OFFICIAL REPORT
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Economy and Fair Work Committee

Wednesday 21 January 2026

Session 6

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ECONOMY AND FAIR WORK COMMITTEE
3rd Meeting 2026, Session 6

CONVENER

*Daniel Johnson (Edinburgh Southern) (Lab)

DEPUTY CONVENER

*Michelle Thomson (Falkirk East) (SNP)

COMMITTEE MEMBERS

*Sarah Boyack (Lothian) (Lab)
*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)
*Murdo Fraser (Mid Scotland and Fife) (Con)
*Stephen Kerr (Central Scotland) (Con)
*Gordon MacDonald (Edinburgh Pentlands) (SNP)
*Lorna Slater (Lothian) (Green)
*Kevin Stewart (Aberdeen Central) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Colin Cook (Scottish Government)
Kate Forbes (Deputy First Minister and Cabinet Secretary for Economy and Gaelic)
Aidan Grisewood (Scottish Government)
Richard Leonard (Central Scotland) (Lab)
Ivan McKee (Minister for Public Finance)
Paul Sweeney (Glasgow) (Lab)
Kathleen Swift (Scottish Government)

CLERK TO THE COMMITTEE

Anne Peat

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament

Economy and Fair Work Committee

Wednesday 21 January 2026

[The Convener opened the meeting at 08:30]

Decision on Taking Business in Private

The Convener (Daniel Johnson): Good morning, and welcome to the third meeting in 2026 of the Economy and Fair Work Committee. This morning, we will undertake budget scrutiny and continue our stage 2 consideration of the Community Wealth Building (Scotland) Bill.

Before we proceed, do members agree to take agenda item 5 in private?

Members *indicated agreement*.

Budget Scrutiny 2026-27

08:30

The Convener: I note that no apologies from members have been received, and we come to agenda item 2.

I am pleased to welcome Kate Forbes, Deputy First Minister and Cabinet Secretary for Economy and Gaelic, to provide evidence on the budget. She is joined by officials from the Scottish Government: Colin Cook, director of economic development; Aidan Grisewood, director of jobs and wellbeing economy; and Kathleen Swift, head of director general economy finance unit. I apologise for stuttering—that title is how it is written in my script, which made me do a double-take because it does not quite flow. Thank you all for joining us.

I invite Michelle Thomson, the deputy convener, to ask the first question.

Michelle Thomson (Falkirk East) (SNP): Good morning. The rest of my colleagues will want to get into specific detail on your portfolio, but I have an open question. Productivity growth is one of the challenges of our times—that has arguably never been more the case—given geopolitical challenges and budget shortages, particularly around lumpy capital.

For the record, I would like you to walk us through how the key elements of the budget will improve productivity growth. It could well be that the trees that you have planted will grow to be big oaks in future years. I would also like you to reflect on the challenges of ensuring a focus on productivity growth across Government, not only in your portfolio. Take it away, cabinet secretary.

The Deputy First Minister and Cabinet Secretary for Economy and Gaelic (Kate Forbes): That is an excellent question that allows me to set the scene for this budget of choices. It is a tough budget, which makes our choices even more critical. I will respond in detail on the things that you think that I perhaps should or should not have done, although that is the nature of choices, but the choices that we have made are very much to continue to invest in the things that we know will deliver productivity improvements.

Let us start with Scottish Enterprise, Highlands and Islands Enterprise, South of Scotland Enterprise and the Scottish National Investment Bank. Funding is safeguarded for those precisely because of the brilliant performance that we have seen from them in creating jobs, attracting investment and delivering growth in their respective areas. In other words, we know that their approach works. Every cabinet secretary in my shoes would have to make budget choices

about whether to do new or fancy headline-grabbing things off to the side in order to make a splash or to double down on the things that they know work. That is point number one.

Point number two is about international trade and investment. Over the past few days, that has been a particular feature of our discussions. Exports and international trade are critical to our businesses. There is £15.3 million to support international trade and investment.

The other two areas that I want to talk about relate to entrepreneurship. We have the Techscaler programme, which works well, and we are investing in innovation. In this budget, we have taken a step forward in response to Ana Stewart's asks and Shane Corstorphine's report around scale-up. Both of them say, "Okay, Scotland—international comparisons say that you are doing much better with start-ups. You are actually performing pretty well with start-ups and outperforming some of your comparator nations. That is all well and good until the start-ups have nowhere to go because there is no investment in scale-up."

The third area that I want to point to is investment in scale-up and building on start-ups. We know, and the data proves, that the impact of new, emerging, fast-growth businesses on productivity is enormous. They have some of the biggest impacts on productivity gains.

The last thing that I want to talk about is what is happening across Government. I point to the programme of public service reform, which my colleague Ivan McKee leads on but which also requires investment in digital. There is significant investment in digital through my portfolio. That goes into Scotland's digital infrastructure and supports the programme of public service reform—basically, it is trying to make the public sector more productive, as well as supporting infrastructure across the private sector.

Those are some examples of where the budget is built around the things that work and that are most likely to deliver productivity improvements.

Michelle Thomson: Thank you for that textbook answer—it was exactly as I would have expected it to be. I would like to hear more about the second part of my question, which was on how you have been able to ensure that there has been a similar focus across portfolios. Obviously, that is a matter of influencing. You mentioned areas that are clearly in your domain, where you have been able to influence that focus. However, skills, infrastructure investment and so on all contribute. How have you managed to ensure that there is that focus, particularly in the light of what we all recognise are challenging times for public sector funding, with the limitations and challenges in being able to crowd in private capital?

You might recall the question that I asked about the Scottish National Investment Bank when the budget came out. How do you feel that that is going? In other words, do all your colleagues have a similar focus on growth?

Kate Forbes: From my vantage point, I see that there is a responsibility on me to work with colleagues and to encourage them to make decisions about their budgets that are in line with our approach to economic growth. Economic growth is one of the Government's four aims, so I am on good soil when I am making that case, because it is an aim not only for my portfolio but for all of the Government.

All my colleagues have their own choices to make. However, you are absolutely right in what you said about skills. There is an additional £70 million for the college sector. That sits alongside the £90 million employability fund, which we fought tooth and nail to protect. We are working closely with Ben Macpherson on the skills side and with Shirley-Anne Somerville on issues around economic inactivity, which creates child poverty. On those two fronts, we are working closely together to ensure that investment is protected in the areas that I know lead to productivity gains and economic growth.

The other issue—which it is hard to miss, because it is so mammoth—is infrastructure. Good investment in infrastructure can lead to significant economic productivity gains and, more than that, it is about having a pipeline. The pipeline has been published, which gives the construction sector and investors more confidence about what is happening in Scotland. That is a massive area that could increase productivity. It includes hospitals and schools and so on; it also includes roads, which have a significant impact.

Those are two areas in which I do not control the vast majority of things that are most likely to lead to productivity improvements. Skills and infrastructure—or, rather, transport—are outside my portfolio, but I can use my very effective skills of persuasion to encourage people that those are good things to do.

Michelle Thomson: I know that other members want to come in, but I have a couple of wee observations. First, my understanding was that it is not £70 million for colleges; it is more like £40 million, because the numbers for the Dunfermline campus of Fife College had already been included in the previous year's funding. I suspect that that will come up at the Finance and Public Administration Committee, and it is not in your domain. I also suspect that the infrastructure delivery pipeline will come in for a bit of

questioning. It is a very good wish list but, in my opinion, it is some way off being a plan.

Lorna Slater (Lothian) (Green): Michelle Thomson raised with you the importance of scaling up businesses. I think that we agree on that. Can you please give us more details on how the budget will support the scaling up of businesses?

In the past, you and I have slightly disagreed on support for start-ups. It is not that I do not support start-ups, but "start quickly, fail fast" is not a model that I am particularly supportive of. I prefer the idea of creating businesses with the intention that they will last a long time and support communities for a long time. In that regard, I think that taking already successful small Scottish businesses and helping them to scale up is the key.

Kate Forbes: With regard to where the thinking has come from, there is great material in the work by Shane Corstorphine that was published just before Christmas. It sets out how Scotland has performed in general when it comes to small businesses, and it identifies pillars that we should invest in to enable such businesses to grow. He is fairly open on sector and age of business.

You said that we should support small Scottish businesses that may have been around for a long time, as opposed to ones that are new and emerging. Shane Corstorphine talks about talent and the ability to attract it, capability and resilience, governance issues and internationalisation, all of which, I would say, are the hallmarks of a business that will last. It is a question not of measuring businesses on the basis of performance and how quickly they are growing but of considering what we need to invest in to make them resilient.

That work sits alongside the work that Ana Stewart has been doing. You will know the background of her involvement in the "Pathways" report, which is all about getting people from underrepresented backgrounds into entrepreneurship. The pathways fund has been running in the south of Scotland for a couple of years. The recipients of that fund are all brilliant people who are heavily embedded in their communities.

When it comes to scale-ups, we have identified some funding in the entrepreneurship and innovation funding line, and we will work with Ana Stewart to invest in the areas in which she thinks that investment is most required to build on the high performance that we have seen in support for start-ups and to carry that over to scale-ups.

We have seen a huge breadth in the businesses that have applied to the Techscaler programme or for pathways funding. The young woman I met a couple of weeks ago, who has applied for and received pathways funding, works in the textiles industry, so what she is doing is not very techie, but it is a brilliant business in a local community.

Lorna Slater: For the past few weeks, the committee has been working on the Community Wealth Building (Scotland) Bill, and I think that there is consensus across the room that it is a good thing to ensure that more wealth is retained in communities and to help to build such wealth across Scotland.

I have heard frustration about the commentary that our enterprise agencies and Business Gateway are not set up to support co-operatives and other democratic business models, which means that, when people are looking to start a business, those models are not presented as options and the advantages that they offer are not mentioned. There is lots of data that shows that such businesses contribute more to their communities than traditional profit-based businesses.

In order to get the best bang for our buck in our investment, do you intend to use the Community Wealth Building (Scotland) Bill to achieve a shift in how our enterprise agencies support businesses so that we can make the optimum use of funding to support the kinds of businesses that will help with community wealth building?

08:45

Kate Forbes: Yes, and I will let you ask that question of whoever is sitting in this hot seat in the next part of your meeting.

However, I would just point to something that is, perhaps, a little bit different to what you are specifically asking about but which is built on the same principles: the investment in social enterprises that is in our budget. I point to that in recognition of the fact that, in the economy budget, we are not just supporting traditional business models; we are continuing to invest in social enterprises, too. Indeed, we have a long-standing relationship with Firstport and others and have supported them in finding and investing in social enterprises across Scotland.

All those enterprises have slightly different models, too. There is no specific line in the budget for, say, co-operatives, but I do think that in the budget—and our support for social enterprises, which has been safeguarded—there is an acceptance and a realisation that different business models are a critical part of our economy.

Lorna Slater: I would certainly like to see more emphasis and guidance from you to the enterprise agencies on co-operatives, because they do not have to be small and worthy—they can be enormous and generate huge profits, too. The difference is that those profits stay in Scotland and

Scottish communities, so I would love to see a bit more ambition on that front, now that we have the community wealth building bill.

I want to ask a final question about business before I move on to skills. From the breakdown of the budget that we have seen, it looks as if, for the enterprise agencies, capital investment has gone up and resource spending is down. Is that a choice that you have made, or is it something that has been forced on you? How do you imagine that affecting the work of those agencies?

Kate Forbes: This has been a really tough, really hard budget. As you will probably recall, in a role such as mine, you have to choose a few things to really fight for, and one of the areas that I really went for was protecting the capital budget for the enterprise agencies. Why did I do that? I did it because that is the disposable stuff—I am sorry; perhaps I should have said that that that is the stuff that they can invest in businesses.

We all want a highly efficient public sector, which, for me, means that every pound spent in the economy has to cost as little as possible. As a result, maximising the capital that the enterprise agencies have to invest in businesses and sectors was a priority. When it comes to the revenue side of things, our enterprise agencies were, like all the public sector right now, already looking at how the shape and the structure of their workforce can be made fit for the future.

I am very open about the fact that what efficiency means to me is that every penny that is spent in the economy should cost as little as possible to the public sector. That was the model.

Lorna Slater: That is an interesting approach. We have taken evidence a few times from the enterprise agencies, and it seemed that there was no clear data on whether it was better for them to give out money or to teach businesses to go and find funding for themselves. It was a sort of “give a man a fish or teach a man to fish” situation. By cutting resource spend while increasing capital spend, we seem to be planning to give out more fish instead of supporting businesses to go and get their own funding. Was that intentional?

Kate Forbes: There absolutely needs to be a blend. The years of having lots of grant funding to give out are gone—that is not what we have right now. What we have are some brilliant people who are highly skilled at what they do, and who can come in alongside and have an on-going relationship with account-managed businesses.

However, I also think that it is essential that, when required, the enterprise agencies and the bank have capital that they can invest, whether it be for derisking an investment that might be, say, high risk and which the private sector will not go near, for various reasons; for supporting a business in a bridging context; or—and this is even more essential—for those investments where there is scope for the enterprise agencies to get significant income.

One of the changes in this year’s budget has been the agreeing of a number of flexibilities for Scottish Enterprise to retain some more of its income. When it has made an excellent investment that generates returns, it will be able to reinvest that to a greater extent than it could previously.

It is not just about the tension between advice versus capital. The capital part is essential, and the purpose of the capital will be different for every business, but in some cases, it generates significant returns to the public sector, which is to be welcomed.

Lorna Slater: My final question is about skills. I know that you covered this slightly with Michelle Thomsons, but, in terms of optimising our spend in the skills space with the Withers review and the restructuring of that space, how have you made decisions about where that money is optimally spent, and which elements of the skills landscape are you choosing to invest in?

Kate Forbes: What is in my budget, rather than in the general universities and colleges budget, is the employability fund, which has protected at £90 million for next year. That funding goes to specialist employability support. For example, last year we launched our specialist employability support for disabled people. It also goes to support the no one left behind scheme, which is about reaching those who are furthest from the workplace.

