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Scottish Parliament

Thursday 1 October 2026

[The Presiding Officer opened the meeting at 13:30]

General Question Time

The Presiding Officer (Kenneth Gibson): Good afternoon. The first item of business is general question time. To accommodate as many questions as possible, I ask for concise questions and answers. We have many supplementaries today.

Childcare (Expansion)

1. **David Linden (Glasgow Baillieston and Shettleston) (SNP):** To ask the Scottish Government what steps it will take to ensure that expanded childcare is available to all families. (S7O-00329)

The Minister for Children, Young People and The Promise (Siobhian Brown): In our programme for government, we have committed to transforming the childcare offer to provide support for children from nine months through to the end of primary school over the course of this parliamentary session. We will publish and consult on a blueprint for a transformed childcare offer in 2027, focusing on what matters most to families.

We are already preparing to roll out free breakfast clubs for children in primary school areas from August 2027, giving children access to a nutritious breakfast and making it easier for parents to get to work, while also reducing costs.

David Linden: The expansion of childcare support has been warmly welcomed across the east end of Glasgow. Families with children who have additional support needs very much struggle to access wraparound care to meet their needs during and outwith term time. How can the childcare support fund be used to ensure that there is suitable childcare provision for our children with additional support needs?

Siobhian Brown: The member highlights an important issue that has been raised with me several times since I came into post. I assure him that our approach to transformation will be informed by the lived experience of parents and carers, including those whose children have additional support needs. We recognise that understanding the experiences of families is essential to ensuring that future childcare provision is accessible, inclusive and responsive to children's individual needs and supports families to access the services that they require. We will work closely with delivery partners and the sector to ensure that workforce requirements are understood and addressed and that they have the knowledge, skills and support required to meet the needs of children with additional support needs.

David Green (Caithness, Sutherland and Ross) (LD): This is how one constituent described the state of childcare to me:

"Extremely limited childcare during term time; nothing at all during the holidays, no childcare whatsoever for children under the age of two, and I just can't and won't do it any more."

Between 2025 and 2026, the number of three and four-year-olds accessing early learning and childcare funding in Highland communities increased by 8 per cent, while the number of available childminders fell by more than a fifth. A recent report by the Highland community planning partnership found that national childcare frameworks often fail to reflect rural realities. What steps will the Government take to ensure that regulations are finally fit for purpose?

Siobhian Brown: Across Scotland, there is a take-up rate of 96 per cent for the roll-out of 1,140 hours for all three and four-year-olds, and the policy was very welcome when it was introduced, in 2021. However, the Scottish Government is listening and we know that there are challenges, especially in rural areas. That is why we have made the commitment to roll out childcare from nine months to the end of primary school by the end of this parliamentary session. We have been speaking to nurseries, childminders and the ELC sector, and they do not want this to happen quickly, because we have to do it right. I will be engaging with them, and we will be rolling it out throughout this parliamentary session.

Meghan Gallacher (Central Scotland and Lothians West) (Con): Parents will hold this Government to account on its plans to expand funded childcare, but I want to raise the current issues in our childcare system, such as cross-boundary issues, staffing and, of course, current funding mechanisms that threaten the financial viability of the private, voluntary and independent sector. How will the minister grapple with the current issues while looking at expansion?

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Siobhian Brown: The member raises some issues that I have been very familiar with since coming into post, because they have been raised with me. That is why it will be vital to have these discussions with providers across the sector, including childminders and other private providers, as well as with families and children.

Cross-boundary ELC places have become an issue in recent years. I do not think that we anticipated that issue when we rolled out the 1,140 hours. As we move forward, we have to learn lessons so that the provision is fit for purpose for all families.

Willie Rennie (Fife North East) (LD): I do not want to be rude, but we have been talking for years about the underfunding of PVI providers and all that I get from ministers, over and over again, is offers of further discussion. Nothing ever happens. The PVI sector's funding system needs to be sorted before we do any further expansion of ELC, because, unless we get it sorted, we are in danger of undermining the whole system. Will the minister please, finally, do something about it?

Siobhian Brown: I do not think that Willie Rennie is being rude. He is right to challenge the Scottish Government with the issues that his constituents raise.

I am in discussions with the private sector about the issues there. The Scottish Government has supported the sector with an extra £13 million in this financial year, and we will continue those discussions, because the sector will be vital in this transformation and the childcare that we aspire to roll out in this parliamentary session. We need to get it right.

The Presiding Officer: The member who was due to ask question 2 was not here for the start of this item. Therefore, we move to question 3.

Rural Health Boards

3. Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): To ask the Scottish Government how it supports rural health boards, including NHS Borders. (S7O-00331)

The Cabinet Secretary for Health and Care (Angela Constance): Services in rural and island communities have unique needs associated with their geography and we are absolutely committed to meeting those. Our service renewal framework sets out our ambition to design services in a way that ensures equitable access for people living in rural and island areas. We are clear that planning must reflect local needs and ensure consistency in service availability.

NHS Borders benefits from regional collaboration through subnational planning arrangements, which enable boards to work together on specialist services, workforce planning, service sustainability and improving access to high-quality care for local communities.

Rachael Hamilton: It is encouraging that the cabinet secretary seems to understand the needs of rural areas. However, fire services in Hawick have recently been downgraded and police officers have been removed from 2,000 miles of road. Residents are concerned that NHS Borders could be scrapped altogether. Can the cabinet secretary guarantee that there are no plans to scrap NHS Borders and that she will not risk safety, wellbeing and access to healthcare for my constituents?

Angela Constance: Nothing that I do will ever sacrifice the safety of patients in my own constituency, in Ms Hamilton's constituency or anywhere else in Scotland. We must remember that change is not optional. We want to future proof our national health service, which is our most precious public service, for future generations. I am acutely aware of the challenges in our rural communities. At the end of the day, we all want the same thing. Yes, there are significant challenges, but, now, there are significant opportunities to improve healthcare across the country, including in Ms Hamilton's constituency. Let us get rid of the postcode lottery once and for all.

Culture (South Scotland Communities)

4. Laura Moodie (South Scotland) (Green): To ask the Scottish Government, following the town of culture 2028 bidding process, how it will further support local authorities in the South Scotland region to use culture to tell stories about their communities. (S7O-00332)

The Cabinet Secretary for Education, Culture and Gaelic (Màiri McAllan): Through providing £4 million to Creative Scotland for its Culture Collective programme and £400,000 to our flagship creative communities project, we are offering a package of support to offer excellent cultural activity in communities across Scotland. For example, through Culture Collective, we are providing more than £1 million of investment over 18 months to Alchemy Film & Arts, OutPost Arts, the Gaiety theatre in Ayr, Little Art Hub and Narture, a community interest company, all of which are in South Scotland. That is just a selection of projects, but it underlines the

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Government's commitment to culture in our communities and to enriching lives and the economy in every part of Scotland.

Laura Moodie: I am glad to hear about the additional funding that is coming, and I am curious to hear what the cabinet secretary can do to engage further with bodies such as South of Scotland Enterprise, local authorities and the communities and cultural organisations themselves to explore the establishment of a regional culture network or partnership, so that we can make the most of the ideas, relationships and enthusiasm that were generated through the town of culture process rather than lose them.

Màiri McAllan: We commissioned Matt Baker, an artist who is well known in the south of Scotland for his work with the Stove Network, to produce the community culture report. Yesterday, I met Matt and his colleagues to discuss their recommendations to the Government on the network of support that Laura Moodie asked about, and about quite a radical departure from the way that community culture has previously been funded and organised throughout Scotland. We had that discussion yesterday to aid me in my consideration of their recommendations. Just as I assured Matt Baker yesterday, I assure Laura Moodie today that the Government is considering them all and I will respond in due course.

Finlay Carson (Galloway and West Dumfries) (Con): Culture can play a powerful role in telling the story of our communities. In Stranraer, an exciting proposal is emerging for an immersive heritage attraction on the former Stena Line east pier that would bring to life the town's unique maritime history and Scotland's migration history. Considering that that attraction has the potential to become a destination of national significance comparable to the V&A in Dundee or the Titanic, which transformed Belfast, does the cabinet secretary agree that projects with such ambition deserve support? Will she visit Stranraer to see at first hand the opportunity that exists?

Màiri McAllan: I do not need much encouragement at all to visit Stranraer. It is an absolutely beautiful corner of the country, and I am happy to speak to Finlay Carson about it. If my diary allows me to visit, I certainly will. The project that Finlay Carson described sounds exciting, and he is right to sit it alongside projects such as the V&A, which has been so successful in Dundee.

We are in the middle of a £100 million increase in culture funding until the financial year 2028-29, and there is ample opportunity for projects such as the one that he mentioned to make their case and seek funding. They could seek culture funding or, equally, economic regeneration funding, because such projects also amount to that.

Jenni Minto (Argyll and Bute) (SNP): The Isle of Bute, in my constituency, has made the shortlist for the United Kingdom's first town of culture 2028, which will come as no surprise to those who know Bute. Scotland is recognised on the international stage for our cultural offer and heritage. Will the cabinet secretary outline how the Scottish Government will ensure that investment in culture reaches our small towns and communities and makes a difference where it matters most?

Reflecting on Mr Carson's question, I would love it if the cabinet secretary visited the Isle of Bute as well.

The Presiding Officer: You are going to be very busy, cabinet secretary—or even busier, I should say.

Màiri McAllan: I might need your good will to allow me to be absent from Parliament a little more often, in order to make all these visits.

The Presiding Officer: You have taken that too far.

Màiri McAllan: The point is right. We can read reports about projects and places, or we can go and visit them and get a real sense of the enthusiasm that the volunteers, who are often from the community, are putting into pulling together projects such as the ones that have been mentioned.

I congratulate the Isle of Bute, Lerwick and Leith for being shortlisted for the UK town of culture 2028. The shortlistings are understandable, given the offer that Bute makes.

We are keen to ensure that culture reaches every area of Scotland. I spoke of the increased funding in my previous answer, and we have coupled that with more certainty than ever, with multiyear funding being offered to 262 cultural organisations in Scotland. That is more than double the number of organisations that previously received grants.

Neurodevelopmental Conditions (Assessment Waiting Times)

5. Martyn Day (Falkirk East and Linlithgow) (SNP): To ask the Scottish Government whether it will provide an update on actions NHS Scotland is taking to reduce waiting times for assessments of children and young people with neurodevelopmental conditions such as autism and attention deficit hyperactivity disorder. (S7O-00333)

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The Minister for Mental Wellbeing, Public Health, Sport, Alcohol and Drugs (Maree Todd): Demand for neurodevelopmental support, including diagnostic assessments, exceeds current capacity in many areas. We are working with national health service boards, local authorities and other partners to improve access to neurodevelopmental support for children, young people and families. That includes continuing to deliver on the actions in the implementation review of the “National Neurodevelopmental Specification for Children and Young People” and investing an additional £7.6 million this year to enhance local support, which builds on an investment of more than £2.9 million last year. Our focus is on ensuring that support is needs based and can be accessed as early as possible instead of requiring a diagnosis before support is available.

