compared with 2021-22.

The order before us confirms the distribution to individual councils and the proposals reflect the key role that local government will play as we focus on how we can lift children out of poverty, invest in social care and tackle climate change. The Scottish Government will continue to work in partnership with local government to improve outcomes and ensure that our communities receive the lifeline support and services that they expect and deserve.

I move,

That the Parliament agrees that the Local Government Finance (Scotland) Order 2022 [draft] be approved.

16:15

Miles Briggs (Lothian) (Con): This is an important debate, not just a technical one. I thank all those who work in our local authorities across Scotland for their hard work, especially for going the extra mile during the pandemic.

The Local Government Finance (Scotland) Order 2022 comes at the tail end of the budget process. Given that we have spent weeks debating the Scottish National Party and Green Government's tax and spending choices, it might seem at this point that there is little more to add. Nevertheless, it is important that today's parliamentary process gives us all an opportunity to highlight what needs to change.

The order allocates funding to each of Scotland's 32 local authorities. We do not intend to oppose it, as that would simply deprive local government of much-needed resources for the coming year, but we have serious concerns about the overall allocation of resources to local councils across Scotland.

As has already been mentioned, I attended the COSLA conference on Friday, alongside other spokespeople, including Alex Cole-Hamilton. It is fair to say that SNP and Green ministers were left in no doubt about how council leaders and councillors across the country feel about the settlement.

Yet again, councils have been left in a situation in which they have to find savings or cut local services. It is a simple fact that SNP and Green ministers have cut next year's local council budgets by £251 million in real terms. That cut to local government finance has been carried out despite Scotland receiving a record £41 billion block grant from the United Kingdom Government this year. The decision to cut budgets was taken by SNP and Green ministers.

Councils across Scotland have joined together to condemn the cuts. As the COSLA president Alison Evison said,

"It is beyond frustrating that the importance of Local Government's role in enabling Communities to Live Well Locally across Scotland, has not been reflected in the Budget announcement."

Tom Arthur: Mr Briggs described the settlement as a "record" settlement, but that is not consistent with what the Scottish Fiscal Commission has said. It has indicated that there is a 5.2 per cent reduction to the Scottish budget. Who is right: Mr Briggs or the Scottish Fiscal Commission?

Miles Briggs: The minister will be acutely aware that councils have very limited options to meet the cut. That is one of the key parts of the debate, I believe.

The Scottish Government has to realise that, when it cuts budgets, that hits the most vulnerable in our communities, and it is damaging to the local government workforce, too. For example, the only options that my council here in the capital now has in trying to make up that reduction involve a tourism tax, which the SNP said it would never introduce, or the new car park tax, which will hit the lowest earners hardest. Many council leaders are concerned that, if they do not implement those changes, the Scottish Government will penalise them in future years, too. Perhaps that is why the City of Edinburgh Council is today receiving one of the lowest shares of funding from SNP and Green ministers within the budget.

I hope that SNP and Green ministers will genuinely pause and reflect following the budget process. Many of us have said that when debating previous budgets, but I really hope that they consider the point that it is not a great celebration for councils that this money is coming; there will be difficult decisions for them and they will have to cut vital public services. Again, we see a situation in which ministers put huge cuts to finances on the table, then they rethink that and come back with a slightly lower cut, and then they hope that councils and the Parliament will celebrate that. That is simply unacceptable.

We need to see the resetting of the relationship and a genuine partnership that delivers respect between the Scottish Government and local government, and gives local authorities the powers and funding that they need to deliver the vital public services on which we all rely.

Conservative members would take a different approach. It is time for the creation of a new fiscal framework for councils, which would see an automatic amount transferred each year from the Scottish Government's budget, to help them deliver vital local services.

As I said, we will not oppose the order, because we do not want to penalise local authorities or disrupt their work. However, we need to highlight that the Scottish Government is delivering a poor funding settlement that will impact on all our communities.

It is clear that the SNP-Green budget will have a negative impact on councils across Scotland. We are already seeing councils setting budgets with an average increase in council tax of 3 per cent during a cost of living crisis, and increases in charges for local services while services are being cut. The responsibility for that rests firmly at the door of this SNP-Green Government.

I hope I that, in the future, councils will have an opportunity to have a grown-up, responsible debate with ministers about the finance that they need and receive. Councils will face many difficult decisions in the coming weeks and years. I hope that SNP and Green ministers will reset their approach and prioritise local government. That is something that we all, across the Parliament, want to see.

The Deputy Presiding Officer: I call Mark Griffin to speak on behalf of Scottish Labour.

16:21

Mark Griffin (Central Scotland) (Lab): Labour will vote for the order reluctantly, with no enthusiasm, to ensure that councils get the allocations that have been offered, and in the hope—more than the expectation—that the cost of living support package will make it into the pockets of those who need it most. We disagreed with the SNP-Green budget, because it will continue to squeeze our local authorities dry. It is not a fair funding package for our communities; it is a timid, uninspiring budget. It forces councils to comply and make more cuts while they struggle to keep up with demand for local services.

The Government's utterly delusional spin said that the budget represents "a total cash increase" in real terms but, as we have come to expect year on year, the budget was in fact packed full of cuts. The overall size of the pie might have increased, but only because the proportion of the budget that is ring fenced—the bit that locally elected councillors cannot make decisions on—has increased seventyfold since 2013. This year alone, it will jump from 11.5 per cent of revenue grant to 17.9 per cent.

Councils came into the budget process setting out what they would need to survive, which was £700 million, and to thrive, which was £1.5 billion. That plea must have fallen on deaf ears, as it was business as usual for the SNP and the Greens, and what councils got was nothing. Funding for core services is flat. It is the same as it was in 2021-22, which is therefore a real-terms cut. In a matter of months, the difference will be magnified further as runaway inflation takes hold, pay claims come in and service demand escalates when people struggle in the worsening cost of living crisis.

That comes on top of a decade of cuts, which means that, since 2013-14, the core services budget—income from the general revenue grant and business rates—is now worth £911 million less in real terms. The SNP has let inflation eat away at services across the country. Glasgow's budget is worth £182 million less, North Lanarkshire's is £69 million less and Edinburgh's

is £65 million less. That is millions of pounds gone from services that keep our towns, villages and communities going.

It is no wonder that social work is on its knees, roads are crumbling, libraries have closed and bins overflow weekly. That is what years of the SNP raiding council budgets gets us. It has stripped services to the bone, just as this order will do. In the Scottish Government allocations over the same period, the revenue budget has grown by 8 per cent, yet core council funding has been slashed by 12 per cent since 2013-14.

Worse is still to come. The £120 million that the cabinet secretary found is not baselined, so 2022 will be spent looking for further savings in 2023. The one-off £30 million that councils got in the autumn to settle a pay claim was not baselined either, and there is no headroom for next year.

Local government pandemic heroes, patronised all year long by ministers and told that they are not comparable to national health service workers, fear an even worse pay offer this year, which will fall behind the cost of living. As the Local Government, Housing and Planning Committee heard, councils know to expect

“a very difficult industrial landscape ahead”—[*Official Report, Local Government, Housing and Planning Committee*, 11 January 2022; c 10.],

but, as ever, the Government seems unwilling to listen.

I raise with the minister the appalling choice to copy the Tory cost of living council tax rebate and simply stick a saltire on it. Despite the SNP promising repeatedly to reform council tax, we are no further forward in abandoning the Tories' regressive local taxation system. Council tax bands have never been a proxy for income, but the Government's own figures show that, to hugely wasteful effect, 40 per cent of people who are due the £150 have above-average incomes and about 100,000 of the richest households—those with the top 10 per cent of incomes—are set to receive the £150 because they live in properties in bands A to D.

More important, payments should be made directly to people so that they can budget for themselves, just as with our fuel payment proposal. It would be absolutely disastrous if the £150 went towards the £260 million of council tax debt that 300,000 households owe. It is a poor offer, just like the wider package for local government, which will not do much to support our communities or the people who need help most.

16:26

Alex Cole-Hamilton (Edinburgh Western) (LD): I rise to speak for the Liberal Democrats in

this important debate. As Miles Briggs said, it is not just a technical debate. The tone of the minister's speech was—quite frankly—astonishing, because it jarred terribly with the message that we are all receiving from councils, councillors and public servants, who are at the sharp end of the coalition Government's choices.

As I said in my intervention, last Friday, I was on the panel discussion at COSLA's annual conference, as was Miles Briggs. Alongside me were Ben Macpherson and Lorna Slater, and their defence of the local government settlement was entirely eviscerated. Public servants from across Scotland spoke out about the devastating choices that they are being forced to make as a result of the cuts. I do not know whether the SNP and Green ministers did not feed anything back from that meeting or whether they tried and failed to effect any change, but it is deeply regrettable that there has been no rethink.

At stage 3 of the budget, the Cabinet Secretary for Finance and the Economy set the same elephant trap as her predecessors did. Year after year, the SNP lay down a punishing cut to councils, only to offer a little extra cash at the 11th hour and expect to be lauded as heroes for so doing. However, let us make no mistake that deleting £370 million from the budget, only to restore £120 million, still leads to a £250 million cut. As Anas Sarwar said at the COSLA event, it is a bit like someone taking £20 from your wallet and giving £5 back then expecting to be thanked for it. From the COSLA conference, it was clear that nobody who is involved at any level of running public services is fooled by the claim that there is any funding boost or additional funding. Everyone can see right through those tricks.

There are no heroes today on the Government benches. That includes Scottish Green Party ministers, who have been busy this week claiming that they are having an influence in government and getting things done. What I did not see among the slim pickings in the press and social media was the Scottish Greens taking the credit for their coalition's £250 million cut to our local authorities. It is the single biggest decision that they have made since entering government, and it is a rotten one—it stinks. Our Green and SNP MSPs do not want to own it because there is no escaping the harm that it will do to local services in every community and every corner of Scotland.

I end my speech with an appeal, because those same communities are already busy working out what they can do to help the people of Ukraine. I have written to the Cabinet Secretary for the Constitution, External Affairs and Culture, Angus Robertson, to ask him to ensure that local authorities are provided with new funding to support people who are fleeing the invasion. Last

week, STV News revealed that as many as 300 Afghans remain in temporary bridging accommodation and 151 are still in hotels here in Edinburgh. That is nowhere near good enough. We are not ready for an influx of refugees.

I am determined that both Scotland and the UK should make generous offers of support to people who have to leave their country in fear for their lives. There is not a moment to lose in preparing our offers of safe harbour. There is not a moment to lose in preparing our councils and communities to receive people, with all that that means for services such as housing, education and health. Preparations must be backed by funding, to ensure that everyone who arrives is given every opportunity to start a new life—and for the long term, if need be.

I hope that the minister will address the issue in his closing speech and say when plans will be published and what support the Scottish Government is prepared to give local authorities as they get ready to receive those refugees.

The Deputy Presiding Officer: I call Tom Arthur to respond to the debate. I can give you up to four minutes, minister.

16:30

Tom Arthur: I am grateful to members of all parties for their speeches and I welcome the comments of Mr Briggs and Mr Griffin, who said, respectively, that they will not oppose and will vote for the order.

I will pick up on Alex Cole-Hamilton's important point. He will be aware that we have committed £4 million in aid to support Ukraine and that we stand ready to do whatever we need to do to support Ukrainians who flee the brutal terror of Vladimir Putin's incursions and invasion from Russia. We will of course keep the Parliament fully informed of developments as the situation progresses. I think that Alex Cole-Hamilton knows that, although we support what the UK Government has done so far, we think that it has to go further. I am sure that that is his position, too.

In the debate, we have rehearsed a lot of arguments that have been made previously. I will pick up on three points and take a constructive tone.

First, Mr Briggs talked about a fiscal framework. The Tory proposition is that local government should receive a pre-determined fixed amount of the Scottish budget. I welcome an idea being put on the table, but the idea requires careful scrutiny.

As members are aware, the cabinet secretary is engaging with local government on the application and development of a fiscal framework. That is a long-standing commitment, the pursuit of which we

had to pause when we were confronted with the immediate and acute crisis of the pandemic. We are taking work forward and, of course, the approach must be agreed through engagement and partnership with local government, as I am sure that members understand and appreciate.

Secondly, I think that Mr Griffin mentioned ring-fenced funding—I apologise if I misheard him. He will be aware that, through the resource spending review, the cabinet secretary has committed to a full review of ring fencing for local government, in recognition that local government has raised the issue in previous years. That will require engagement with local government; we stand ready to have those conversations. We encourage local government to offer ideas and take the opportunity to move to an approach that is based on mutual trust and partnership, with shared outcomes and objectives, in the pursuit of which we ensure best value.

On council tax, Mr Griffin will realise and respect that the Government honoured its manifesto commitments of 2011 and 2016 and he will be aware of the Government's commitment, in partnership with the Scottish Green Party, to move towards a deliberative process, which will culminate in a citizens assembly that will look at the resourcing of local government, including through council tax. I am pleased to confirm that that work is under way.

Miles Briggs: Scottish ministers have said that they want the £150 cost of living payment to go out before the end of April. Will the minister confirm that the software and information that councils will need if they are to deliver the payment are in place?

Tom Arthur: I am not in a position to speak on behalf of local government. The member's point relates to something that Mr Griffin said. When the cabinet secretary announced the funding, she recognised that it is not perfect, but we should not make the perfect the enemy of the good. We could have taken more time to design systems, but the priority is to get the money out and that is what we seek to do.

Mark Griffin: Will the minister clarify that not a single penny of that funding should go towards paying existing council tax debt, to ensure that it reaches the people who need it most?

Tom Arthur: We have sought to ensure that there will be a cash payment. I take the point that the member made, but we must recognise that, ultimately, local government is administering and delivering the payment.

I wanted to make a final point, Presiding Officer, but I think that you said that I have only four minutes, so I need to conclude. There is a lot more that I could say. I have sought to take a

constructive tone, but what has been lacking from this discussion on local government finance is any sense of what budget line should be deprioritised to allow for additional investment. I want to have a mature debate on local government financing, but it is not enough for members to come to the chamber and simply say that there should be more money for local government without giving any indication of where that money should come from.

I hope that this is the last year when we have the conversation that we have had every year. As we move into the budget process next year, if members believe that the local government finance settlement should be increased—that is a perfectly legitimate position to take—I hope that they will identify from which budget line that increase should be taken.

The Deputy Presiding Officer: That concludes the debate on the Local Government Finance (Scotland) Order 2022.

United Kingdom Shared Prosperity Fund

The Deputy Presiding Officer (Annabelle Ewing): The next item of business is a debate on motion S6M-03393, in the name of Richard Lochhead, on the United Kingdom shared prosperity fund and what it means for Scotland.

16:36

The Minister for Just Transition, Employment and Fair Work (Richard Lochhead): European funding has brought significant investment to the whole of Scotland. From the New Lanark world heritage centre to the LEADER programme, which delivers economic development in our rural areas, and from the modern apprenticeship scheme to Moray's income maximisation programme in my constituency, which helps families in need, the benefits are tangible.

However, we have always been concerned that the United Kingdom Government's shared prosperity fund—the promised replacement for European Union funds following Brexit—would pale in comparison to the benefits of being in the EU. After seeing the levelling up white paper and pre-launch guidance on the replacement fund, I know that our concerns are justified. It is clear that levelling up means losing out for Scotland. We are set to lose out financially, we are losing our devolved authority and, crucially for our people, we are losing the benefits that we enjoyed as members of the European Union.

It is disappointing that the UK Government's intention is not truly to replace the EU structural funds, as it promised back in 2017. Instead it is using the levelling up fund to prop up the unambitious, underfunded and strategically vapid levelling up agenda.

Murdo Fraser (Mid Scotland and Fife) (Con): Will the minister remind members how much money the Scottish Government had to repay to the EU structural funds due to financial irregularities?

Richard Lochhead: As Murdo Fraser knows, all Governments have to deal with decommitment. That is part of the EU funding system. I will come on to the massive benefits that the funds have delivered for Murdo Fraser's constituency and the whole of Scotland.

On the levelling up agenda, as the Institute for Fiscal Studies says, the UK Government

"has chosen its destination with no sense of how it plans to get there."

The UK Government has positioned the shared prosperity fund as a main pillar of its levelling up agenda and we are told that the fund's key aim is to "Restore ... local pride". That broad focus does not compare with the value of tackling regional economic inequality. With talk of mayors and renaissance Italy, levelling up has little relevance to modern Scotland.

Daniel Johnson (Edinburgh Southern) (Lab): In a sense, I agree with the minister. The logic behind the new fund is confused. Indeed, the metrics and the application process are unclear. However, we have gross regional inequalities in Scotland and surely those need to be addressed even if the shared prosperity fund is not the right way to go about it.

Richard Lochhead: Of course we have challenges with regional inequalities in Scotland. That is why the EU funds were so important over many decades. They helped to mitigate and tackle some of those challenges, which have been with us for generations.

The Scottish ministers set out a clear plan for Scotland's share of the replacement funding back in 2020. Meanwhile, the UK Government has not even set out Scottish investment priorities or informed us of our allocation. When we first learned of the shared prosperity fund, we set out our asks. We expected to retain the same level of autonomy over allocations, governance and policy development, but UK ministers have so far failed to meet those expectations. We also set out a justifiable calculation of £183 million per year being devolved to the Scottish Government. That would provide a comparable replacement for the range of programmes available under the EU at that time.