There is also an approach to support parents back into work. There is an obvious correlation between workless households and child poverty. Yes, I accept that there are children in poverty who are in a home where a parent works, but it is almost guaranteed that where there is worklessness, there is greater poverty, so there is also investment in the parental employability support fund, which is about getting parents into work.

We have some good data on all of that, but, as I have shared with the committee previously, the difficulty that we face is that it costs a lot of money to get someone back into work—it is financially intensive, and it is about working intensively with people. Having that funding guaranteed now for the next few years in the spending review will allow local authorities and the third sector organisations that the money goes through to invest in people for the longer term. We know from the data that we might get somebody into work in one year and the figures look great, but if we come back after a year, will they still be in work? That is what the £90

million goes to. I can go into a little bit more detail if you would like, but that is largely what the £90 million is invested in.

The Convener: Thank you. I would like to bring in Murdo Fraser.

Murdo Fraser (Mid Scotland and Fife) (Con): I have three short questions about different areas, but before that, I want to go back to the questions about the enterprise agencies. In response to Michelle Thomson, you said that the enterprise agencies had given a brilliant performance. I am just looking at our Scottish Parliament information centre briefing on the budget allocations to Scottish Enterprise, SOSE and HIE, all of which are seeing a real-terms reduction in resource budget.

You referenced Scottish Enterprise's capital budget compared with that in 2025-26 after the autumn budget revision. The capital budget was £95.2 million. In this budget, it is down to £89.5 million. If that is the reward for a brilliant performance, what would you be doing to those agencies if they were not performing well?

Kate Forbes: They are performing well and I love the fact that, in the premise of his question, Murdo Fraser has put on the record that he agrees that they are performing well.

I said quite openly to Lorna Slater that it has been a difficult budget and, in a difficult budget, we have to choose what to back. The impact of Scottish Enterprise and the other enterprise agencies is in what they can invest in sectors, industries and businesses. That is why we have protected their capital.

I accept that resourcing is challenging across the entirety of Government and the public sector. For a very long time, business organisations—perhaps not this committee—have wanted to see greater efficiency in the public sector. I am proud that the enterprise agencies, particularly VisitScotland and Scottish Enterprise, have led the way in that regard, and the latter is in the process of understanding how its structure can be made fit for the future.

The resource budget is probably born of three things: we have made big progress on the financial flexibilities that Scottish Enterprise was keen to see; the budget settlement, because we cannot create resource that does not exist, and every part of the public sector grapples with that; and the shape of those enterprise agencies, which needs to be as nimble and efficient as possible, and I will continue to double down on that. Businesses that have come through the past few years want to see the economic arms of the public sector acting as efficiently as they have had to in light of rising costs.

The Convener: You emphasised the need for our enterprise agencies to be nimble and efficient. I recently met SPRI, the Basque Country enterprise agency, which disburses grants of around €130 million and employs 80 people. I recognise that Scottish Enterprise is restructuring, but it employs more than 1,000 people. I also recently met Enterprise Singapore, which employs about 1,000 people, but it also supports small and medium-sized enterprises and undertakes a role that is Singapore's equivalent to the British Standards Institution. Finland is a comparably sized country with a comparably sized scope, and Business Finland leads on innovation but employs fewer people. Do we really have the right balance between people and the money that goes out the door?

One thing that we struggle to get out of enterprise agencies is a clear articulation of how much money they get out the door versus how much they spend running themselves. Do we need to question those balances and whether we get the best bang for our buck from our agencies?

Kate Forbes: If Daniel Johnson were sitting where I sit right now, Murdo Fraser would have even more exciting questions to ask about budget settlements. The point is well made and goes back to exactly what I have said. The balance is essentially between the funding that is spent in the economy versus the cost of spending it. There is no doubt that the performance of our enterprise agencies reflects the brilliance of the people who work there. However, in the past few years, the enterprise agencies have also led the way in looking internally at how to be fit for the future.

I do not know whether anyone wants to say anything else on the figures, but I have almost accepted the premise of Murdo Fraser's question without challenging him by noting that funding for our enterprise agencies has increased, albeit the increase for capital is greater.

Murdo Fraser: That is not what the Scottish Parliament information centre's briefing says.

Kate Forbes: The figures that are published in the budget that relate to the agency's 2024-25 outturn, its 2025-26 autumn budget revision position and its 2026-27 budget allocation are not comparable. Scottish Enterprise's opening budget position for 2025-26 can be compared with the opening budget position for 2026-27, which shows that it will receive an increase of £1 million. That includes an increase in resource of 1.2 per cent. I am more than happy to share those figures further, but, by comparison, the capital increase is 8 per cent.

The Convener: Do you recognise that, when the Government presents the budget, it compares

it with the budget revision rather than with last year's budget position?

Kate Forbes: Absolutely, but it is important to see how those budgets have shifted. You cannot just disregard what has happened in the intervening period. The point is that there has been an increase from the opening budget last year.

The Convener: However, it is a relevant comparison, because the Government makes it in its presentation of the budget.

09:00

Kate Forbes: It is a very relevant comparison, but it is not the only one. That is my point. Obviously, in-year changes are presented in the budget, because they are important. Previously, they were disregarded. My point is that it is relevant to compare where we were this time last year with where we are now.

I do not know whether Kathleen Swift or Colin Cook wants to add anything further.

Colin Cook (Scottish Government): The capital position of Scottish Enterprise has increased from last year by 8 per cent. Scottish Enterprise and other agencies have had significant in-year transfers. For example, through the ABR, £23 million came in to Highlands and Islands Enterprise to support the offshore wind programme. That is what changes the figures and makes the comparison very difficult.

Murdo Fraser: We could debate the figures all day. Figures from SPICe show that the 2025-26 capital budget for Scottish Enterprise was £90.1 million, whereas it is £89.5 million in the budget that has just been presented. That is a reduction, not an increase.

Kate Forbes: Funnily enough, I recognise neither of those figures.

Murdo Fraser: We will let the Scottish Government and SPICe fight it out.

Kate Forbes: It may be to do with the combination of capital and financial transactions, potentially. I do not know. I would need to rapidly get my calculator out.

My reason for answering the question in the way that I did is that, rather than getting into a tussle about numbers, the principle of my opening answer to Murdo Fraser's question still stands. It is about what we are seeking to do. I am proud of what we are seeking to do when it comes to the shape of those agencies.

Murdo Fraser: Okay. I will ask about VisitScotland. According to table 9.14 in the budget document, the tourism spend is down from £55.8 million, after the autumn budget revision, to £52.2 million. I am sure that you will agree that tourism is a vital driver for the Scottish economy. Tourism businesses are really struggling at the moment, due to rising cost pressures—not least, rates revaluation. Why has the spend on tourism gone down?

Kate Forbes: The figures in front of me indicate that the resource allocation is £39.86 million next year. Alongside that, there is capital for things such as the rural tourism infrastructure fund.

Two additional funds were allocated last year for VisitScotland, as a one-off, to reflect some of the challenges that the tourism economy was facing. One was about trying to distribute visitors over a wider area. There were big problems with tourism congestion in certain areas, so there was £1 million to support areas that are less visited. The other was about increasing international marketing because of the challenges around that. Those were both one-off budgets. However, our funding continues to support VisitScotland, which has a key role to play.

In addition, we should not lose track of the fact that this summer in particular is likely to be quite busy, and there are huge opportunities for VisitScotland in people travelling to or watching big sporting events, for example. It can do a lot out of that to support the accommodation and hospitality sectors.

Murdo Fraser: It is going to be busy, so you are going to cut the budget that attracts people to Scotland—is that it?

Kate Forbes: A lot of—

Murdo Fraser: My wider point is that we continually hear from the Scottish Government that economic growth is a key policy outcome, yet I do not see that being reflected in the budget figures for your department.

Kate Forbes: I think that you do. My point is that VisitScotland's brilliant work is largely in attracting people to visit the country. We literally have a Commonwealth games through which people will visit the country, and we also have people inclined to watch football while spending money on food and beverage in accommodation and hospitality venues. My point is that VisitScotland does brilliant work, and I do not want to take away from that, but we also have the potential for a real bonanza this year through other people doing our work for us—through, for example, the Commonwealth games.

VisitScotland has a key role in enhancing connectivity and bringing new investment to Scotland because it is a high-performing agency, but I have a budget in front of me. I have to make it go as far as possible and, in doing so, must understand where I need to invest in order to increase performance. VisitScotland will do

another outstanding job this year, but hopefully with a bit of help from other sources.

Murdo Fraser: I have one more question. We have mentioned tourism. If you are anything like me, your inbox will be full of concerns from hospitality and self-catering businesses about the rates revaluation. People are extremely concerned about the impact that that will have on the viability of their businesses, should the proposed rateable values be solidified. Some will see two, three, or four-fold increases and will not be able to survive. There was disappointment that the announcements about reliefs and rate poundage in last week's budget would help some but would go nowhere near to addressing those concerns. What more can the Scottish Government do to address that serious issue?

Kate Forbes: I accept that that is challenging for many businesses. There is a challenge every few years for businesses that see an increase in their valuation because of the work that is done by independent assessors. If I think back to the previous tone date, and to where the economy was then, I can see that we are in a very different place now and that it makes sense to see such a significant variation, but I know that that does not make it any easier.

You are right to say that reliefs have been introduced in the budget. There is a 15 per cent relief for retail, hospitality and leisure and a 100 per cent relief for island businesses. The cabinet secretary made another point that I took a lot of comfort from, which is that, if there are additional consequentials from what the Chancellor of the Exchequer does for pubs, the Scottish Government will reinvest that in further reliefs. That is to be welcomed.

Murdo Fraser can remind me of his position, but I have heard a lot of people calling for the revaluation to be suspended or stopped. I took some views on that from business organisations and found quite a degree of hostility in many quarters. Some sectors of the economy are relieved with their valuations and will see an improved picture with their bills. We know that simply delaying a revaluation, even if you assume an inflationary increase in all the rates, would have led to a significant loss of revenue because businesses would not be paying. We also know, from engaging with some sectors, that they have more to gain. With any revaluation, some will win and others will face challenges.

Murdo Fraser: I have a follow-up question. Do you accept that there are legitimate issues with the methodology that is being applied to a sector such as self-catering, where, in the view of many people, the assessors are not accurately reflecting the way in which the sector operates and its profitability? Do you agree that that must be addressed? I understand that the assessors are independent, but the framework under which they operate is set by legislation.

Kate Forbes: I am extremely sympathetic to some of the criticisms of the methodology. That is why I strongly supported the approach that the Government took last year, which was to have a formal and independent review of the methodology. I appreciate the need to receive and implement the recommendations of that review. I am also conscious that there will be big questions for the next session of Parliament on the issue of reviewing non-domestic rates and implementing any changes to the methodology, but there are also far bigger questions. The issue comes up a lot in Parliament.

Obviously, the approach in England and Wales was in essence to bring the assessors more in-house. That would be a fundamental change in how assessors operate, which I personally do not favour, because independence of the assessors means that Governments are less likely to tamper or interfere with what the assessors do. However, I accept that non-domestic rates need to feature significantly in the next session of Parliament.

Murdo Fraser: Thank you.

Sarah Boyack (Lothian) (Lab): What are the key economic challenges over the remainder of the spending review period? How will future budget decisions need to change to support sustainable growth? The committee has spent a lot of time talking about the just transition and the need to invest to protect jobs, but where are the big opportunities?

Kate Forbes: With a question like that, it is always easier to focus on the biggest concerns and risks, so I will start with the biggest concerns and risks, as I see them. Right now, there are probably three that I would point to.

Yesterday, I answered a question on what the proposal on new tariffs might mean for business. We know that the whisky industry has lost about 1,000 jobs and that tariffs are costing the industry millions every month, and we are now talking about the risk of increased tariffs on top of what the industry is already grappling with. That uncertainty alone makes it almost impossible for businesses to plan. We are a small nation. We rely on export and international trade, and we are dependent on high-performing sectors that are disproportionately affected by global headwinds and so on, all of which you know.

The big issue for us will be how to invest in new markets and support trade to new markets. Some of that might be quite uncomfortable, and some might run counter to what some parties in the

Parliament believe that Scotland should or should not be doing, particularly on international trade. However, it is now becoming a bit of an existential risk for us if we do not build some of those strong links. There is a lot of interest. Just before Christmas, we hosted the first Investopia global event from the United Arab Emirates here in Scotland, at which we showcased some really exciting Scottish businesses. We will need a real intention to work with new markets.

The second risk is the continued increase in costs. From looking at this morning's inflation figures and some of the challenges that remain on energy costs, we can see that the situation is really challenging. I therefore do not think that the Government should be adding costs. Although I am in favour of our doing the right thing and ensuring that regulation makes sense, given the burden of costs that businesses could potentially be carrying over the next few years, I think that, in the next session, the Parliament needs to carefully consider how it adds to or removes from that burden.

My last point is about backing key sectors that have the most potential to grow the economy. You talked about the just transition. We have a huge opportunity with the supply chain for offshore wind, but that supply chain will not get orders if the offshore wind industry does not get through the various gateways that it needs to get through on consenting, auction rounds and grid connectivity. Both Governments should just say, "Look, this is the greatest opportunity to create jobs and support local economies—let's absolutely back it. We will do our level best on rapid consenting—obviously, while making sure that it is right—and we need ever more projects to get through auction rounds." Although I very much welcomed the fact that two Scottish projects got through in auction round 7 last week, that has not dealt with the transmission charging issue for some of the more expensive projects, which is where the real value lies.

I am sorry if that answer was a bit broader than you anticipated, but those are three risks and three opportunities that I think could remain as risks if we do not deal with them.

09:15

Sarah Boyack: That actually lets me come on to my supplementary question in an even better way than I had imagined.

Kate Forbes: And we had not even prepared that.

Sarah Boyack: Given your points about investing, ScotWind is a massive missed opportunity. The planned capital utilisation in 2025-6 reduced from £341 million to £153 million. Some of the money went into resource spending. Is it not a massive opportunity for us to invest in the sector? You have talked about the challenges, but only four out of the 29 companies that own ScotWind developers are headquartered in the United Kingdom. There are companies from other European countries, including Ireland, Sweden and Denmark, as well as regional Governments in Germany and Belgium, that own projects in ScotWind. Could we not take equity stakes and generate income?