Martyn Day: With increasing numbers of children and young people experiencing anxiety, school avoidance and other mental health difficulties, how can programmes offering early therapeutic intervention become part of recognised referral pathways alongside schools, general practitioners, local authorities and NHS services, particularly for those who do not meet the thresholds for specialist services?

Maree Todd: The member recognises the really important point that many children and young people who are experiencing mental health difficulties will benefit from support before their needs meet the threshold for child and adolescent mental health services. That is why we continue to invest in community-based mental health and wellbeing support, ensuring that help is available at an early stage.

Since 2020, we have provided more than £95 million to local authorities for community-based mental health support for children, young people and families, including annual baselined funding of £15 million from 2025-26. Those support services include counselling, mentoring and other early interventions to complement NHS provision where specialist CAMHS intervention is not required.

Steven Bonnar (Uddingston and Bellshill) (SNP): The minister will know that families face very long waits for assessment and that a child’s needs do not dissipate during that time. What action is the Scottish Government taking to ensure that children and families in Lanarkshire can access appropriate support while they wait for an assessment instead of having to wait for a diagnosis before help becomes available?

Maree Todd: The member is absolutely right that the focus should be on identifying needs and ensuring that timely support is received, in line with the policy of getting it right for every child and the neurodevelopmental specification.

We are increasing investment in local neurodevelopmental support. Some time ago, I visited St Ninian’s primary school in South Lanarkshire, where parents and carers told me how much family support can help. That is a key focus of the £7.6 million funding. Alongside that, we are working with the children and young people’s neurodevelopmental taskforce to develop a shared national picture of what the support around a child should look like and how services should work together to deliver that.

Mental Health Drop-in Hubs

6. Helen McDade (Mid Scotland and Fife) (Reform): To ask the Scottish Government what process it followed in selecting Scottish Action for Mental Health to deliver its new network of mental health drop-in hubs, including how it took account of existing local provision, such as Hope Point at the Centre in Dundee and the original Nook in Perth, when reaching its decision.

The Minister for Mental Wellbeing, Public Health, Sport, Alcohol and Drugs (Maree Todd): Our decision to support SAMH’s Nook programme reflects our programme for government commitment to expand walk-in mental health hubs across Scotland. However, that is not the only model that we support. Since 2020, we have invested more than £194 million in community-based mental health and wellbeing services, including walk-in services such as the Lighthouse and the Nook in Perth.

As we take forward that commitment, we will consider local need, existing provision and emerging evidence and will continue to support a range of models to ensure that everyone in Scotland can access high-quality mental wellbeing support.

Helen McDade: Organisations such as Penumbra’s Hope Point and the Nook have absorbed the increase in employer national insurance contributions, alongside rising wages and running costs, while the funding that they receive has stayed largely flat. Although the extra £5 million that has been given to SAMH is, of course, welcome, will the minister commit to reviewing funding for existing local mental health providers to reflect those real-terms pressures, so that they are not squeezed out?

Maree Todd: I greatly value the vital work of those organisations. In fact, I visited the Edinburgh Crisis Centre, which is run by Penumbra, in the past few weeks. I recognise the financial pressures that many third sector providers face.

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Decisions about the funding of local services are often made by integration joint boards or local authorities, but the Scottish Government has provided a record settlement for local government and almost £22.5 billion for health and social care in 2026-27. To support that, our £194 million investment in community-based mental health support includes £178,647 for the Nook and for the Lighthouse in Perth. The Lighthouse is supporting NHS Tayside to pilot our new framework for children and young people who are experiencing mental health crisis.

Water of Leith and Wardie Bay (Feasibility Studies)

7. Sanne Dijkstra-Downie (Edinburgh Northern) (LD): To ask the Scottish Government when it will commission feasibility studies on bringing sections of the Water of Leith and Wardie bay into safe public usage, in light of its programme for government commitment. (S7O-00335)

The Cabinet Secretary for Climate Action and Rural Affairs (Gillian Martin): We are developing proposals to deliver our programme for government commitment on safe public access to waters. As an initial step, I will commission a scoping study to identify the best approach for increasing public amenity use of waters in urban environments. That study will consider both historical and current sources of contamination, any water quality improvements that are required, public safety considerations, technical feasibility and likely costs. The findings will inform the feasibility studies that were committed to in the programme for government.

Sanne Dijkstra-Downie: Wardie bay is a popular urban beach in my constituency and, after a long campaign by swimmers and residents, it achieved bathing water status in 2023. The beach is right next to a working harbour. To protect public health and water quality, the Scottish Environment Protection Agency stipulates that no dredging should take place within 2km of bathing waters between 1 June and 15 September, but, in August of this year, dredging and raking took place there over several days, which the harbour authority insists was carried out within the terms of its licence from the marine directorate. Does the cabinet secretary agree that a presumption against dredging should have been included in the licence?

Gillian Martin: I will defer to SEPA, which is the regulator and the licence operator, on the licence conditions. I was not aware of the details of what happened at Wardie bay, so the member must forgive me if I need to look at that in more detail. She can certainly write to me, or we can have a discussion.

When it comes to the feasibility study, we must look at public safety, in particular. Waters in urban areas are—as are waters in rural areas—shared by a number of sectors, people and organisations, so public safety will be a very important aspect of the feasibility study.

Kate Nevens (Edinburgh and Lothians East) (Green): I thank Sanne Dijkstra-Downie for raising the issue. Water quality and water safety issues are a huge concern in our region, in Wardie bay and the Water of Leith, as my colleague has mentioned, but also in Portobello, the Tyne, Aberlady bay and the River Esk, among others.

The issue is being exacerbated by heavy rainfall and more frequent flooding, as we have seen recently at Seafield. Data is not being collected anywhere near frequently enough to keep people safe. What specific steps is the Government taking to ensure more frequent testing of water quality and to communicate water quality data and pollution risk to the public in a clear and accessible manner?

Gillian Martin: I can give Kate Nevens an example of where there have been particular pressures—Portobello, which she mentioned. We need to look at each location as a distinct entity, because every location can present unique challenges. I have asked for an investigation to be undertaken into the issues at Portobello, so that we can see where the contamination is coming from. Until we have a clear picture of where the contamination is coming from, we will not be able to put in place the processes and the investment that are needed to bring those waters up to the standard that the people who use them would expect.

Student Visas (Police Monitoring)

8. Max Bannerman (Highlands and Islands) (Reform): To ask the Scottish Government what role, if any, Police Scotland has in monitoring the activities of people studying in Scotland on student visas, including what information it receives or holds regarding such individuals. (S7O-00336)

The Cabinet Secretary for Justice (Neil Gray): As, I am sure, Mr Bannerman is aware, immigration policy is reserved and the Home Office is responsible for the United Kingdom immigration system, including data relating to student visas, and for compliance and enforcement activity across the UK.

As Scotland is not a police state, our police do not, as Mr Bannerman put it, monitor the activities of people unless they have a need to do so. Police Scotland's role is to carry out its devolved policing responsibilities, which include public safety, public order and the investigation of criminality.

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Max Bannerman: I asked specifically about student visas because they now make up more than 50 per cent of all visas that are issued. Last year, 426,000 were issued, which is more than double the annual average from 10 years ago. However, although student visas make up the majority of visas that are granted, applications for such visas, unlike applications for other visa types, do not require an overseas criminal records certificate to be provided to confirm that the applicant has a clear background. Even when a conviction is declared and a visa is still granted—[*Interruption.*]

Members of the Scottish National Party front bench are chuntering. Even when that happens, there is no mechanism for the Home Office to automatically share that information with Police Scotland when the person is coming to Scotland to study. Is the cabinet secretary not concerned that Police Scotland might be unaware of the potential number of foreign criminals in Scotland?

The Presiding Officer: I ask the cabinet secretary to reply in relation to the areas for which he has responsibility.

Neil Gray: Scotland welcomes the contribution that our international students make to the fabric of our society, to the intellectual thinking of our universities and then, I hope, to the economy in Scotland.

The member has asked questions on issues that are the responsibility of the Home Office, so I suggest that he directs them there.

Community Policing (Multi-agency Approaches)

9. Miles Briggs (Edinburgh and Lothians East) (Con): To ask the Scottish Government what plans it has to strengthen partnerships between Police Scotland and other public sector bodies to improve multi-agency approaches to community policing. (S7O-00337)

The Cabinet Secretary for Justice (Neil Gray): Although operational delivery of policing, including engagement with partners, is a matter for the chief constable, I absolutely recognise that effective community policing depends on strong partnership working between Police Scotland and a range of partners, including local authorities, health services and the third sector. The Scottish Government supports the preventative approach to community safety, as expressed through Police Scotland's 2030 vision, which places a strong emphasis on effective community policing, prevention and partnership. It highlights the importance of working with partners to tackle the causes of harm, supporting vulnerable people earlier and ensuring that individuals receive the right support from the right agency at the right time.

Miles Briggs: In East Lothian, Dunbar, Prestonpans and North Berwick police stations have all closed in the past few years, leaving the county with no police cells. If someone in East Lothian is arrested and needs to be detained, they have to be transported all the way to Livingston to an available cell. As the cabinet secretary has said, the Scottish Police Authority has outlined a refresh of its estate. Will he agree to meet me and local stakeholders in East Lothian to consider an interim solution to the problem, with the opportunity for an East Lothian civic centre to be set up to provide local police cell capacity to help to keep our communities safe?

Neil Gray: I am, of course, willing to meet Miles Briggs to discuss those issues, some of which are, as he will understand, the operational responsibility of the chief constable, who is accountable to the Scottish Police Authority. I raised the matter of custody arrangements and pressures across Scotland with the chief constable at our meeting this week—not matters specific to East Lothian, but general matters across Scotland. I am alive to and understand those matters, and I will be happy to discuss them with Miles Briggs.

HMP Barlinnie

10. Monica Lennon (Glasgow) (Lab): To ask the Scottish Government what urgent action it is taking in response to reported warnings from the governor of HMP Barlinnie about overcrowding and the risk of critical failure arising from the prison's ageing infrastructure. (S7O-00338)

The Cabinet Secretary for Justice (Neil Gray): I very much recognise the challenges that are raised. Overcrowding has serious consequences for our prisons and has an impact on important rehabilitative work. I thank the governor and his prison officer staff at Barlinnie, as well as staff across the prison estate, for their work.

We need to address the prison population so that there is a safe and secure environment for people to live and work in. That is why HMP Glasgow is due to open in 2028, adding a further 357 places, and HMP Highland will add a further 107 places next year. We have increased capacity in the prison estate by more than 640 places over the past two or three years. More needs to be done, however, which is why we are considering further options for additional capacity, including modular accommodation.

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Monica Lennon: The Prison Officers Association Scotland published “Crisis Point Reached”, which contained 41 recommendations to tackle the wider prison crisis. One year on from its publication, is the cabinet secretary able to tell us how many of those recommendations have been implemented? Barlinnie’s governor is warning that Scotland’s largest prison “hangs by a thread” right now. Given the risks to the prison staff and the prisoners in that estate, will the cabinet secretary visit Barlinnie to witness the conditions at first hand and meet staff, trade union, prisoner and family representatives?

