Official Report
Aithisg Oifigeil

DRAFT

Meeting of the Parliament

Coinneamh na Pàrlamaid

Thursday 1 October 2026

Session 7

The Scottish Parliament
Pàrlamaid na h-Alba

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website—
www.parliament.scot or by contacting Public Information on 0131 348 5000

Thursday 1 October 2026

CONTENTS

Col.

GENERAL QUESTION TIME 1
Childcare (Expansion) 1
Rural Health Boards 3
Culture (South Scotland Communities) 4
Neurodevelopmental Conditions (Assessment Waiting Times) 6
Mental Health Drop-in Hubs 7
Water of Leith and Wardie Bay (Feasibility Studies) 8
Student Visas (Police Monitoring) 10
Community Policing (Multi-agency Approaches) 11
HMP Barlinnie 11
FIRST MINISTER'S QUESTION TIME 14
PARTY LEADERS 14
Drug Deaths 14
Health Service Reform 16
Bus Fare Cap 19
Tax and Benefits 21
The Promise 22
UNITED KINGDOM BUDGET (SCOTLAND'S PRIORITIES) 25
The Deputy First Minister and Cabinet Secretary for Finance and Local Government (Jenny Gilruth) 25
Malcolm Offord (West Scotland) (Reform) 31
Daniel Johnson (Edinburgh Southern) (Lab) 36
Ross Greer (West Scotland) (Green) 40
Craig Hoy (Dumfriesshire) (Con) 45
Liam McArthur (Orkney Islands) (LD) 47
Clare Haughey (Rutherglen and Cambuslang) (SNP) 49
Alex Kerr (Hamilton, Larkhall and Stonehouse) (SNP) 52
Katie Hagmann (Carrick, Cumnock and Doon Valley) (SNP) 55
Jack Middleton (Aberdeen Central) (SNP) 57
Lloyd Melville (Angus South) (SNP) 60
David Linden (Glasgow Baillieston and Shettleston) (SNP) 62
Willie Rennie (Fife North East) (LD) 65
Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con) 68
Holly Bruce (Glasgow Southside) (Green) 70
Paul Sweeney (Glasgow) (Lab) 73
Kim Schmulian (Glasgow) (Reform) 77
The Minister for Public Finance (Hannah Mary Goodlad) 81
DECISION TIME 86
HIGHLANDS AND ISLANDS REGIONAL AIR STRATEGY 101
Liam McArthur (Orkney Islands) (LD) 101
Jenni Minto (Argyll and Bute) (SNP) 104
Victor Currie (Highlands and Islands) (Reform) 106
Donald MacKinnon (Na h-Eileanan an Iar) (Lab) 108
Kristopher Leask (Highlands and Islands) (Green) 109
Tim Eagle (Highlands and Islands) (Con) 111
David Green (Caithness, Sutherland and Ross) (LD) 113
Lloyd Melville (Angus South) (SNP) 114
Graham Simpson (Central Scotland and Lothians West) (Reform) 116
Paul Sweeney (Glasgow) (Lab) 118
The Cabinet Secretary for Economy, Tourism and Transport (Stephen Flynn) 119

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?

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 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)

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 Neuk in Perth, when reaching its decision. (S7O-00334)

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 Neuk 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 Neuk 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.

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 Neuk 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.

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.

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.

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 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 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?

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

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.

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, 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.

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 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.

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 deindustrialising, 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 that 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.

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 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 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 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 fivefold 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 that 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.

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 Scottish 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 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 an £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.

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 members only heard the political commentary around how Glasgow has been governed and the economic direction of Scotland compared with that of Manchester, they would not quite believe that those things 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 consequentials. 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 consequentials. 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 amendment S7M-01395.4, 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 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.

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, Jenny 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."

15:24

Liam McArthur (Orkney Islands) (LD): Yesterday, I was contacted by a constituent who messaged me in desperation to say:

"I'm having to pay £50 a week to get to and from work. I work for £14, and this is not viable any more. I also run a little farm, and the fuel costs rising is breaking us."

Members across the chamber will, no doubt, have received similar heartfelt messages over recent days from people at their wits' end wondering how to make household and business budgets stack up.

Diesel prices are at record levels, heating oil is twice as costly as it was at the start of the year, and the domestic energy price cap is projected to rise by 16 per cent from January. With the calamitous actions of the Trump Administration in Iran and Russia's illegal war in Ukraine showing no signs of letting up, causes for optimism are thin on the ground right now. As my amendment makes clear, the forthcoming UK budget must take steps to respond to the growing cost of the energy crisis that is fuelling wider cost of living pressures.