You have started off by talking, quite rightly, about infrastructure, productivity and skills. If we made those projects deliver on fair work principles and support supply chain initiatives, would it not be a win-win all round? Is that something that you could advocate?

Last year, Future Economy Scotland carried out some work and basically said that it was a massive economic missed opportunity. We could just get on with taking those equity stakes and making profits, as well as building and using the supply chains and recruiting people.

Kate Forbes: I am somewhat distracted by the choral soundtrack that I can hear.

The Convener: We always have a band playing for us. [*Laughter*.]

Sarah Boyack: I blanked that out; I could not hear it.

Kate Forbes: Oh, it is outside. Sorry—forgive me.

Murdo Fraser: We do not have to leave the window open.

Kate Forbes: No, it is fine. I was just wondering where it was coming from.

Sarah, there is a lot in your question. You started with how we are spending ScotWind money. Last year was a really big year. We have committed £500 million over five years to invest in developing the supply chain that is required for offshore wind—the argument being that in previous renewables revolutions, we have not done as well to derisk the supply chain investments that are required up front—so that when those projects get over the line, they have a supply chain to draw from and to place contracts with.

With that £500 million we have made very substantial investments. Last year, we invested £150 million, which was funded from capital that is raised through ScotWind—it is a great example of recycling.

Secondly, I reject the suggestion that it is a missed opportunity, and I reject it because focusing only on revenues that were directly raised from the leasing misses the big opportunity with ScotWind, which is the commitment that every

single successful bidder made to invest in the supply chain and in the economy. I know that a pound that comes back to Government is not half as valuable as a pound that is directly invested in the supply chain.

I know you want to come back in, but I will just add another point. At the time—in 2021 and 2022—all of those successful bidders committed to about £1 billion of investment in the supply chain per gigawatt. I hear my colleagues talk about £1.5 billion, so that figure has obviously increased since then. That was done in the light of the suggestion that deployment of ScotWind projects would be costly—which turned out to be true—coupled with our desire to see an investment in the economy.

Thirdly, you asked about whether it would be more valuable if those companies invested in the supply chain and in jobs. We have pushed our powers as far as possible in compelling an investment in the local supply chain. There are limits to what we can require around local content. A lot of the issues have been well covered in and around the Alexander Dennis situation and other situations. We have used a number of different mechanisms to compel as far as we can investment in local content. There are questions around penalties and what we cannot do around penalties, but that is an issue that could be resolved between the UK Government and ourselves.

Lastly, you were talking about fair work, and in what we did with green freeports we have led the way on that. After Labour came into power, other freeports have now followed suit in replicating what had already been implemented in respect of fair work in the green freeports in Scotland.

Sarah Boyack: There are two things to follow up on from that. First, you did not really address the issue about potentially taking equity stakes, which would involve using existing Scottish Government funding and having resources coming back in that you could reinvest, which would empower you to go further in terms of the decisions about your supply chains and where you get your manufacturing done.

Kate Forbes: The Scottish National Investment Bank is doing that, to an extent. It invests in equity, and has invested in some of those supply chain and power generation schemes—that is probably the primary route in that regard. It is able to retain the income that it generates from those equity stakes.

The point that you make was put to me frequently in 2021. At the time, Scotland's capital budget was about £5 billion, and we had 25GW agreed through leasing, with a promise of £1 billion per gigawatt. Obviously, that would mean £25 billion of promised investment in the supply chain, which was five times more than the annual capital budget of the Scottish Government.

I am very sympathetic to the notion of taking equity stakes but I think that you need to make the arithmetic add up in terms of the capital budget that we have. The Scottish National Investment Bank can do things at that scale.

Sarah Boyack: It is useful to get that feedback, because the arrangement works in other countries.

The planned capital utilisation has reduced from £341 million to £153 million. There is money there, but we are not spending it, and we are not reinvesting it.

Kate Forbes: We are. I absolutely reject the suggestion that we are not reinvesting it. Last year, £150 million was pledged to invest in the supply chains of these companies. We are reinvesting the money through enterprise agencies and the Scottish National Investment Bank. Where it is appropriate to do so, the bank can take an equity stake.

You mention other countries. I would be really interested to know what the annual capital budget is of some of those other countries, because I would venture a guess that it is somewhat larger than £5 billion a year.

Sarah Boyack: On the amount that came in from ScotWind, I will park the question of whether we could get more income from it, and focus on the question of why we are not spending the money that is coming in from it.

Kate Forbes: We are.

Sarah Boyack: I would like to see a detailed list from SNIB of the equity stakes that have been taken, because that is not in our briefing, and there is still that issue about not spending the money that has already come in—it is going elsewhere.

Kate Forbes: We will draw the Scottish National Investment Bank's attention to what you are saying. Obviously, it is independent of me—I do not tell it what to do—but I am sure that it can take into account what has been said in our exchanges. However, I reiterate the point that £150 million of the £500 million that has been pledged is being invested in the energy transition in those businesses, and that will generate a return. I guess I am agreeing with the principle that you are outlining; I am just disagreeing that we can do that at the scale that some other countries might.

Sarah Boyack: Okay. I just think that it is a missed opportunity. We do not have anything in those projects, and other countries are going to get resources out of our natural environment.

Kate Forbes: I am really sorry to say this, but that makes absolutely no sense. If the funding is generated by those businesses when they bid for the leases, you cannot simultaneously take an equity stake in the companies that have just bid for the leases. It is just a question of timing. What you can do is reinvest the funding that was raised through the bidding on those leases and invest it in the projects that come after the initial leases, which is what we are doing with the £500 million that has been pledged to the supply chain. I would point to what is happening in Ardersier and Kishorn, and I think that the Pentland facility might be another example—someone can correct me if I am wrong. That all involves funding that came from the leasing rounds and has been reinvested. However, we could not have taken an equity stake in the companies at the point when they were bidding, using the money that they were pledging to spend.

Sarah Boyack: You need to plan ahead; you cannot just do it.

Kate Forbes: But you—

Sarah Boyack: On the other thing that I wanted to finish with, you did not mention Berwick bank, and we have a huge opportunity—

The Convener: If you could make this question brief, please.

Sarah Boyack: I am stopping at this point.

The Convener: I was keen to try and finish as close to 9.30 as possible, and there are another two members—

Sarah Boyack: My last point is about Berwick bank and the port of Leith. I will stop at this point, however, as that project is not happening yet.

The Convener: Sorry: is there a question there?

Sarah Boyack: No—it is just a reflection. The Deputy First Minister mentioned some projects, and I have just mentioned the fact that we have not heard anything about the Berwick bank project and the potential for building the turbines in Scotland—in Leith.

Kate Forbes: That is a good example of getting through consenting and auction rounds. The company has some issues still to resolve, but that will be up to it. The project represents a huge opportunity in terms of supply chain. We need to get the manufacturers over the line, one of which is currently caught up in an international security question.

The Convener: I have had indications from Willie Coffey, Stephen Kerr and Kevin Stewart that they wish to ask questions. I will bring them in in that order.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Good morning, Deputy First Minister. I would like to ask you just one question. How does the budget help to address the plight of our high streets? I notice that there is a regeneration line in the budget that has dropped—it has been cut.

The issue goes beyond the matter of rates, which some members have raised already. It is wider than that. Retail is leaving town centres and going to business parks. People are shopping online, and that puts retail on the high streets under severe pressure. The level of rent and rates for the main streets in our towns is beyond the business bonus scheme that we have introduced over recent years. What can the Scottish Government and partners do to help turn things around and address the plight that our high streets are facing?

Kate Forbes: That has been a feature of our debate over the past few years, with the enormous growth of online in particular. With our budget, it is a matter of understanding areas that we can influence and areas that we perhaps cannot influence. That is one of the reasons why I am so keen to support high-growth, small businesses. The impact that they have on local economies in particular far outstrips what has happened.

That is also about empowering local partners to take action. In my town of Dingwall, Highland Council has recently refurbished and made available three or four new units. Considering that those units had been lying derelict for years, the council was taken aback by the level of interest in using them. That could mean three new businesses occupying those units.

My point here is that interventions of that sort are best done at a local level—by local authorities that see the value of the economic opportunity.

Willie Coffey: Can you see how, from our point of view, the budget line shows that the budget for that has almost been cut in half?

Kate Forbes: Is that for regeneration?

Willie Coffey: The regeneration budget, yes: it has almost been cut in half.

Kate Forbes: We have continued to fund regeneration. The first year of the capital spending review includes income of £12 million from the Scottish partnership for regeneration in urban centres fund—SPRUCE—which was the repayment of a final outstanding loan. That was supported with investment of £12 million through the building Scotland fund, which is expected in 2026-27.

Aidan Grisewood may wish to say more on that.

Aidan Grisewood (Scottish Government): Because that income is factored in for the year

ahead, that reduces the overall headline number. In terms of spending power, however, that £12 million is there, too. I appreciate that there is still a reduction, but it is not as big as the headline figure makes out, because of the SPRUCE income.

Willie Coffey: In the interests of time, I will let other colleagues in now.

Stephen Kerr (Central Scotland) (Con): May I ask the Deputy First Minister some very quick questions and go through a number of different issues very quickly, just to tie up some loose ends?

The Convener: As long as the number of issues is relatively contained.

Stephen Kerr: Yes, I will be very quick. Deputy First Minister, you mentioned Alexander Dennis. How much of the £4.1 million has been drawn down by Alexander Dennis?

Kate Forbes: I do not think that any of it has been drawn down yet. That money will be drawn down only when the company can evidence orders.

Stephen Kerr: Where are we with all of that?

Kate Forbes: That would be a commercial decision for Alexander Dennis. I am not going to go into detail on where it is with orders, but we remain confident because it remains confident.

09:30

Stephen Kerr: We have discussed the enterprise agencies. Scottish Enterprise has had a 3.4 per cent real-terms cut in its resource budget. My sources inside Scottish Enterprise tell me that the effect of that, taking into account last year's salary increases, which have to be brought into the calculation, is that it will have to make redundancies.

This is a very general question. Given Scottish Enterprise's 3.4 per cent reduction in budget, Highlands and Islands Enterprise's 4.6 per cent reduction and South of Scotland Enterprise's 4 per cent reduction—those are real-terms figures—how many of the 11,000 jobs in the public sector that the Government is going to cut in order to be able to balance the budget do you expect to come from those agencies? What impact will that have?

Kate Forbes: Scottish Enterprise is currently engaging in a restructuring process—that is public knowledge.

Stephen Kerr: Do you have a number in mind?

Kate Forbes: That is a matter for Scottish Enterprise. I do not believe that it goes into the process with that approach. I believe that it takes the approach of thinking, "What do we need Scottish Enterprise to be doing? How do we make it fit for the future?" It is engaging in conversations with people.

I do not have a number, because there is not a number.

Stephen Kerr: Right. I presume that there must be a number, because people inside Scottish Enterprise know that there will have to be redundancies on the basis of a third year of real-terms cuts.

Kate Forbes: I accept that Scottish Enterprise is going through a restructuring process, but we have not given it a number. We do not do that.

Stephen Kerr: I have some quick questions on employment. Do you have statistics on the employability funds and programmes that you have cited a few times this morning?

Kate Forbes: We do.

Stephen Kerr: Do you have statistics on the number of people who have gone through those programmes and have then gone into full-time work?

Kate Forbes: We do.

Stephen Kerr: Can you share those?

Kate Forbes: Happily. We have brilliant data on that.

Stephen Kerr: Excellent.

I turn to the Scottish child payment, in relation to which I have frequently raised a concern about the cliff edge that exists when it comes to encouraging people to take promotions, salary increases or different jobs. There is a cliff edge in the sense that, at a certain point, they will lose all their benefits if they do that. That acts as a disincentive for people with regard to employment. Is that a concern for you? If it is, what discussions have you had internally with a view to moving away from having that cliff edge?

Kate Forbes: It is not a concern that I have to any great extent right now, but it could be a concern, so we must keep an eye on that. Right now—unless my colleagues tell me otherwise—we are not getting lots of feedback to tell us that that is a particular issue.

If there was an issue, we would expect to get feedback from employers telling us that so-and-so did not proceed. I make that point because, in the past year in particular, we have done a huge amount of work on economic inactivity with brilliant employers, who are trying to retain in work those who are most at risk of leaving the labour market. I would imagine that the people you are talking about are in that category.

Stephen Kerr: I get such feedback from employers, particularly when it comes to asking

people to work extra hours—in other words, overtime. People are reluctant to take overtime.

Kate Forbes: Is that information in a shareable format? Could you share it? Could you anonymise it?

Stephen Kerr: Let me see if I can do that. It is based on conversations that I have had.

Kate Forbes: I would be interested in that.

Stephen Kerr: It is not data that I can share with you; it is anecdotal evidence. However, that situation seems to be quite widespread. When people are offered a few extra hours of work, they say, "Hang on a minute. That means that I would be at risk of losing this much." There is no tapering effect. It is all or nothing. We should be concerned about that.

There are many other questions that I could ask, but I promise that this will be my last one. It is about the freeze on the thresholds for the higher, advanced and top rates of tax. There has been a lot of commentary by economists about the impact that that has on Scotland's attractiveness as a place to move to, particularly for high-worth workers. Because of the freeze, people who are already paying higher rates will have to pay more, and more people will fall into the top brackets.

Are you concerned about the effect of that on the attractiveness of Scotland as a labour market? Have you had conversations with colleagues on the issue? Will action be taken?

Kate Forbes: About three quarters of taxpayers are expected to be unaffected by our maintaining the higher-rate threshold at the same level.

Stephen Kerr: Which level do you mean?

Kate Forbes: The higher rate.

Stephen Kerr: Are you saying that more people will not fall into that category?

Kate Forbes: The 74 per cent is the figure that we expect to be unaffected by maintaining—

Stephen Kerr: That is still a lot of people.