Miles Briggs (Lothian) (Con): Does the minister believe that local government should also play a role in this and, if so, why is it not mentioned in his motion for the debate?

Richard Lochhead: Of course the regional economic partnerships and other players across Scotland are involved in the setting of priorities for regional funding and of course local authorities have a say in that.

The Scottish Government has concluded from the UK Government's autumn budget that Scotland's share is unlikely to be delivered as promised. Our view is backed by the UK Treasury Committee, which suggests that the fund's maximum £1.5 billion annual budget equates to a 40 per cent reduction on the amount that the UK receives from the EU in the current programmes. Although calculated for the whole of the UK, that confirms that Scotland will ultimately lose out big time.

Despite confirming the overall quantum, UK Government ministers cannot tell us whether that will cover all the various programmes that we had under the EU. The result is massive uncertainty—for instance, with the rural community-led development work that was previously delivered through the LEADER programme, which many members are familiar with. That brings much anxiety to those relying on such investment to function.

In 2019, the UK budget stated that replacement funding would

"at a minimum match current levels ... for each nation."

In 2021, the Secretary of State for Housing, Communities and Local Government, Robert Jenrick, went further, stating in Parliament that

"at least as much, if not more, funding"

will go

"to communities in Scotland than would have been received if we had stayed within the European Union". [*Official Report, House of Commons*, 22 February 2021; Vol 689, c 621]

However, it is clear that the UK Government cannot honour those commitments and, again, Scotland will lose out.

Through the United Kingdom Internal Market Act 2020, the UK Government is encroaching on devolved areas, as was discussed earlier this afternoon in the chamber. It is using Brexit, which Scotland did not vote for, to weaken devolution, which Scotland did vote for. It is undermining Scotland's democratic voice.

Scottish Government ministers have consistently reminded the UK Government that we expect to be treated as a full and equal partner in the development of the shared prosperity fund. We retain the belief that Scotland's share of the funding ought to be fully devolved. That will let us tailor it to the needs of Scotland and align with the ambitions that are set out in the national strategy for economic transformation.

By using the 2020 act to start spending in devolved areas directly with local government, the UK Government is sidelining the Scottish Government and the wider ecosystem that we have in Scotland of all our agencies and regional players. It is missing out on the breadth and depth of knowledge that we have of our own economy and Scotland is losing out on our devolved autonomy.

It is absurd to claim that reducing the role for the Scottish Government and working directly with our local authorities is real devolution in action. Real devolution is what the people of Scotland voted for back in 1997, when they chose to establish this Parliament, which on numerous occasions has

agreed that the way in which the UK Government is implementing this policy is completely inconsistent with devolution and democracy in Scotland.

I met the Parliamentary Under Secretary of State for Levelling Up, the Union and Constitution, Mr O'Brien, and the Under Secretary of State for Scotland, Mr Stewart, last week. I emphasised the rightful authority of this Government in leading on the fund. They agreed to set out in writing how they see our role, offering some reassurance that it will not be as a peripheral adviser. I await that letter to see whether those assurances have any truth.

As the replacement funding moves further away from the positive aims of the EU funding that we had in Scotland, delivered by the Scottish Government for nearly five decades, we can see that it is an example of how much Scotland will lose from no longer having the benefits of EU membership. EU funding has supported projects such as the European Marine Energy Centre in Orkney, which has contributed over £300 million to the UK economy and supported over 200 jobs.

I call on the UK Government to listen to Scotland's plea for the promises to be delivered and I call on this Parliament to agree that the UK shared prosperity fund falls far short of what we were promised and fails to offer the level of autonomy and influence that the Scottish Government experienced under the EU. We must have a full and equal role in determining how funds are used. We must have confirmation that Scotland's allocation of the shared prosperity fund matches our lost EU funding.

I move,

That the Parliament agrees that the UK Government's proposed arrangements for the UK Shared Prosperity Fund (UKSPF) are more restrictive than the EU Structural Funds and fail to offer the level of autonomy and influence that the Scottish Government experienced under the EU; believes that the Scottish Government must have an equal role in determining how these funds are used; notes with concern a cross-party report from the Treasury Committee, which estimates that the total value of the UKSPF up to 2024-25 is a 40% reduction on the amount that the UK received under EU structural funds from 2014 to 2020; calls on the UK Government to urgently confirm that Scotland's allocation of the UKSPF matches its lost EU funding, as promised by the UK Government, given the absence of assurances in the *Levelling Up* white paper; believes that at least £183 million each year is required to deliver this, and calls for the UKSPF to be fully aligned behind the just transition to a net zero economy.

16:44

Liz Smith (Mid Scotland and Fife) (Con): I begin by reiterating the belief on the Conservative benches that, in the post-Brexit era, the UK Government must make every effort to ensure that there is absolutely no loss to the devolved nations

of funding that is equivalent to the money that we would have had, had we still been part of the EU. Whether it is via the community renewal fund, the levelling up fund or the shared prosperity fund, it is vital that there is at least equivalent funding for the loss of the EU structural funds. In other words, and to adopt one of the principles of the Smith commission, there must be no detriment.

For me, three things matter in this whole debate: first, that the absolute best interests of Scotland, most especially in terms of improving our economic performance, are met; secondly, that our local authorities and communities—which, for such a long time, have asked for more autonomy—feel more empowered; and thirdly, that there is a joined-up approach between Westminster, the Scottish Government and local authorities.

Last week, the Finance and Public Administration Committee took evidence from the Secretary of State for Levelling Up, Housing and Communities, Michael Gove, and that was an important session, during which members could address their understandable concerns about the details of replacement funding. Earlier this afternoon, during the debate on the internal market, we had an opportunity to debate more of those issues.

We know that the United Kingdom Internal Market Act 2020 confers a right on Westminster to spend money in the aspects of the UK for which it does not have devolved competence—for example, on infrastructure projects such as roads or railways. The aim is to provide additional investment, but there are some—and I hear them on the benches on my right—who feel that the 2020 act is an all-out attack on devolution, a power grab of unlimited proportion and something that Scotland can well do without.

Daniel Johnson: Although I acknowledge what Liz Smith is saying in this debate, when Mr Gove appeared before the committee, she pursued a very interesting line of questioning about co-ordination. We have very clear goals set out in places such as the national performance framework and there is a risk that this funding is somehow out of alignment with some of those goals, so there is a need for co-ordination. Will Liz Smith reflect on that? What are her thoughts about improving the co-ordination of these funds?

Liz Smith: There are two points, and the first is about co-operation; it is essential that there is proper co-operation. Mr Gove gave a full commitment that, if any of us feel that that co-operation is not happening, he will address that as soon as possible. The cabinet secretary has just referred to the fact that he has had engagement with Scotland Office ministers, who are saying exactly the same thing. The second issue, which is

also relevant, is the statistical evidence that relates to the performance framework and how the Scottish Government's ambitions articulate with those of the UK Government. That is a very important issue, which both Mr Johnson and I were pursuing at the committee meeting.

As we debate this crucial issue, it is vital that we are cognisant not only of the fact that there are clearly set out devolved responsibilities but of the fact that aspects of devolution go further down the line to our local government and local authorities, which want a greater say in how that money is spent. Mr Lochhead referenced some of the spending that has already happened in his constituency of Moray, and that is vitally important. If we measure what is happening now in the levelling up work, we see that some really good programmes are giving additional money, which is on top of anything that would come from Barnett consequentials. It is giving us that additional say, and that is extremely important.

I will deal with a few of the criticisms that have been made, particularly in relation to the comment that Mr Lochhead made about what the Treasury Committee and the Welsh Government said about their concerns that the replacement funds are not the full £183 million that would have been Scotland's share. I acknowledge to Mr Lochhead that there would be some concern about that if it were not for the fact that the EU funds are being replaced, and not just by the shared prosperity fund. It is correct that EU funding is still taking place in Scotland, but it will diminish as time goes on, and Mr Gove has given a very full commitment that funding will be ramped up as that EU funding diminishes. The key point is that if, at any stage, there was a hint that we were not getting money on the same basis as when we were in the EU, that would be a very fair criticism.

The Scottish Government is saying that the 2020 act is an attack on devolution, but I do not accept that. When it came to the Tay cities deal in my region, there was excellent co-operation between the Westminster Government, the Scottish Government, local authorities and stakeholders. It is about making sure that our local communities, who know their areas best, have the facility to be able to direct funding in a way that is of the most benefit to their particular economies.

There are issues with some of the modelling that is used to decide on how the funding will be applied, but I do not accept that there is a deliberate undermining of what has to be spent in Scotland. There is some scope for change when making sure that the data that is used and interrogated by the Office for National Statistics applies to both the Scottish and UK objectives.

I move amendment S6M-03393.1, to leave out from "agrees" to end and insert:

"warmly welcomes the UK Government's commitment to level up every part of the UK and the commitment provided by the Secretary of State for Levelling Up, Housing and Communities, The Rt Hon Michael Gove MP, that Scotland's share of the UK Government's Shared Prosperity Fund, worth £2.6 billion over the next three years, will at least match the level of EU funds it is replacing; agrees with local authorities across Scotland, which have commended the UK Government for directly funding levelling up projects in their local areas, bringing much-needed investment and employment, and calls on the UK Government, the Scottish Government and local authorities to continue to work together to ensure the effective delivery of future projects."

The Deputy Presiding Officer: I call Paul Sweeney to speak to and move amendment 3393.2.

16:51

Paul Sweeney (Glasgow) (Lab): The debate on the UK's shared prosperity fund is long overdue. Since the Brexit vote in 2016, questions have frequently been asked about what would replace the EU's structural funds. Despite repeated assurances that a replacement would appear, many of us were sceptical about whether it ever would.

Let us start on a point of consensus and welcome the fact that the detail has finally appeared. However, I fear that that is where the consensus will end, because the reality is that the detail far from matches the rhetoric that we heard in the run-up to the announcements. The rhetoric was that the UK prosperity fund would at least match the level of EU funds that it replaces; in fact, the Conservative amendment states exactly that. The reality is that it is 40 per cent less than the EU funds that it is replacing. The Treasury Committee in the House of Commons—

Liz Smith: I thank the member for giving way. Does he accept that, as it stands, there is some existing EU money in Scotland? We need to ensure that, as that diminishes—which it will over time—the rest of the funding that will come from the UK Government's shared prosperity fund and other structural funds is ramped up. Michael Gove gave a very firm commitment on that.

Paul Sweeney: I hear the member's point, but I do not agree with her perception or assertion. Even the Treasury Committee in the House of Commons said as much in its report on the funds, which questioned why one of the centrepieces of the Government's levelling up ambitions was to be reduced to such an extent. The idea that there will be a complete offsetting is simply not correct.

It is not just the Treasury Committee that is calling that out. The Scottish Government, the Welsh Government, the Northern Irish Government, the Northern Powerhouse Partnership and the metro mayors are all saying

the same thing, and they cannot all be incorrect. They will be worse off, and that is not acceptable.

As usual, ordinary working people will pay the price. We are already seeing gross inequalities across our country: one in four children lives in poverty; almost a quarter of all households live in fuel poverty; life expectancy in our poorest communities is now falling; and food bank use is rising. Each of those are symptoms of political choices. It beggars belief that, after 12 years of Tory austerity, the party's failed macroeconomic policy of public disinvestment and resultant low economic growth is set to continue.

It is also true to say that the Scottish Government has been asleep at the wheel on this, too. In the SNP's time in office, council budgets have been slashed every year. There has been a laissez-faire approach to Scotland's economy and the productivity rate is drastically lagging behind the Organisation for Economic Co-operation and Development average. EU structural funds and regional selective assistance have been potentially misallocated and inefficiently managed through the enterprise agencies. The Scottish Government has shown a timid acceptance of Tory laissez-faire economics and has failed to develop an industrial strategy that would provide high-quality and high-paid jobs for people in every town and city across the country.

The point about council funding being absent from the Government's motion is particularly important to the debate. We know that Scotland's councils have borne the brunt of funding cuts: £250 million has been cut this year alone. I have concerns about the UK Government's approach to providing funds directly to local authorities, bypassing the Scottish Government entirely.

Labour believes fundamentally in empowering local communities. That means providing them not only with adequate funding but with the powers to make their own choices. We have a devolution settlement in place, but the Tory plan quite clearly circumvents it, meaning that we simply cannot support that method of delivery.

I, too, want to touch on the issue of co-operation. We know that the Scottish and UK Governments hold colossal differences of opinion on a whole host of policy areas, but we really need them to work together in the national interest on the funding issue.

If the UK shared prosperity fund is provide the same benefits as were provided by the EU structural funds that it is replacing, I would argue that how those funds are delivered is of fundamental importance. We simply cannot have a situation in which both Governments incessantly argue, as they have done on issues such as city deals, including about who gave the money to who

and what flag should appear on billboards and at construction sites. Sadly, I think that that is exactly what is about to happen. I am sure that we will be subjected to those tedious arguments during the debate. Frankly, that is not good enough.

As the Scottish Parliament information centre's report articulates, the longer it takes the UK Government to bring in the shared prosperity fund, the more questions will be asked about any costly gaps in funding. Stakeholders and beneficiaries who may have been waiting since 2017 to know how the UK shared prosperity fund will operate are being forced to bide their time for a while more. My plea to both the Scottish and UK Governments is quite straightforward: grow up, work together in the best interests of people across Scotland and begin to match the incessant levels of facile rhetoric with tangible actions.

I move amendment S6M-03393.2, to leave out from "agrees" to end and insert:

"recognises that the UK Government's proposed arrangements for the UK Shared Prosperity Fund circumvent the devolved settlement; notes that there are increasing regional inequalities across Scotland, including in health, child poverty, income and economic opportunities, which neither the UK Government nor the Scottish Government is adequately tackling; regrets that Scotland's progress in closing the gap in productivity levels with the UK average has been halted during the last decade; understands that the voluntary sector has highlighted the potential loss of funding compared with previous years and has called for certainty around funding and delivery; notes that both the Scottish and UK governments have a record of centralising control and decision-making on the delivery of funding, and believes that decisions around addressing regional inequalities are best made in the regions and communities where support is needed; calls, therefore, for the Scottish Government to deliver adequate funding for local authorities, and further calls for the UK and Scottish governments to work together constructively to take the urgent action needed to address the regional inequalities in Scotland, and ensure that communities across Scotland receive the additional support and funding that they desperately need."

16:56

Willie Rennie (North East Fife) (LD): As is often the case, Liz Smith made a reasonable and constructive contribution to the debate. She focused on the practical steps that need to be taken and, indeed, challenged her own Government to match the commitments and the promises that it has made in the past on the level of funds. However, at best, there is confusion over the level of funds; at worst, there is a potential cut of hundreds of millions of pounds.

Between 2014 and 2020, the annual contribution from the EU structural funds was about £2,000 million a year. The National Council for Voluntary Organisations in England estimates that the shared prosperity fund will provide only £866 million, which is a cut of £1.1 billion a year.

The minister referred to the Treasury Committee report and a cut of 40 per cent. What would be the impact of the worst-case scenario on projects across the UK? I say to the minister that this is not just a Scottish issue; it is a UK-wide issue.

It is almost six years since the Scottish independence referendum and two years since we left the EU, but still the Conservative Government has not worked out what it is doing. It is moving far too slowly, which is causing massive uncertainty in the sector and organisations face a funding cliff edge as a result. Jobs are at risk, as is the vital work that those organisations do.

Pre-launch guidance on the shared prosperity fund was issued only last month, further details will not be available for weeks and it will take months for applications to be submitted and processed, even though existing funds will run out by December. I say to Liz Smith that time is marching on. The Conservative Government must speed up and end the uncertainty.

There is also great doubt about the role of funds in skills development. At a time when we are short of sufficient skilled workers, that is incredibly short-sighted. The SNP Government is in danger of focusing solely on its exclusion from the process, while organisations across the country are primarily concerned about the shortfall in funding and the lack of certainty.

I want partnership and co-operation. I believe in federalism. That is the answer to the problems that we are facing over this and many other post-Brexit issues that we have been debating today. I would argue that we should have the structures of engagement in areas of common interest. The shared prosperity fund is one area that would benefit from a partnership approach.

I think that most people in this country want Governments just to get on. They want them to work together in partnership, put aside the constitutional differences and make things work. They need to do that in partnership with local authorities, and spats over who is in charge are completely irrelevant to most people on the ground, especially when jobs and opportunities are at stake. Paul Sweeney was bang-on with his comments on that.

I urge the Conservative Government to establish a joint council for UK shared prosperity for the fund and the levelling-up agenda. The council would include representatives of the constituent authorities of the United Kingdom. It could work in partnership with local communities and local government on the development of programmes.

Let us draw on the skills, expertise and talents of everyone at every level of government to make a success of the funding. Let us end the uncertainty over the level of funding, and make

sure that the jobs are saved and the opportunities are seized.

The Deputy Presiding Officer: We move to the open debate. I advise members that there is no time in hand, so any interventions that they might wish to accept must be accommodated within their allotted time.