Neil Gray: I reassure Monica Lennon that I have visited Barlinnie, where I met staff, prisoners and other interested parties to discuss the challenges and the significant opportunities that come from rehabilitative work when that is possible.

Of course I recognise the challenges, and Barlinnie, given its capacity pressures and ageing infrastructure, is at the forefront of those challenges. That is why we are making the capital investment, with the replacement for Barlinnie, and considering potential further measures in order to create a sustainable prison population.

Maggie Chapman (North East Scotland) (Green): The cost of building the new 1,344-place HMP Glasgow is £998 million—almost £750,000 per place—which does not include any running costs. Given the substantial evidence that imprisonment is often not an effective deterrent to crime and that the rate of reoffending after custodial sentences is more than double the rate of reoffending after community sentences, does the cabinet secretary consider that that is a wise use of public money?

Neil Gray: It is clear that there are alternatives to custody that can result in lower reoffending rates. However, I will not apologise for the fact that, when serious offences are committed that have serious consequences, including serious sentences, and for public safety, we need to have a prison estate that is fit for the future. That is why the investment that we are making in HMP Glasgow, including in its ability to support an ageing population in the prison estate, is important.

First Minister’s Question Time

Party Leaders

14:01

Drug Deaths

1. Malcolm Offord (West Scotland) (Reform): In the past month, we have had quite a lot of bad news from the Scottish Government. In education, our programme for international student assessment scores have plummeted. One in five children remain in poverty. On homelessness, rough sleeping is up 20 per cent, and asylum seeker applications are up 40 per cent. Meanwhile, empty promises have been made to workers at Ferguson Marine and Alexander Dennis.

Most distressing of all, last year, we lost 1,133 fellow Scots to cruel, needless drug deaths. Can the First Minister explain why so much time in the chamber is taken up with meaningless debates on independence, Europe, Gaza and net zero, instead of focusing on these daily tragedies in Scotland? Is it any wonder that 2 million Scots did not vote in the Holyrood election in May?

The First Minister (John Swinney): Those are all important issues. They are the subject of discussion and debate in the Parliament and in committees, and they are the issues on which I am questioned. The parliamentary programme of debate and discussion is agreed by all parties in the chamber. It is proposed by the Parliamentary Bureau and agreed to by members of the Parliament.

Malcolm Offord: On that matter, we tried yesterday to replace one of next week’s meaningless debates on Europe with a more pressing debate on Scotland’s drug emergency—[*Interruption.*] That was in order to give the Parliament an opportunity to explore alternative solutions, such as access to rehabilitation, the right to recovery or harm-reduction methods, but no—the Government marches forward on a flawed strategy of rolling out consumption rooms in Edinburgh, Aberdeen and Dundee.

The Thistle in Glasgow is funded with £7 million over three years, yet Glasgow’s drug deaths increased by 6 per cent in the year it was opened. A man died outside the Thistle last year, and we have all seen the horrific photos of the needle tree just outside it. In fact, the Thistle administered 7,827 needles last year, but it cannot state how many people it got clean. Why does the First Minister think that the answer to Scotland’s drug epidemic is more consumption rooms and decriminalisation?

The First Minister: The first point to make is that issues in relation to Europe are very important to people in Scotland. We are suffering direct economic harm because we left the European Union against our wishes—it was forced on us by people such as Malcolm Offord. That is the reality of Malcolm Offord’s stance.

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The Government's strategy on tackling drugs is informed by our extensive engagement with a whole range of partners and stakeholders around the country. It is factually incorrect for Malcolm Offord to say that it would be a change in strategy to provide access to rehabilitation. That is just complete rubbish—total and utter factual inaccuracy. This Government has increased rehabilitation capacity as part of the drug strategy, so Malcolm Offord, not for the first time, peddles disinformation in the Parliament.

Malcolm Offord challenges me directly about the Thistle consumption room. If we did not have the Thistle consumption room, more people would have died.

I will explore the steps necessary to tackle the drug deaths position in Scotland, and I am open to exploring ideas in that regard. We will engage constructively to enable that to happen.

Malcolm Offord: That diversion on Europe takes us to a factual inaccuracy. The reality is that, even though our growth is low, it has been faster and better than the growth in Germany, France and Italy, so that does not get us anywhere.

Back in 2020, Nicola Sturgeon admitted that she had taken her eye off the ball on drugs and she replaced her minister. This year in the spring, both Maree Todd and John Swinney were warned by Police Scotland and Public Health Scotland that the use of synthetic opioids was rampant and that drug deaths were trending up again. In the summer, they both went to the world cup and, in the autumn, they announced that there had been record drug deaths. How many more deaths will it take for the minister to take any responsibility? Will the First Minister now explain to Parliament why Maree Todd deserves to keep her job?

The First Minister: I reiterate a point that I have made to Parliament before. I take absolute responsibility for all the issues that are handled by my Government and in my name, so I take complete responsibility for the issues that the member raises.

On the question about drug strategy, as I told Mr Marra in exchanges last week, I was warned in February about the upsurge in the devastating effect of synthetic opioids. As a consequence of that February briefing, I asked for there to be reconsideration of the Government's approaches and interventions, and they were discussed at an all-stakeholder summit with our partners—the Convention of Scottish Local Authorities, Police Scotland, the Scottish Drugs Forum and a variety of other organisations—to test and assess the approaches that we were taking. I will always and constantly be prepared to challenge interventions if that will save lives in Scotland. It is important that I push back on the misinformation from Malcolm Offord about rehabilitation, because we have actively increased rehabilitation capacity as part of our drug strategy.

On the question of the Minister for Mental Wellbeing, Public Health, Sport, Alcohol and Drugs Policy, Maree Todd is a totally committed and dedicated minister who is determined to confront the challenges that are faced in Scottish society. That will always be the case for ministers in my Government.

Health Service Reform

2. Michael Marra (North East Scotland) (Lab): This morning, the chair of the British Medical Association Scotland made an intervention on the Government's reform programme that should concern us all. She said that the Government's plan is

"the wrong set of reforms, and it will set Scotland on a path of a costly, time consuming, resource-sapping reorganisation, with no serious engagement with those of us holding the service together and no clear evidence put forward on how it will benefit patients."

The First Minister knows that Labour is a willing partner in the process of reforming public services to improve outcomes for our country, but I am really concerned about the start that the Government has made on the approach that it is taking. There appears to be no real process. What we have, so far, are rushed plans that raise far more questions than answers. Instead of empowering communities, the Government plans to centralise power even more, including through reforms to social care, where the Scottish National Party Government failed so catastrophically before. Will the First Minister reflect on how he does reform and tell us what lessons he has learned from the SNP's failed National Care Service (Scotland) Bill?

The First Minister (John Swinney): I have seen this morning's comments from the BMA, and this morning, I also engaged with clinicians in the Golden Jubilee hospital who fundamentally disagree with the points made by the BMA. There is an active debate about those questions, and there are going to be different opinions. We will engage and discuss those opinions. In Government time on Tuesday, there was a debate about public service reform, led by my ministers, to make sure that we engage Parliament on those questions, because engagement is fundamental.

When it comes to local government reform, the Government did not set out in tablets of stone an approach that has to be undertaken. We set out a rational argument to engage in a debate about what powers should be exercised at national, regional and community level in Scotland. We opened that discussion with our local

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authority partners, and they asked us to provide a more specific proposition, which we have done. That is now the subject of discussion. We have shared that with parliamentary committees as well.

The process that we are undertaking is exactly the one that I set out in the programme for government. There will be three months of engagement with our local authority partners on governance issues and on social care. Ministers will engage constructively in that process. I welcome the willingness of Mr Marra to participate in that discussion.

Michael Marra: Although I appreciate the First Minister's tone on the matter, there are widely held concerns and many questions to be answered. I also acknowledge that there are different opinions.

The reality is that the First Minister must build trust in the reform process. However, this morning, he has misrepresented the position of the United Kingdom Government on social care reform, and, as a result, he finds himself on the same side as the Tories and Reform. He knows that pensions will continue to increase every year. He knows that reforms will result in very significantly increased funding for Scotland. He knows that that money can be spent however the Scottish Government likes—whether that is on fixing our own social care crisis, education, or, if he wishes, creating new financial benefits for pensioners. All those reforms are huge issues for the country—and we have to change—but we need considered honesty in the debate. That is what people deserve and it is how we should proceed.

Therefore, let us get some clarity on the SNP's plans for reform. Last week, the Deputy First Minister said that no powers would be devolved from the SNP Government to communities. Yesterday, she told Parliament that that was not the case. Which is it?

The First Minister: Let me try to use this opportunity to advance some of the issues. I go back to my first answer: the Government's proposition—which we have set out and which I discussed with Mr Marra when we spoke after his election—is to establish the right balance of the powers that are exercised at national, regional and local levels. I take the view that our 32 local authorities are too fragmented and that we need a smaller number of regional authorities that can exercise more functions than are currently exercised at local authority level. That is not about centralisation; it is about devolving powers to a more local level—not the national level but down to regional level—so that they can be exercised in that way. However, that process comes with a significant increase in the powers and scope for action of individual communities, with a much larger range of community authorities, enabling communities to take much more control of their future. That is decentralisation in action, and that is what my Government proposes.

Michael Marra: I am glad that the First Minister chose not to repeat in his answer the misrepresentation of the pensions policy that he has been making online in the past couple of days—that is a welcome development. However, there is no real clarity in the principles that he is setting out in relation to public service reform. Today, it is the doctors; at the start of the week, it was centralising education—taking it away from councils; last week, it was health boards, councils, schools, social care and social work. It appears that every thread that the First Minister grabs at leads to another unravelling, and the Deputy First Minister has been unable to answer straight questions about how many jobs the reforms will cost.

Trade unions are looking on aghast at the idea of moving from 32 employers to 160. Can the First Minister tell us how on earth that will work, how long it will take to negotiate, who people will pay their council tax to, whether there will be additional taxes, and, if so, at what rate and what will people get in return? I do not believe that those are mere details—the First Minister needs to produce a prospectus that people can engage with. On the current path, this is a gathering mess. Can the First Minister actually answer any of those questions?

The First Minister: I am trying to be as helpful as I possibly can be here, and I am trying to take the approach that will create as much agreement as possible. If I had come to Parliament and set out a definitive proposition, Mr Marra would have accused me of not engaging in dialogue and of disrespecting local authorities. Therefore, I set out an aspiration in our programme for government and committed to a detailed dialogue. In the detailed dialogue with local authority leaders, they asked for a specific proposition. I have now given them that specific proposition, and my ministers are actively engaging with local authority leaders and other partners on those points. The invitation is there for Mr Marra—he can decide whether or not he is actually going to engage in the process.