Kate Forbes: It is, but it means that three quarters of people are unaffected.

For almost the past 10 years, there has been a recurring question—so at least it is expected—about the behavioural impact of the tax decisions that we take. We now have data from His Majesty's Revenue and Customs that runs up to about two years ago and which demonstrates that, with every budget when members—to be honest, it was mostly Murdo Fraser—were telling me that it was going to have a devastating behavioural impact, that was not the case, because there was on-going inward net migration to Scotland. That is because people make decisions based on more than just income tax positions.

Stephen Kerr: Is that people in the top brackets?

Kate Forbes: We have, however, always accepted that we need to keep the issue under review, and we need to make sure that we are taking a fair approach. What the Labour Party has done in England on freezing has set a different context for the tax decisions that we take. Actually, I think that Rishi Sunak did that as well, in terms of freezing, although I cannot recall precisely.

Stephen Kerr: I am not saying that you are the only Government that has done it. I am just saying that we have higher burdens of taxation for people who are earning—

Kate Forbes: My point is that we keep the divergence under review, and decisions taken by the UK Government are also taken into account. The short answer to your good question is that we keep it under review.

Stephen Kerr: But it is a concern that you have.

Kate Forbes: We keep it under review. At the moment, it is not a concern, because of the data that we are seeing, but we keep it under review.

Stephen Kerr: Okay—

The Convener: Thank you very much.

Stephen Kerr: I think that lots of people—outside the Government, obviously—have concerns about the effect on the Scottish labour market.

The Convener: Thank you very much. I would like to bring in Kevin Stewart.

Kevin Stewart (Aberdeen Central) (SNP): Good morning, Deputy First Minister. The Government pledged £500 million over 10 years for the north-east and Moray just transition fund. Does that pledge still stand?

Kate Forbes: Yes, it does.

Kevin Stewart: There has been less spending in the first few years. Do you see that accelerating as we move forward?

Kate Forbes: Yes. Since launching in 2022, £85 million has been spent, involving 28 projects across the region, and 230 jobs have been created and safeguarded. The fund has opened up more than 750 training places via skills-focused projects and attracted more than £30 million in private investment and £4.7 million in public and third sector investment—that was from £43 million of the initial just transition fund investment. Those are strong figures that are based on an independent evaluation of the first two years of the fund, which will continue to grow.

Kevin Stewart: I take it that the Scottish Government will continue to pressure the UK Government to match that funding to get the transition right for workers in the north-east of Scotland.

Kate Forbes: We live ever in hope.

Kevin Stewart: So do I, but I am a little bit more cynical.

One thing that has been of huge benefit has been just transition participatory budgeting, which has allowed community groups to get involved and to fund projects that help in the transition and, in many cases, create good employment. However, one of the bugbears is that all of that is capital money. Will the Government consider having some revenue inputs, which could lead to greater community participation and an increase in community jobs?

Kate Forbes: I will take that away. You will see from my budget that resource is particularly challenging compared with capital, but I will certainly take that away.

Kevin Stewart: Could the Deputy First Minister talk to colleagues to look at the cross-cutting nature of some of that work and to see whether other budgets could come into play to find that revenue?

Kate Forbes: Happily.

Kevin Stewart: My final question is on the Scottish National Investment Bank's role in the just transition. As it stands, is SNIB investing enough in support for companies that are moving to a just transition position, and in particular manufacturers and the supply chain? There have been some very good investments, but I am not entirely convinced that the area is being considered enough.

Kate Forbes: The just transition is one of SNIB's three core missions. In the past two years, the level of investment, particularly in the supply chain, has been quite impressive across enterprise agencies and the bank. Highlands and Islands Enterprise has been one of the biggest recipients of the £500 million supply chain funding.

The bank has also made substantial investments. I will leave defending the investments that it makes to it, because of its operational independence. That level of investment across the board has been very encouraging, and I would like to see more this coming year.

Kevin Stewart: Thank you. That is probably the briefest I have ever been, convener.

The Convener: It is, and we thank you for it, Mr Stewart, although we always enjoy hearing from you.

In closing, I would like to ask two final questions; the first is very specific and the second is more expansive. Does the Deputy First Minister recall that in the autumn I raised with her a point around thresholds for full accounts for charities, given her remit on social enterprise? I note that the Scottish Government raised the threshold to £1 million at roughly the same time—I do not know whether we should take credit for that or whether it was just a coincidence.

Notwithstanding that, £1 million is still considerably lower than it is for private businesses. For private businesses, the threshold is a turnover of £10 million and a balance sheet of £5 million or 50 employees. Given your remit, should we keep that under review? We should be encouraging social enterprises and the third sector, but that seems to be a disparity.

Kate Forbes: I hope that the committee can take comfort from the fact that I listen to its suggestions and then act promptly. On the question of moving from £1 million to £10 million, having now set the standard of acting promptly, we will go away and see what else can be done.

The Convener: Thank you very much. I cannot ask for more than that.

On the more expansive side, this is probably the last time that you will appear before the Economy and Fair Work Committee regarding a budget. It is striking, both for the committee and in general, given some of your answers, that many of the broad range of levers that are available to the Scottish Government exist outside the budget lines that belong to you—you have named the infrastructure and skills budget lines.

As you reflect on these issues, and as we are in the last 100 days of this parliamentary session, do you think about formally restructuring some of those things? Do some of those things need to come into the economy portfolio, or should we think about other ways that they could be linked?

For example, should skills be in the economy portfolio? Given the debate that we had last night, should that budget line belong to the economy portfolio, in order to maintain that economic link, given that delivery, which is going to the Scottish Funding Council, will probably be in the education portfolio? What are your thoughts about how we make the proper linkages between the things that deliver economic growth, such as infrastructure, skills, planning and housing?

Kate Forbes: I do not think that there is a perfect science to this at all. I have had responsibility for finance and the economy at times, because there was an understanding that tax was so integral to the performance of the economy that it should be linked, and I listened to

questions about tax and so on. That is not the case now. There have been times when skills and the economy have been linked, because of the reflection of the importance of skills. There have been times, I believe, when economy and infrastructure have been linked.

There have been various iterations. There is also a strong argument for economy and energy to be linked, because energy is such a critical driver. The danger and the risk is that you end up with too much responsibility and too many junior ministers doing a lot of the work, and you are therefore not able to get your teeth into it.

We need to be responsive to the issues that become the primary issues. For the past year and a bit, I would say that skills and energy have been the biggest issues. I cannot predict what will be the biggest issue next year. Perhaps it will be issues of international security, and very different issues will suddenly become dominant.

09:45

The key is for the Cabinet as a whole to understand that we are all in the business of economic growth and prosperity. When I came back into Government around 18 months ago, I used the example of Marine Scotland—is Marine Scotland tasked with economic growth and prosperity or not? It is not in its remit, as it is for enterprise agencies, but when we look at consenting issues, it suddenly becomes critical. It is about having that Cabinet-wide understanding. Mercifully, I will leave it to the next Government to determine what that looks like.

I thank the committee for making every appearance such an enjoyable experience. Having done committee appearances—or performances, because that is what they are, are they not?—over the past six years, I know that I always value those committees that will ask me difficult questions. Sometimes, you put in all the preparation and then only get asked simple, easy, political questions, so I pay tribute to the committee for asking me difficult and probing questions and revealing just how well informed it is with the quality of those questions. I am hugely grateful to all of you for all these enjoyable appearances.

The Convener: Indeed. If I knew that the Deputy First Minister wanted difficult questions, I might have taken a different approach. I thank her for her contribution over successive committee examinations, both in this committee and others that I have sat on, and for her answers this morning. They have been very interesting and instructive.

I thank the Deputy First Minister and her officials for appearing before us this morning. With that, we will have a brief suspension.

09:46

Meeting suspended.

09:50

On resuming—

Subordinate Legislation

Provision of Services (Amendment and Transitional Provision) Regulations 2026

The Convener: Welcome back. Before we move on to our work on the Community Wealth Building (Scotland) Bill at stage 2, we will briefly deal with agenda item 3, which is consideration of an item of proposed UK subordinate legislation. I refer members to papers 3 and 4.

The Deputy First Minister wrote to the committee on 12 December to give notice of the Scottish Government's proposal to consent to these UK regulations. Does any member wish to comment on the Scottish Government's notification?

Lorna Slater: I note the Scottish Government's discomfort with some of the legislation in this space because it has not consented to the underlying legislation. However, this particular piece of legislation seems to be small enough and technical enough, so I understand the Scottish Government's reason for consenting to it.

Murdo Fraser: I would like to get a clarification on the record from the minister. It is my understanding, from looking at the instrument and the background proposals, that the instrument will have no impact on UK service providers but will apply only to those that are overseas and seek to trade in the UK. Could the minister clarify that on the record?

The Convener: Keen as I am sure Ivan McKee is, he is not actually here to speak to this item of business. We are allowing the minister to get comfortable in his seat before we move to our stage 2 business.

Murdo Fraser: I just saw him break out in a cold sweat.

The Convener: Your point is on the record and I am sure that the Government is paying close attention to this agenda item.

As no other members wish to make any comments, does the committee agree to the Scottish Government's proposal to consent to the UK regulations?

Members *indicated agreement.*

Community Wealth Building (Scotland) Bill: Stage 2

09:53

The Convener: Agenda item 4 is continuation of our consideration of the Community Wealth Building (Scotland) Bill at stage 2. I am pleased that the Minister for Public Finance is here to participate in our work today and note that he is supported by his officials, who are not permitted to speak in the debate. I remind members that although we aim to get to the end of our stage 2 consideration this morning, if we are unable to do so, we will meet again at 5.30 this evening to dispose of the remaining amendments.

I will not repeat what I stated when we commenced our stage 2 consideration of the bill about how we deal with the process, but I remind members that we will be following the marshalled list and that they should have that in front of them, along with the bill as introduced and the groupings of amendments, which show the order in which amendments will be debated.

Section 5—Community wealth building action plan

The Convener: Amendment 85, in the name of Paul Sweeney, is grouped with amendments 118, 60 and 25.

Paul Sweeney (Glasgow) (Lab): The purpose of amendment 85 and its associated amendment 118 is to ensure that a community wealth building action plan must include

"an assessment of economic leakage from the local area to which the plan relates, and … the measures the community wealth building partnership is taking, or intends to take, to address this".

Amendment 85 seeks to minimise the leakage of wealth from local areas and to ensure that relevant public bodies take meaningful action to secure and grow local development and the circulation, or recirculation, of wealth within that geography. When public finances are pressured, as they often are, the case for community wealth building becomes even stronger, as we must try to prevent that sort of leakage from local economies and ensure that public expenditure results in wealth circulating and remaining in circulation in the local area as much as possible. An example could be the economic extraction that takes place as a result of public subsidies feeding unsustainable land price increases—investor land ownership in Scotland is a case in point.

The Government often cites foreign direction investment in terms of purely the projects, without any further granular analysis of those projects. If not properly scrutinised, such projects might result

in greater flows of profit extraction from the Scottish economy in the years to come. Indeed, that overreliance on foreign capital has led to the dilution of Scottish democracy, and it could do so again. Investors could exert leverage by threatening to move investments elsewhere if demands are not met on tax breaks or the erosion of workers' rights or environmental standards, for example, or in relation to other legislation that might reduce rates of profit extraction. My proposed provision would be a good preventative measure in that regard.

Although the most recent gross national income figures to be published are welcome, there was a significant gap between 2017 and 2023, as well as a two-year time lag in relation to the latest data. Those are significant issues for data analysis and understanding of the gap between gross national income and gross domestic product. The Scottish Government should therefore also commit to publishing GNI figures more readily, and perhaps the proposed more granular local data picture could assist with that.

If properly resourced and collaboratively delivered, community wealth building action plans would represent a significant opportunity for local authorities in particular to help the national effort to secure and grow local economic development and a true circular economy.

I move amendment 85.

The Convener: I call Richard Leonard to speak to amendment 60 and other amendments in the group.

Richard Leonard (Central Scotland) (Lab): Thank you very much, convener, and thanks for the opportunity to move my amendment.

Amendment 60 is an attempt to change the status of the measures that are set out in the community wealth building action plans, from measures that "may" be covered to measures that "must" be covered. I think that it is important that the action plans must include public procurement, must include land ownership diversification, must include promoting equality, employment opportunities and so on, and must include promoting employee-owned businesses.

My approach reflects two of the recommendations that the committee made in its stage 1 report. The first one, in paragraph 54 on page 10 of the report, talks about the need for

"more consistent adoption of community wealth building".

Having musts rather than mays points us towards that more consistent adoption.

I am also reflecting paragraph 69, on page 13 of the report. In the context of the statement that needs to be prepared by the minister, I think that that spirit transfers across to community wealth building action plans, where the committee recommends that

"the Bill should clearly articulate what this statement will include, rather than what it 'may' include."

Amendment 60 is an attempt to introduce that approach to action plans. It is also an amendment that is supported by Co-operatives UK.

The Convener: I call Lorna Slater to speak to amendment 25 and other amendments in the group.

Lorna Slater: Thank you, convener. Amendment 25 seeks to ensure that community wealth building action plans are rooted in community priorities. Community wealth building action plans should be aligned with community action plans, local place plans and local development plans. That seems a basic step to ensure coherence. If the minister is unable to support the amendment, I would like to hear from him whether he will commit to ensuring that the approach is present in guidance.

On the other amendments in the group, Paul Sweeney and I have similar intentions but different approaches, so I will not support amendments 85 and 118. I am happy to support Richard Leonard's proposal to change "may" to "must" in amendment 60.

The Minister for Public Finance (Ivan McKee): The Government's position on the four amendments in the group is that they cannot be supported.

Amendment 85 seeks to create an additional requirement for community wealth building partnerships to assess

"economic leakage from the local area"

and include measures in the action plan to address that. Amendment 118 is consequential to amendment 85 and would provide that the measures listed in section 5(5) may be used to address economic leakage. If Richard Leonard's amendment 60 is agreed to, the measures would have to be used for that purpose.