17:00

Michelle Thomson (Falkirk East) (SNP): I have not forgotten that it was an utterly disingenuous vote leave campaign led by Michael Gove and Boris Johnson that has led Scotland to this point. Although I await further developments with interest, as it stands, the UK structural funds are a mess.

As I see it, there are five summary issues. First, there has not been—and I still have limited confidence that there will be—any meaningful engagement with the democratically elected Scottish Government to ensure that the funds are compatible with Scotland's economic policies. Secondly, there is no effective governance in place. For example, there is no sensible approach to a nationwide evaluation of impact. It would seem that, in place of robust governance, we are to have Mr Gove whispering "Trust me".

Thirdly, the methodology that is in place for categorising areas of need is, at best, amateurish. Fourthly, the UK funds set up a competition in which our local authorities must compete with one another, rather than work in concert towards nationally agreed goals. Fifthly, the most sensible solution was readily available, but for political reasons it was rejected—to continue with the precedent that was already set by EU structural funds and allow our Scottish Government and those of us in this Parliament to shape the best use of funds for the people of Scotland.

When I challenged Mr Gove in the Finance and Public Administration Committee last week about the methodology for funding projects, which had placed Orkney, Shetland and the Highlands in the lowest category of need for transport infrastructure—along with the City of London—he obfuscated. He asked the Scottish Government to provide him with more information and transparency, while at the same time he sought to impose an approach that excludes that Government from control.

Let us consider Mr Grove's track record on transparency. As reported in 2017 by Peter Geoghegan, writing for openDemocracy, Gove and others were closely tied to the Legatum Institute, a Mayfair-based think tank that is funded by a tycoon who made his money during the wild capitalism period in post-Soviet Russia. When asked about his connections to people at

Legatum, Mr Gove's belief in transparency led him to give this florid reply:

"The blessed sponge of amnesia wipes the memory slate clean."

However bad his memory was, it did not stop the appointment of Legatum's Matthew Elliott as chief executive of vote leave.

After the referendum, the infamous letter from Gove and Boris Johnson to the then Prime Minister, Theresa May, encouraging a hard Brexit, was widely reported as having been assisted by the involvement of Russian-funded Legatum personnel. Gove and Johnson's hard Brexit is costing Scotland dear.

Furthermore, Gove advocated against and lobbied to avoid publishing prior to the 2019 election the Russia report on election meddling, money laundering, cyberattacks and the buying of influence with dirty Russian money. To this day, we have never seen the full report, thanks to Mr Gove.

Finally, I note that the tycoon who is behind Michael Gove's favourite institute is reported to have been behind the board coup that saw an associate of Vladimir Putin become chair of Gazprom, the huge energy company that is fuelling Putin's war in Ukraine.

Therefore, no amount of fawning by the Scottish Tories over Gove can hide the fact that he is a charlatan with a demonstrable lack of concern for the democratic will of the Scottish people—trust him, and his assurances on the UK structural funds, at your peril.

17:05

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

Perhaps we can get back to the subject of the debate: the UK shared prosperity fund, which is a very welcome part of the UK Government's levelling up agenda. Despite what we have heard from Scottish National Party members this afternoon, the approach has been warmly welcomed and embraced across Scotland.

The starting point for the discussion is that Scotland has two Governments: a Government here in Edinburgh and another Government in London. Both of them have a crucial role in supporting infrastructure, helping communities to grow and assisting with economic growth right across the United Kingdom. We see that already in the successful roll-out of the city growth deals, which now cover every single part of Scotland. Those now involve a total investment of £1.49 billion, with projects such as the new concert hall for Edinburgh, the national tartan centre in Stirling, and the Net Zero Technology Centre in Aberdeen.

On top of that, we have just seen the announcement of two new free ports in Scotland backed by £52 million; a £4.8 billion infrastructure investment in towns via the levelling up fund; and a £2.6 billion shared prosperity fund, which provides cash directly to councils to replace EU funds. Every single one of those programmes is good news for the UK and for Scotland, and they should be warmly welcomed by everyone in this chamber.

The UK Government made a commitment to replace EU funding, which of course is what the levelling up fund will do. As Liz Smith pointed out, we still have EU legacy funding, which will diminish over time, and the shared prosperity fund will ramp up to fill that gap. Scotland will receive more in EU replacement funds than it ever received directly from the EU. Again, we should celebrate that.

It is curious that we hear so many complaints from the SNP about the funding. SNP members never complained when the funding came from the EU but, suddenly, when it comes from the UK, they are full of complaints.

Daniel Johnson: Does the member have any evidence that the funding will match that from the EU, or will we just have to take on good faith what Michael Gove and others have said?

Murdo Fraser: I am disappointed that Mr Johnson, who considers himself to be a supporter of the United Kingdom, is not taking the United Kingdom Government at its word when it says that more money will be forthcoming. He should have more confidence in the United Kingdom Government. I say to him and in particular to those on the SNP benches who talk about EU funding and suggest that it was all sweetness and light and there were no problems that, this time last year, the Scottish Government was facing a fine of £190 million due to irregularities over the European social fund and European regional development fund. Earlier, I asked the minister what has happened to that fine, how much has been paid and what its status is. Perhaps in his winding up speech, he can confirm the answers to those questions.

The proposals are welcome. Even SNP councillors have welcomed the money. Councillor Iain Nicolson of Renfrewshire Council, which is to receive the single largest investment from the levelling up funds of £38 million, said that he was "delighted" to receive the money. What a pity that that enthusiasm is not reflected among his parliamentary colleagues here in the chamber.

Crucially, the money goes directly to local councils. What a difference in approach from the UK Conservative Government compared to the approach of the SNP Government here. The SNP

Government is treating councils in Scotland woefully by cutting their funding year after year while expecting them to do more and more. The SNP claims to be a party of localism but, in practice, it treats our local councils as whipping boys.

In contrast, the Conservative Government in Westminster trusts our local councils, works with them and is making sure that they get the money that they need. That is why the shared prosperity fund is so welcome and it is why SNP members are so hostile to it—they do not like local government being empowered. That is why we support the amendment in the name of Liz Smith.

17:09

Kenneth Gibson (Cunninghame North) (SNP): I first wish to record my disappointment that such a short time has been allocated for an issue of such importance. That means that a full explanation of the relevant matters is not possible, but I will touch on a few of them.

When the UK was in the European Union, Scotland was allocated €944 million in structural funding under the 2014 to 2020 budget framework. To be unlocked, the funding had to be matched by the UK Government, which led to investment of about £183 million a year. The question remains: will the UK Government make good on the EU funding that we will no longer receive?

In 2017, the Tories committed to setting up a replacement structure called the UK shared prosperity fund, but no progress was made for years, as self-imposed deadlines came and went. It is telling that the UK Government found time to push through its internal market bill in 2020 without consulting the Scottish Parliament. That contravened the Sewel convention, as the UK Government afforded itself powers to undermine the Scottish Parliament and the Scottish Government on devolved matters, which MSPs are elected to deliver on.

When the levelling up fund was announced in March 2021, it was immediately clear that there would be an enormous cash shortfall. Despite repeated calls by Scottish ministers and SNP MPs, no detail was revealed until the 2021 autumn statement.

On 27 January, Westminster's Treasury Committee, which is chaired by Tory MP Mel Stride, reported that, up to 2024-25, the UK shared prosperity fund will suffer a 40 per cent annual cut compared with EU structural funding. That is worrying as we emerge from the pandemic and the impact of Brexit.

Last week, we welcomed the Secretary of State for Levelling Up, Housing and Communities and

Minister for Intergovernmental Relations, Michael Gove MP, to the Finance and Public Administration Committee. We had hoped to see Mr Gove back in November. However, once he found the time to come to Holyrood on the back of his address to the Convention of Scottish Local Authorities, he was very forthcoming, which made our session most valuable.

When I asked why the Treasury Committee had expressed such great concerns, Mr Gove responded by saying:

“The inference that I would draw is that it is a perfectly legitimate misunderstanding to conflate the UK shared prosperity fund money with previous EU funding”—[*Official Report, Finance and Public Administration Committee, 24 February 2022; c 2.*]

He argued, rather vaguely and somewhat unconvincingly—he did not convince a Tory-led Westminster committee after all—that, alongside the UK shared prosperity fund, resources would be delivered from sources such as the levelling up fund, and that Scotland would, overall, see no loss. The bottom line is that our committee still awaits details on where the £183 million per year will come from.

Scottish ministers have not been consulted, nor do they have any role in decisions on investment proposals relating to devolved matters. New guidance offers no evidence of devolution being respected and no acknowledgement of the Scottish Government as an equal partner. As part of his “It’ll be all right on the night” approach, Mr Gove said:

“It is explicitly the case that, for the UK shared prosperity fund, we want to ensure that there is intensive dialogue between us and the Scottish Government and its ministers on the basis on which the money should be distributed.”—[*Official Report, Finance and Public Administration Committee, 24 February 2022; c 3.*]

No reason was given as to why such dialogue has not yet taken place.

I raised the specific case of the European Marine Energy Centre in Orkney, which is the world's first and only accredited wave and tidal test centre for marine energy. Over 16 years, EMEC has contributed £306 million to the UK economy, supporting almost 200 jobs. Between 2016 and 2020, it received more than £17.4 million—52 per cent of its total funding—from Europe. EMEC felt compelled to express its concern that the levelling up white paper, which was published on 2 February, suggests that the UK shared prosperity fund will be allocated entirely through local authorities. The deliberate bypassing of the Scottish Parliament, with funding going straight to councils, creates a real risk that EMEC and other unique organisations that are crucial to innovation and addressing climate change will miss out on vital funding. Such anomalies seemed

to surprise Mr Gove, who committed to speaking to EMEC. However, his policy making on the hoof approach is not a sustainable way of operating the funds as it lacks the practical set-up and security of EU structural funding.

Although I welcome the secretary of state's clarifications, we are still to see cold hard numbers that confirm that Scotland will not lose out. Scottish and Welsh ministers have also not been adequately consulted on a fund that goes live next month. The UK Government must actively engage, and it must do so today.

17:13

Rhoda Grant (Highlands and Islands) (Lab):

The benefit of EU structural and social funds was a game changer in the Highlands and Islands. Communities were inspired to grow and develop, and the funding was used to build bridges, causeways, roads and factories. Communities were linked and given the tools to lead them to prosperity. In the Highlands and Islands, there was scarcely a road built in the 1990s and early 2000s that did not have an EU flag beside it. The funding made a huge change and, for once, shone a light on some of the most marginalised communities in the country.

Sadly, when the SNP Government came to power, it quickly took control of the fund from local organisations, and the impact decreased markedly. Its obsession with centralisation diluted the impact.

Following Brexit, those funds are now being removed altogether, and the replacement that is being offered by the UK Government is absolutely blind to peripherality.

Although we have sparse populations and poor transport links in the Highlands and Islands, not one of our council areas attracts level 1 funding. Although areas of extreme poverty exist in Orkney, Shetland and the Western Isles, where people depend on ferries and flights to get to the rest of the country, those regions find themselves in level 3 alongside areas such as Buckinghamshire and Cambridge. That is senseless.

I wrote to Michael Gove to try to get him to understand the situation, telling him that rural poverty and deprivation do not show up easily in the indicators that both the Scottish Government and the UK Government use, which are largely postcode based.

In rural areas, the poor live side by side with the very rich, so the real disadvantage that those communities face is hidden. In the Highlands, that disadvantage is further hidden due to the success of some parts of Inverness. Despite that success, a decade's difference in life expectancy exists

there depending on which direction I walk in from my house for 15 minutes. People who live within walking distance of each other can have markedly different life chances.

Outside Inverness, throughout the Highlands and Islands, disadvantage manifests itself through depopulation. Although many areas are extremely fragile because our young people are forced out to seek employment and housing, the whole region is termed level 2 or 3.

I believe that the UK Government has a real opportunity to make a difference by using the levelling up fund in a way that would demonstrate an understanding of remote rural communities. Our area provides opportunities for the rest of the country. We are the lungs of the country with our wide-open spaces, and we are set to become the generator of energy, too, yet we struggle for survival.

The funding provides an opportunity to level up our society, but unfortunately it looks like it is there to provide sweeteners for parts of the country that voted Conservative for the first time—an attempt to buy their loyalty while doing down our most peripheral regions.

I appeal to both our Governments to recognise the needs of rural communities and find a better way to reflect their needs. If they do not, those communities are likely to disappear. Those communities are best able to understand their own needs, but they need to be empowered and be given the funds to allow them to build up and repopulate. Those areas will grow and flourish if we recognise their needs. This is not a time for political opportunism; it is a time for action.

17:17

Stuart McMillan (Greenock and Inverclyde) (SNP): I welcome the debate. I also welcome investment in my Greenock and Inverclyde constituency and in Scotland. I would like to see more of it, and I am quite sure that others across the chamber would like to see more going into their constituencies, too.

The fact that there is a so-called shared prosperity fund and a so-called levelling-up fund and agenda highlights that successive UK Governments, irrespective of whoever has been in power at Westminster, have financially hammered Scotland and the north of England. It shows that the union has not worked for Scotland. At least we, in Scotland, have a chance to change that situation. I look forward to the day when we win our next independence referendum.

Whether or not MSPs across the chamber accept it, we all know that Scotland has never been at the top of the agenda at Westminster.

Margaret Thatcher had plans to cut Scotland's budget and tried to keep those cuts "invisible" while putting thousands of shipyard and engineering jobs in my constituency, as well as the steel and coal jobs across Scotland and parts of England and Wales, on the scrap heap. Tony Blair was content to allegedly keep public spending higher in Scotland per head because he saw it as a price worth paying to maintain the union. Boris Johnson said that his "argument to the Treasury" was

"that a pound spent in Croydon is far more of value to the country, on a strict utilitarian calculus, than a pound spent in Strathclyde."

He added that

"you would generate jobs and growth in Strathclyde far more effectively if you invest in Hackney or in Croydon or other parts of London".

I make no apologies for not rolling out the red carpet for the current Tory UK Government and its so-called generosity through various funds that it is now considering for Scotland and elsewhere in these islands. I am not prepared to beg for the crumbs off the table when the disrespect agenda that the UK establishment has had for Scotland is there for all to see and has been for many generations.

After the Brexit referendum, which resulted in Scotland being dragged out of the EU against its will, the then Prime Minister, Theresa May, met the First Minister to discuss a variety of issues. One of the key matters reported at the time was the Prime Minister's admission that the UK Government could not match the funds that the EU was providing. In effect, therefore, we are suffering the double whammy of being dragged out of the EU against our will and being short-changed to the sum of £183 million per annum. No matter how the UK Government tries to spin it, the new funds that are being debated today will not come anywhere near the sums of money that have been cut from Scotland over many generations.

According to the New Philanthropy Capital think tank in January, the £4.8 billion levelling-up fund that was announced at Westminster's spending review last March aims to

"invest in infrastructure that improves everyday life across the UK."

In Scotland, the 20 per cent of local authorities that have the highest homelessness rates received less levelling-up funding than the 20 per cent of local authorities with the lowest homelessness rates. Of the 20 per cent of local authorities with the highest homelessness rates in Scotland, three have received no levelling up funding. Meanwhile, of the 20 per cent most deprived local authorities, four—Inverclyde Council, North Lanarkshire Council, Dundee City

Council and East Ayrshire Council—have received no levelling up funding.

Douglas Lumsden (North East Scotland) (Con): Will the member take an intervention?

Stuart McMillan: No.

In addition, the amount of allocated funding per head is less than it is in England.

Ultimately, I will welcome investment when and if it comes to Inverclyde. It is long, long overdue but it is also another example of Westminster's centralisation agenda and how it is trampling all over devolution. It is the disrespect agenda writ large. The Westminster power grab is happening. We are witnessing it with the so-called levelling up and the so-called UK shared prosperity fund.

Last week, Michael Gove indicated to the Finance and Public Administration Committee how his Government will engage in devolved areas. Sharing prosperity is not something that happens in one parliamentary term, especially when we bear in mind the fact that Westminster has been removing opportunities from Scotland for generations.

The Presiding Officer: Please conclude, Mr McMillan.

Stuart McMillan: The sooner we are out of it, the better.

17:22

Maggie Chapman (North East Scotland) (Green): The UK Government's proposed arrangements for the UK shared prosperity fund tell us three things.

First, the UK Government has little interest in keeping the Conservative Party's 2019 manifesto commitment that it would "at a minimum" match the level of EU spending. What we see being proposed is a mere 40 per cent of what was provided by the European Union structural funds. I know that we are all becoming accustomed to the Prime Minister's broken promises, but that is bad for communities and bad for trust in politics.

Secondly, the UK Government also has little interest in respecting devolution or enhancing community participation and engagement in decision making. Even though money will be spent on matters that fall within devolved competencies, such as transport, skills and economic development, the Scottish Government and our communities have little, if any, say in allocation decisions. That is worrying, given how different the economic development landscape is in Scotland compared to the rest of the UK, never mind what it says about devolution.

Thirdly, we will have to work even harder than we did before to tackle the inequalities that exist across and within different parts of Scotland and reorient our economy towards wellbeing and the just transition.