There is a parallel with the budget process because Mr Marra has a history of absenting himself when decisions are taken that could be influential in improving outcomes for people in Scotland—as the Liberal Democrats and the Greens have recognised in the parliamentary process. The question is, will Mr Marra engage in the process or will he not?

Lastly, in case Mr Marra missed what I said this morning, the consequence of the changes that the Prime Minister announced on Tuesday will be that pensioners in Scotland will lose out on £2,000 a year; they will

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get no enhancement in the provisions that the Prime Minister proposed, because all that money will be used to pay for social care in England. The Scottish Government will act, as we always have done, to protect social care in Scotland, and we need better engagement from the Labour Party about how to take that forward. That is the direction that we will pursue in the Scottish Parliament.

Bus Fare Cap

3. Ross Greer (West Scotland) (Green): Diesel prices hit an all-time high in the United Kingdom on Monday, and petrol prices will not be far behind. The cost of living crisis is crushing people across this country. That is why the Scottish Greens have fought so hard to make bus and train travel cheaper and why we secured free bus travel for young people and scrapped peak rail fares. I worked with the First Minister on both those efforts, which have saved families thousands of pounds.

The Greens pushed for and secured the £2 bus fare cap across the Highlands and Islands, which has now been extended to the west of Scotland. However, the Government has said that it could take up to five years for the cap to reach the rest of Scotland. That surely cannot be right, because people need help right now. Will the First Minister extend the cap to the rest of Scotland by the end of this year and help more people save money on their commute?

The First Minister (John Swinney): The Government wants to extend the £2 bus fare cap to all other areas of Scotland as quickly as we possibly can, and we will take the necessary steps to address that aspiration as part of the normal budgeting processes of the Scottish Parliament.

Ross Greer: I appreciate the First Minister's ambition, but no timescale has been laid out. The only timescale is in the programme for government that he published last month, which indicated that the process could take until the end of this parliamentary session, in 2031. By comparison, bus fares in England have been capped for almost four years. Although Keir Starmer increased that cap to £3, that increase is being reversed and the cap will go back to being a £2 cap from this coming January.

Commuters in Scotland are struggling with their costs just as much as commuters in England are. That is why the Greens secured free bus travel for young people and started the £2 fare cap. However, on top of surging energy and food prices, bus passengers across most of Scotland are still paying a small fortune for their commute. Workers who commute between Dunfermline and Glasgow pay £64 a week right now. That would go down to £20 with a £2 cap on single tickets. Is the First Minister really saying that it is impossible to bring in the £2 bus fare cap across all of Scotland by January, in line with England?

The First Minister: I am simply saying to Mr Greer that the Government is keen to make progress on delivering the £2 bus fare cap as quickly as possible. He makes a comparison with England, but England does not have the abolition of peak rail fares or a universal under-22s bus offering.

We must take these decisions in an orderly fashion as quickly as we possibly can, and I am signalling my willingness to do that. As we said we would do, very quickly after the election we delivered on our promise to roll out the £2 bus fare cap to the west of Scotland. I hope that Mr Greer can look at the progress that the Government has made and take confidence in the fact that the Government is determined to deliver the fare cap, in addition to the many other areas in which we support people with the cost of living. Other things happen in Scotland that support people with that, such as free prescriptions—people pay about £10 for prescriptions in England, but nobody pays for them in Scotland—and free personal care for the elderly, as I set out to Mr Marra. A lot is already happening under the Scottish social contract delivered by the Scottish National Party, and that is good news for the people of Scotland.

Ross Greer: It would be good news for the people of Scotland if the First Minister could confirm that everyone in Scotland will be able to travel on the bus for £2 from the start of next year. I do not think that that is too much to ask for. I agree with the First Minister that we have made significant progress already on making public transport cheaper—I was proud to work with him on the Green proposals for free bus travel for young people and the scrapping of peak rail fares—but everyone in Scotland deserves to benefit from that.

Cheaper bus fares, though, make it more urgent that we bring our bus services back under public ownership. The 40-year experiment of privatisation that was started by Thatcher has clearly been a disaster. Private bus companies have put their own profits ahead of the needs of our communities, and some communities have no local bus service at all. We cannot let the good work that we have done to make buses cheaper for passengers result in more money landing in the pockets of self-proclaimed billionaires such as the Easdale brothers. McGill's, which is owned by the Easdales, reported yesterday that it made almost £5 million in post-tax profits last year.

The Scottish Government has announced a better buses bill, but the transport secretary could not tell MSPs what it will do or when it will be published. Can the First Minister confirm whether that bill will make it easier and quicker for councils to bring bus services back under public control?

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The First Minister: The Government will set out the detail of the better buses legislation at the appropriate time, but Mr Greer raises legitimate issues about the control of buses and the flow of revenue into the support for bus services. Some of the concessionary travel support that we have put in place goes into publicly owned bus services such as Lothian Buses, and other support goes into services that are owned by private companies. All those issues will be considered as part of the Government's work to make sure that there are credible and effective bus services in every part of the country, and that will be at the heart of the Government's legislation.

Tax and Benefits

4. Russell Findlay (West Scotland) (Con): Keir Starmer cut the winter fuel payment for Scottish pensioners, and now Andy Burnham wants to cut their pensions. John Swinney agrees with me that that is wrong, but our party knows where savings can and should be made, and that is in state benefits, which are out of control across the United Kingdom, but especially here in Scotland. Hard-working Scots face massive tax rises to fill a multibillion-pound black hole in the Scottish National Party's finances. Will John Swinney cut benefits or will he raise taxes?

The First Minister (John Swinney): The Government will, of course, set out its position on tax and benefits in the budget process, and we will engage with political parties across the Parliament on those issues as part of the normal budget process.

It is really important that we have a social security system that is based on the values of dignity, fairness and respect—that is really important for people who face vulnerabilities in our society. Of course, it never takes Russell Findlay very long to start getting stuck into vulnerable people in our society in the political attacks that he makes.

Russell Findlay raises the issue of the triple lock and pensions. Let me be the first to point out in Parliament today that the changes that the Labour Government in Westminster has proposed follow on from solemn commitments that were given to the people of Scotland in 2014 that their pensions were safe with the United Kingdom. Now, in 2026, we know that pensions are under attack from a Westminster Labour Government. That demonstrates that what the people of Scotland were told in 2014 was a lot of absolute rubbish. We have been taken out of the European Union and we are now going to lose our pensions. Scotland needs to have independence. *[Interruption.]*

The Presiding Officer (Kenneth Gibson): Well, that woke everyone up.

Russell Findlay: It certainly woke the First Minister up.

If John Swinney will not cut benefits, he will have to raise taxes. It really is that simple.

For the second time today, I find myself agreeing with an SNP politician. John Swinney's social justice secretary recently said that addressing poverty is

"best done not through increases to social security spending"—*[Official Report, Social Justice, Housing and Local Government Committee, 16 September 2026; c 11.]*

but through skills and employment. John Swinney talks about a system of dignity, fairness and respect, but the SNP Government's light-touch approach traps people on benefits.

A whistleblower who spent two decades advising people on benefits has told me about rampant abuse within the system. She was ordered to act for those who admitted that their claims were a lie, and she saw colleagues coaching applicants to cheat the system. We have taxpayers funding advice on how to steal money from taxpayers. Why does John Swinney think that his light-touch approach is acceptable in any way?

The First Minister: Russell Findlay reads out some comments. I do not know their source or substance, but he sets them out here today. He misrepresents the Government's child poverty delivery plan. The plan that my Government has put to the Parliament recognises the importance of supporting family income through social security where it is required to do so. It also significantly invests in employability and skills schemes to enable families to access employment. It invests in a strong childcare offering to help families to be able to get into employment. It supports families with some of their housing and transportation costs to help them into employment.

The Government will take a balanced approach to the eradication of child poverty that is about stimulating economic opportunities and providing support to families in this country. That will be the mainstay of the Government's approach to eradicating child poverty.

The Promise

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5. Alex Cole-Hamilton (Edinburgh North Western) (LD): In 2020, the Government made a promise to Scotland's care-experienced children and young people that they would grow up loved, safe and respected, because, without love, what hope does a child have? However, this week, the Oversight Board told us:

"Too much of the promise remains on paper"

and not in people's lives. It found that resources do not match the needs of children, that nobody can say who is responsible for what and by when, and that the window to deliver the Promise is closing fast. The board was clear that the evidence does not yet give it confidence that the Promise to Scotland's care-experienced children will be kept by 2030. Does the First Minister agree?

The First Minister (John Swinney): I certainly agree on the point that the Promise must be kept by 2030—I agree on that. There is work that has to be undertaken, and that must be addressed in the years to come. However, significant progress has been made by the Government and other public authorities. We are dependent on the input of other public authorities to achieve the fulfilment of the Promise. We have taken a number of steps in relation to legislative change, service arrangements and the development of whole family support, which are all measures that are designed to support the delivery of the Promise. As Mr Cole-Hamilton knows, they will be at the heart of the Government's programme in the coming parliamentary session.

Alex Cole-Hamilton: No one who has care experience should ever be left alone to come to terms with their childhood. These are the children of the state and, as First Minister, they are his children. In the past 10 days, two more care-experienced people have died before their time, but the First Minister will have had no means of knowing that, because we do not know how many of them have been failed by the system, ended up in prison or on the streets, or died early. We have asked the Government three times if it will track and publish that information, because what parent does not even know if their children are alive?

The First Minister: That is the whole focus and purpose of whole family support, which is the absolute cornerstone of the programme for government that we have set out to the Parliament. It recognises the importance of providing support to individuals at all times, on their terms, to enable them to navigate their way through life when they face challenges.

I acknowledge that care-experienced young people start off with very significant challenges in their lives, which is what our service provision is designed to help with. Our whole public service reform agenda of moving to person-centred solutions is entirely directed to support the needs of care-experienced young people, to enable them to achieve better outcomes. I deeply regret the premature loss of any life in our society; that applies to care-experienced young people as much as it applies to anybody else. The measures that the Government is taking are designed to support those young people as effectively as we possibly can and to provide them with the assistance that they require. That will be at the heart of the Government's programme.

United Kingdom Budget (Scotland's Priorities)

The Deputy Presiding Officer (Clare Adamson): Our next item of business is a debate on motion S7M-01395, in the name of Jenny Gilruth, on Scotland's priorities for the United Kingdom budget. Members who wish to speak in the debate should press their request-to-speak button now.

14:30

The Deputy First Minister and Cabinet Secretary for Finance and Local Government (Jenny Gilruth): Managing public finances responsibly is one of the most important responsibilities of any Government. The choices that we make about public money are not abstract. Decisions taken here directly affect all our constituents—in our schools, in our hospitals, in our communities and in households across the country. Delivering a budget for all of Scotland really matters.

In a Parliament of minorities, but particularly in this Parliament, achieving a broad consensus is a necessity. In just 27 days' time, the Chancellor of the Exchequer will deliver his first budget. We will have just a few short weeks to reflect on the impact of the chancellor's programme, after which I will present my first budget to this Parliament on 3 December.