10:00

Under section 5(4) of the bill, community wealth building action plans

"must set out the measures"

that the partnership

"is taking, or intends to take, to facilitate and support the generation, circulation and retention of wealth in the local economy."

It would seem to me that retention of wealth in the local economy and the prevention of economic

leakage are two sides of the same coin.

Further, although everyone wants to see our local businesses grow and access opportunities for growth from public procurement, many goods and services will need to be purchased in the wider region or beyond. As such, I think that amendment 85 is not necessary. The issue could be explored further in dialogue as we develop the statutory guidance.

Richard Leonard's amendment 60 seeks to amend section 5(5) to change the wording as regards the listed measures from "may" to "must". That would create a legal obligation for community wealth building partnerships to include those measures in their plans rather than afford them discretion to include and prioritise actions and measures that are most relevant to their local areas.

Further, because section 8 requires partnerships to

"implement the measures set out in the plan"

so far as that is reasonably practical, amendment 60 would have the indirect effect of making the adoption and implementation of the listed measures effectively mandatory, unless there were practical reasons why they could not be implemented. Although the Government's position is to support a similar proposition linked to the community wealth building statement by Scottish ministers—amendment 21—in my view, amendment 60 would place too much restriction and prescription on community wealth building partnerships in preparing their action plans where local flexibility is essential. We therefore cannot support amendment 60.

We cannot support amendment 25, in Lorna Slater's name, for similar reasons. It would require action plans to be aligned with other listed plans, those being community action plans, local place plans and local development plans. It should be left to those in the lead in local areas to ensure that plans with relevance to one another are aligned, rather than being obstructed through primary legislation. I do not want to tie the hands of partnerships as regards what they can and cannot do in their action plans. Issues of linkage and synergy can more appropriately be explored through development of guidance, and I am happy to give the undertaking that Lorna Slater sought with regard to discussing how that can be reflected in the statutory guidance.

The Convener: I ask Paul Sweeney to wind up and to press or withdraw amendment 85.

Paul Sweeney: I am disappointed by the minister's response to my amendments. I do not think that they are particularly onerous or difficult. I assume that the minister agrees in principle with the idea of gathering relevant data to understand the extent of wealth circulation in a local economy, whether it is termed as leakage or retention. It is a semantic point, really.

The amendments were developed in conjunction with Community Land Scotland, and I think that they are laudable and merit some further consideration. A good example, from the minister's constituency, would be Royal Strathclyde Blindcraft Industries, which is part of City Building. It has referred to the idea of the Glasgow pound, which involves local procurement chains recirculating wealth and the consequent multiplier effects on local economic development.

I think that having greater visibility at a micro level is helpful in developing policy. There is a significant gap in data gathering—whether it is to allow analysis of foreign direct investment projects and how they add value to the Scottish economy, or on generation of local supply chain content—and that would be useful data for us to have to drive public policy. Placing such measures in the bill would certainly be more helpful than merely having them in statutory guidance.

I would be reassured if the minister would at least engage at the next stage of the bill to try to find a way forward so that that activity can take place as a function of the legislation, because I think that that would be in the public interest. I press amendment 85.

The Convener: The question is, that amendment 85 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 85 disagreed to.

The Convener: I call Paul Sweeney to move or not move amendment 118.

Paul Sweeney: I move amendment 118. Actually, I will not move it, because it is pointless in the context.

The Convener: Can I just confirm that amendment 118 is not moved?

Paul Sweeney: Yes—sorry.

Amendment 118 not moved.

Amendment 60 moved—[Richard Leonard].

The Convener: The question is, that amendment 60 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 60 disagreed to.

Amendment 36 moved—[Lorna Slater]—and agreed to.

Amendment 44 moved—[Lorna Slater].

The Convener: The question is, that amendment 44 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 44 disagreed to.

Amendment 126 moved—[Paul Sweeney].

The Convener: The question is, that amendment 126 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 126 disagreed to.

Amendment 13 moved—[Lorna Slater].

The Convener: The question is, that amendment 13 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 13 disagreed to.

Amendment 14 not moved.

Amendment 15 moved—[Lorna Slater].

The Convener: The question is, that amendment 15 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Johnson, Daniel (Edinburgh Southern) (Lab)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

Against

Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)

The Convener: The result of the division is: For 7, Against 2, Abstentions 0.

Amendment 15 agreed to.

Amendment 37 moved—[Lorna Slater].

The Convener: The question is, that amendment 37 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 37 disagreed to.

Amendment 86 moved—[Sarah Boyack].

The Convener: The question is, that amendment 86 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Johnson, Daniel (Edinburgh Southern) (Lab)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

Against

Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)

The Convener: The result of the division is: For 7, Against 2, Abstentions 0.

Amendment 86 agreed to.

Amendment 87 moved—[Ivan McKee]—and agreed to.

Amendment 88 moved—[Ivan McKee].

The Convener: The question is, that amendment 88 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Johnson, Daniel (Edinburgh Southern) (Lab)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

Against

Slater, Lorna (Lothian) (Green)

The Convener: The result of the division is: For 8, Against 1, Abstentions 0.

Amendment 88 agreed to.

Amendment 16 moved—[Lorna Slater].

The Convener: The question is, that amendment 16 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Johnson, Daniel (Edinburgh Southern) (Lab)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

Against

Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)

The Convener: The result of the division is: For 7, Against 2, Abstentions 0.

Amendment 16 agreed to.

Amendment 24 not moved.

Amendment 45 moved—[Lorna Slater].

The Convener: The question is, that amendment 45 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 45 disagreed to.

Amendment 89 moved—[Lorna Slater].

The Convener: The question is, that amendment 89 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 89 disagreed to.

Amendment 90 moved—[Sarah Boyack].

The Convener: The question is, that amendment 90 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 90 disagreed to.

10:15

Amendment 127 moved—[Paul Sweeney].

The Convener: The question is, that amendment 127 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 127 disagreed to.

The Convener: Give me one moment; I need to switch lists. I am making sure that I am reading from the right script, as I have been joking with the clerks that I do not want any Ron Burgundy moments during these proceedings.

Amendment 17, in the name of Murdo Fraser, is grouped with amendments 27, 101, 20, 26, 26A to 26E, 39, 39A, 57, 139, 28, 29, 29A, 29B, 67, 68, 108, 110 to 112 and 141 to 143.

Murdo Fraser: Amendments 17 and 20 in the group are in my name. Amendment 17 deals with the question of targets in community wealth building plans for public procurement spend with local economic operators. The issue was raised with the committee by a number of witnesses who gave evidence at stage 1—most notably, the Federation of Small Businesses, which is particularly keen that community wealth building is used a means of supporting the local business community.

In line with my general approach to the bill, which I do not want to be cluttered with lots of provisions, amendment 17 is intended to be relatively light in touch. It does not specify what the target should be. It would be for the local organisation that prepares the plan—for example, the local authority—to set the target. That target might indeed be zero—which would not, of course, be helpful—but the intention is to put something in the bill to require the setting of a target, therefore encouraging more public money to be spent on supporting local communities.

Convener, I notice that your amendment 27 is similar in approach. I prefer my approach because it is lighter in touch than yours, which is overly prescriptive. We are in the same general territory but amendment 17 is neater and cleaner and imposes fewer obligations on the organisations that prepare community wealth building plans. I therefore commend amendment 17 to colleagues as it allows maximum local flexibility, as I have outlined.

Amendment 20 is consequential in essence and seeks to require reporting on the matter. Every community wealth building partnership would, at the end of every financial year, have to prepare a report setting out the percentage of total spend on public procurement contracts with local economic operators, and publish that, so that it was transparent.

I move amendment 17.

The Convener: I will speak to amendment 27 and the other amendments that I have lodged in the group. As Murdo Fraser has pointed out, amendment 27 is in a similar ball park to his amendment 17. As we discussed at stage 1, the bill does little more than require the compilation of plans in consultation with others. There was a concern that, without any additional steps or amendments, all that was consequent would not be possible and that, to make sure of progress, we needed to look at steps that could be brought in. There was an interesting interaction between the minister and some members of the committee during our stage 1 evidence taking and in the stage 1 debate, about the tension that exists between the bill and the importance of ensuring that community wealth building is approached from the bottom up and does not involve centrally imposed targets.

My amendments seek to set out a framework so that there is at least a consistent methodology in measuring the same or similar things across different community wealth building plans. Those plans could then choose their targets. Essentially, there would be a consistent measurement framework, but local target setting would be maintained nonetheless.

That is the balance that my amendment 27 seeks to strike. If it is—to use Murdo Fraser's words—"overly prescriptive", that is purely because I think that it is important that there is a consistent set of measures. I was seeking to specify a set of areas that we would want to be monitored consistently wherever community wealth building approaches are developed.

My other amendments in the group are consequential to amendment 27. Amendment 28 would enable parliamentary scrutiny of those measures to be undertaken, and amendment 29 would require ministers to publish some sort of report. It represents an attempt to consolidate the process and to provide some sort of analysis.

I suspect that the minister might suggest that one year is too short a reporting period. I am pretty relaxed about that. Likewise, I am open to considering what matters should be measured. I would not want my amendments to be dismissed for reasons to do with the length of the reporting period or what should be measured. I think that it would be useful to discuss the general principle of having a broad measurement framework within which the authors of community wealth building plans could set their own targets. That would be followed by a consolidated survey to look at how those community wealth building plans were progressing.

That is the central thrust of my amendments, which is very much in line with the approach that Murdo Fraser is proposing and, more broadly, with some of the discussion that has taken place in the committee and beyond. With that, I will close my comments on my amendments.

I invite the minister to speak to amendment 101 and other amendments in the group.

Ivan McKee: Amendment 101, in my name, seeks to bring reporting on community wealth building action plans into line with similar obligations that are attached to the community wealth building statements that the Scottish ministers will provide. Amendment 101 was influenced by the stage 1 report.

I am of the view that reporting on progress in community wealth building action plans is very important, but I do not want to stipulate too high a degree of complexity in the bill. It is more important that we give local authorities and other community wealth building partners the flexibility and autonomy to set meaningful local targets that they can use reliable data to measure progress on. The dialogue on producing community wealth building guidance with the Convention of Scottish Local Authorities and others is a helpful place to do that.

In general, I favour a streamlined and enabling approach to monitoring progress on community wealth building measures, and I ask members to support amendment 101.

Turning to the other amendments in the group, I know that issues associated with monitoring and target setting have been at the forefront of members' thinking on the bill, and I welcome the contributions from the convener and Murdo Fraser in that regard. The Government's position is not to support any of the other amendments in the group. I will explain why that is the case separately, but I thank the convener, Murdo Fraser, Richard Leonard and Lorna Slater for the amount of time and thought that they have given to framing some of the amendments in the group. I repeat my offer to discuss the issues around monitoring and target setting prior to stage 3.

I will briefly set out some thoughts on a number of the amendments. A key running theme is the interaction with current procurement policy and law. Amendments 20, 27, 39 and 39A would impose additional or annual reporting requirements, and the requirement for an additional report to be laid before Parliament would

be disproportionate. Authorities already publish annual procurement reports under the Procurement Reform (Scotland) Act 2014. Adding further statutory reports would risk duplication and diverting resources away from delivery. Ministers have the power to specify by order the matters that must be contained in annual procurement reports, and I would be happy to give a commitment to engage with stakeholders on whether it would be appropriate to use that power to address some of the matters that members have raised.

Amendments 17, 26, 26E and 57 collectively seek to impose statutory targets or reporting requirements on procurement activity, including awards to local businesses, co-operatives and alternative ownership models, and on measuring spend within or outside local authority areas. Although I understand the intent, imposing statutory targets risks being bureaucratic. Targets are difficult to establish, maintain and monitor, and could undermine flexibility for local authorities and partnerships.

I reiterate my commitment to work with members to find a way that we can perhaps—

The Convener: I am grateful for that constructive insight. It recognises that there is a balance to be struck. Would the minister agree to meet the members who have amendments in this group to discuss potential ways forward? I think that we all want to ensure that there is progress in community wealth building.

Ivan McKee: I am very happy to do that, convener. I can meet you, Murdo Fraser and others who are interested in the targets and in seeking to lodge amendments at stage 3 that will deliver what we all want to have, while keeping as much flexibility as possible, in line with the context that I have outlined.

The Procurement Reform (Scotland) Act 2014 already provides a strong foundation. It requires authorities to consider how procurement can improve economic, social and environmental wellbeing and to facilitate the involvement of SMEs, third sector bodies and supported businesses, while treating all operators equally. Scotland already performs strongly in that respect. As I have indicated previously, the latest data shows that fully 47 per cent of Scotland's public sector procurement spend is with SMEs, which is far in excess of the proportion across the rest of the United Kingdom and, indeed, more widely across Europe.

Amendments 28, 29, 29A, 29B, 68, 108, 110, 112 and 142 relate to reviews and broader reforms of contributory policy areas. Amendment 29 would require the Scottish ministers to review the contribution of the Procurement Reform (Scotland) Act 2014 and the Community Empowerment Act (Scotland) Act 2015 within one year of the bill receiving royal assent. That is unnecessary. We have recently consulted on the scope for increasing contract thresholds in the 2014 act and lowering thresholds for community benefit requirements. That consultation closed on 8 January, and responses are being analysed.

The Convener: I am sorry—I realise that I did not effectively cover all of amendment 29 in my comments. A point that has been discussed widely, both when we were taking evidence and more broadly, is that, although the 2015 act has been a step forward and is a critical tool for developing community wealth building, many community groups have been frustrated with the level of candour with which public authorities sometimes bring forward information. An example in my constituency is when a site fell under not one but two titles, and that was the reason given for why the community group's bid was rejected. If we are going to advance this, we have to recognise that there will be parts of the 2015 act and of other pieces of legislation that enable communities to take on ownership that could be improved.

I recognise your point that this is part of on-going work. However, I wonder whether you might take this opportunity to put on the record an acknowledgement of some of the hurdles and, maybe, unintended consequences that result from those bits of legislation and which should be looked at and remedied by an incoming Government after the election.

Ivan McKee: I am certainly happy to look at that. As I said, there is a process in place to keep those requirements under review. I take the point that the convener makes.