Last summer, the Institute for Government published a report on the UKSPF, highlighting key risks of the UK Government's approach that included fragmentation of service provision, confused accountability, duplication of effort, funding uncertainty and increased intergovernmental tensions. The same report set out several recommendations to mitigate those risks: clear allocation criteria; reduced bureaucracy—the irony of a Brexiteer Government talking about additional red tape is not lost on me; better consultation with and engagement of devolved nations; genuine partnership working; match funding models; clarification of governance and operational management; and more. To date, nothing that we have seen from the UK Government addresses any of those matters.

A fundamental problem with the UK's economy during the past 40-plus years has been a deep-seated reluctance to invest in the infrastructure that we need for the wellbeing of our citizens. It has been worse in England, where, for example, privatised water companies have paid massive dividends to shareholders while allowing the water and sewerage systems to degrade.

We desperately need more money for infrastructure—for investment in our future—including in the telecommunications on which much of our lives will be based through high-speed broadband, on which we lag behind many countries. We need the energy and storage investment to wean ourselves off fossil fuels, as has become painfully obvious over the past year, with exponentially rising fossil fuel costs.

What we have here, however, is a drastic cut to the funds that we would have received through the EU. Many people voted for Brexit because they thought that it would mean more investment in the fabric that our society relies on. It is clear that the leaders of the Brexit campaign had no interest in keeping their promises, but it is vital that we do not repeat the failure so that those people are failed twice.

Public borrowing is still cheap, and we can build the houses, the railways and the high-speed broadband that we need. We can support genuine community regeneration that recognises local variations and specificities by having governance and engagement structures that centre local voices. Yet the UK Tory Government insists—yet again—on impoverishing us, now and in the future. I can only speculate why, but I know that we cannot afford it now, and we certainly cannot afford it in the future.

The Presiding Officer (Alison Johnstone): Miles Briggs will be the last member to speak in the open debate.

17:26

Miles Briggs (Lothian) (Con): It was perhaps a mistake of the Minister for Parliamentary Business to timetable the two debates that we have had this afternoon together, the first one being on the Local Government Finance (Scotland) Order 2022, with SNP and Green ministers cutting £250 million from local authorities, and the second being this debate on measures that will give local authorities powers and resources, with an additional £2.6 billion of funding.

The shared prosperity fund is a central pillar of the UK Government's ambitious levelling-up agenda and a significant component of its support for communities across Britain. The fund will provide £2.6 billion in new local investment by March 2025, with all areas of the UK receiving an allocation from the fund via a funding formula rather than a competition.

The purpose of the shared prosperity fund and the UK Government's levelling-up agenda is to reduce inequalities where they occur anywhere in Britain. I would have thought that all of us would agree about that. That applies equally to Scotland as to any other nation or region of the United Kingdom. I hope that SNP and Green ministers and MSPs agree with many of the principles that the UK shared prosperity fund focuses on—for example, investment and resources being targeted to areas of Scotland that are less prosperous, and working to build stronger, safer and more prosperous communities for all of us.

Projects such as the restoration of the B-listed Granton gas holder in my region, for example, are designed to spread opportunities and improve public services and to restore a sense of community, local pride and belonging as well as to empower local leaders and our communities. At the very time when SNP and Green ministers are cutting local budgets, the UK Government is looking to inject finances directly into areas around the country that need them the most.

I have already outlined this, but I note that the Scottish Government's motion does not even mention local government and the important role that councils must play in helping to improve and empower communities across our country. Perhaps that is at the heart of what SNP and Green ministers and MSPs are complaining about today—that what we are actually seeing is powers going to local authorities, not to SNP and Green ministers.

The Scottish Conservatives support initiatives that move towards greater local empowerment,

and I believe that the shared prosperity fund can help to deliver that very outcome. Scottish local authorities are receptive to making bids to the shared prosperity fund as well as to the levelling up agenda. I know that COSLA has already had many positive engagements with Michael Gove on how that can best be achieved.

The UK Government has made it very clear that it wants to work with the Scottish Government to make the best possible use of the funding across Scotland. I hope that members' attitudes change so that we can see that happen. As has been stated, local authorities across Scotland are receiving their share of the £172 million in the first tranche of investment. I sincerely hope that SNP and Green ministers will start to get on board with the delivery of the UK shared prosperity fund and will start a positive engagement with all our communities and our councillors who are elected after May's elections, to get the best possible outcome for all our communities.

Communities across Scotland have a proud record of coming together—*[Interruption.]* Sorry, but does Christine Grahame want to intervene?

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): Well, I—

The Presiding Officer: Christine Grahame.

Christine Grahame: I was talking to myself, but, if the member wants me to talk to him, I am quite happy to do that.

The core issue is that this approach is bypassing the devolved settlement. That is the basis of it. Those at Westminster are choosing which local authorities to send their money to—and they just happen to be places where they are looking for votes. *[Applause.]*

Miles Briggs: I disagree with that point. The real question, which many members who are clapping need to think about, is what the SNP has actually done in the past 14 years to bring prosperity to communities. The answer is nothing at all.

Communities across Scotland have a proud record of coming together to pioneer innovative work to deliver community regeneration projects. That is what we need to help to achieve. It is vital that we realise the potential of all our communities, and the shared prosperity fund will help to achieve that. I support the amendment in Liz Smith's name.

The Presiding Officer: We move to closing speeches.

17:30

Daniel Johnson (Edinburgh Southern) (Lab): The structural funds have played an important role

in Scotland. Paul Sweeney set out very well why they have been important and why their replacement is long awaited.

An important point that has been missed in many contributions is that Scotland remains a country of inequalities. As Paul Sweeney pointed out, a person's life chances and ability to earn can be very different, depending on where they live. There is a 40 per cent gap between the highest productivity rate in Scotland, in Edinburgh, and the lowest, in the Western Isles. That is not sustainable. Although I have a huge number of criticisms of what the Conservative Government has proposed, I have yet to hear a response from the Scottish Government on what it is doing to target those regional inequalities.

Ultimately, the proposed funds fall short, in terms of both how they are structured and their quantum. As Paul Sweeney pointed out, they are 40 per cent less than the EU structural funds that they replace.

I perhaps admire Murdo Fraser's choice of tie, but that is the limit of my admiration this afternoon. What he presented was nothing short of chutzpah. Am I to take it on Michael Gove's word, because he is a minister of the Crown, that more money is coming? According to Murdo Fraser's remarks, apparently the Conservatives are the champions of local government and local democracy, despite the fact that they cut local authorities' funding by 40 per cent in England. We should take no lectures from the Conservatives on local government funding whatsoever.

The most important contributions came perhaps from my colleague Rhoda Grant and Michelle Thomson. When we look at the detail of how the funds have been structured and how the indexation has been put together to come up with a system whereby the Highlands and Islands is in the same category as Buckinghamshire, we surely know that something is very wrong.

Although I very much enjoyed Michael Gove's contribution at the committee on Thursday, what he said was very much, "This is a work in progress—don't worry, we will look at it. Yes, I know that these measures are very narrow, but they will be improved." As somebody put it, it was very much, "It'll be all right on the night."

Liz Smith: Does Mr Johnson recognise that Mr Gove accepted that there could be issues with some of the modelling? There has not been a deliberate attempt to try to deny particular funding to specific areas. If we have issues about the modelling and it is not as objective as it could be, we are to go back to him with clear examples of where there might be problems.

Daniel Johnson: Liz Smith accurately represents what was said, but given the

significance and importance of what the funds are supposed to deliver, the fact that they are still, in essence, a work in progress is deeply troubling and exposes the flawed and, frankly, hurried nature of how they have been put together.

Along with others, I have deep concerns about the lack of co-ordination. Liz Smith put it very well in committee when she said that if there is not co-ordination on the measures that are used to look at the funds and co-ordination with other priorities, we run the very real risk of Governments making incompatible and divergent efforts. I am concerned by the eagerness of some members to draw out the constitutional arguments, but the co-ordination points are far too easily glossed over by members on the Conservative benches.

Ultimately, the debate was best summed up by Willie Rennie. Six years on, surely we should expect more. We need more clarity but, ultimately, we just want our Governments to get on and deliver. I do not think that that is too much to ask.

The Presiding Officer: I call Donald Cameron.

17:34

Donald Cameron (Highlands and Islands) (Con): Thank you, Presiding Officer. [*Interruption.*] Once Willie Rennie has stopped telling jokes—

Kenneth Gibson: He was applauding what Daniel Johnson said.

Donald Cameron: He was applauding himself.

The minister spoke about meeting Neil O'Brien. In my view, Neil O'Brien is one of the most thoughtful and intelligent ministers in the UK Government, and he is in the Department for Levelling Up, Housing and Communities. I hope—I say this with the best of intentions—that he treats those ministerial relations well, because I think that he is a rising star.

I associate myself with the remarks of Liz Smith, who stated unequivocally that there are three things that really matter here: the very best interests of Scotland, particularly in relation to our economic recovery; the empowerment of our local authorities; and that the need is met for proper, realistic, joined-up work between the UK Government, the Scottish Government and local authorities. She is absolutely right.

Listening to the debate, I had a sense of déjà vu in relation to a similar debate that we had several months ago, when the SNP Government took aim at UK Government policy. The broad thrust of its argument was the same as it is today. It was to say that the levelling up agenda undermines devolution, neglects parts of Scotland and does not match existing funding. I do not accept that those claims stand up to scrutiny.

The idea that the shared prosperity fund undermines the devolution settlement is not a credible view. I will address Christine Grahame's point head on. As I noted in the previous debate on the subject, there is nothing in the devolution settlement—there is not one provision in the Scotland Acts—that prevents the UK Government from funding devolved policy areas. There is an underlying contradiction in the SNP's position. As Murdo Fraser said, the SNP is quite happy to receive funds from the EU, but it is outraged when funding comes from the UK Government.

Christine Grahame: In my long time in the Parliament—it has perhaps been too long for some people—I have never seen a UK Government behaving in this way towards devolution and devolved areas; not once have I seen that.

Donald Cameron: Christine Grahame has not answered the question. She cannot point to a provision in the devolution settlement that does what she says it does.

The shared prosperity fund puts funding directly in the hands of local authorities and others on the front line, so that they can deliver the projects for which they seek funding. There seems to be an extraordinary unwillingness on the part of the Scottish Government to acknowledge that, which is to do with its centralising tendency.

Michelle Thomson: Will the member give way?

Donald Cameron: I am sorry—normally, I would, but I do not have time.

There is no reason whatever to prevent the UK Government from passing funding directly to local authorities and the organisations that seek it. As Murdo Fraser said, that has been welcomed at local level by SNP councillors. As Miles Briggs said, COSLA and the UK Government are having positive discussions.

I want to deal with the important point that Rhoda Grant—like her, I represent the Highlands and Islands—made about the fact that certain parts of Scotland have not received the same priority. I welcome the fact that some areas, such as Argyll and Bute and the Western Isles, are considered to be priority areas for community renewal funding, but I note that some parts of the Highlands and Islands are split between priority 2 and priority 3 zones for levelling up funding.

However, many of the local authorities in priority 3 areas have benefited from growth deals. I note, too, that, in the first round of community renewal funding, the seaweed academy in Argyll and Bute has received funding, and the greatest pub in Scotland, the Old Forge in Knoydart, has received community ownership funding. It is important to note that, although priority bands give an

indication of priority, they are not fixed and are not insurmountable. The fact that the fund has other criteria for investment allows regions in lower priority bands to receive funds earlier than regions in higher bands, if their bids are considered to be better.

Having said all that, I make it clear that I will not stint in advocating for the region that I represent, and I will continue to put pressure on UK Government colleagues to recognise the fact that remote and rural communities in the Highlands and Islands need investment and assistance, in the light of the many varied challenges that exist.

We believe that the shared prosperity fund will empower local authorities, so let us grasp this opportunity and reap the benefits.

The Presiding Officer: I call Richard Lochhead to wind up the debate.

17:40

Richard Lochhead: I thank all members for their speeches in this important debate. We all want the best for our communities and we all want to tackle inequality and create jobs.

I say to Donald Cameron that I had a constructive meeting with Mr O'Brien last week. I hope that he continues to be constructive and to listen to the arguments that I put to him on behalf of the Scottish Government, and I hope that he will deliver. Time will tell, in the coming weeks and months. We will continue to negotiate and discuss matters constructively with Mr O'Brien and his colleagues in the UK Government.

We have learned a few things in the debate. We learned from the Conservative Party that true devolution involves sidelining and ignoring the Scottish Parliament. The logical conclusion of the Conservatives' position—which is not surprising, as they have never been enthusiastic about Scottish self-government—is that we should scrap the Scottish Parliament. That is the logical conclusion of all the arguments that Conservative members put forward in the Parliament today. Albeit that I am quite attracted to not having any Scottish Tory MSPs in this country, the rest of us want to respect Scottish democracy and opinion poll after opinion poll, year after year, shows that the people of Scotland have way more trust in the Scottish Parliament than they have in Westminster when it comes to looking after their interests.

Liz Smith: Why does Mr Lochhead think that local government has been so enthusiastic about many aspects of the shared prosperity fund?

Richard Lochhead: COSLA and others want devolution to be respected by the UK Government when it comes to the successor funds that replace

the European funds that we have lost because of Brexit or will lose over the next couple of years.

I say to Paul Sweeney that the arguments that we are having today are not tedious; they are about job creation in Scotland's communities, tackling inequalities and doing what is best for Scotland. They are about the Conservative UK Government delivering on promises that it made to the people of Scotland. Members should remember that we were told that we would not lose out as a result of Brexit and that the money would be matched. Now we face, as the UK Treasury Committee put it, a 40 per cent cut.

I am sure that we all remember, too, being told that Brexit would lead to the strengthening of the Scottish Parliament and devolution. Of course, that is not what is happening here; the Scottish Parliament is being bypassed.

The approach that the UK Government is taking at the moment means that we lose out on the autonomy that we enjoyed under the European Union. I remind all members that we had far more control over allocations, governance and policy aims while we were in the EU than is the case under the current offer from the UK Government. That gets to the heart of the debate.

I think that Michael Gove said, and certainly Mr O'Brien said to me at our meeting last week, that the UK Government relies on the knowledge and expertise of the Scottish Government to ensure that the successor funds work properly and deliver for the people of Scotland. Michelle Thomson hit the nail on the head when she referred to the irony of the UK Government making such comments while, at the same time, wanting to sideline the Scottish Parliament and the Scottish Government. It cannot have it both ways.

Liz Smith: Does Mr Lochhead acknowledge that, when it comes to the city deals, for example, there has been first-class engagement between the Westminster Government, the Scottish Government, local authorities and local stakeholders? That, surely, is joined-up thinking that is very much to Scotland's benefit.

Richard Lochhead: Liz Smith has just made our point for us. On the city region growth deals, we were treated as an equal partner; with the successor to EU funding we are being carved out and sidelined. Liz Smith's intervention made the Government's point.

Since the 1970s, Scotland has received and delivered more than £6 billion of EU structural funding. That investment enabled the Scottish Government and our partners to fund a huge number of projects of national importance. Rhoda Grant spoke well about the importance of structural funding in transforming the Highlands and Islands. It funded the creation of the

University of the Highlands and Islands, the construction of roads such as the spinal route through the Western Isles, and the delivery of modern apprenticeships and low-carbon travel and transport programmes across our communities. All of that is put at risk as we lose those EU funds.

The development of the UK shared prosperity fund has involved no consideration of or respect for the wealth of expertise that has built up over decades of successful delivery of such projects by the Scottish Government. The UK Government is proposing that the fund, which was developed in isolation, be used for lockable bike stands, graffiti removal and litter picking, in the name of local pride. The resemblance between the projects and purposes of the shared prosperity fund and those of EU investment is frustratingly faint. We have been badly let down by the UK Government's lack of vision for the fund.

Nearly 18 months ago, we set out our vision for how a Scottish shared prosperity fund could be used. Members know that we aim to reduce economic inequalities and empower regions by working with them. We wanted to invest in projects that would reduce poverty, provide skills and job opportunities and grow the regional business base. We set those aims in the context of the wellbeing economy that we want to create, tackling climate change at the same time and taking an holistic approach to investment in our country.

Those plans reflected the spirit of previous EU investments. They were about projects that were aligned to national priorities and were of strategic importance to our country. I refer to projects such as the University of Edinburgh's centre for regenerative medicine, Scottish Canals' Falkirk wheel or the moving on project from the Scottish Council for Voluntary Organisations. We have all seen the briefing that the SCVO sent to us for the debate, which said that some employability programmes and other programmes that it has been involved in delivering are at risk because of the UK Government's procrastination and delay over the successor funding.

It is a matter of democratic principle. All members must agree that the Scottish Parliament cannot allow the UK Government to infringe upon our devolved autonomy. The UK Government must also deliver on its pledges to the people of Scotland that we would not lose out because of Brexit and that it would match the EU funding. Those two commitments must be delivered in the near future and the UK Government must treat the Scottish Government as an equal partner.

National Strategy for Economic Transformation

18:07

The Presiding Officer (Alison Johnstone):

The next scheduled item of business was to be a statement by Kate Forbes on the national strategy for economic transformation. Given that the cabinet secretary answered a Government-initiated question on the matter yesterday and relevant material is already in the public domain, we will move straight to questions from members. I intend to allow around 30 minutes for questions, after which we will move on to the next item of business.