The new Prime Minister has said that he is a willing advocate for devolution. Although we may disagree on the destination, the Labour Party will always find a willing partner in the Scottish National Party when it comes to more democracy for Scotland and for our communities. As we look ahead to the UK budget later this month, I welcome the opportunity to speak about the action that the UK Government needs to take on the cost of living and to provide the vital funding that our public services need.

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A month ago, we set out the Scottish Government's priorities through our programme for government. Those priorities are clear: to grow Scotland's economy, to eradicate child poverty, to tackle the climate emergency and to deliver the high-quality public services on which our people rely.

Craig Hoy (Dumfriesshire) (Con): Yesterday, in the Government's amendment to the Conservatives' motion, it said that it had no plans to raise income tax in this parliamentary session. Will the Government now confirm that having no such plans means that there will be no tax increases in Scotland in the next five years?

Jenny Gilruth: I can confirm to Mr Hoy that, as is set out in our manifesto—I am glad that he has engaged so much with the SNP's manifesto on these matters—that is not the SNP's intention, as was confirmed in yesterday's debate.

Craig Hoy: It is not your intention, but do you rule it out?

Jenny Gilruth: I hear Mr Hoy debating with me from a sedentary position, Presiding Officer. I can give him an assurance that, as per the SNP's manifesto, we do not intend to increase income tax or the number of bands during this parliamentary session. In fact, there is an interesting SNP manifesto commitment to simplify the number of bands. I would have thought that Mr Hoy might have been interested in engaging with the Government on those matters, and I look forward to engaging with him as we approach the budget process more fully.

If I may return to the priorities of this Government, as colleagues will accept, this will be a very challenging budget. The choices made by the UK Government will obviously be crucial in enabling us to deliver on those priorities.

As we know, the conflict in the middle east is pushing up global energy prices, which increases costs for households and businesses and for all our constituents. Higher energy bills continue to cause misery for people across the country in energy-rich Scotland. From today, maximum energy rates will rise by 4 per cent for an average household and, from January, the price cap could rise to as much as £1,999 per year, up from £1,723 this month.

When the Labour Party came into office, it promised to cut people's energy bills by £300 a year, but today's price cap means that bills will be around £300 higher, which means that bills will need to go down by £600 to meet that promise. We also know that inflationary pressures are rising; inflation is expected to reach 3.75 per cent this year, compared with the Office for Budget Responsibility's assumption earlier this year of around 2 per cent.

Meanwhile, spending pressures grow from funding the defence investment plan and from the cost of living. We also continue to be dogged by the impacts of Brexit—the single biggest drag on the economy—although there is an opportunity in this country to reset through rejoining. Scotland was pulled out of the European Union against our will, and rejoining remains in all our best interests.

Helen McDade (Mid Scotland and Fife) (Reform): Will the cabinet secretary take an intervention?

Jenny Gilruth: I am happy to do so.

Helen McDade: In the Brexit debate, more than a million Scots voted for Brexit. Can the cabinet secretary remind me how many people voted for the SNP in May?

Jenny Gilruth: Every single local authority area in Scotland rejected Brexit, and we know that the economic damage from Brexit continues, to this day, to cost Scotland around £130 billion a year. We are poorer as a result of a Brexit that the people of this country did not vote for. That is the cost of the misinformation from those on the Reform benches, who led the leave campaign.

Although Scotland's economy is resilient in that context, no country can be immune from wider global shifts. We have families trying to pay bills and make ends meet, businesses struggling to have the confidence that is needed to invest, and increases in the cost of delivering the public services on which people rely, all while the need for and expectations on those public services are growing.

Against that backdrop, the challenge facing Scotland's public finances is clear. Current projections tell us that UK Government decisions will result in a reduction of Scotland's block grant in real terms. The resource block grant is due to fall by 1 per cent in real terms next year. That is austerity—

Julie MacDougall (Mid Scotland and Fife) (Reform): Will the cabinet secretary take an intervention?

Jenny Gilruth: I have taken a number of interventions already; I would like to make some progress.

In addition, we estimate that our capital block grant will reduce by at least 3.2 per cent through the funding in the UK's defence investment plan. That could yet see the capital position worsen further. Coupled with that,

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the UK Government already spends more on debt interest—as I discussed with the Finance and Public Administration Committee only yesterday morning—than other European countries with similar levels of debt—[*Interruption.*]

I hear Mr Langan speaking from a sedentary position. Would he like to intervene?

I will continue. That is money that could be invested back into our public services.

As the funding that we get from Westminster is set to go down, inflation is pushing costs up. That position is not set to improve—we know that, in real terms, the resource block grant is broadly flat over the remainder of the spending review period.

In that context, however, I do not want today's debate to be a depressing one that is devoid of hope. Our people are really struggling, and the new Chancellor of the Exchequer has a unique opportunity to change that and turn the situation around. John Healey can choose to reverse the projected real-terms reduction in Scotland's block grant and give the people of Scotland a fair funding settlement that includes the funding that we all know is badly needed to invest in our public services and our economy—

Julie MacDougall: Will the cabinet secretary take an intervention?

Jenny Gilruth: I will give way to Julie MacDougall.

Julie MacDougall: Does the cabinet secretary agree that, as the Treasury says that public spending in Scotland was almost £2,500 a head higher than in England in 2024-25, the problem is not how much Scotland actually gets but what the Government here is spending the money on?

Jenny Gilruth: I hate to say this to Julie MacDougall, but I am not going to make any apologies for investing in our public services. We pay our nurses and our teachers better in Scotland, and we should be proud of that investment, regardless of our party.

Demand on our public services continues to grow. As we know, more people are relying on our national health service, which, incidentally, is exactly why we need to invest in our public services.

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): Will the cabinet secretary take an intervention?

Jenny Gilruth: I would like to make some progress; I have taken a number of interventions.

We know that more families are needing support, and the cost of delivering public services remains significantly higher than it was only a few years ago. In Scotland, the Government is taking a number of direct actions to support households and businesses, but we also need to see wider action from the UK Government. I hope that colleagues will use the opportunities provided by today's debate to share their views on where the UK Government might be able to ameliorate the challenges that we are currently experiencing.

A key ask—[*Interruption.*] A key ask from the devolved Governments—[*Interruption.*]

The Deputy Presiding Officer (Clare Adamson): Can members please refrain from barracking whoever has the floor and the microphone? Thank you.

Jenny Gilruth: A key ask from the devolved Governments at the recent finance interministerial meeting was for an end to the policies associated with a period of austerity.

We know that the Government in Scotland is having to mitigate the effects of a number of welfare policies, when we would ordinarily use that finance to reinvest in our public services. In 2026-27 alone, we are investing around £160 million just to mitigate policies such as the bedroom tax. That could pay for an extra 2,000 teachers in our schools, for example.

The UK Government needs to end the wider policies that are actively pushing families into poverty and hardship. That means ending the freeze on the local housing allowance rates, which sees people being unable to meet their rent and so becoming homeless. It means scrapping the bedroom tax, which affects almost 90,000 Scottish households, including almost 19,000 children. Of course, the funding that we are using to mitigate that—to the tune of £83 million—could be used to invest back into our public services. It means removing the benefits cap, which unfairly restricts the amount of money a household can receive through the benefits system, regardless of need, and the young parent penalty, which unfairly reduces the level of support for those under 25 who receive that support through universal credit.

We have led the way in tackling child poverty, keeping 50,000 children out of relative poverty this year through the Scottish child payment, which will increase to £40 a week during 2027-28. That is part of our national mission to end child poverty, and the UK Government should follow our lead. If not, it should give us the necessary powers to better support the people we all represent.

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The cost of living affects all of us, which is why Scotland continues to provide the most comprehensive cost of living support package in the United Kingdom, including free bus travel for young people and older people, and free school meals. It is also why we believe that the UK Government must take action across the cost of living crisis, including on energy and fuel bills. Although the removal of VAT on domestic electricity bills was welcome, the benefit will more or less be offset by the increase in bills that consumers will experience with the introduction of the new price cap, which kicks in today. As a result, many households will continue to face significant pressure on their finances. In Scotland, our grants, loans and advice have already helped thousands of households to save up to £500 a year, but further action is needed from the chancellor to support families with energy costs and provide greater protection for those who are most vulnerable to future price increases. That is why we have repeatedly called for the introduction of a social tariff, which would save 660,000 Scottish households an estimated £700 per year on their fuel bills.

In order to tackle poverty and raise wider living standards, we also need to support economic growth. That includes making tax fairer, which we debated only yesterday. This Government believes that those with the broadest shoulders should make a fair contribution to supporting the running of public services. We can go only so far with the powers that we currently have. For example, the powers retained by the UK Government mean that it could take a very different approach to taxing wealth. For example, in July last year, a House of Commons committee report said that

“HMRC does not know how many billionaires pay tax in the UK”.

As Labour MP Lloyd Hatton observed at the time,

“Our report shows that, however you slice it, there is a lot of money being left on the table. HMRC must ... begin collecting the correct amount of tax from the very wealthiest—and this must include wealth that is currently squirrelled away in tax havens. There is certainly room for improvement.”

Paul Sweeney (Glasgow) (Lab): Does Ms Gilruth agree that one thing that Scotland has a disproportionate amount of, relative to its population, is land? Land cannot be offshored, and it is a ready-made opportunity for us to explore growing the tax base with a land value tax.

Jenny Gilruth: I am actually very sympathetic to the point that Paul Sweeney makes. At the SNP's upcoming conference, Ms Goodlad and I will be taking a motion on that subject. We are a broad church, and Mr Sweeney would be more than welcome to come along and debate the merits of introducing a land tax to Scotland.

A wealth tax on the super-rich would be real progress. The UK has one of the highest levels of economic inequality in the developed world, according to the Organisation for Economic Co-operation and Development. Earlier this year, it was reported that the average healthy UK life expectancy had dropped by around two years for men and women. Inequality is not good for economic growth, and neither is uncertainty. Across Scotland, our businesses have been impacted by the hike to employers' national insurance contributions. That, combined with high energy costs, is making things much more challenging for businesses. The chancellor has a real opportunity to reset that approach.

I am mindful of the time, but it would be remiss of me not to talk briefly about the devolution agenda that is being pursued by the new Prime Minister Andy Burnham. We have shown that we can use the power that we have in Scotland to help support our communities. With more powers for Scotland, we can do so much more, but with more powers must flow commensurate funding. Therefore, I was disappointed to see every party—with the exception of the Green Party—look to delete that ask through their amendments to the Scottish Government's motion.

As I narrated to the Finance and Public Administration Committee yesterday, there is an inherent opportunity for Scotland through further devolution. Although my party does not agree with Labour on the constitution, I hope that we can find common ground through public service reform and a renewed devolution agenda. In the First Minister's meeting with Andy Burnham, he was very clear that he was not going to bypass this Parliament. That is welcome progress. Of course, the UK Government could go much further in improving intergovernmental relations by removing the United Kingdom Internal Market Act 2020 in its entirety. That would be real progress.