Moving from procurement to tax matters, amendment 67 seeks a review of business tax reliefs to support community wealth building. Matters relating to devolved tax should, of course, be taken forward in tax-specific legislation, with consultation, to avoid unintended consequences

The Scottish Government reviews non-domestic rates policies regularly and is currently undertaking a review of land and buildings transaction tax. We will work with businesses to examine reliefs ahead of the next revaluation in 2029. I understand the intent behind the member's amendments and am happy to engage with him on this area in advance of stage 3.

10:30

On community empowerment, although accountability is vital, if we prescribe rigid mechanisms such as citizens panels or audits, we risk turning engagement into a tick-box exercise. Guidance, and community wealth building partnerships working, will more effectively achieve

meaningful involvement. The Scottish Government has considered feedback from the 2023 community wealth building consultation and the 2019 Scottish Land Commission report, and our focus remains on supporting local authorities to meet statutory duties under part 8 of the Community Empowerment (Scotland) Act 2015 and associated guidance. We will keep those requirements under review.

For completeness, the Government will resist amendments 17, 28, 68, 108, 110 to 112, 139, and 141 to 143. As I have set out, that is for reasons of proportionality, duplication or practicality.

Lorna Slater: My amendment 26 would compel the Scottish Government to set targets. The text of the amendment is based on the approach used in the Circular Economy (Scotland) Bill, in that it would not put targets in the bill but would ensure that targets would be set. It was a significant concern of the committee that the bill did not have targets, and several members have suggested approaches to resolve that. I heard the minister say that he is not keen on that, but the committee clearly is. The Government may be in for a defeat over Murdo Fraser and Daniel Johnson's amendments on targets, which means that the minister will have to come back at stage 3 if he does not like what gets passed today.

Amendment 26 is my suggested approach, because it is the tried and tested one from the Circular Economy (Scotland) Bill. However, I would like the Government to give serious consideration to including some mechanism for targets in the bill. As I say, an amendment might be passed today, but if the Government does not like it, it could propose something that it does like at stage 3.

We all agree that reporting and monitoring are needed in this bill. Now that the Government has lodged amendment 101, I will not move my amendments 39 or 39A. However, I will carefully review the Government's amendments before stage 3 to ensure that the reporting is adequately covered.

Amendments 29A, 29B and 110 to 112 are my attempts to piggyback on Daniel Johnson's excellent approach of requiring the Scottish Government to review specific legislation with respect to community wealth building and, in particular, procurement. A review does not require primary legislation to take place, but the Scottish Government needs to be willing to commit to such a comprehensive review so that the Scottish Parliament can remove legislative barriers to community wealth building, particularly around procurement. I would like to hear from the Government how it intends to undertake that.

Richard Leonard: I will speak to amendments 57, 67 and 68. I have been a member of this Parliament long enough to know that, when we set targets, they are often observed in the breach rather than in the observance, whether it is in the national health service or child poverty. Sometimes, targets are dropped altogether—look at emissions targets and climate change—but they nonetheless provide a statement of intent.

For the avoidance of doubt, I have suggested that one of the targets that we should include—an appropriate target—would be to see a doubling of the size of the worker co-op employee ownership sector by 2030, which is entirely in line with the Government's stated policy, going back to the programme for government 2021, which talked about a target of 500 employee-owned businesses registered in Scotland by 2030, up from around 200 in 2024. I think that it is a perfectly reasonable target to set. It is commensurate with the Government's own stated position. It would help in our drive for data collection, which is widely understood to be important in the passing of this legislation. It would also be consistent with the approach that is taken by Parliament with the national strategy for economic transformation. Amendment 57 is entirely in keeping with that approach.

My other two amendments in the group relate to reviewing legislation within the first year after royal assent to the bill has been granted. Amendment 67 calls for the Government to consider business tax reliefs, as well as the small business bonus. There are other non-domestic rates exemptions already on the statute book for properties, for example, that contribute towards net zero targets. There is a right-to-buy relief for crofting communities, for example, upon conversion. I am simply suggesting that we take those existing provisions and look at how they might be applied to encourage the growth of the employee ownership sector.

I also draw to the committee's attention to the McInroy review group report commissioned by the Scottish Government that came out in September 2024, which said in its recommendation number 17 that the UK and Scottish Governments should explore potential tax relief. Amendment 67 simply seeks to make sure that that recommendation is not lost or left behind.

Similarly, and finally, amendment 68 is a request to look at procurement rules. When Parliament passed legislation on public procurement in 2014 and 2015, seeking to transpose the 2014 European Union public procurement directive, there was some debate about whether there should be reserved contracts to certain sectors of the social economy. The minister and I have worked together on a business in Larbert—Haven

Products—which is a supported business. We have managed to keep it afloat and tried to win public contracts for it.

Supported businesses are covered by the existing legislation. Although the EU directive provided for mutualistic and social enterprises to be an option for reserved contracts, that option was not exercised by the Parliament when the regulations were set in 2015. All that I am calling for in amendment 68 is for that decision to be reviewed. Let us see whether we cannot look at a reserved contract status for certain types of social enterprise, employee ownership, worker co-operatives. That would align with EU policy, but would also be the right thing to do. Again, amendment 68 is simply calling for the Government to review procurement rules in the context set out in the amendment within 12 months of royal assent.

Paul Sweeney: I propose that amendments 139, 141—I am supporting Sarah Boyack's amendment—142, and 143 form part of the bill. Amendment 139 would add a key local accountability check to the bill by requiring Scottish ministers to create lines of accountability between community wealth building partnerships and local residents. It suggests options, including citizens panels and community audits, and would be a vital part of making the bill one in which local communities have continued buy-in and connection to projects and partnerships. We have seen good examples of that in other areas, such as community planning partnerships, charrettes, local place plans at local authority level, and developing urban planning models. A similar model could be used here, and I commend the proposal to the committee.

I support whole-heartedly amendment 141, in the name of Sarah Boyack. It would actively promote co-operatives, much in the same spirit as that just expressed by my colleague Richard Leonard. It is important that we grow the size of the co-operative economy in Scotland because it is an obvious and excellent example of how to retain wealth within a community because of its inherent structure of member ownership and the dividend being shared locally. There are many examples in Scotland that can be developed further, and to weave that into the legislation explicitly is an obvious and good suggestion.

Amendment 142 aims to broaden the ambition of the bill by using it as a catalyst for wider change within government procurement. It would require the Scottish Government to issue a report following a review of procurement and whether the current rules met the requirements of community wealth building, where the interface is often under tension with the need to procure on an international or open basis. In line with what my colleague Richard Leonard just said, are we being ambitious enough with exemptions for community-owned enterprises?

For example, we know from the Mondragon co-operative structure in Spain that there are established measures that are compliant with international procurement treaties and domestic procurement legislation. I would like to test further where we can make that work more effectively in Scotland. This would be a good way of probing the opportunity. Amendment 142 is important, because it would turn the Community Wealth Building (Scotland) Bill into something that would truly change behaviours in procurement by embedding the values of the bill across our supply chains. Community wealth is a journey. Driving those values into purchasing behaviours seems to be the natural next step.

Amendment 143 would require Scottish ministers to set out how community wealth building will be financed and funded. That would add accountability to the initiative, while also clarifying where the financial burdens and barriers to the initial set-up of community wealth building partnerships would be. Similar tensions exist in community asset transfers, for example, where it can be challenging for communities to acquire the initial capital, for example, given the rules on the time-constrained disposal of assets. It would be useful for clear opportunities to be expressed as to how communities can establish initial seed funding to build community wealth building approaches.

Sarah Boyack: Several of us have suggested amendments in the group that are important as they seek to strengthen the legislation. My two amendments in the group, amendments 108 and 141, seek to strengthen the framework by embedding independent scrutiny and reinforcing the role of co-operatives in building fairer local economies.

Amendment 108 proposes to introduce a requirement for a regular independent review of community wealth building. I think that it is proportionate to pick up the points that the minister made earlier. An external assessment would be carried out every five years, both of the national community wealth building statement and of a representative sample of local action plans. It will be absolutely critical to learn from both. The review must publish its findings and recommendations. Ministers can then set out how they intend to respond or explain why they are not taking action. That would mean that we would review the effectiveness of the legislation every five years. During every parliamentary session, we would have a proper review, which would inform what ministers are doing, support local authorities and support different community wealth building

companies. I think that those reviews will be very important.

I thank Paul Sweeney for his support of my amendment 141. It would require ministers to report regularly on the steps that they are taking to promote co-operatives and support co-operative development. It asks for clarity on what practical support and resources, including financial support, have been made available, and how effective those measures have been. It is not enough for us to say that co-operatives are a "nice to have". We have quite a lot of them, but we should think about where there are opportunities for more and what lessons can be learned. As a member of the Co-operative Party, I have seen some fantastic local co-ops, but we need to think about how we can get more of them and how we can support people to set them up and make them work.

I am a member of the Edinburgh Community Solar Co-operative, in my constituency, and I have seen the benefits of the investment as well as the benefits for the local council. We should be ensuring that co-ops are a core part of the community wealth building approach, as they provide models of ownership and control that keep wealth rooted locally. My amendment 141 would ensure that their promotion is not just incidental, but that it is properly monitored, reported on and taken seriously as part of delivering the bill's aims.

I am trying to ensure that the bill's aspirations work in practice. There are many good amendments in this group. I note that the minister has offered to discuss them with us before stage 3. I hope that my amendments will achieve cross-party support, because I think that they are proportionate and that they will help in the implementation and review of the bill.

The Convener: No other members have indicated that they would like to speak. I invite Murdo Fraser to wind up and to press or withdraw amendment 17.

Murdo Fraser: There has been a very good discussion about the amendments in the group. I was encouraged by what the minister said. The minister, the committee and the convener were all in more or less the same place on public procurement, and on monitoring and evaluation, although there is more work to be done.

10:45

I have reflected on amendment 17, which is in my name, and amendment 27, which is in Sarah Boyack's name, and I think that they could work together. I am very happy for us to have further discussions with the minister on that. However, I believe that it is always best to go into a negotiation with a strong hand of cards, and for that reason, if we can get the amendments in the bill at stage 2 that would perhaps lead to a more constructive discussion on the detail in advance of stage 3.

I therefore press amendment 17 and encourage committee members to support it. I will also support amendment 27 when we get to it.

The Convener: The question is, that amendment 17 be agreed to. Are we agreed?

Members: No.

The Convener: We are agreed.

Members: No.

The Convener: Oh, we are not agreed. Apologies. Not only do I need to sort out my diction, but I need to wash out my ears.

There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Johnson, Daniel (Edinburgh Southern) (Lab)
Kerr, Stephen (Central Scotland) (Con)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 5, Against 4, Abstentions 0.

Amendment 17 agreed to.

Amendment 128 moved—[Lorna Slater]—and agreed to.

Amendment 18 moved—[Murdo Fraser].

The Convener: The question is, that amendment 18 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Johnson, Daniel (Edinburgh Southern) (Lab)
Kerr, Stephen (Central Scotland) (Con)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 4, Against 5, Abstentions 0.

Amendment 18 disagreed to.

Amendment 61 moved—[Richard Leonard].

The Convener: The question is, that amendment 61 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 61 disagreed to.

Amendment 91 moved—[Sarah Boyack].

The Convener: The question is, that amendment 91 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 91 disagreed to.

Amendment 129 moved—[Paul Sweeney].

The Convener: The question is, that amendment 129 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: *The result of the division is: For 2, Against 7, Abstentions 0.*

Amendment 129 disagreed to.

Amendment 38 moved—[Lorna Slater].

The Convener: The question is, that amendment 38 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 38 disagreed to.

Amendments 92 and 93 moved—[Ivan McKee]—and agreed to.

Amendment 25 moved—[Lorna Slater].

The Convener: The question is, that amendment 25 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 25 disagreed to.

The Convener: Given that we now have only two groups of amendments left, and the next one

will be on the specification of named bodies, we will suspend for 10 minutes.

10:51

Meeting suspended.

11:00

On resuming—

The Convener: We move to the next group. Amendment 94, in the name of the minister, is grouped with amendments 95, 62 to 64, 96 to 99, 130 to 138, 107, 109, 113, 114, 144 to 148, 115, 116, 149 to 152 and 106 to 108.

Ivan McKee: The bill divides public bodies into two categories—relevant public bodies and specified public bodies—and places different obligations on each category. That approach reflects the varying levels of influence that different organisations exert on local and regional economic development. It is considered the most proportionate way to ensure that the bodies with the most significant economic levers, such as employment, procurement and investment, play the greatest role in developing and implementing community wealth building actions.

I urge members to support the amendments in my name in the group, but the Government does not support any of the other amendments in it. I will set out the reasons on both counts.

Amendment 94 in my name relates to amendment 106 in group 11, which will place a requirement to consult the relevant and specified public bodies in relation to guidance, as recommended by the Delegated Powers and Law Reform Committee. Amendment 94 will ensure that the same meaning of "relevant public bodies" applies to the consultation duty.

Amendment 95 in my name is necessary to ensure that the various colleges that form part of the University of the Highlands and Islands are under a duty to participate in community wealth building partnerships. The issue of the specific governance arrangements with regard to UHI arose during stage 1.

Amendment 116 in my name will remove Scottish Forestry from the list of specified public bodies, bringing it into line with other executive agencies with regard to how the legislation relates to them. The activities of executive agencies and their contributions to community wealth building will be covered by the Scottish ministers' statement.

Amendments 113 and 115 in my name are technical in nature and involve the substitution of "Scottish Canals", where it appears in the schedule, with "British Waterways Board", which is the correct legal name for Scottish Canals.

Amendment 114 will add the Crofting Commission to the list of specified bodies that must pay due regard to the guidance that is published by the Scottish ministers. Given the influence that the commission can exert on rural communities, I urge members to support that amendment.

Turning to the other amendments in the group, adding bodies such as Crown Estate Scotland, housing associations, community councils, ferry operators and universities to the group of relevant bodies would impose disproportionate duties, duplicate existing governance or conflict with reserved legislation. Many of those organisations already engage voluntarily or through existing frameworks and local partnerships, which is the most efficient and proportionate approach.