Liz Smith (Mid Scotland and Fife) (Con): I am grateful for your decision to move straight to questions, Presiding Officer, given the fact that the statement about the economic strategy was made yesterday.

Presiding Officer,

"not ... market tested nor pragmatic"

was Sir Tom Hunter's assessment of the economic strategy. The Scottish Trades Union Congress in effect disowned the strategy, despite having been key to the consultations. Other bodies, including the Confederation of British Industry and Scottish Chambers of Commerce, were a little bit more encouraging about the lofty ambitions, but said that there is a real lack of clarity about the detail, so it was hardly a ringing endorsement of the Cabinet Secretary for Finance and the Economy's new economic strategy.

I will ask the cabinet secretary three questions. First, she says in her *Scotsman* column this morning that Scotland must become

"more welcoming ... for innovators and entrepreneurs".

I completely agree with that, but how does that fit with the Scottish National Party's priority for a second independence referendum, which virtually all leading businessmen and businesswomen tell us would create a lot of renewed uncertainty and additional cost when the exact opposite is required to attract the new investment that we desperately need?

Secondly, Chris van der Kuyl of 4J Studios has said that none of the cabinet secretary's ambitions will be achieved unless there are serious efforts to improve education and skills across Scotland. Does she agree that publication of the recent report by the Organisation for Economic Co-operation and Development on school education is essential if we are to fully understand and address the weaknesses in our education system?

Thirdly, I ask again when the Scottish Government will provide the full details of the current situation at the Scottish National Investment Bank, given its key role in supporting future investment.

The Cabinet Secretary for Finance and the Economy (Kate Forbes): Thank you, Presiding Officer, for the opportunity to answer questions.

Liz Smith was invited, as were all Opposition spokespeople, to the virtual launch yesterday. Opposition parties regularly point out the challenges that face the Scottish economy, and we have had exchanges on a number of occasions in the chamber pointing out those challenges. We have not shied away from them in the strategy; we have addressed them head-on.

My question to Liz Smith and others is this: what would they remove from the strategy that they think will not deliver, and what would they add, if they think that we are missing policies?

I will answer Liz Smith's specific questions. First, Tom Hunter was invited to comment on the draft strategy on a number of occasions. He asked us to focus on business and that is what we have done in order to focus on ensuring that there is a growth strategy.

Secondly, Liz Smith mentioned Chris van der Kuyl in relation to investment in education. She will see that one of the five pillars is very much focused on skills. She has made a point about the importance of skills a number of times, so I hope that she welcomes that focus.

She asked what will be different about the strategy. It will focus on unlocking our potential and unlocking new markets, particularly as part of the transition to net zero, so there is a lot of substance in the strategy. However, as with any strategy, ultimately it is the outcomes that will be measured. Some of those outcomes are short term—they are on how we will recover over the next few months. Many of them, however, will be delivered only over the longer term.

My invitation to all members in the chamber and beyond is to work with us to deliver the strategy. I do not think that there is anything in the strategy that Liz Smith ultimately disagrees with.

Daniel Johnson (Edinburgh Southern) (Lab): Thank you, Presiding Officer, for arranging this opportunity to ask questions in Parliament about the strategy. Indeed, perhaps the best way of summing it up is "Better late than never."

On the cabinet secretary's comments about the so-called invitation to the launch, let us be clear—that invitation came at 4 o'clock on Monday and was for a time when we were in a Finance and Public Administration Committee meeting. It was not at all a credible invitation.

More important is that the cabinet secretary asked what we would remove from the strategy. I genuinely would not remove anything, but I think that there are things missing. First, it is a report that is broad in terms of its objectives; there is insufficient analysis of the deep structural problems and there is no real analysis of what would change in terms of delivery. For a strategy to be worth its name, it needs to have those things.

On the specific questions, there is a key focus on entrepreneurialism, but given that 99 per cent of firms in Scotland have seen zero productivity growth over the past decade or more, do not we need more focus on scaling up—or, rather, skilling up—existing firms rather than focusing on starting new firms, although that is also important?

I welcome the comments on reskilling but, again, what is going to change? Labour market participation is a key problem in the Scottish economy, so how will that be delivered? Will it be through existing structures and mechanisms or new ones? How will flexibility be incorporated?

In terms of the cluttered landscape, we seem to be adding new bodies—two, I think—which means that we have gone from three to seven boards and bodies, if we start from the beginning of the last parliamentary session. Audit Scotland, among others, has identified that as a key issue. How will that be resolved?

Finally, in the future, when major plans and strategies are launched, can the cabinet secretary please bring them to Parliament first, rather than bringing them first to private invitees to a private event elsewhere, so that we can ask questions here first?

Kate Forbes: On Daniel Johnson's point about entrepreneurialism, he mentioned the importance of scaling up versus new start-ups. That policy is backed up by the analytical paper, which I strongly recommend that he reads, if he has not already done so. The strategy that has been published is the tip of the iceberg. Underpinning it is a comprehensive structural analysis of the Scottish economy, which provides answers in relation to a number of exchanges that we have had in the past.

One of the points in the strategy is very much about scaling up. At the moment, if we look at the longevity of most new businesses in Scotland, there is about a 42 per cent survival rate beyond five years, so he is right that scaling up is really important and can deliver significant benefits to the Scottish economy, because scale-ups are the growth businesses that are creating jobs and contributing significantly to gross value added.

Daniel Johnson talked about flexibility: if there is one word to describe our proposals on skills, it is

“flexibility”. That is about ensuring that people have access to the right skilling opportunities wherever they are. There are proposals in the strategy on provision of qualifications throughout a person’s life and on being able to access that through a digital academy. There is comment on how we will work with business to provide an upskilling and retraining offer that is easier for businesses to access on behalf of their employees. “Flexibility” is probably the watchword of our skills proposals.

I disagree with the member’s last point about there being a cluttered landscape, because one of the key points of the strategy is not to add new layers but to either repurpose what is already there or to remove it. Removing things never goes down well, and politically it is a difficult thing to do. However, with regard to there being a cluttered landscape, the strategy does not create new bodies, but repurposes bodies. For example, the enterprise and skills strategic board will become the national strategy for economic transformation delivery board, so that it can monitor delivery. I will co-chair the board with an individual from the private sector. Therefore, I caution against the suggestion that the strategy clutters the landscape; it declutters it and refocuses on the vision that the NSET provides.

Willie Rennie (North East Fife) (LD): I am afraid that there is not much new in the strategy. After 15 years in charge, this Government is looking very, very tired. The report does not cover or properly reflect the Government’s failed industrial intervention policies at places such as Lochaber and Burntisland Fabrications, where thousands of jobs were promised, but have not materialised. If we cannot even find enough workers to build the eight jackets for the Neart na Gaoithe—NnG—wind farm in the Firth of Forth, how on earth will Scotland exploit the jobs potential of offshore wind?

Kate Forbes: In answer to Willie Rennie’s first point about how much is new in the strategy, I say again that if he thinks that we are missing something major or that we should remove something from the strategy, I invite him to tell me because, otherwise, that is just rhetoric.

With regard to the position on Lochaber, as the constituency MSP I know for a fact that we saved jobs that would not have been saved had we not intervened.

However, Willie Rennie did ask a really important question. I refer him to the second programme of action in relation to new markets. He is right that with ScotWind comes the opportunity of up to £1 billion being invested in every gigawatt of energy that is produced. The strategy very specifically and methodically looks at how we might reap the benefits of that beyond

what has been done to date, and at how we might develop the supply chain.

I point Willie Rennie to three areas; the first is private sector funding. We have a world-renowned financial services sector that we need to align with the private sector funding that is required. In order to do that, the First Minister is chairing an investor panel.

The second point to make is about developing the supply chain. The commitment is there from the developers that have won the bids to develop the supply chain, so we need to make sure that we support businesses to be there.

My last point is about ultimately delivering on all that is required to make sure that the investment and the supply chain are joined up. Again, in the strategy, members will see a very joined up approach, so that we ultimately reap the benefit of the significant investment in the world’s largest commercial offshore floating wind farms.

The Presiding Officer: Many members wish to ask questions, so I would be grateful for short and succinct questions and answers.

Michelle Thomson (Falkirk East) (SNP): Can the cabinet secretary provide further information about the underpinning methodology and the analysis that was undertaken to inform the strategy and which, ultimately, led to the key themes that have been identified in order to deliver improvements?

Kate Forbes: Michelle Thomson asked about the evidence. We started with a 133-page analytical evidence paper, which has been published and is available for anybody to read. The five new policy programmes of action were carefully chosen, based on that evidence. They are not based on rhetoric, ideology or political desire, but on the evidence of where the big challenges—long-term structural or short-term challenges—are and where the greatest opportunities are to position Scotland in order to maximise the greatest opportunities of the next 10 years. A robust evidence base underpins each of the programmes and is available for anybody to look at.

Murdo Fraser (Mid Scotland and Fife) (Con): The cabinet secretary announced a new talent attraction programme to bring people of working age from other parts of the United Kingdom to live in Scotland. It is an important initiative, because the working-age population has not been growing as fast here as it has in many other parts of the United Kingdom. Why does the cabinet secretary think that, for the past 15 years, people from the rest of the UK have not been coming to Scotland?

Kate Forbes: On the contrary, the evidence does not back that up, which is why I refer Murdo Fraser to the analytics paper.

We are now seeing the challenges of visa requirements that face people from outwith the UK who want to relocate to Scotland. In the strategy, we set out first to retarget the skills that we need. For example, the tech industry, which was forecast to be the second-fastest growing sector in Scotland over the next five years, regularly says that it struggles to recruit particular skills, so we want to target those skills in the rest of the UK.

People are moving to Scotland—they are attracted by the work-life balance and the, on average, lower living costs here—but we need to do more to ensure that we align the skills need with those who are moving here.

John Mason (Glasgow Shettleston) (SNP): The transition to net zero is a huge imperative, so I welcome section 3 of the strategy, which is headed “New Market Opportunities”. Will the cabinet secretary say more about how we can benefit from those new markets and industries?

Kate Forbes: It is one of the biggest opportunities that is facing Scotland, which is why the second programme focuses on strengthening Scotland’s position in new markets and industries.

We are already well regarded as a pioneer in the net zero space, and a number of independent analysts have suggested that Scotland has the greatest potential to create green jobs. However, success is not inevitable—it needs to be delivered, and that is why the plan sets out how, alongside the just transition, we will secure the required private investment through the investor panel, as well as develop the supply chain.

Paul Sweeney (Glasgow) (Lab): The strategy describes Scotland’s desire to be

“a magnet for ... global private capital”

and foreign direct investment. On the face of it, that sounds impressive, but we know that there needs to be more critical analysis. There are two types of foreign direct investment: developmental and dependent. In Scotland’s economy, so often, we have seen companies flourish under Scottish ownership but then be able to achieve growth only through foreign takeover, which often means that capabilities are stripped out of the Scottish economy. The strategy does not offer any critical analysis of how we deal with that. There are examples from around the world of how we could tackle the issue—for example, the Scottish National Investment Bank could take anti-takeover shares in strategic firms to protect them from predatory takeovers. That is happening in the UK already; for example, with Oxford Nanopore

Technologies. Could the cabinet secretary consider that as a way to improve the strategy?

Kate Forbes: The member raises a good point. For the past six years, outside London, Scotland has been the top destination in the UK for FDI. Edinburgh, Glasgow and Aberdeen appeared in the top 10 UK cities in 2020. We are good at securing FDI, but the point that the member makes is important. I do not want to be celebrating the creation of jobs that are outside Scotland; I want to be celebrating the creation of jobs that are here in Scotland. The supply chain is an example of somewhere where we want Scottish businesses to qualify for work in Scotland as part of the development of ScotWind; therefore, we need to work constructively and intentionally with the businesses that have the greatest potential to participate in the supply chain, and ensure that we retain and create the jobs here.

Gordon MacDonald (Edinburgh Pentlands) (SNP): In order to deliver economic growth in Scotland, it is vital that we encourage new start-ups and support existing businesses. Will the cabinet secretary provide any further information about how the economic strategy will support existing businesses to grow?

Kate Forbes: The strategy is certainly not only about new industries and markets. It is about backing our existing industries and supporting them to improve and grow, be more productive and creative, and transition to net zero and reap the benefits.

The five policy programmes in the strategy are intentional about supporting new and existing businesses to prosper. For example, although the small and medium-sized enterprise sector is the backbone of the Scottish economy, we are conscious that a number of large businesses in, for example, the energy sector, are creating a number of jobs and have great potential to drive productivity. We will work with any business, including any SME or large business, that wants to be more productive and internationally competitive and wants to scale and grow.

Maggie Chapman (North East Scotland) (Green): Although we are pleased to have secured commitments to fair pay in public contracts, support for co-operatives, social enterprises and public ownership models, and a focus on green jobs, the cabinet secretary will know that the Scottish Greens believe that prioritising growth as a measure of economic success drives increasing inequalities, more precarious work and unsustainable resource extraction and exploitation. How will the cabinet secretary ensure that equalities and human rights are embedded in all economic development activities, and over what timescale will she do that? How will she engage with communities so

that Scotland's economy works for them and supports a wellbeing and a vibrant economy?

Kate Forbes: The member hits the nail on the head in suggesting that growth and economic performance should be for a purpose. The strategy is clear that its purpose is to raise living standards across Scotland, ensuring that no region, community, household or individual is left behind when it comes to participating in and enjoying the benefits of success.

At the launch yesterday, there was at least one representative of Unite the union who said that they were heartened to hear multiple mentions of trade unions in the strategy and to hear that two of its foundation stones refer to better-paid work and are based on fair work principles. We want to embed that conditionality directly with Government support; we also want to ensure that there are workers' voices throughout the sectors that we want to see grow and develop.

Ruth Maguire (Cunninghame South) (SNP): The strategy includes a welcome focus on improving wages and conditions in sectors where low pay and precarious work are most prevalent through the sectoral fair work agreements. Will the cabinet secretary provide further details as to how the Government will work with trade unions and industry to deliver high fair work standards?

Kate Forbes: As I said, the purpose of the strategy is ultimately to raise standards, deliver good jobs, address structural inequalities, such as the underrepresentation of women in parts of our economy, and reduce poverty. The strategy needs to play a part in reducing child poverty, and we will require payment of the real living wage and a channel for effective workers' voices in all Government support by this summer. We are not waiting 10 years but are moving quickly. We will work with employers and trade unions, particularly in sectors where low pay and precarious work are prevalent, including the leisure, hospital, and early learning and child care sectors.

Douglas Lumsden (North East Scotland) (Con): The strategy gives absolutely no support to the oil and gas industry, even though tens of thousands of jobs across Scotland depend on that industry. While we still have a demand for oil and gas, it is better for our economy and the environment that we produce it ourselves. The last thing that we want is to be reliant on Putin or his likes for energy supply. When will the Government stop turning its back on the oil and gas industry and the north-east, and encourage investment in the sector? At present, this Government is driving investment away.

Kate Forbes: Considering that representatives from the energy sector from the north-east were on the advisory council, and considering that

Aberdeen & Grampian Chamber of Commerce welcomed the strategy yesterday, the member might want to reflect on whether it is strictly accurate to say that there is no reference to oil and gas or to energy in the strategy. Indeed, one of the programmes of activity around new markets is very much about helping and working with the energy sector to transition.

I think that I have referenced the energy sector in most of my answers this afternoon such is its importance, which is not just about ensuring that households across Scotland have access to secure energy sources. It would perhaps also help if the UK Government could regulate energy to ensure that people living in areas where energy is being produced are not paying more than elsewhere in the UK.

Jim Fairlie (Perthshire South and Kinross-shire) (SNP): I very much welcome this ambitious strategy, especially its focus on entrepreneurship. However, it is vital that the benefits of the strategy are felt across Scotland, including in our rural communities. Will the cabinet secretary provide any further information as to how the strategy will ensure a transformation across Scotland?

Kate Forbes: As the member will know, as a representative of rural Scotland, that is first and foremost in my mind when it comes to a strategy such as this one.

The part of the strategy that I am perhaps most enthused by is the notion that, if every community and region is able to perform well and is given the right support, our national economy will prosper. If we leave any part of our economy behind, ultimately, we will undermine that national performance.

We have spoken to businesses, workers and stakeholders from across Scotland. I want to ensure that we work with rural representatives to embed the strategy. That is partly why I am going to the Western Isles tomorrow, when I will discuss that further.

Claire Baker (Mid Scotland and Fife) (Lab): During the pandemic there was much talk of building back better. The Scottish Trades Union Congress has described the strategy as a "missed opportunity" and

"more of a strategy for economic status quo than economic transformation".

Detailed actions plans will be crucial if that analysis is to change. Why were the action plans not included in the strategy? How will progress on the action plans be measured?

Kate Forbes: I did not quite hear Claire Baker's last comment, but I put on record how much I appreciated the STUC's input. Roz Foyer, in

particular, was very helpful. I fully recognise that all stakeholders want us to go as far as possible.

Right at the heart of the strategy, and perhaps running through every single programme of action, is a commitment to fair work. Two of the five programmes are specifically about wellbeing and raising standards of living, embedding workers' voices and ensuring that fair pay runs throughout our economy. Fair work is embedded.