The choices made by the UK Government have real consequences for households, communities and public services all over Scotland. Therefore, the UK budget on 28 October represents an important opportunity to take action on the cost of living and child poverty; to provide greater support for public services and infrastructure; and to support economic growth across Scotland. This Government is determined to secure those opportunities for Scotland now and in the future.

I move,

That the Parliament welcomes the new Prime Minister's approach to further devolution for Scotland; calls for commensurate

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funding to support the transfer of further powers and for the UK Government to end the era of austerity by increasing the Scottish Government's budget in real terms; demands that the UK Government take action to address the cost of living crisis, including immediate action on energy and fuel bills; suggests that the UK Government should improve wealth taxation to support the public finances and devolve a greater range of powers, including fiscal powers, to Scotland, to aid investment and growth.

14:45

Malcolm Offord (West Scotland) (Reform): The motion calls for further devolution, further powers with commensurate funding and an end to the era of austerity. Well, well—let us put the spotlight on those demands and examine those statements a little more thoroughly.

The existing devolution settlement is set out clearly every year in the “Government Expenditure and Revenue Scotland” report—a report that Alex Salmond, Nicola Sturgeon and John Swinney have all agreed is an accurate reflection of the finances in Scotland. The summary is simple: it costs £125 billion to run Scotland and Scotland raises taxes of £100 billion. The gap is £25 billion. That is paid for on the basis that the Treasury stands in that place.

The Minister for Public Finance (Hannah Mary Goodlad): Will Malcolm Offord take an intervention?

Malcolm Offord: I will. Perhaps the minister can explain to me whether she would run her household on the basis that she earned £750 a month and spent £1,000 a month.

Hannah Mary Goodlad: It is my intervention, not Mr Offord's. If Scotland is such a burden, why does he want so badly to keep us?

Malcolm Offord: The reason is that every time a Scotsman moves to England, the IQ of both countries goes up. England needs us as much as we need it. That is why, together, we are a good union.

No household would run on such a deficit—£750 of earnings a month while spending £1,000. If we look at the deficit of £25 billion as a percentage of gross domestic product, it is 11 per cent. I know that the SNP loves the EU. There are some wee rules around that for how a country gets into the EU. It needs to have a maximum deficit of 3 per cent—11 per cent is slightly far away from 3 per cent and, frankly, is for the birds. In fact, of the 27 EU countries, the one with the highest deficit is Romania, at 8 per cent. Scotland's 11 per cent is not great in comparison, is it?

Who pays the £25 billion? His Majesty's Treasury pays that money through the block grant with no strings attached. Jim Sillars, who is perhaps the living grandfather of the SNP, would ask why on earth you would swap the yoke of London for the yoke of Brussels. If you want to be independent, do it on your own. Why on earth do we think that people in Germany would be nicer to us than people in London, when we get a £25 billion block grant? We should recognise that we already have a comprehensive funding package in the devolution settlement.

Holyrood controls 60 per cent of the money that is spent in Scotland—that is £72 billion—and all that it has to do is balance the books. That should not be a difficult exercise. The Government has a £72 billion budget and, by law, it must balance the books. If you have a £25 billion budget deficit, folks, go figure—it is because of your spending choices and what you have decided to do. It is because of SNP choices on welfare and health. The highest spending department in the past 10 years under the SNP has been welfare—[*Interruption.*]

David Linden (Glasgow Baillieston and Shettleston) (SNP): Will Mr Offord take an intervention?

Malcolm Offord: Yes.

The Deputy Presiding Officer (Clare Adamson): Before I bring Mr Linden in, I ask that members respect whoever has the microphone.

David Linden: I am grateful to his noble lordship for taking the intervention. He will understand that social security spending involves roughly £6.5 billion of expenditure and is demand led. Given that the outturn showed that we came within 0.3 per cent of the figure forecasted, it strikes me that that spend is not at all unsustainable. Can he tell me what the outturn was for social security spending for the rest of the UK in 2023-24, when he was last in the Conservative Government?

Malcolm Offord: We have a set of numbers—and Mr Linden can track this—that show that, through the devolved social security spending in Scotland, we are now running ahead, at £700 a person higher than in England. That is because of choices made by the SNP—not choices made in Westminster. The SNP has to own the choices that it has made.

Jenny Gilruth: Will the member take an intervention?

Malcolm Offord: I am going to keep moving.

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The current devolution settlement basically gives all the powers to allow the SNP Government to make Scotland the most successful part of the UK, if that was its intention. So, why would it not do that, instead of blaming Westminster and blaming austerity, if the SNP wants to end the era of austerity?

Let me give members a couple more wee numbers. When the Parliament was set up in 1999, the total budget for Scotland was £35 billion. Today, it is £125 billion. That is a compound annual growth rate of about 5 per cent per annum. A 5 per cent per annum growth rate is not austerity. Westminster has not starved this country of money. In 1999, the total state spend in Scotland was 43 per cent of GDP. Today, it is 55 per cent of GDP.

Now, here are the exam questions. Are our schools better?

Members: No.

Malcolm Offord: Are our hospitals better?

Members: No.

Malcolm Offord: Are our roads better?

Members: No.

Malcolm Offord: Is our police service better?

Members: No.

Malcolm Offord: Those in the chamber might not like to hear it, but there has been no austerity from Westminster. The deficit here was made in Scotland by the SNP.

Alex Kerr (Hamilton, Larkhall and Stonehouse) (SNP): Does the member recognise that about £3.3 billion has been taken from public revenue as a result of the loss in economic growth from Brexit, which his Government presided over? Does he also recognise the economic damage, which we are still recovering from, caused by Liz Truss—who was the shortest-running Prime Minister in history, I think? We are dealing with economic damage that has been caused by Westminster time after time.

Malcolm Offord: I am glad that Alex Kerr mentioned a figure of £3 billion, because in the SNP's £72 billion budget, that is what it spends on net stupid zero—and energy is a reserved matter. If it wants to save £3 billion, maybe the SNP will want to stop its nonsense policies.

Let us turn to energy, as that is part of the motion. The SNP says that we need cheaper energy, so maybe we can find some alignment on that. We want to get the price of energy down, too. Energy policy is reserved to Westminster—there is no question about that. Now, our energy in the UK—[*Interruption.*]

The Deputy Presiding Officer (Clare Adamson): Members, you know how to make an intervention if you wish to contribute to the debate. Please refrain from barracking whoever has the microphone.

Malcolm Offord: Our energy costs four times what it does in the United States and seven times what it costs in China, which is why we are de-industrialising, but we produce less than 1 per cent of annual emissions. China produces 30 per cent of the world's annual emissions and the US produces 13 per cent of them. To get itself to about 30 per cent, China used coal as a transition fuel—cheap coal. China opens one coal-fired power station per week. We got rid of coal 30 years ago. America uses shale gas for the same purpose. We need a transition fuel for an affordable energy solution, and our transition fuel is North Sea gas.

We are floating on a sea of oil and gas. We are bringing all this gas in from Norway, even though the Norwegian energy minister thinks that it is daft and that it is time we got our own domestic supply. Let us get our own domestic supply into the UK, like the Americans did. Twenty years ago, America was a net importer of energy. Today, it is a net exporter. Twenty years ago, it brought in shale gas on a licence for use only for domestic consumption.

We can do the same in the UK—make it domestic. It does not need to go on the international gas market. We can bring it in as a domestic product and give ourselves cheap energy, which will allow us to make a transition to renewables.

Lloyd Melville (Angus South) (SNP): Does Mr Offord recognise that the figures from the North Sea Transition Authority show that, even if new fields are developed, we will still be more than 90 per cent dependent on imports, which is exactly the opposite of what he has just told the chamber?

Malcolm Offord: I sat on the North Sea Transition Forum. It would say that what we have done is complete ideology. In fact, Simone Rossi, of EDF Energy, said that we have put ideology above practicality and above economics. That is also what the North Sea Transition Forum says.

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Yes, energy is a reserved matter, but by God, the Scottish Government could help. It could help by ending the presumption against oil and gas and by stopping the presumption against nuclear. *[Interruption.]*

The Deputy Presiding Officer (Clare Adamson): Please sit down, Mr Offord. Members, I do not want to name people in the chamber, but we are getting close to that point. Please allow Mr Offord to be heard.

Malcolm Offord: The reason why I am referring to energy is that it is in the SNP motion that it wants the UK Government to address the cost of energy. That is why I am referring to energy.

The Government motion also refers to wealth taxes. The top 1 per cent already pay 30 per cent of all taxes in the UK and the top 10 per cent are already paying 50 per cent. Wealth taxes have been tried around the world, folks. Sweden, Norway and Holland had them, but they got rid of them because they do not collect any money. Sweden actually cut its tax take from 51 per cent to 43 per cent of GDP and has collected an extra 20 billion a year. The Laffer curve is never wrong: if you raise tax rates, you collect less tax; if you reduce tax rates, you collect more tax.

I will finish by talking about the one thing that we do not want from the UK Government, which is a return to the European Union. When my parents voted to join what was then the Common Market, Europe accounted for 30 per cent of global trade. When we left in 2019, that figure was 20 per cent of global trade and the OECD now says that, in 2050, it will be 10 per cent of global trade. Why on earth would we want to limit ourselves to that market?

Paul Sweeney: Does Mr Offord accept the fundamental principle that the biggest determinant of trade intensity is geographical proximity, and that putting in place barriers to that trading activity is detrimental to our economy?

The Deputy Presiding Officer (Clare Adamson): Please conclude, Mr Offord.

Malcolm Offord: I was the export minister and can categorically refute that. We should bear in mind that 80 per cent of our economy is services and 20 per cent is goods and that our exports are 50 per cent goods and 50 per cent services. Services travel digitally across the world and our services exports are going gangbusters. We now have real-time evidence that demonstrates that the biggest impact on our exports between 2018 and 2023 came from Covid, not Brexit. Whatever the question is, the EU is not the answer.

I will conclude with this: the devolution settlement that we got was one of the most generous in the world, with £25 billion being sent from His Majesty's Treasury to Edinburgh with no strings attached. My advice to the Scottish Government is to get on with the day job and invest that money wisely to improve the lives of ordinary Scots. Two million of them did not vote in the recent election and the only way in which we can restore their faith in Holyrood is to demonstrate that this Parliament is laser focused on improving their day-to-day lives.

I move amendment to S7M-01395.2, to leave out from "for Scotland" to end, and insert:

"across the UK as a whole; believes however that Scotland already has the most generous devolution settlement and that the Scottish Government must maximise the powers that it already has before asking for more; further believes that, despite extensive devolution already and total state spending being 26% higher per capita than England, many Scottish public services have worse outcomes than in England; calls on the Scottish Government to take action to address the cost of living crisis, on the basis that the most impactful immediate action it could take would be to reduce energy and fuel bills, and notes that Parliament already has the power to assist with this by ending the ban on nuclear energy development and opposition to new oil and gas."