Although I understand the thinking behind amendments 147 and 149, in Paul Sweeney's name, I do not think that the two regulatory bodies, whose influence on the organisations that they regulate is limited with regard to community wealth building specifically, need to be subject to any obligation that is set out in the bill with reference to the community wealth building guidance.

I urge members to support the amendments in the group in my name and to resist the others, which would introduce unnecessary complexity to the legislation or for specific organisations.

I move amendment 94.

Richard Leonard: Amendment 62 seeks to add Co-operative Development Scotland as a relevant body. It remains the co-operative development agency for Scotland, established in 2006, and is under the wing of Scottish Enterprise, which was the minister's defence in arguing not to include it in amendments last week. However, we are talking about community wealth building, and co-operative development is absolutely central to that.

Last week, I mentioned that the staffing level at CDS, at Scottish Enterprise, has shrunk and shrunk and shrunk over the years. It is now down to a bare minimum of, I think, one and a half members of staff. I compared that with the level at the Wales co-operative development centre, Cwmpas, which has 80 staff working on co-operative development. I suggest that the Scottish Government needs to reflect on that, and I ask the committee to take that into account.

Sarah Boyack: That is a really powerful point—that statistic is shocking. If not Co-operative Development Scotland, what other organisation will do that work? We have lots of advocacy organisations, but what about an actual Government organisation that is there to deliver?

Richard Leonard: Absolutely—had the bill had a wider scope, I would have introduced amendments that would have called for Co-operative Development Scotland itself to be established on a statutory footing. Back in the days when it was established, there was some discussion about whether it should be the subject of primary legislation. In order to get things moving more quickly, it was decided to set it up within Scottish Enterprise without legislating for it explicitly. So, there is some history to that.

Two other organisations need to be included in this section of the bill, one of which is the Scottish National Investment Bank. I return to the report from September 2024 on inclusive democratic business models, in which recommendation 11 was that the Government should grow

"the role of the Scottish National Investment Bank (SNIB) to intentionally and specifically support"

inclusive democratic business models. I also note that this committee's report after its own deliberations on the bill at stage 1 included, at paragraph 82, the finding:

"The Bill and its accompanying documents do not set out the criteria used to determine the relevant public bodies. Consequently, the Committee was unclear on how the Scottish Government's list was developed".

That view was also reflected in paragraph 89 of the committee's stage 1 report, which recommended:

"The Committee asks the Scottish Government to consider the organisations identified as having been omitted from the list of relevant public bodies and to provide the rationale for their exclusion. The Committee is particularly interested in understanding the reasons for not including the Scottish National Investment Bank, given its prominent role in supporting economic development."

How is Skills Development Scotland a relevant body, whereas the Scottish National Investment Bank is not?

My final amendment in this group, amendment 64, would add local government pension schemes to the legislation. For example, the Strathclyde pension fund is a defined contribution scheme worth £31.3 billion—the assets that it manages are to the value of £31.3 billion. Local government pension schemes across Scotland are valued at various levels; one valuation that I saw said that they are worth £60 billion, which is the equivalent of an entire year's budget for the Scottish Government.

A glimpse at the possibilities that local government pension schemes could offer has been provided by Preston City Council, which is one of the pioneering community wealth building councils. It has pioneered local investment. I also reflect that, in Falkirk in 2015, the local government pension scheme made a significant investment in housing. That is an example of reinvesting in the local economy rather than simply investing in derivatives in the far east, as often happens.

Kevin Stewart: It is an interesting conversation. In many respects, I share Mr Leonard's views about the use of local government pension schemes; I am not quite so sure that that fits in with this bill. We should point out that, while Falkirk Council did invest in housing, it removed itself from that approach quite quickly—which, I think, was to its detriment.

I agree that the Government and the Parliament should look in more depth at how local government pension schemes are invested. I am not entirely sure that this is the place for that. However, I am willing to have a further conversation with Mr Leonard about those investments, because they are important and we are not getting the best out of them for communities in Scotland.

Richard Leonard: I am happy to take up that offer of a further discussion with Mr Stewart, who brings ministerial as well as constituency experience to the subject.

I think that it is appropriate to include local government pension schemes here, because community wealth building is about place. It is about having a local and regional focus and about keeping wealth that is raised locally for investment locally, which is something that local government pension schemes could do.

I have long held the view that pension funds are a huge engine for investment, but they are largely a sleeping giant—which I think should be awakened. I think that the bill provides us with an opportunity to bring that about.

Lorna Slater: There is a lack of clarity about who is on what list. It will not be practical to get everyone around the table to develop the action plans, so the group needs to be small enough to be functional. It is not at all clear to me by which criteria members of either list are being chosen—whether it is by purchasing power, land ownership or other unspecified ways in which they might have local influence.

Although I think it is right that Scottish Enterprise is on the list, I would flag a concern that I had when we had representatives of the three enterprise agencies before the committee to talk about the bill. Both South of Scotland Enterprise and Highlands and Islands Enterprise appeared to understand community wealth building and their role in it, but the chief executive officer of Scottish Enterprise did not have a clear grasp of it, thinking, when asked, that bringing in foreign investment and high-paying jobs was community wealth building. It is not—that is not what community wealth building is. Those might be worthy goals, but they are absolutely not what community wealth

building is. Some clear guidance on that to Scottish Enterprise will be required if it is to participate fully in developing the action plans and if it is to understand the consequences of its decisions.

Given the limited funding that is available to support community wealth building as an endeavour, it is vital to have the owners of assets around the table, so that they can be part of the discussion about how public assets can be used for the public good. That means that, instead of putting money in, you bring the people who have the wealth to the table. I am therefore proposing amendments 96 to 98. Forestry and Land Scotland is the largest landowner in Scotland; the Crown Estate owns the foreshore, which is critical for marine biodiversity and offshore energy, potentially including community energy schemes; and Network Rail owns a considerable amount of vacant and derelict land, particularly in west and central Scotland. Bringing those bodies around the table would allow their extensive assets to be used for community wealth building.

Paul Sweeney: I have a fairly extensive set of amendments in this group—there are 18 in total, I think—encompassing a number of organisations.

I will start with amendment 99. The rationale for omitting some major public bodies from the list of relevant public bodies seems to be unclear, as colleagues have already expressed. Amendment 99 would insert the Scottish National Investment Bank; a national park authority established by virtue of a designation order under the National Parks (Scotland) Act 2000; Scottish Forestry; Forestry and Land Scotland; and Crown Estate Scotland. There is a strong rationale for the Scottish National Investment Bank, national park authorities, Forestry and Land Scotland, Scottish Forestry and the Crown Estate in Scotland to—

Lorna Slater: I spoke to representatives of the national park authorities, and they are not interested in being on that list of relevant bodies. I do not know whether the member spoke to them.

Paul Sweeney: In developing my amendments I have engaged with the national park authorities primarily through Community Land Scotland; I have not engaged with the national parks directly. However, I suppose that they have a view; I suppose that we, as parliamentarians, can take a view about whether they ought to be on that list. That is a matter of judgment for individual members. I think that there is certainly a rationale for it, which merits further discussion.

In my view, those organisations should be included in the list of relevant public bodies, rather than specified public bodies, due to the size of the landholdings in which they have a controlling interest, their influence over land management and the significant financial resources that they are responsible for managing.

Amendment 130 would insert community councils: it would add them to the list of relevant public bodies included in section 5. It is vital that, if community wealth building is to be implemented coherently, it must be acted on by all public bodies, and the community council is the most granular unit of democracy in our country.

Murdo Fraser: I am interested in this point. My experience of community councils is that, in many cases, they are short on resource and really struggle to deal with the business in front of them. They consist entirely of volunteers. Does the member really think that community councils have the capacity to produce action plans?

Paul Sweeney: Community councils would not necessarily produce action plans, but they would certainly be involved in their development, and they ought to be cited as relevant public bodies. I mentioned the parallel with urban planning and developing community building plans. In my community of Springburn, the work of the community council was essential to winning grant funding to develop a charrette and a local place plan, which has now formed part of a city development plan.

11:15

Although I agree that community councils in general are extremely underfunded—they are the Cinderella of our democracy—there are instances in which community councils are very well attended and resourced. It is often a lottery, depending on who is available and who turns up. In some instances, community councils demonstrate value, which is worth highlighting in the bill. Perhaps it could create an impetus to resource community councils better.

Amendment 131 would insert community planning partnerships into the list of relevant public bodies in section 5. If community wellbeing is to be implemented coherently, community planning partnerships should be involved.

Amendment 132 would insert ferry operators into that list, for a similar reason: they are essential lifeline services for many communities, and they are a key wealth generator.

Amendment 133 would insert housing associations and co-operatives acting as registered social landlords into the list. It is clear that the housing association and co-op model is about more than being purely a housing provider; it is a central anchor in many communities, which are often deprived ones, and it often forms a backstop, particularly when local authority services are withdrawn—whether by providing

bulk uplifts, developing regeneration projects, or resourcing communities in different ways. Often, that work is not properly recognised. Adding housing associations and co-operatives to the list would give them that status, which would be useful.

Amendment 134 would insert

"integration joint boards established by virtue of section 9 of the Public Bodies (Joint Working) (Scotland) Act 2014."

Often, integration joint boards take decisions that are harmful to community wealth and driven primarily by budgetary considerations and short-term financial constraints, which drive more costs on to public services overall. Giving them the remit that is set out in section 5 would be useful.

For the list in section 5, amendment 135 would insert local employability partnerships; amendment 136 would insert Marine Scotland; amendment 137 would insert ScotRail; and amendment 138 would insert universities.

For the list of specified bodies in the schedule, amendment 144 would insert Forestry and Land Scotland; amendment 145 would insert housing associations and co-operatives acting as registered social landlords; amendment 146 would insert Marine Scotland; amendment 147 would insert the Office of the Scottish Charity Regulator; amendment 148 would insert public sector pension funds, on the rationale for which my colleague Richard Leonard spoke more substantively; and amendment 149 would insert the Scottish Housing Regulator.

Those who have been involved with the Scottish Housing Regulator know that it has presided over a significant decline in community-owned housing associations and co-operatives in Scotland since it was established in 2010. The rationale for including it is obvious: if it had a remit to promote community wealth building, that would support the housing sector and drive community wealth building.

Amendment 150 would insert into the list in the schedule the Scottish Prison Service, particularly given the community enterprise work that has been done at prisons such as Barlinnie, to support prisoners in developing skills. There is an opportunity to spin that work out into the community, so it should be included. Amendment 151 would insert Social Security Scotland; and amendment 152 would insert Transport Scotland.

The Convener: I ask the minister to wind up and to press or withdraw amendment 94.

Ivan McKee: It is worth reflecting on the list of bodies that members want to include. It is important to recognise that the relevant bodies—the community wealth building partners—already have the ability to invite specified bodies to participate in preparing the plan. That is an important piece of the plan.

It is important to get the proportionality right and not to place too many requirements on those bodies. Many of the listed bodies are not legally distinct from Scottish ministers anyway, because they are directorates of government or they are—

Kevin Stewart: Will the minister give way?

Ivan McKee: Indeed.

Kevin Stewart: I agree that a lot of the amendments mention specific bodies, some of which do not really want to be involved, as we have heard. Beyond that, I do not see the scope for the inclusion of some bodies that are listed in the amendments.

Beyond the bill itself, however, Mr Leonard has a good point about pension funds. Would the minister commit to looking at how we can better deal with pension funds with regard to not only community wealth building but investment in Scotland? In my opinion, that is an untapped resource. Beyond that, it is quite galling to see pension funds investing in wind farms in Vietnam—not that I have anything against Vietnam—when they could be doing similar things here and likely get a better, and less risky, return. Would the minister be open to further conversations on that front?

Ivan McKee: The member is right that the proposals around local government pension schemes do not fit in with what this bill seeks to do. There are potential issues with regard to how they would conflict with the current duties on scheme managers, administering authorities, fiduciary duties and so on, which would need to be explored.

However, I absolutely agree with him on the issue more broadly. There is huge potential there, and I have engaged in that regard with local authority pension schemes and with the Deputy First Minister, who will be leading on that work as part of her investment responsibilities. The member makes a valuable point—work has already been done on that, and more is being done.

The Convener: Further to that, it is interesting that the minister mentioned the Deputy First Minister's work on investment and so on, and he rightly mentioned fiduciary duties. Ultimately, the first duty of the trustees will be to ensure that the interests of the scheme members are overseen. However, that does not stop the Scottish Government from, essentially, trying to encourage and present investment opportunities in Scotland, which may well be absolutely the sort of thing that would be in the interest of scheme members, but

would also represent the interest of local communities in community wealth building.

Could such a thought be included in future investment summits or in approaches using an investment summit model to encourage the maximum investment of our pension funds in our local communities?

Ivan McKee: Yes. We are going off on a bit of a tangent here, but that is a valuable point. For example, the InvestScotland portal that was recently launched has a number of investment opportunities that have been pulled together by Government officials, working with partners. I have no doubt that many of those would fit the profile of the longer-term, patient investment that would suit local authority pension schemes.

As I said, there is work happening in that area. I am not directly leading on that, but I have been involved on the fringes of it. I think that there is absolutely potential there to do more, and more is being done in that regard.

I think that I have said all that I need to say in winding up, convener. I press amendment 94.

Amendment 94 agreed to.

Amendment 95 moved—[Ivan McKee]—and agreed to.

Amendment 62 moved—[Richard Leonard].

The Convener: The question is, that amendment 62 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

I ask members who are in favour of amendment 62 to raise their hands now, followed by those who are against the amendment. Are there any amendments?

I am sorry—I meant to say abstentions. I thought that I was going to avoid making that mistake this week.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 62 disagreed to.

Amendment 63 moved—[Richard Leonard].

The Convener: The question is, that amendment 63 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 63 disagreed to.

Amendment 64 moved—[Richard Leonard].

The Convener: The question is, that amendment 64 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 64 disagreed to.

Amendment 96 moved—[Lorna Slater].