The action plan will be published, to ensure that we have a means of delivering that is effective; we will also ensure that there are metrics alongside that. Again, I refer the member to the analytics paper, which outlines what some of the metrics might be.

The Presiding Officer: I will give Ms Baker the opportunity to repeat the end of her question.

Claire Baker: Thank you, Presiding Officer. I asked about how progress would be measured on action plans. I think that the cabinet secretary has covered that.

The Presiding Officer: Okay. I call Christine Grahame, to be followed by Jamie Halcro Johnston.

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): The strategy focuses

“on five key priorities, within Scotland’s current powers”,

but in the previous debate today we found out how those powers are already being undermined by the Tories. With energy, migration and tax—including corporation tax, VAT and national insurance—all being reserved, does the cabinet secretary agree that we could do so much better for the prosperity of Scotland and the just distribution of its wealth with independence?

Kate Forbes: Christine Grahame is right that, when it comes to economic prosperity, a number of the key levers that we would normally expect to see being deployed in an economic strategy are reserved. Migration powers, employment law, energy powers, taxation and regulation are all reserved. Therefore, in the strategy we have committed to push the current levers as far and as hard as we possibly can, because we are serious and ambitious about delivering a strategy that ultimately improves Scotland’s economic performance.

Jamie Halcro Johnston (Highlands and Islands) (Con): Having waited so long to see it, I find the report to be underwhelming. In response to its publication, Professor Ronald MacDonald said:

“The kind of substantive issues we need to discuss are simply not there”,

and

“on solutions, it is simply a rehash of all the failed scripts we have seen since 2007”.

Will the cabinet secretary accept that, after 15 years of SNP economic mismanagement, this delayed and underwhelming report of rehashed ideas fails to address the long-term issues in Scotland’s economy and is simply not good enough?

Kate Forbes: I accept that I have not heard a single policy proposal from the Conservatives this afternoon or, indeed, in any of the debates that we have had. The member talks about the need for new and bold ideas—let us hear them. I have been waiting a long time to hear anything from the Conservatives.

The strategy that we have set out today, backed up by 133 pages of structural analysis on the substantive issues, outlines the areas where we think that we can make the greatest difference. If the member thinks that we should take anything out or add anything back in, I am all ears. *[Interruption.]*

The Presiding Officer: Before I go ahead, can I just say that I do not expect to hear members shouting across the chamber at each other. I would like to make sure that we can hear questions and responses.

I call Martin Whitfield, to be followed by Stuart McMillan.

Martin Whitfield (South Scotland) (Lab): I am grateful, Presiding Officer.

Back in 2014, Scotland was the most highly educated country in Europe and among the most well educated in the world, in terms of tertiary education. Yesterday in a speech, the cabinet secretary pointed out that we are now just one of the highest.

The document states that the Government recognises that

“Significant inequalities persist in educational attainment”

and that 10 per cent of Scotland’s workforce have “low or no qualifications”. The answer to that is to implement

“a lifetime upskilling and retraining”

programme for both individuals and businesses. After 15 years in power, and success in upskilling maybe not seen for up to 10 years, is that it?

Kate Forbes: The member is right to say that we have one of the most educated populations anywhere in Europe. I think that that is to be welcomed and celebrated, because it demonstrates that we have a strong foundation to build on.

The key now—on which we are all well versed, if we have spoken to any organisation that is trying to recruit—is to ensure that our businesses and organisations have not only the skills that they need right now but the skills that they are going to need in 10 years' time. The pace of change in technology and in the transition to net zero will require us to up our game and ensure that we have a flexible skills system to respond to not just today's needs but needs over the next 10 years.

Stuart McMillan (Greenock and Inverclyde) (SNP): Yesterday, Scottish Chambers of Commerce said:

“Scotland's businesses will applaud the scale and ambition set out in the strategy, which has the potential to live up to its name and truly revolutionise the Scottish economic landscape over the next decade.”

Can the cabinet secretary provide any further information about the engagement work that has been undertaken with stakeholders to ensure that the strategy delivers for all of Scotland's economy and, in particular, deals with the regional imbalances?

Kate Forbes: The engagement to date has been extensive and in depth. I cannot count the number of meetings and submissions that I have been party to. Economic transformation has to be a national endeavour. In other words, although we can set the vision, which we have done in the document, and renew our focus on delivery, which we have done in the document and will do in the future, ultimately, all of us have a stake in Scotland's success. Every member in this room has a stake in Scotland's success and in ensuring that they contribute and that they represent the businesses that want to contribute. I look forward to working collaboratively with trade unions, the private sector and the third sector to deliver what will be an immensely successful strategy.

Liam Kerr (North East Scotland) (Con): The cabinet secretary missed an important question from Liz Smith earlier, so I am sure that she will welcome this opportunity to answer it. Given the Scottish National Investment Bank's key role in supporting future investments, when will the Scottish Government provide full details about the current situation at the bank?

Kate Forbes: Any questions about the matter that the member is referring to are for the former chief executive and the board of the bank. I said yesterday that I recognise the appetite for answers but, on this issue, it is important that the board is given its place. Those questions are for the board.

The Presiding Officer: That concludes questions on the national—

Daniel Johnson: On a point of order, Presiding Officer. I am very grateful to you for allowing me to make this point of order. A number of members

are still waiting to ask questions. Given the great discourtesy that I believe the Government has shown to the Parliament by not making a statement before now, I propose a motion without notice to extend this session under rule 8.14.3, so that we can hear the questions from those who wish to ask them.

The Presiding Officer: There are other matters to attend to in this afternoon's business. The business was agreed by the Parliamentary Bureau, and I have already taken extra questions, so we will move on at this point. Of course, it is for the Parliamentary Bureau to decide whether we come back to the subject and allot further time to it in due course.

That concludes questions on the national strategy for economic transformation, and we will move on to the next item of business.

Business Motions

18:17

The Presiding Officer (Alison Johnstone):

The next item of business is consideration of business motion S6M-03422, in the name of George Adam, on behalf of the Parliamentary Bureau, setting out a business programme.

Motion moved,

That the Parliament agrees—

(a) the following programme of business—

Tuesday 8 March 2022

2.00 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Topical Questions (if selected)

followed by Scottish Government Debate:
International Women's Day 2022

followed by Committee Announcements

followed by Business Motions

followed by Parliamentary Bureau Motions

5.30 pm Decision Time

followed by Members' Business

Wednesday 9 March 2022

2.00 pm Parliamentary Bureau Motions

2.00 pm Portfolio Questions:
Health and Social Care;
Social Justice, Housing and Local
Government

followed by Scottish Labour Party Business

followed by Business Motions

followed by Parliamentary Bureau Motions

followed by Approval of SSIs (if required)

5.10 pm Decision Time

followed by Members' Business

Thursday 10 March 2022

11.40 am Parliamentary Bureau Motions

11.40 am General Questions

12.00 pm First Minister's Questions

followed by Members' Business

2.15 pm Parliamentary Bureau Motions

2.15 pm Scottish Parliamentary Corporate Body
Questions

followed by Portfolio Questions:
Constitution, External Affairs and Culture

followed by Ministerial Statement: Scottish
Government Response to Report by
Independent Advisor on Education
Reform

followed by Net Zero, Energy and Transport

Committee Debate: The Road to COP27
and Beyond: Tackling the Climate
Emergency in the Aftermath of COP26

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

Tuesday 15 March 2022

2.00 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Topical Questions (if selected)

followed by First Minister's Statement: COVID-19
Update

followed by Equalities, Human Rights and Civil
Justice Committee Debate: Ending
Conversion Practices

followed by Committee Announcements

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Wednesday 16 March 2022

2.00 pm Parliamentary Bureau Motions

2.00 pm Portfolio Questions:
Justice and Veterans;
Finance and Economy

followed by Scottish Government Business

followed by Business Motions

followed by Parliamentary Bureau Motions

followed by Approval of SSIs (if required)

5.00 pm Decision Time

followed by Members' Business

Thursday 17 March 2022

11.40 am Parliamentary Bureau Motions

11.40 am General Questions

12.00 pm First Minister's Questions

followed by Members' Business

2.30 pm Parliamentary Bureau Motions

2.30 pm Portfolio Questions:
Education and Skills

followed by Scottish Government Business

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

(b) that, for the purposes of Portfolio Questions in the week beginning 7 March 2022, in rule 13.7.3, after the word "except" the words "to the extent to which the Presiding Officer considers that the questions are on the same or similar subject matter or" are inserted.—[George Adam]

Motion agreed to.

The Presiding Officer: The next item of business is consideration of business motion S6M-

03426, in the name of George Adam, on behalf of the Parliamentary Bureau, on a stage 1 timetable for a bill.

Motion moved,

That the Parliament agrees that consideration of the Scottish Local Government Elections (Candidacy Rights of Foreign Nationals) (Scotland) Bill at stage 1 be completed by 1 April 2022.—[George Adam]

Motion agreed to.

Parliamentary Bureau Motions

18:18

The Presiding Officer (Alison Johnstone):

The next item of business is consideration of three Parliamentary Bureau motions. I ask George Adam to move, on behalf of the Parliamentary Bureau, motions S6M-03423 and S6M-03424, on approval of Scottish statutory instruments, and motion S6M-03425, on the designation of a lead committee.

Motions moved,

That the Parliament agrees that the Aquaculture and Fisheries etc (Scheme for Financial Assistance) (Scotland) Regulations 2022 [draft] be approved.

That the Parliament agrees that the Community Care (Personal Care and Nursing Care) (Scotland) Amendment Regulations 2022 [draft] be approved.

That the Parliament agrees that the Net Zero, Energy and Transport Committee be designated as the lead committee in consideration of the Legislative Consent Memorandum in relation to the High Speed Rail (Crewe - Manchester) Bill (UK Legislation).—[George Adam]

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

Decision Time

18:19

The Presiding Officer (Alison Johnstone):

There are six questions to be put as a result of today's business. The first question is, that motion S6M-03389, in the name of Clare Adamson, on behalf of the Constitution, Europe, External Affairs and Culture Committee, on its United Kingdom internal market inquiry, be agreed to.

Motion agreed to,

That the Parliament notes the Constitution, Europe, External Affairs and Culture Committee's 1st Report 2022 (Session 6), *UK Internal Market Inquiry report* (SP Paper 113).

The Presiding Officer: The next question is, that motion S6M-03394, in the name of Tom Arthur, on the Local Government (Scotland) Order 2022, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division. There will be a short suspension to allow members to access the digital voting system.

18:19

Meeting suspended.

18:23

On resuming—

The Presiding Officer: We move to the division on motion S6M-03394, in the name of Tom Arthur. Members should cast their votes now.

For

Adam, George (Paisley) (SNP)
 Adam, Karen (Banffshire and Buchan Coast) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Brown, Siobhian (Ayr) (SNP)
 Burgess, Ariane (Highlands and Islands) (Green)
 Callaghan, Stephanie (Uddingston and Bellshill) (SNP)
 Chapman, Maggie (North East Scotland) (Green)
 Choudhury, Foyso (Lothian) (Lab)
 Clark, Katy (West Scotland) (Lab)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Natalie (Renfrewshire North and West) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dunbar, Jackie (Aberdeen Donside) (SNP)
 Duncan-Glancy, Pam (Glasgow) (Lab)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)

Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 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, Neil (Airdrie and Shotts) (SNP)
 Greer, Ross (West Scotland) (Green)
 Harper, Emma (South Scotland) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Lochhead, Richard (Moray) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)
 Mackay, Gillian (Central Scotland) (Green)
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)
 Maguire, Ruth (Cunninghame South) (SNP)
 Marra, Michael (North East Scotland) (Lab)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAllan, Màiri (Clydesdale) (SNP)
 McKee, Ivan (Glasgow Provan) (SNP)
 McLennan, Paul (East Lothian) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 McNair, Marie (Clydebank and Milngavie) (SNP)
 McNeill, Pauline (Glasgow) (Lab)
 Minto, Jenni (Argyll and Bute) (SNP)
 Mochan, Carol (South Scotland) (Lab)
 Nicoll, Audrey (Aberdeen South and North Kincardine) (SNP)
 O'Kane, Paul (West Scotland) (Lab)
 Regan, Ash (Edinburgh Eastern) (SNP)
 Robertson, Angus (Edinburgh Central) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Roddick, Emma (Highlands and Islands) (SNP)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Sarwar, Anas (Glasgow) (Lab)
 Slater, Lorna (Lothian) (Green)
 Smyth, Colin (South Scotland) (Lab)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Collette (East Kilbride) (SNP)
 Stewart, Kaukab (Glasgow Kelvin) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sweeney, Paul (Glasgow) (Lab)
 Thomson, Michelle (Falkirk East) (SNP)
 Todd, Maree (Caithness, Sutherland and Ross) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Tweed, Evelyn (Stirling) (SNP)
 Villalba, Mercedes (North East Scotland) (Lab)
 Whitfield, Martin (South Scotland) (Lab)
 Whitham, Elena (Carrick, Cumnock and Doon Valley) (SNP)
 Yousaf, Humza (Glasgow Pollok) (SNP)

Against

Cole-Hamilton, Alex (Edinburgh Western) (LD)
 McArthur, Liam (Orkney Islands) (LD)
 Rennie, Willie (North East Fife) (LD)
 Wishart, Beatrice (Shetland Islands) (LD)

Abstentions

Balfour, Jeremy (Lothian) (Con)
 Briggs, Miles (Lothian) (Con)
 Burnett, Alexander (Aberdeenshire West) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Carlaw, Jackson (Eastwood) (Con)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Dowey, Sharon (South Scotland) (Con)
 Findlay, Russell (West Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallacher, Meghan (Central Scotland) (Con)
 Golden, Maurice (North East Scotland) (Con)
 Gosal, Pam (West Scotland) (Con)
 Gulhane, Sandesh (Glasgow) (Con)
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Hoy, Craig (South Scotland) (Con)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Kerr, Liam (North East Scotland) (Con)
 Kerr, Stephen (Central Scotland) (Con)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Lumsden, Douglas (North East Scotland) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Ross, Douglas (Highlands and Islands) (Con)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Webber, Sue (Lothian) (Con)
 Wells, Annie (Glasgow) (Con)
 White, Tess (North East Scotland) (Con)
 Whittle, Brian (South Scotland) (Con)

The Presiding Officer: The result of the division on motion S6M-03394, in the name of Tom Arthur is: For 86, Against 4, Abstentions 29.

Motion agreed to,

That the Parliament agrees that the Local Government Finance (Scotland) Order 2022 [draft] be approved.

The Presiding Officer: I remind members that if the amendment in the name of Liz Smith is agreed to, the amendment in the name of Daniel Johnson will fall.