14:57

Daniel Johnson (Edinburgh Southern) (Lab): Before I make my substantive contribution, a number of the points that have just been made must be looked at.

First, I was amused by the fact that Malcolm Offord was at times keen to remind us that he had been a Government minister but was, at other times, keen for us to forget that he had anything to do with the previous Tory Government.

On a more critical point, Lloyd Melville was absolutely right to intervene. Even if we do not want to accept the numbers from the North Sea Transition Authority, it would require a four to five-fold increase in gas extraction for us to return to a point where we were self-sufficient. While Malcolm Offord accuses others of dogma, he is exercising something akin to fantasy.

Malcolm Offord: The OBR says that there is only 5 billion barrels' worth of oil left; the industry says there is at least 12 billion barrels left and, in the past 12 months, Norway has been exploring 47 fields and we have explored none. Go figure.

Daniel Johnson: "Go figure"? Well, that is my argument destroyed.

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Even if there are 12 billion barrels, Malcolm Offord knows that that is a fraction of what there was at the point of peak oil, which occurred in 1999. That is the stark geological reality which, among other things, is driving the transition.

To return to today's debate, I am, in a sense, pleased that the Government has lodged a motion about where power is exercised and about fiscal sustainability, because that is important. However, I say gently to the Government that it should stop looking elsewhere and should start at home. The reality is that, since the Labour Government came to power, £12 billion of additional expenditure has been available in Scotland.

Craig Hoy: Will the member give way?

Daniel Johnson: I will, in a moment.

Furthermore, spending per person in Scotland is £2,700 higher than it is in the UK, so, if we want to make progress, we must look at how power is exercised and tax money is spent here in Scotland.

I am happy to give way to Mr Hoy.

Craig Hoy: I hope that Daniel Johnson will agree with my point that we could be using the time for this debate better—although that is not to diss his contribution. Back in March, the Government said that it would not publish a medium-term financial strategy for this year. Yesterday, the Cabinet Secretary for Finance and Local Government said that today's debate would not amount to the fiscal statement to Parliament that she had promised, which has now been withdrawn.

Does Daniel Johnson share my concern that, while we are debating the issues today, Rome is burning, because the underlying figures—which we cannot get, because of the Government's lack of transparency—are very concerning?

Daniel Johnson: I very much agree with what the member has just said. Although the cabinet secretary is right to point to the significant fiscal headwinds that exist, for the UK Government and for the Scottish Government, we can get started only if we have a clear view of what the plan is and how we need to make progress.

It is regrettable that a medium-term financial strategy is not to be published, and it is regrettable that the Government's motion does not even reference such things, let alone the specific issues. I will come on to that later in my contribution.

I want to start with devolution. I think that regional devolution is really important. In fact, I was pleasantly surprised by the programme for government, because I do not recall regional devolution appearing at all in the Scottish National Party's manifesto. However, it was included in our manifesto. The reason why that is so important is that, in 2016, greater Manchester's GDP per capita was £1,782 lower than Scotland's, but, in 2022, it overtook Scotland's for the first time. To put it another way, although, since 2009, Scotland's productivity has grown by 13 per cent whereas the north-west's has grown by 11 per cent, 12 per cent of that 13 per cent growth in Scotland happened in the first decade—in other words, Scotland's productivity has grown by only 1 per cent since 2019. In the north-west, 10 per cent of the region's 11 per cent productivity growth has taken place since 2020.

There is a very real danger that Scotland is falling behind, and there is an even greater danger that the Scottish Government misunderstands devolution, because its devolution plans are about consolidating power at a different level. When it talks about devolution, the Government's focus is always on gaining powers from elsewhere, rather than on pushing powers down.

Jenny Gilruth: Will Daniel Johnson take an intervention?

Daniel Johnson: I will, in a moment.

The devolution agenda that has been pursued south of the border, which has enabled much of the acceleration of productivity growth to which I have referred, has been conducted in a very different way. Combined authorities are about co-ordinating power between existing local authorities; they are not about creating new tiers or sucking powers up.

Jenny Gilruth: I am interested in Mr Johnson's comparing of Scotland with Manchester, which is an area in England—he has compared a nation with a region in England. Scotland's GDP per head was the third highest in the UK every year from 2006 to 2024. North-west England is ranked as sixth in that respect. Scotland's GDP per head has been higher than north-west England's in every year since records began, and our GDP per head is £2,500 higher than it is in the north-west of England. Does he accept that Manchester is just catching up with Scotland and that, in fact, further devolution would be good for Scotland and for

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Manchester and would provide a wider opportunity to develop and grow the economy of Scotland, which he should welcome?

Daniel Johnson: One needs to look at figures very carefully. The point is that, in the north-west, GDP per head is growing at three times the rate at which it is growing in Scotland. I would be happy to share figures, but, according to my figures, greater Manchester's GDP per head overtook Scotland's in 2022.

As well as looking at what type of devolution we need—I have referred to the need for co-ordination and the need to focus on a plan, instead of creating additional tiers of government—fundamentally, devolution must be about pushing powers down, not drawing them up. What we have seen in Scotland is in defiance of that.

Not only have we not had a regional tier or focus of government since devolution occurred; every time that the SNP has sought to reorganise, it has been to concentrate power at the centre, rather than pushing it down. Unless we are going to continue to repeat that error, we must consider the propositions that the Government has put before us very carefully. We need to take a much closer look at how we devolve economic policy levers down.

My firm belief is that we build economies from the regional tier up—at the level at which people live, in the areas within which they travel to work and in the areas in which businesses conduct business with other businesses. That is the sphere and the scope in which it is sensible to plan roads, education services, skills deployment and business support. Those are the sorts of powers that we should be seeking to push down to a regional level.

We must consider the fiscal position. Indeed, I believe that this is the first fiscal debate that we have had since considering the programme for government. It is a debate not about the challenges facing the Scottish Government but about its seeking to look elsewhere. That compounds the cabinet secretary quietly dropping her commitment to bring forward the medium-term financial statement. That is deeply concerning, because of the scale of the Government's troubling fiscal position. The Scottish Government faces a spending gap of £4.7 billion by 2030 unless it takes proactive steps. There are serious challenges, for which the Government is responsible. As the Scottish Fiscal Commission has pointed out, we have a £800 million performance gap compared with the rest of the UK, due to slower earnings growth, a £1.5 billion and growing spend over and above the block grant on social security, and a failure on the part of the Scottish Government to meet its own targets on head-count reduction, as was acknowledged by the Cabinet Secretary for Finance and Local Government in committee yesterday.

Ross Greer (West Scotland) (Green): I agree with some—indeed, quite a lot—of what Mr Johnson says, but I want to make a point to him regarding his comments about the gap in earnings growth with the rest of the UK. I know that he knows this, but there is such a significant difference between London and the south-east, and everywhere else in the UK. Comparing Scotland with England minus London and the south-east or with the rest of the UK minus London and the south-east would be a fair comparison, but does he not agree that any comparison between Scotland and the rest of the UK including London and the south-east completely distorts the figures, because of the nature of this island's economy?

Daniel Johnson: I agree that it is important to consider things on a regional basis, but the fiscal framework is not only based on tax revenue per head; it is also baselined on 2016. Those are inescapable facts, which the Government often seeks to ignore.

The Deputy Presiding Officer (Clare Adamson): Could you come to a conclusion, Mr Johnson?

Daniel Johnson: Let me conclude on this. How we exercise power and how we spend tax revenue are hugely important, but today's Government's motion is an act of diversion, rather than focusing on those challenges.

I move amendment S7M-01395.3, to leave out from “commensurate” to end and insert:

“a new approach to devolution within Scotland, transferring power and resources from the Scottish Parliament to Scotland's regions and local communities to support stronger regional economies and better local decision-making; notes the experience of regional devolution in places such as Greater Manchester and the role that greater local control has played in supporting regional economic development; believes that skills policy and funding should form a core part of regional devolution in Scotland, giving councils, colleges, employers and other local partners greater power to respond to the needs of their regional economies; calls on the Scottish Government to provide greater clarity regarding what its public service reform agenda would mean in practice for public services, the public sector workforce and communities across Scotland; further calls on the Scottish Government to publish an updated Medium-Term financial strategy ahead of its Budget, setting out the outlook for spending, taxation, reform and the sustainability of public finances over the medium term, in order for Parliament to have a clear and comprehensive picture to be able to scrutinise the Budget and make decisions about Scotland's priorities.”

15:08

Ross Greer (West Scotland) (Green): We spent some of yesterday afternoon talking about the exceptionally challenging fiscal outlook faced by the Scottish Government. It is fair to say that the UK Government also faces a really challenging fiscal situation, but it has far more tools at its disposal to do something about it.

It is also fair to say that the current Labour Government received a ruinous inheritance from the Conservatives. Just to highlight one particular aspect of that economic vandalism, I still cannot believe the Tories' decision not to borrow when rates were so incredibly low—to fail to use that money to invest in the infrastructure that the country needed. Our economy would have been far stronger if they had taken advantage of that and invested in the economic prosperity of this country through borrowing to develop the infrastructure that we know we need.

The ruinous situation that the UK Government faces makes the Labour UK manifesto from 2024 even more troubling or confusing—we can pick whatever description we want—in hindsight, although Labour knew it beforehand. What the Labour Party has done, as a UK Government, is to bind itself. It has backed itself into a corner. Labour knew, going into government, just how challenging the fiscal situation would be, but it set out a set of fiscal rules and a series of manifesto commitments in relation to tax such that it no longer has the tools available to it get out of this corner unless it breaks its own manifesto commitments. I would encourage it to do so, in the national interest. I do not think that there is any alternative at this point.

We should remember one fundamental truth underneath all of this: the UK remains one of the wealthiest countries in the history of the world. The top 1 per cent—the wealthiest 1 per cent—of our population have more wealth than more than half of the population combined. We are a wealthy but an incredibly unequal society. Inequality is a choice, but not the choice of individuals or families; it is the choice of Governments. We will talk about the efforts that we have made in the Parliament to reduce inequality, but the UK as a whole is still incredibly unequal.

Economic equality, on the other hand, is not only good for those who have been raised up by those efforts; it is good for our entire society. The most prosperous and most resilient economies in the world are almost always the most equal economies as well. That is a clear economic truth.

That ruinous Tory inheritance extends to Scotland. We have suffered 14 years of devastating austerity. We have partly mitigated that, and we talked yesterday about how we did that. I am proud of the £1.8 billion of additional revenue that is being raised this year by Scotland's progressive income tax system, the quarter of a billion pounds that is raised by the additional dwelling supplement and the substantial amount of money that is going to councils through their discretion to levy additional council tax on second homes and holiday homes. At that point, I should thank Lord Offord for almost single-handedly keeping some of our local authorities afloat, given his property portfolio.

We cannot ignore the impact of austerity in this country. Despite the efforts that we have made to mitigate it, UK austerity has been devastating for Scotland, as it has across the whole of these islands. The studies that I mentioned in yesterday's debate—to Craig Hoy, who was leading for the Conservatives—show that between 150,000 and 330,000 people died prematurely in the UK as a result of austerity; they died as a result of the cuts made to essential public services by the previous Conservative UK Government.