The Convener: The question is, that amendment 96 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)

Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 96 disagreed to.

Amendment 97 moved—[Lorna Slater].

The Convener: The question is, that amendment 97 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 97 disagreed to.

Amendment 98 moved—[Lorna Slater].

The Convener: The question is, that amendment 98 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 98 disagreed to.

Amendment 99 moved—[Paul Sweeney].

The Convener: The question is, that amendment 99 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 99 disagreed to.

Amendment 130 moved—[Paul Sweeney].

The Convener: The question is, that amendment 130 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 130 disagreed to.

Amendment 131 moved—[Paul Sweeney].

The Convener: The question is, that amendment 131 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 131 disagreed to.

Amendment 132 moved—[Paul Sweeney].

The Convener: The question is, that amendment 132 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 132 disagreed to.

11:30

Amendment 133 moved—[Paul Sweeney].

The Convener: The question is, that amendment 133 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 133 disagreed to.

Amendment 134 moved—[Paul Sweeney].

The Convener: The question is, that amendment 134 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 134 disagreed to.

Amendment 135 moved—[Paul Sweeney].

The Convener: The question is, that amendment 135 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 135 disagreed to.

Amendment 136 moved—[Paul Sweeney].

The Convener: The question is, that amendment 136 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 136 disagreed to.

Amendment 137 moved—[Paul Sweeney].

The Convener: The question is, that amendment 137 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 137 disagreed to.

Amendment 138 moved—[Paul Sweeney].

The Convener: The question is, that amendment 138 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 138 disagreed to.

Section 5, as amended, agreed to.

Section 6 agreed to.

After section 6

The Convener: Amendment 27, in the name of some character named Daniel Johnson, has already been debated with amendment 17. [*Laughter.*] I shall move the amendment.

Amendment 27 moved—[Daniel Johnson].

The Convener: The question is, that amendment 27 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Johnson, Daniel (Edinburgh Southern) (Lab)
Kerr, Stephen (Central Scotland) (Con)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 5, Against 4, Abstentions 0.

Amendment 27 agreed to.

Section 7—Review and revision of action plan

Amendment 65 moved—[Richard Leonard].

The Convener: The question is, that amendment 65 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 65 disagreed to.

Amendment 100 moved—[Ivan McKee]—and agreed to.

Amendment 19 not moved.

Section 7, as amended, agreed to.

After section 7

Amendment 101 moved—[Ivan McKee] and agreed to.

Section 8—Implementation of action plan

Amendment 102 moved—[Paul Sweeney].

The Convener: The question is, that amendment 102 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 102 disagreed to.

Section 8 agreed to.

After section 8

Amendment 20 moved—[Murdo Fraser].

The Convener: The question is, that amendment 20 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Johnson, Daniel (Edinburgh Southern) (Lab)
Kerr, Stephen (Central Scotland) (Con)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 5, Against 4, Abstentions 0.

Amendment 20 agreed to.

Amendment 26 moved—[Lorna Slater].

Amendments 26A to 26E not moved.

The Convener: The question is, that amendment 26 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 26 disagreed to.

Amendment 39 not moved.

The Convener: Amendment 39A falls.

Amendment 57 moved—[Richard Leonard].

The Convener: The question is, that amendment 57 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 57 disagreed to.

Amendment 139 moved—[Paul Sweeney].

The Convener: The question is, that amendment 139 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 139 disagreed to.

Section 9—Guidance about community wealth building

The Convener: We now move to the final group of amendments. Amendment 103, in the name of Paul Sweeney, is grouped with amendments 104, 105, 69, 66, 140 and 106.

Paul Sweeney: Amendment 103 would insert:

"the role of the Scottish Ministers, community wealth building partnerships, community bodies, private businesses and landowners".

As drafted, the bill does not sufficiently draw in the private sector or fully reflect the important role that community organisations already play. Mechanisms and intentions are needed to draw the private sector into community wealth building practices, as private interests will be a key driver in achieving community wealth building aims. Without that, there is a risk of on-going economic leakage, with wealth continuing to be extracted from local areas.

Similarly, community bodies are not sufficiently recognised in the bill. At stage 1, the committee recognised the vital importance of empowered communities in advancing community wealth building, drawing on successes in Alloa and Irvine. There should therefore be a formal recognition of third sector and community groups as essential delivery partners in shaping and delivering community wealth building action plans. Large public bodies should be important drivers of community wealth building, but community trusts and community businesses already are. They are important existing organisations, they are properly constituted entities, they employ staff and they have strong local presences in their areas. That is particularly significant in areas that are poorly serviced by the public sector.

Amendment 103 seeks to include private interests, landowners and community bodies in the bill. That would let us begin to recognise the contribution of community organisations and would indicate that private companies and landowners are subject to statutory regulation and guidance, ensuring that those groups are monitored and kept accountable for community wealth building goals.

Once the bill is enacted, guidance akin to the land rights and responsibilities statement should be developed for private businesses to use when developing their economic, social and governance credentials, to ensure that they dovetail with community wealth building efforts in their local areas.

Amendment 140 seeks to fully integrate the work of the Scottish National Investment Bank into community wealth building, allowing for a much more holistic approach to national investment and guaranteeing that community wealth values are implemented across the Scottish economy.

I move amendment 103.

Sarah Boyack: The amendments in this group are really important. My amendments 104 and 105 would strengthen the guidance provisions by ensuring that ministers would have to provide clear guidance, not just on the statement and action plans in general, but on all the measures that they contain. Amendment 104 would add a requirement that guidance must cover the community wealth building statement, including every measure that is set out under section 1(3). That would ensure that public bodies have clarity on how each element of the statement should be interpreted and implemented. Amendment 105 would do the same for local action plans, requiring guidance on all measures included under section 5(5). That would help to ensure consistency across local authorities and support effective delivery on the ground.

There is a key issue here about making the legislation successful. Guidance from ministers will be critical in supporting local authorities and community wealth building, whether for community-owned projects, small businesses or bigger companies.

I support amendment 69 in the name of Lorna Slater. It highlights community-owned renewable energy and the skills and supply chains where we are not seeing the development that we want to. Passing that amendment would help us.

I also support the minister's amendment 106, which is about strengthening guidance and ensuring that local authorities and specified public bodies get the right guidance and the right support to implement the legislation.

Paul Sweeney spoke articulately in support of his amendments. I see that there is also an amendment from Richard Leonard. It strengthens the impact of public sector organisations in delivering on this important legislation.

The Convener: I call Lorna Slater to speak to amendment 69 and other amendments in the group.

11:45

Lorna Slater: As Sarah Boyack has said, amendment 69 is about facilitating and supporting the generation, circulation and retention of wealth in local and regional economies

"through the development of community-owned renewable energy, and skills and supply chains associated with renewable energy."

I support amendments 105 and 106 in this group but not the others, particularly those that refer to

the Scottish National Investment Bank, for reasons that I have set out previously.

The Convener: I call Richard Leonard to speak to amendment 66 and other amendments in the group.

Richard Leonard: Amendment 66 seeks to require the guidance to set out the steps that the Scottish National Investment Bank and the enterprise agencies will take

"to encourage and support the development of employee-owned businesses."

My reference point for that is the long-standing commitment to double the size of the employee-owned sector in the Scottish economy.

As this is my last amendment, I would like to make some final points. In the stage 1 debate, the minister used the expression "right and proportionate" over and over. I think that amendment 66 is right and proportionate, as have been the other amendments that I have lodged. None of them have been aimed at making the bill longer; they have been aimed at making it better.

In the end, the fundamental question is whether the legislation will bring about change. That will be the litmus test of the act. We still have time between now and the final passage of the legislation at stage 3 to see what we can do to strengthen the bill and make it a better one.

The Convener: I invite the minister to speak to amendment 106 and other amendments in this group.

Ivan McKee: Amendment 106 in my name arises from a Delegated Powers and Law Reform Committee recommendation, which the stage 1 report highlighted. The amendment introduces a requirement for Scottish ministers to consult with members of community wealth building partnerships and specified bodies before issuing guidance.

Amendment 105 in Sarah Boyack's name achieves helpful symmetry between the content of guidance and what community wealth building partnerships might include in their action plans.

Amendment 69 highlights the

"development of community-owned renewable energy, and skills and supply chain associated with renewable energy"

as something that ministers' guidance must cover. As the bill already provides that action plans can include measures facilitating or supporting community ownership, I think that ministerial guidance on action plans could already cover that issue. However, as the amendment is congruent with the Government's policy intention, our position is to support it.

Amendment 66 is not required, as enterprise agencies that are listed are relevant public bodies, so will have to have regard to the guidance when preparing community wealth building action plans jointly with others. As a specified public body that is listed in the schedule, the Scottish National Investment Bank will have to have due regard to the guidance when preparing its corporate plan. In addition, ministers would not seek to include in guidance the steps that a body will take. That would imply ministerial direction or control, which I do not think would be appropriate.

The Government does not consider that amendment 140 is required. The SNIB, through its missions and articles of association, is required to take areas that support community wealth building into account and will be subject to the due regard duty in relation to community wealth building guidance as a specified body.

The Convener: I invite Paul Sweeney to wind up, and to press or withdraw amendment 103.

Paul Sweeney: The amendments in the group are generally useful and add great strength to the bill, so I commend them to the committee.

The Convener: The question, therefore, is that amendment 103 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 103 disagreed to.

Amendment 104 moved—[Sarah Boyack].

The Convener: The question is, that amendment 104 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)

Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 104 disagreed to.

Amendment 105 moved—[Sarah Boyack]—and agreed to.

Amendment 69 moved—[Lorna Slater].

The Convener: The question is, that amendment 69 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Johnson, Daniel (Edinburgh Southern) (Lab)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

Against

Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)

The Convener: The result of the division is: For 7, Against 2, Abstentions 0.

Amendment 69 agreed to.

Amendment 66 moved—[Richard Leonard].

The Convener: The question is, that amendment 66 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 66 disagreed to.

Amendment 140 moved—[Paul Sweeney].

The Convener: The question is, that amendment 140 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 140 disagreed to.

Amendments 106 and 107 moved—[Ivan McKee]—and agreed to.

Section 9, as amended, agreed to.

Section 10—Duty to have due regard to guidance

Amendment 109 moved—[Ivan McKee]—and agreed to.

Section 10, as amended, agreed to.

Schedule

Amendments 113 and 114 moved—[Ivan McKee]—and agreed to.

Amendment 144 moved—[Paul Sweeney].

The Convener: The question is, that amendment 144 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 144 disagreed to.

Amendment 145 moved—[Paul Sweeney].

The Convener: The question is, that amendment 145 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 145 disagreed to.

Amendment 146 moved—[Paul Sweeney].

The Convener: The question is, that amendment 146 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 146 disagreed to.

Amendment 147 moved—[Paul Sweeney].

The Convener: The question is, that amendment 147 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 147 disagreed to.

Amendment 148 moved—[Paul Sweeney].

The Convener: The question is, that amendment 148 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 148 disagreed to.

Amendments 115 and 116 moved—[Ivan McKee]—and agreed to.

Amendment 149 moved—[Paul Sweeney].

The Convener: The question is, that amendment 149 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 149 disagreed to.

Amendment 150 moved—[Paul Sweeney].

The Convener: The question is, that amendment 150 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 150 disagreed to.

Amendment 151 moved—[Paul Sweeney].

The Convener: The question is, that amendment 151 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 151 disagreed to.

Amendment 152 moved—[Paul Sweeney].

The Convener: The question is, that amendment 152 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 152 disagreed to.

Schedule, as amended, agreed to.

After section 10

Amendment 28 moved—[Daniel Johnson].

The Convener: The question is, that amendment 28 be agreed to. Are we agreed?

Members: No.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 28 disagreed to.

12:00

Amendment 29 moved—[Daniel Johnson].

Amendments 29A and 29B not moved.

The Convener: The question is, that amendment 29 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Johnson, Daniel (Edinburgh Southern) (Lab)
Kerr, Stephen (Central Scotland) (Con)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 5, Against 4, Abstentions 0.

Amendment 29 agreed to.

Amendment 67 moved—[Richard Leonard].

The Convener: The question is, that amendment 67 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 67 disagreed to.

Amendment 68 moved—[Richard Leonard].

The Convener: The question is, that amendment 68 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 3, Against 6, Abstentions 0.

Amendment 68 disagreed to.

Amendment 108 moved—[Sarah Boyack].

The Convener: The question is, that amendment 108 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 108 disagreed to.

Amendments 110 to 112 not moved.

Amendment 141 moved—[Sarah Boyack].

The Convener: The question is, that amendment 141 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Johnson, Daniel (Edinburgh Southern) (Lab)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Kerr, Stephen (Central Scotland) (Con)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 2, Against 7, Abstentions 0.

Amendment 141 disagreed to.

Amendment 142 moved—[Paul Sweeney].

The Convener: The question is, that amendment 142 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Johnson, Daniel (Edinburgh Southern) (Lab)
Kerr, Stephen (Central Scotland) (Con)
Slater, Lorna (Lothian) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 5, Against 4, Abstentions 0.

Amendment 142 agreed to.

Amendment 143 moved—[Paul Sweeney].

The Convener: The question is, that amendment 143 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Boyack, Sarah (Lothian) (Lab)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Johnson, Daniel (Edinburgh Southern) (Lab)
Kerr, Stephen (Central Scotland) (Con)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Slater, Lorna (Lothian) (Green)
Stewart, Kevin (Aberdeen Central) (SNP)
Thomson, Michelle (Falkirk East) (SNP)

The Convener: The result of the division is: For 4, Against 5, Abstentions 0.

Amendment 143 disagreed to.

Section 11 agreed to.

Section 12—Interpretation

Amendment 117 moved—[Sarah Boyack]—and agreed to.

Section 12, as amended, agreed to.

Sections 13 and 14 agreed to.

Long title agreed to.

The Convener: That ends our consideration of the bill at stage 2. I thank members for our efficient work today and last week. I also thank the minister for all his contributions. With that, we move into private session.

12:05

Meeting continued in private until 12:14.

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