The question is, that amendment S6M-03393.1, in the name of Liz Smith, which seeks to amend motion S6M-03393, in the name of Richard Lochhead, on the UK shared prosperity fund and what it means for Scotland, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Balfour, Jeremy (Lothian) (Con)
 Briggs, Miles (Lothian) (Con)
 Burnett, Alexander (Aberdeenshire West) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Carlaw, Jackson (Eastwood) (Con)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Dowey, Sharon (South Scotland) (Con)
 Findlay, Russell (West Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallacher, Meghan (Central Scotland) (Con)
 Golden, Maurice (North East Scotland) (Con)
 Gosal, Pam (West Scotland) (Con)
 Gulhane, Sandesh (Glasgow) (Con)

Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Hoy, Craig (South Scotland) (Con)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Kerr, Liam (North East Scotland) (Con)
 Kerr, Stephen (Central Scotland) (Con)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Lumsden, Douglas (North East Scotland) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Ross, Douglas (Highlands and Islands) (Con)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Webber, Sue (Lothian) (Con)
 Wells, Annie (Glasgow) (Con)
 White, Tess (North East Scotland) (Con)
 Whittle, Brian (South Scotland) (Con)

Against

Adam, George (Paisley) (SNP)
 Adam, Karen (Banffshire and Buchan Coast) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Brown, Siobhian (Ayr) (SNP)
 Burgess, Ariane (Highlands and Islands) (Green)
 Callaghan, Stephanie (Uddingston and Bellshill) (SNP)
 Chapman, Maggie (North East Scotland) (Green)
 Choudhury, Foysol (Lothian) (Lab)
 Clark, Katy (West Scotland) (Lab)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Constance, Angela (Almond Valley) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Natalie (Renfrewshire North and West) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dunbar, Jackie (Aberdeen Donside) (SNP)
 Duncan-Glancy, Pam (Glasgow) (Lab)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 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, Neil (Airdrie and Shotts) (SNP)
 Greer, Ross (West Scotland) (Green)
 Griffin, Mark (Central Scotland) (Lab)
 Harper, Emma (South Scotland) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Lochhead, Richard (Moray) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)
 Mackay, Gillian (Central Scotland) (Green)
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)

Maguire, Ruth (Cunninghame South) (SNP)
 Marra, Michael (North East Scotland) (Lab)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAllan, Màiri (Clydesdale) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McKee, Ivan (Glasgow Provan) (SNP)
 McLennan, Paul (East Lothian) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 McNair, Marie (Clydebank and Milngavie) (SNP)
 McNeill, Pauline (Glasgow) (Lab)
 Minto, Jenni (Argyll and Bute) (SNP)
 Mochan, Carol (South Scotland) (Lab)
 Nicoll, Audrey (Aberdeen South and North Kincardine) (SNP)
 O'Kane, Paul (West Scotland) (Lab)
 Regan, Ash (Edinburgh Eastern) (SNP)
 Rennie, Willie (North East Fife) (LD)
 Robertson, Angus (Edinburgh Central) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Roddick, Emma (Highlands and Islands) (SNP)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Sarwar, Anas (Glasgow) (Lab)
 Slater, Lorna (Lothian) (Green)
 Smyth, Colin (South Scotland) (Lab)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Collette (East Kilbride) (SNP)
 Stewart, Kaukab (Glasgow Kelvin) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sweeney, Paul (Glasgow) (Lab)
 Thomson, Michelle (Falkirk East) (SNP)
 Todd, Maree (Caithness, Sutherland and Ross) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Tweed, Evelyn (Stirling) (SNP)
 Villalba, Mercedes (North East Scotland) (Lab)
 Whitfield, Martin (South Scotland) (Lab)
 Whitham, Elena (Carrick, Cumnock and Doon Valley) (SNP)
 Wishart, Beatrice (Shetland Islands) (LD)
 Yousaf, Humza (Glasgow Pollok) (SNP)

The Presiding Officer: The result of the division on amendment S6M-03393.1, in the name of Liz Smith, which seeks to amend motion S6M-03393, in the name of Richard Lochhead, on the UK shared prosperity fund and what it means for Scotland, is: For 29, Against 91, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S6M-03393.2, in the name of Daniel Johnson, which seeks to amend motion S6M-03393, in the name of Richard Lochhead, on the UK shared prosperity fund and what it means for Scotland, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Baker, Claire (Mid Scotland and Fife) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Choudhury, Foyso (Lothian) (Lab)
 Clark, Katy (West Scotland) (Lab)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Duncan-Glancy, Pam (Glasgow) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)

Griffin, Mark (Central Scotland) (Lab)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Marra, Michael (North East Scotland) (Lab)
 McArthur, Liam (Orkney Islands) (LD)
 McNeill, Pauline (Glasgow) (Lab)
 Mochan, Carol (South Scotland) (Lab)
 O'Kane, Paul (West Scotland) (Lab)
 Rennie, Willie (North East Fife) (LD)
 Sarwar, Anas (Glasgow) (Lab)
 Smyth, Colin (South Scotland) (Lab)
 Sweeney, Paul (Glasgow) (Lab)
 Villalba, Mercedes (North East Scotland) (Lab)
 Whitfield, Martin (South Scotland) (Lab)
 Wishart, Beatrice (Shetland Islands) (LD)

Against

Adam, George (Paisley) (SNP)
 Adam, Karen (Banffshire and Buchan Coast) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)
 Balfour, Jeremy (Lothian) (Con)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Briggs, Miles (Lothian) (Con)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Brown, Siobhian (Ayr) (SNP)
 Burgess, Ariane (Highlands and Islands) (Green)
 Burnett, Alexander (Aberdeenshire West) (Con)
 Callaghan, Stephanie (Uddingston and Bellshill) (SNP)
 Cameron, Donald (Highlands and Islands) (Con)
 Carlaw, Jackson (Eastwood) (Con)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Chapman, Maggie (North East Scotland) (Green)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Natalie (Renfrewshire North and West) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dowey, Sharon (South Scotland) (Con)
 Dunbar, Jackie (Aberdeen Donside) (SNP)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)
 Findlay, Russell (West Scotland) (Con)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallacher, Meghan (Central Scotland) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
 Golden, Maurice (North East Scotland) (Con)
 Gosal, Pam (West Scotland) (Con)
 Gougeon, Mairi (Angus North and Mearns) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Gray, Neil (Airdrie and Shotts) (SNP)
 Greer, Ross (West Scotland) (Green)
 Gulhane, Sandesh (Glasgow) (Con)
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Harper, Emma (South Scotland) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hoy, Craig (South Scotland) (Con)
 Hyslop, Fiona (Linlithgow) (SNP)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Kerr, Liam (North East Scotland) (Con)
 Kerr, Stephen (Central Scotland) (Con)
 Kidd, Bill (Glasgow Anniesland) (SNP)

Lochhead, Richard (Moray) (SNP)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Lumsden, Douglas (North East Scotland) (Con)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)
 Mackay, Gillian (Central Scotland) (Green)
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)
 Maguire, Ruth (Cunninghame South) (SNP)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAllan, Màiri (Clydesdale) (SNP)
 McKee, Ivan (Glasgow Provan) (SNP)
 McLennan, Paul (East Lothian) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 McNair, Marie (Clydebank and Milngavie) (SNP)
 Minto, Jenni (Argyll and Bute) (SNP)
 Mundell, Oliver (Dumfriesshire) (Con)
 Nicoll, Audrey (Aberdeen South and North Kincardine) (SNP)
 Regan, Ash (Edinburgh Eastern) (SNP)
 Robertson, Angus (Edinburgh Central) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Roddick, Emma (Highlands and Islands) (SNP)
 Ross, Douglas (Highlands and Islands) (Con)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Simpson, Graham (Central Scotland) (Con)
 Slater, Lorna (Lothian) (Green)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Collette (East Kilbride) (SNP)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Stewart, Kaukab (Glasgow Kelvin) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Thomson, Michelle (Falkirk East) (SNP)
 Todd, Maree (Caithness, Sutherland and Ross) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Tweed, Evelyn (Stirling) (SNP)
 Webber, Sue (Lothian) (Con)
 Wells, Annie (Glasgow) (Con)
 White, Tess (North East Scotland) (Con)
 Whitham, Elena (Carrick, Cumnock and Doon Valley) (SNP)
 Whittle, Brian (South Scotland) (Con)
 Yousaf, Humza (Glasgow Pollok) (SNP)

The Presiding Officer: The result of the division on amendment S6M-03393.2, in the name of Daniel Johnson, which seeks to amend motion S6M-03393, in the name of Richard Lochhead, on the UK shared prosperity fund and what it means for Scotland, is: For 24, Against 95, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that motion S6M-03393, in the name of Richard Lochhead, on the UK shared prosperity fund and what it means for Scotland, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, George (Paisley) (SNP)
 Adam, Karen (Banffshire and Buchan Coast) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)

Baker, Claire (Mid Scotland and Fife) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Brown, Siobhian (Ayr) (SNP)
 Burgess, Ariane (Highlands and Islands) (Green)
 Callaghan, Stephanie (Uddingston and Bellshill) (SNP)
 Chapman, Maggie (North East Scotland) (Green)
 Clark, Katy (West Scotland) (Lab)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Constance, Angela (Almond Valley) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Natalie (Renfrewshire North and West) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dunbar, Jackie (Aberdeen Donside) (SNP)
 Duncan-Glancy, Pam (Glasgow) (Lab)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 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, Neil (Airdrie and Shotts) (SNP)
 Greer, Ross (West Scotland) (Green)
 Griffin, Mark (Central Scotland) (Lab)
 Harper, Emma (South Scotland) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Lochhead, Richard (Moray) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)
 Mackay, Gillian (Central Scotland) (Green)
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)
 Maguire, Ruth (Cunninghame South) (SNP)
 Marra, Michael (North East Scotland) (Lab)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAllan, Màiri (Clydesdale) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McKee, Ivan (Glasgow Provan) (SNP)
 McLennan, Paul (East Lothian) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 McNair, Marie (Clydebank and Milngavie) (SNP)
 McNeill, Pauline (Glasgow) (Lab)
 Minto, Jenni (Argyll and Bute) (SNP)
 Mochan, Carol (South Scotland) (Lab)
 Nicoll, Audrey (Aberdeen South and North Kincardine) (SNP)
 O'Kane, Paul (West Scotland) (Lab)
 Regan, Ash (Edinburgh Eastern) (SNP)
 Rennie, Willie (North East Fife) (LD)
 Robertson, Angus (Edinburgh Central) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Roddick, Emma (Highlands and Islands) (SNP)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Sarwar, Anas (Glasgow) (Lab)
 Slater, Lorna (Lothian) (Green)

Smyth, Colin (South Scotland) (Lab)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Collette (East Kilbride) (SNP)
 Stewart, Kaukab (Glasgow Kelvin) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sweeney, Paul (Glasgow) (Lab)
 Thomson, Michelle (Falkirk East) (SNP)
 Todd, Maree (Caithness, Sutherland and Ross) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Tweed, Evelyn (Stirling) (SNP)
 Villalba, Mercedes (North East Scotland) (Lab)
 Whitfield, Martin (South Scotland) (Lab)
 Whitham, Elena (Carrick, Cumnock and Doon Valley) (SNP)
 Wishart, Beatrice (Shetland Islands) (LD)
 Yousaf, Humza (Glasgow Pollok) (SNP)

Against

Balfour, Jeremy (Lothian) (Con)
 Briggs, Miles (Lothian) (Con)
 Burnett, Alexander (Aberdeenshire West) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Carlaw, Jackson (Eastwood) (Con)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Dowey, Sharon (South Scotland) (Con)
 Findlay, Russell (West Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallacher, Meghan (Central Scotland) (Con)
 Golden, Maurice (North East Scotland) (Con)
 Gosal, Pam (West Scotland) (Con)
 Gulhane, Sandesh (Glasgow) (Con)
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Hoy, Craig (South Scotland) (Con)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Kerr, Liam (North East Scotland) (Con)
 Kerr, Stephen (Central Scotland) (Con)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Lumsden, Douglas (North East Scotland) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Ross, Douglas (Highlands and Islands) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Webber, Sue (Lothian) (Con)
 Wells, Annie (Glasgow) (Con)
 White, Tess (North East Scotland) (Con)
 Whittle, Brian (South Scotland) (Con)

The Presiding Officer: The result of the vote on motion S6M-03393, in the name of Richard Lochhead, on the UK shared prosperity fund and what it means for Scotland, is: For 90, Against 28, Abstentions 0.

Motion agreed to,

That the Parliament agrees that the UK Government's proposed arrangements for the UK Shared Prosperity Fund (UKSPF) are more restrictive than the EU Structural Funds and fail to offer the level of autonomy and influence that the Scottish Government experienced under the EU; believes that the Scottish Government must have an equal role in determining how these funds are used; notes with concern a cross-party report from the Treasury Committee, which estimates that the total value of the UKSPF up to 2024-25 is a 40% reduction on the amount that the UK received under EU structural funds from 2014 to 2020; calls on the UK Government to urgently confirm that Scotland's allocation of the UKSPF matches its lost EU funding, as promised by the UK Government, given the absence of assurances in the *Levelling Up* white paper; believes that at least £183 million each year is required to deliver this, and

calls for the UKSPF to be fully aligned behind the just transition to a net zero economy.

The Presiding Officer: I propose to ask a single question on three Parliamentary Bureau motions. Does any member object to that?

There being no objections, the final question is, that motions S6M-03423, S6M-03424 and S6M-03425, in the name of George Adam, on behalf of the Parliamentary Bureau, be agreed to.

Motions agreed to,

That the Parliament agrees that the Aquaculture and Fisheries etc. (Scheme for Financial Assistance) (Scotland) Regulations 2022 [draft] be approved.

That the Parliament agrees that the Community Care (Personal Care and Nursing Care) (Scotland) Amendment Regulations 2022 [draft] be approved.

That the Parliament agrees that the Net Zero, Energy and Transport Committee be designated as the lead committee in consideration of the Legislative Consent Memorandum in relation to the High Speed Rail (Crewe - Manchester) Bill (UK Legislation).

The Presiding Officer: That concludes decision time.

Epilepsy and Employment

The Deputy Presiding Officer (Liam McArthur): We now move on to the final item of business, which is a members' business debate on motion S6M-02932, in the name of Alasdair Allan, on epilepsy and employment in Scotland. The debate will be concluded without any questions being put.

Motion debated,

That the Parliament welcomes new research commissioned by Epilepsy Scotland from the Scottish Centre for Employment Research, which highlights the difficulties facing people with epilepsy to find and retain secure employment; understands that Scotland has some of the greatest disability employment gaps in the UK; notes reports that only 36.9% of people with epilepsy in the UK are employed, which it understands is lower than the general disability employment rate of 44.4%; considers that a lack of knowledge about epilepsy and how it is individually experienced is contributing to this significant employment gap; notes the calls for substantial investment in research to improve data and better understand the employment barriers that are facing people with epilepsy in Scotland, and further notes the calls on the Scottish Government to urgently assess how the strategic framework, A Fairer Scotland for Disabled People, is meeting the needs of people with epilepsy, including in Na h-Eileanan an Iar, and if anything further can be done in the medium to long term to improve rates of employment in this population.

18:35

Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP): Epilepsy has now emerged, I hope, from the outright prejudice and superstition that surrounded the condition within living memory, yet people with epilepsy continue to face barriers in employment.

Epilepsy Scotland has carried out research on epilepsy and employment, which I know the Minister for Just Transition, Employment and Fair Work, Richard Lochhead, has already taken an interest in, and on which he commented during his recent participation in the cross-party group on epilepsy. I welcome that interest, and I look forward to hearing the minister's comments in summing up today.

People with epilepsy are very significantly less likely to be in employment than are the general population, so let me begin by mentioning a few relevant statistics. While the disability employment gap for people with disabilities in general is only slightly higher in Scotland than it is in the United Kingdom, the real differences lie at a local level. The gap ranges from barely 8 percent in some communities to 50 per cent in Na h-Eileanan an Iar, my own constituency. Rural areas appear to face particular challenges.

Only 36.9 per cent of people with epilepsy in the UK reported being in employment, compared with

81.3 per cent of non-disabled people. That represents an employment gap of 44.4 percentage points for people with epilepsy. In fact, the annual population survey for the UK shows that people with epilepsy are one of the least likely groups to report employment relative to all people with a disability of any kind.

Epilepsy Scotland is therefore seeking to challenge and support employers to overcome continuing mistaken assumptions. In case that sounds like a lecture to employers, I should say that I have no reason to believe that employers' ideas about epilepsy are any more mistaken than those of the population at large. To lump all people with epilepsy together risks completely failing to understand their hugely differing needs and their unique talents.

A great proportion of people with epilepsy have the condition either entirely or virtually entirely controlled by medication—I fall into that category myself—and they may have lived completely free of seizures for many years. Yet it seems that some employers continue to view people with epilepsy as a risk—as being at risk of accidents, with presumed risk of litigation. In fact, as the research highlights, there is no evidence at all to show that people with epilepsy present any greater risk.

Perhaps the most concerning finding presented by the research is that there may be a psychological impact of the ignorance of others on some people with epilepsy themselves. In cases where people experience repeated rejection in the workforce, they sometimes develop a limited estimation of their own abilities.

I am personally very lucky, in that I have had fairly understanding employers. I once had a seizure towards the end of a job interview and still somehow managed to get the job. Looking back to another job—not in politics—I had a less positive experience. I had a seizure at work and I remember my employer complaining, as I recovered, that I was not *compos mentis*. I did not think of that as much more than a statement of the obvious, while I was groggily coming to. It only later became clear to me that he meant something else entirely: he thought that having a seizure was presumably only one symptom of many more to come of what he misunderstood epilepsy to be—namely, a psychiatric condition. I do not dismiss the possibility that I may not, more generally, always be *compos mentis*, but I hesitate to attribute that fact to any neurological cause. Public misunderstandings about epilepsy mean that some people have to contend with all the prejudices that surround mental illness when they do not even have a mental illness.

Since I indicated that I would bring the debate to the Parliament, I have heard from people who have encountered varying problems at work. One

man who works in a supermarket told me that he does well in his job, which he has held for a number of years. The supermarket apparently forgot that he had a medical condition, although his epilepsy had been previously and formally drawn to the supermarket's attention. As a result, it failed to take into account his epilepsy when he complained about bullying. He said that new team leaders in his store were not aware that he had a disability.

Such examples show that not all employers are even aware that staff members have epilepsy and far less do they make reasonable adjustments for staff because of that. As a result, people with epilepsy are often underemployed and working in low-skill jobs.

I have concentrated on some of the problems, but I hope that members from across the Parliament will also see the debate as a chance to outline positive ways forward. We could agree on, for instance, the need to improve the detail of the statistics that are available to us for measuring the problem and trying to get to the bottom of the reasons for the huge local variations.

Above all, we can commit to ensuring that a wider understanding of epilepsy permeates our schools, business organisations and colleges. We can highlight and support good practice where it exists. We should recognise that, as a country, we are not drawing to anything like the extent that we could on the talents of people with epilepsy. That means not only that people with epilepsy are missing out economically and socially but that our economy as a whole is missing out, too.

Many organisations across Scotland, such as Neuro Hebrides in my constituency, do great work in empowering people with epilepsy. I hope that the debate and the work that Epilepsy Scotland is doing will help to empower people with epilepsy in one very specific way—in workplaces across Scotland.