Malcolm Offord: Will the member take an intervention?

Ross Greer: No.

Austerity is not over. We have not seen that real-terms restoration. The new Prime Minister says that he wants to break with neoliberalism. That is fantastic. We have not seen it yet, but I want to see him succeed in that regard. If he is to do that, his budget must get serious about tax reform.

Paul Sweeney: I share Ross Greer's impatience on this issue. Does he recognise that the tax base is one thing, but there are more entrepreneurial ways for the state to raise revenue, such as by dealing with the egregious extraction of rents from the bus system or looking at how we can municipalise energy locally? Those are ways in which we can build public finances without necessarily needing to involve tax.

Ross Greer: I agree with what Mr Sweeney has just said. He will have heard me earlier at First Minister's question time, urging the Scottish Government to go further and faster when it comes to ownership of our buses. I agree on the point about publicly owned energy generation. I bear the scars from when my party was in government and we and the SNP made efforts to look at how a publicly owned energy company might function under the current devolved context. Sadly, we had to conclude that, under the current constraints of devolution, it would not succeed. However, I strongly encourage the UK Government to pursue those options, because the state should be entrepreneurial in exactly the way that Mr Sweeney has just described.

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Wearing his previous hat as the Labour Party's finance spokesperson—

Julie MacDougall: Will the member take an intervention?

Ross Greer: No.

Michael Marra fairly challenged other parties in the chamber to say how we would fund the things that we were demanding that the UK Government did, or to say what our alternatives would be when we objected to decisions that it made. Every other party in this Parliament objected to the UK Labour Government's decision to increase employer national insurance contributions, for example. The Greens proposed alternatives. I proposed those alternatives to Mr Marra at the time. The first of those is an interesting one—it unites everybody from me to Nigel Lawson; hardly two centrists on the political spectrum—and it is to equalise capital gains tax with income tax. If we were to do that, it would raise between £16 billion and £20 billion every year.

As a direct alternative to the employer national insurance contribution rise, we would remove the upper earnings limit on national insurance for those on high salaries above around £50,000. It varies year to year, but current estimates say that that would raise between £10 billion and £20 billion a year over the next five years.

We could have an exit tax on those super-rich individuals who constantly threaten to leave if we have a more progressive tax system, but who almost never do. A number of countries have them. Belgium's and Austria's are very successful. There is a model in the United States. I do not believe that it would translate well to the UK, but there are plenty of other exit taxes that we could learn from.

I agree with bits of the Labour amendment, but I share the Deputy First Minister's scepticism about Manchesterism. I do not think that Greater Manchester has been badly governed in recent years, but Manchesterism is mostly hype and vibes. When you look at the numbers, you see that the economic trajectories of Glasgow and Manchester over the past decade have basically mirrored each other, although there has been some variance year to year; Tom Forth at the Data City has done a lot of analysis on that. If you only heard the political commentary around how Glasgow has been governed and the economic direction of Scotland compared to that of Manchester, you would not quite believe that they match up so closely.

There is a need for the UK Government to introduce serious measures not just to tackle the climate crisis to prevent it from getting worse, but to accept, sadly, that some aspects of it have been locked in already. We need a climate shock fund for the UK, because climate breakdown is happening in this country and people are suffering for it. That will require significant reform of Scotland's fiscal framework. We are currently in a somewhat absurd situation. If it floods in Stonehaven, the UK Government will not step in and it will expect the Scottish Government to use money that is already allocated to something else to support the people in that community, but if it floods in Somerset, the Scottish Government will get consequential. That means that, if it floods in Stonehaven, we are better off if there has also been a disaster somewhere in the rest of the UK, as it generates consequential. That is perverse, and it is not how anybody intended the system to work. There is a clear need for the UK Government to substantially change the direction that it is taking.

The Greens have made it clear in our amendment that we think it would be completely unacceptable if any increase in defence spending came at the expense of our public services, specifically in relation to capital. If the UK Government is increasing defence spending by reallocating capital from elsewhere in its budget, and that results in a cut to Scotland's block grant, that would be completely unacceptable. It seems that there is always more money for war, but never enough money for our communities and for what they really need to see.

There are alternatives on offer. I want the Prime Minister to succeed, but he will need to break significantly with the orthodoxy of his predecessors, not just in rhetoric but through actions and specific proposals on tax, on public spending and on many of the other reforms that Mr Sweeney has just mentioned. I hope that he can live up to that. What I have seen so far and what I heard from the Labour Party conference does not fill me with as much optimism as I had hoped in that regard—particularly the Chancellor of the Exchequer's remarks in relation to savings on social security, given everything that I have just said about the impact on our most vulnerable of Tory austerity and Tory attacks on social security. If the UK Government wants willing allies in this regard, we are ready to work with it. However, it remains to be seen whether its rhetoric will be matched by reality.

I move, as an amendment to motion S7M-01395, to leave out from “suggests” to end and insert:

“believes that the UK Government must implement improved wealth taxation to support the public finances, and devolve a greater range of powers, including fiscal powers, to Scotland, to aid investment and growth; believes that it is the duty of governments to protect the most vulnerable in society; is concerned by the Chancellor of the Exchequer's recent comments regarding social security spending; calls on the Prime Minister to rule out cuts to support for disabled people and people living in poverty, and further believes that any UK Government decision to increase defence spending must not come at the expense of

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Scotland's public finances in the form of cuts to the block grant."

15:17

Craig Hoy (Dumfriesshire) (Con): Ahead of the UK budget, I rise in a spirit of helpfulness to the cabinet secretary. The problems that she faces are serious, and it would be politically easy to say to the Government that it has made its own bed, but that would not serve Scottish taxpayers, because it is taxpayers, ultimately, who will pay for the failures of a number of finance secretaries who have sat in the cabinet secretary's seat, and for any missteps that appear in Andy Burnham's first budget.

In evidence to the Social Justice, Housing and Local Government Committee, commissioner Eleanor Ryan of the Scottish Fiscal Commission identified the core problem when she said that tax rises or public service cuts would be necessary to plug the gap in the nation's finances. Although ministers yesterday partially ruled out an income tax rise, we have heard that before, and I do not believe that we can necessarily take them at their word.

The chancellor and the cabinet secretary face interconnected and, in some respects, similar problems. Put bluntly, there simply is not enough money to continue on the present trend of social security spending. The projected gap between the adult disability payment and the block grant adjustment might have narrowed and might be less than was initially estimated, but, to be blunt, neither Government can afford current benefit levels, let alone the projections that are now baked into the system. The truth, for both Governments, is that unless the benefits bill is cut, the budget will be bust.

The solution cannot be to pile yet more pressure on hard-working Scottish households and businesses. Nor can the SNP use Westminster as an excuse—as I think it was partly doing today—to distract from its own economic failures. Those are plain to see, and their consequences will hit our budgets now and into the future: high taxes, weak earnings and employment growth, stifled economic growth and activity, and unsustainable levels of unproductive public spending, most notably to pay the soaring welfare bill.

Ahead of the Westminster and Holyrood budgets, our appeal is simple: there should be no new taxes and no tax increases. In fact, there should be quite the reverse: we must cut tax, control spending and remove the barriers to economic growth. Support for our oil and gas sector is an area of urgent concern in the forthcoming UK budget. The anti-oil and gas stance of Labour and the SNP is exacerbating and accelerating Scotland's industrial decline, and it is therefore no surprise that domestic oil and gas production has fallen by 40 per cent in five years. UK Labour made a serious error by increasing and extending the energy profits levy, and John Healey must rule out any further increase in, or extension to, it in the budget later this month.

I agree with ministers that the effects of inflation are causing difficulties for households. Eye-watering petrol and diesel prices are why the UK Government must shelve plans to raise fuel duty by 3p per litre at the turn of the year and then again by 2p in March. That would punish motorists and businesses who are already struggling with higher taxes, higher grocery bills and higher energy costs.

Households are not alone in facing those headwinds. Mounting costs are squeezing businesses large and small. Scotch whisky exports fell by nearly 2 per cent in 2025, and input costs are rising significantly. That has led the chief executive of the Scotch Whisky Association, Mark Kent, to warn of dwindling business confidence. Equally, Scotland's hospitality operators are struggling, with three quarters having faced a year-on-year fall in profitability in the past 12 months. Farmers, the lifeblood of the rural economy, are facing soaring costs and falling prices, and they are threatened by the SNP's proposal for supermarket price caps and Labour's partially withdrawn, but still cruel, family farm tax.

Cumulatively, those factors will constrain growth, increase unemployment and reduce tax receipts, but the Scottish Government cannot use a difficult UK budget and a difficult UK fiscal position as a smokescreen to avoid tackling its own challenges. As we identified yesterday, ministers must recognise that their tax experiment has failed. Yes, changes to Scottish income tax mean that we are forecast, as Mr Greer said, to raise up to £1.8 billion more in 2026-27 than equivalent UK rates and thresholds will, but the negative tax base performance gap—in other words, the impact of higher taxes—has widened to nearly £900 million. That is why Stephen Boyle, the Auditor General for Scotland, is right when he says:

"Devolved taxes are growing Holyrood's budget, but their impact is weakened by Scotland's lower earnings and employment growth".

Is it any wonder that HMRC estimates that there are 9,000 fewer payrolled employees in Scotland today than there were last year? The picture is clear: in Scotland, on tax, we are at breaking point, and any upward movement in income tax, particularly in the higher rates, is likely to further undermine the tax take.

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I want to stress to the minister, who recently gave us a private briefing to this effect, just how bleak and fragile the public finances are. The £5 billion black hole is real. All eyes appear to be on Ivan McKee. The eggs are all in one large basket of public sector and public service reform. Out of, I suspect, self-preservation, Jenni Gilruth is quietly painting a very big target on Ivan McKee's back, but I very much doubt that the Government will achieve the £563 million of savings that it needs to this year.

Yesterday, the cabinet secretary announced that the Government was off track to reduce the overall size of the civil service. These must be very real concerns to the minister. In overall terms, I wish Mr McKee and the cabinet secretary well, but, when it comes to public service reform, which is where the big vulnerability is—in addition to social security—I suspect that the mission is doomed to fail, unless the Government takes on the unions, dramatically changes the culture of the civil service and persuades vested interests in its own Government, including the cabinet secretary with responsibility for social security, that things must change. If things do not change, it will be taxpayers who pay the price for this SNP Government's economic failure.

I move amendment S7M-01395.5, to leave out from “welcomes” to end and insert:

“believes that the UK Budget should prioritise economic growth by avoiding further tax rises, keeping fuel costs down and supporting investment in Scotland; calls on the Scottish Government to control unsustainable welfare spending and deliver meaningful public service reform, and calls on both governments to reduce the burden on workers and businesses, and to support economic growth.”

The Deputy Presiding Officer (Clare Adamson): I call Liam McArthur to speak to and move amendment S7M-01395.1.

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