18:41

Stephen Kerr (Central Scotland) (Con): I thank Alasdair Allan for securing this important debate and I congratulate him on an excellent speech. Epilepsy affects many people in a great many different ways but, in many cases, it should not impact on people's ability to work. As the Epilepsy Society website says,

"The Equality Act aims to make sure that people with a disability are not treated unfairly compared to a person without a disability, because of their disability and without a good reason. Under the Equality Act, your employer is expected to make reasonable adjustments so that you can carry on working. If you cannot continue in your role due to your epilepsy, your employer should consider if you could be moved to another role."

Alasdair Allan's motion mentions the stark figure that

"only 36.9% of people with epilepsy in the UK are employed".

There are many barriers to disabled people getting into employment, but a lack of understanding of the condition among employers is certainly a factor. We need to look at how people are supported and at how businesses are supported to employ those with epilepsy.

I urge members to look at the Epilepsy Action employer toolkit, which provides useful advice for employers of those with epilepsy. As the *Epilepsy Today* website reported,

"One major barrier for people with epilepsy to get and stay in work is a lack of understanding around the condition, Epilepsy Action said. A 2016 YouGov survey showed that a quarter of respondents (26%) were concerned about working with someone with epilepsy. Of those, nearly two-thirds (63%) said it was because they didn't know how to help a colleague having a seizure.

People with epilepsy report being humiliated in front of colleagues, demoted, redeployed or even made redundant because of their epilepsy.

The new toolkit is designed to give employers the confidence to help staff with epilepsy. It includes templates to provide support, assess risks and talk about epilepsy. It also offers descriptions of a range of different seizure types, as well as access to detailed first-aid videos."

I also urge members to engage with the disability confident scheme, which helps employers to recruit and retain people with a wide range of disabilities. I have experience of understanding what can be done under the scheme; I have met employers that have embraced the idea. Disability confident is an exemplary scheme for helping and supporting employers to make the most of the talents that disabled people can bring to the workplace.

Employers sometimes feel reticent about employing people with disabilities in general. A lack of conversations about disability discrimination, a lack of information about reasonable adjustments and a lack of knowledge about conditions might make it difficult for employers to feel confident. We need to help them to feel more confident about employing people with disabilities in general and people with epilepsy in particular. Epilepsy can affect different people in different ways, and employers and employees need to be able to have conversations about the condition to understand how best they can support one another. Such conversations may need to be supported.

Of course, people have an absolute right not to disclose disabilities to employers. When people want to share such information, it is usually because they feel comfortable with their employer and feel that they would be helpful and supportive.

Creating the right kind of environment, in which people feel confident about discussing the help and support that they need, is essential to the functioning of any positive work environment. We need to support employers and encourage the use of the disability confident scheme, which helps employers to engage positively with people about their disabilities.

The feelings that are derived from useful, productive work—the sense of self-worth and the sense of personal independence—are so important as a part of life. Employers have a duty to support their employees, and we, as parliamentarians and leaders, have a responsibility to support them in that.

So many disabled people make an indispensable contribution to their workplace. They are inspired and inspiring employees. That is true in this Parliament. To lose that contribution from the workforce, and for people to lose their work or have it curtailed as a result of disability, would be a tragedy.

I am delighted to support the motion.

18:46

Jackie Dunbar (Aberdeen Donside) (SNP): I thank Alasdair Allan for securing this important members' business debate. Before I go into the body of my speech, I would like to state that I will be discussing a member of my team and that I will be doing so with her full knowledge and blessing.

Epilepsy is one of the most common neurological conditions in the world, with the World Health Organization estimating that the condition affects around 50 million people worldwide. In Scotland, it is estimated that around 55,000 Scots are affected by the condition. It is important to note that anyone can develop epilepsy at any time in their life; eight people develop the condition each day.

It has been shown through Epilepsy Scotland's research that there are significant gaps in data and in our understanding of the impact of epilepsy, and that employers right across the country still have poor awareness of the condition and tend to often have negative views about the abilities of individuals who live with epilepsy—we heard about that from Alasdair Allan—which leads to a situation in which the employment rate of those who live with epilepsy is just under 37 per cent.

Under the Equality Act 2010, individuals who live with epilepsy, as well as those with other medical conditions, are protected from unlawful discrimination in the workplace. When an individual with epilepsy applies for a job, the employer cannot reject their application from the outset, with the exception being the armed forces.

It is important to note that, through the 2010 act, there is a duty on UK employers whereby, if a person with epilepsy is the best candidate for the job, the employer must carry out risk assessments based on the individual's seizures and, where any risks are identified, the employer has a duty to make reasonable adjustments, where possible, to allow the individual to perform their work tasks.

One of my office team lives with epilepsy, so I am fortunate that she has been able to advise me of how the condition affects her. Gemma was diagnosed with photosensitive epilepsy at the age of nine and has lived with the condition since then. Gemma worked part time while studying at university. She informs me that, when she declared to her employers that she had epilepsy, they were more than understanding but that, once she actually started working, she found that some of her colleagues treated her differently when they found out that she had epilepsy.

When Gemma joined my team and told me that she suffered with epilepsy, I asked whether there was anything that I could do to support her. Her response was quick. She said:

"I do not want to be treated with kid gloves and be treated like a child; I want to be treated like everyone else. When I mention to folk that I have epilepsy, I see the nervousness and uneasiness of individuals and then I am later treated like a child. I don't want my epilepsy to define me and my ability to do my job."

I took her at her word. I hope that Gemma feels as supported in my constituency office in Aberdeen Donside as she is at home.

Gemma's mam, Donna Clark, has just raised funds for Epilepsy Action by walking more than 50 miles in February. Knowing Donna as I do, I was not surprised that she had to go that wee bit extra and ended up doing more than 150 miles for the charity. I say well done to Donna. I believe that the charity has raised more than £440,000 so far and the money is still pouring in.

I am fortunate that I can, and am, willing to learn more about epilepsy, not only about how it affects Gemma but how it can affect others who live with it. I can learn what to do in the instance of someone having a seizure.

Although Gemma has felt comfortable disclosing to me that she has epilepsy, others may not feel as comfortable about disclosing that to their employer, which in turn would mean that they would miss out on the opportunity to have the reasonable adjustments made that would benefit them.

Although employment law is still reserved to Westminster, it is critical that the Scottish Government does more to help raise awareness of epilepsy and to show those living with epilepsy

that their condition does not define them and does not limit their abilities within the workplace.

The Deputy Presiding Officer: Thank you, Ms Dunbar, and congratulations to Gemma and her mother.

18:51

Rhoda Grant (Highlands and Islands) (Lab): I congratulate Alasdair Allan on bringing the debate to the chamber and thank him for sharing his own experience. I pay tribute to the work of Epilepsy Scotland in raising awareness of epilepsy. I worked closely with the charity in the past, campaigning to raise awareness and to help people better understand the impact of epilepsy and how it manifests itself. This debate will also do that.

Disability discrimination is rife, especially in the workplace, and people with epilepsy suffer from that. As with all types of discrimination, it is caused by ignorance and fear of the unknown. Raising awareness is therefore a valuable step in counteracting that.

People with epilepsy can have seizures that cause them to pass out. Colleagues and employers would, of course, need to know how to deal with that, should it happen. However, many people have their condition controlled so that seizures happen while they are sleeping or are unidentifiable to others. That is a benefit, but there are also pitfalls, as those having very mild seizures can become disorientated or cannot engage with others while they are having one. At worst, that can mean that they might walk into the path of danger, so it is important to recognise the signs and intervene.

In a work situation, it may appear that a colleague is ignoring others. Misunderstanding of the condition could lead to a negative response from colleagues or members of the public. Other barriers to employment include issues such as not being allowed to drive or use machinery, which can curtail opportunities. What stuck me as counterintuitive about what Alasdair Allan said—a point that was also included in Epilepsy Scotland's briefing—is that people with epilepsy are often underemployed and are more likely to be employed in low-skilled manual work, although there is nothing in their condition to stop them for taking highly skilled jobs.

Epilepsy is a condition for which assistance dogs can be very helpful, warning a person when a seizure is about to take place and allowing them to get themselves into a safe place.

People with epilepsy also often find themselves in the back of an ambulance on their way to hospital after having a seizure, when what they

would prefer is to be in a quiet place with time to recover. For some, that does not take long; others may need to sleep for a period. Being taken to hospital can add another layer of disruption to their lives. Hence, raising awareness of the condition is important. If we were better able to recognise epileptic seizures, we would be better able to assist people who are having them, keep them safe, and allow them to control what happens once the seizure passes.

I urge the Scottish Government to strengthen services, employ more specialist nurses, and provide staff training in order to encourage the employment of people with epilepsy. We as parliamentarians have a role to play in creating greater awareness and understanding, thereby allowing people to live life free from discrimination.

18:55

Kenneth Gibson (Cunninghame North) (SNP): I congratulate my colleague Dr Alasdair Allan on securing debating time this evening. As a former convener of the cross-party group on epilepsy, I am delighted to participate in this debate.

Unfortunately, although some headway has been made in recent years, figures that Epilepsy Scotland has released show that we must make greater strides to reduce the disability employment gap, including in North Ayrshire, where my constituency is based. Its council is in the 20 per cent of local authorities across the UK with the highest gap.

Some of the Epilepsy Scotland client wellbeing experiences are deeply concerning—notably the fact that more than half said that they struggle with their mental health, which is caused by a lack of employment or issues within employment. Most alarmingly, that included one client who reported being filmed while having a seizure at work and being the subject of a complaint, as colleagues thought that they were sleeping. Such incidents show that we still have a long way to go to increase the general public's understanding of epilepsy.

Many people with the condition say that being ill informed causes fear and that, if people knew more about epilepsy, they could deal with it better. When I led a members' business debate on epilepsy and education eight years ago, I highlighted that, even as treatments and medications have evolved and improved, understanding of epilepsy among the general population has remained sadly and steadfastly very low, and that

“with that lack of understanding has come stigmatisation from some quarters and a feeling of exclusion for the

people who live with epilepsy.”—[*Official Report*, 20 May 2014; c 31227.]

Better understanding could indeed be transformative for people with epilepsy and their experience of the world of work.

Epilepsy is one of the most common neurological disorders. It affects one in 97 people in Scotland. Many myths about people with epilepsy persist, although, in fact, everyone’s condition is different. That fact can sometimes make diagnosis very difficult. Although adjustments may be well intentioned, not all adjustments that employers make in the workplace will be suitable for everyone. One size does not fit all. There are many different types of seizure with different symptoms—they vary in respect of severity and recovery. Some required adjustments may be minor, but they tend to be specific to an individual. That is why they should always be discussed between the employer and the employee.

Unfortunately, experiences of stereotyping and stigma tend to lead to lower self-esteem, and people with epilepsy may prefer to hide their condition altogether due to a fear of being misunderstood and, indeed, being discriminated against in the workplace. That shows that educating the wider public about epilepsy remains as much of a pressing issue today as it was eight years ago. Therefore, I commend Epilepsy Scotland’s campaign around the purple day of action, which is on Saturday 26 March this year. That day helps the conversation about epilepsy. This year, there will be a specific focus on increasing awareness in the workplace and providing employers with more information to create a more nuanced understanding of a very complex condition.

That principle must also be at the centre of the Scottish Government’s strategic framework—“A Fairer Scotland for Disabled People: Employment Action Plan”—to drive better insight into the relationship between epilepsy, work and employment, and to reduce the disability employment gap for people with the condition. I agree with the suggestion in Dr Allan’s motion that the Scottish Government should now review whether its strategic framework is doing enough to meet the needs of people with epilepsy to increase the employment rate of people with the condition. That will be especially important in the post-Covid economy, following a pandemic during which, sadly, people with any kind of disability were more at risk of redundancy and underemployment, as they were more likely than those in the general population to work in sectors that had to close and were impacted most severely.

Epilepsy Scotland’s latest figures clearly demonstrate that more work must be done to

reduce the disability employment gap generally and for people with epilepsy specifically.

18:59

The Minister for Just Transition, Employment and Fair Work (Richard Lochhead): I thank my colleague and friend Dr Alasdair Allan for lodging the motion and raising an important issue, for his excellent speech and, of course, for bringing lived experience to many of the issues that we are discussing.

As Dr Allan said, I recently attended a cross-party group meeting that was hosted with Epilepsy Scotland present and chaired by him. At that meeting, I heard at first hand about the new research by Professor Patricia Findlay of the University of Strathclyde, “Epilepsy and Employment in Scotland”, which highlights the difficulties that people with epilepsy face in finding and retaining secure employment. That theme was pursued by many members in their excellent contributions to the debate. The research indicates that 81.3 per cent of the non-disabled population in Scotland are in employment but that, for people with epilepsy, the figure is only 36.9 per cent. That statistic is reflected in Alasdair Allan’s motion.

The Scottish Government is committed to supporting everyone who can and wants to work into fair, sustainable employment. That includes people who live with epilepsy. Through our fair work approach, we are committed to addressing inequalities in the labour market and supporting the development of diverse and inclusive workplaces.

In “A Fairer Scotland for Disabled People: Employment Action Plan”, which was published back in 2018, the Scottish Government outlined the initial steps that it would take to meet its commitment of reducing the disability employment gap by at least half by 2038. The action plan is pan-disability and focuses on the need to take action to address the structural barriers that prevent all disabled people from accessing fair and sustainable work, such as the quality of the careers advice and information that is provided, accessibility regarding communications, employers’ attitudes—which many members mentioned—and recruitment policies and practices.

However, as I am sure that most members will be aware, the disability employment gap remains one of the most persistent labour market inequalities, not only in Scotland but across these islands. The disability employment gap had steadily decreased from the 2016 baseline of 37.4 percentage points to 32.6 percentage points in 2019. However, the latest figures indicate that, in 2020, that progress had reversed slightly, with the

disability employment gap widening to 33.4 percentage points. That is lower than the level back in 2016 but higher than the level in 2019.

Stephen Kerr: Does the minister agree that that represents a deplorable waste of incredible talent and potential talent? Would he support the idea that all of us, as members of the Scottish Parliament and as employers, might consider registering with the disability confident scheme?

Richard Lochhead: That sounds like a commendable idea, and I am sure that members will want to consider that.

As Kenny Gibson highlighted, the wider disability employment gap in 2020 was due to a greater decrease in the employment rate of disabled people compared with non-disabled people during the course of the pandemic. Kenny Gibson highlighted the impact that the pandemic has had on many people in our society.

We know that the on-going pandemic is having a considerable impact on employment opportunities for disabled people, and we have continued to work on that issue throughout the pandemic. We are investing £4.5 million over five years to implement our national framework for action on neurological care and support to ensure that everyone with a neurological condition such as epilepsy can access the care and support that they need. The aims include improving the provision of co-ordinated health and social care and support, developing sustainable workforce models and ensuring that high standards of person-centred care are provided for people with neurological conditions.

Since October 2020, we have invested nearly £200,000 in projects that will improve the health and wellbeing of people with epilepsy in Scotland. Those projects include the establishment of an epilepsy register in NHS Greater Glasgow and Clyde, NHS Lanarkshire and NHS Tayside and its expansion nationally to drive up standards of care, and a programme, which has been developed by Quarriers, to improve the capacity of people with complex epilepsy to self-manage their condition and increase their resilience and confidence.

Epilepsy is fully within the scope of the actions that we are taking to support disabled people into and in work. We have undertaken a review of supported employment to identify gaps in the current provision so that steps can be taken to offer a service that effectively meets the needs of clients, and we will publish our findings on that this summer. In addition, over the past two financial years, we have invested £650,000 in a public social partnership that is working to improve recruitment and retention rates for disabled people by developing and testing different types of support for employers to put in place inclusive employment practices.

In January this year, we also launched the new workplace equality fund, which makes up to £800,000 available for projects that seek to change and improve employer practices and address long-standing barriers in the labour market, including those that affect disabled people and people who are living with epilepsy.

No one left behind is our strategy for placing people at the centre of the design and delivery of employment services. It promotes a strengthened partnership approach in which the Government works with third sector training providers to identify local needs and make informed, evidence-based decisions, flexing these to meet emerging labour market demands.

Overall in 2022-23, we will invest over £35 million in the no one left behind approach. That demonstrates our commitment to providing person-centred and place-based employability support to those who are or at risk of long-term unemployment, including people with disabilities.

In terms of next steps, tackling the disability employment gap is clearly an integral part of our vision that Scotland will be a leading fair work nation by 2025, where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and society.

Working in co-production with disabled people's organisations, we are reviewing our action plan for disabled people to ensure that we take the right actions and have the right information to continue to make progress. This year, we will refresh the action plan, alongside and in alignment with a refresh of the fair work action plan as well as a new gender pay gap action plan and ethnicity pay gap strategy. Reducing the disability employment gap is a significant commitment. We will draw on all available research, on expertise and on the voices of lived experience from across Scotland to inform our approach. I do not have ready answers to many of the points that have been made during the debate, but I think that it is important to take those points away and feed them into the refresh process and to ensure that we reflect on how we can help address them in the workplace.

The Scottish Government is committed to ensuring that all people who are living with epilepsy in Scotland are able to access the best possible employability support that puts the individual at the centre. Through our fair work approach, we are very much committed to addressing inequalities in the labour market and supporting the development of diverse and inclusive workplaces. We will continue to take action to eradicate structural barriers that are faced by disabled people, including those who are living with epilepsy.

Meeting closed at 19:07.

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