Of course, we know that those events only reinforce the need to reduce our reliance on fossil fuels and replace them with domestic sources of renewables for economic, environmental and, increasingly, national security reasons. Those efforts must be stepped up and accelerated. However, they will take time, and people are struggling now, which is why Liberal Democrats are calling for a temporary 10p cut to the fuel duty, alongside a cut to VAT on public electric vehicles charging.

In addition, my amendment underscores the importance of the budget facing up to the UK's and Scotland's relatively poor economic growth. Liberal Democrats believe that the most significant step that we could take to address that issue would be to begin to reverse the damage that was done by Brexit. The statement from the Prime Minister this week was very welcome, and I encourage Andy Burnham to look at taking forward our proposals for a new defence and economic partnership with the EU, including returning to the single market and joining the new customs union, which, over time, could boost Government revenue across the UK by around £27 billion a year.

Although the UK Government has important and difficult decisions to make, so, too, does the Scottish Government. I was interested to note that the cabinet secretary referred to the chancellor's "opportunities", whereas she simply faces "challenges". As we heard in yesterday's debate, and as the Finance and Public Administration Committee has heard for some weeks now, it is not good enough for Scottish ministers to simply point the finger and demand that others get them out of a financial hole that they helped to dig.

Jenny Gilruth: I would rather not point any fingers and that the full powers of an independent Scotland were here, so that we could get on with the day job of growing the economy. However, it is the case that the chancellor's decisions will inform whatever decisions we take through the budget process. I have noted the wording of the Liberal Democrats' amendment and I am interested to pursue with Mr McArthur the new position of the Liberal Democrats in relation to the European Union. Is it now the position of the Liberal Democrats that we should fully rejoin the European Union?

Liam McArthur: The position of the Liberal Democrats in relation to our close ties to the European Union has always been about taking an incremental approach, in recognition of the fact that the members of the European Union will have a say in the matter. At the moment, there is little appetite for engaging in that process, so we need to develop it incrementally. We have set out how we could incrementally get to that position with regard to the single market and the customs union through a defence and economic partnership with the European Union.

Public service reform is at the heart of the Government's approach to dealing with the £5 billion black hole in the public finances. To date, though, details are sketchy. At times, stated objectives appear contradictory, and the plans produced thus far have been dismissed by most independent observers as either unrealistic or insufficient. Even the cabinet secretary admitted at the Finance and Public Administration Committee earlier this week that the Government is already "off course" in delivering the head-count reduction that it committed to; meanwhile, numbers have actually gone up.

On tax, too, as we debated yesterday, reforms are long overdue—not only on council tax, which is perhaps the most egregious, but also on the land and buildings transaction tax and on non-domestic rates. That reform must be framed not only by the need for fairness but with economic growth in mind. Broadening the tax base is crucial to addressing the fiscal gap and delivering economic growth.

As I said yesterday, finding ways, wherever possible, to get people into the workforce and fulfilling their potential is key. Whether those are people with long-term conditions or neurodiversity; young people not in employment, education or training; or the thousands who are languishing on NHS waiting lists, all have a part to play, but most will need support to do so.

As with addressing the wider challenges that our NHS faces, tackling waiting lists will require a renewed commitment to supporting social care, which Scottish Liberal Democrats will look to progress in discussions with the Government over the forthcoming budget. We will engage constructively in that process, as we have done over previous years. That is the responsible thing to do in the interests of our constituents, communities and the country as a whole. I urge Parliament to support the amendment in my name.

I move amendment S7M-01395.1, to leave out from "welcomes" to end and insert:

"believes that the focus of the UK Budget should be economic growth; further believes that the most impactful measure that the UK Government can take to improve economic growth is to reverse the economic damage of Brexit by negotiating a new growth and defence partnership with the EU, including joining the single market and a new customs union, and calls on the UK Government to take measures to support people with the cost of living, including cutting fuel duty by 10p."

The Deputy Presiding Officer (Clare Adamson): We move to the open debate.

15:29

Clare Haughey (Rutherglen and Cambuslang) (SNP): Scotland's finances are in a challenging position, and the Scottish Government does not shy away from that reality. Whether because of Brexit, Russia's illegal war in Ukraine, inflationary shocks, Westminster austerity or conflict in the middle east, we are operating against a backdrop of prolonged economic turmoil. All those factors have placed enormous pressures on public and household finances in recent years, and the Scottish Government has limited room to respond to them.

The UK budget is an opportunity to change direction on devolution, fair funding, the cost of living and Scotland's ability to invest in our future. This summer, Andy Burnham spoke about extending devolution. There were plenty of catchy metaphors about power and energy but a distinct lack of detail. If the Prime Minister is serious about opening the door to new powers for this Parliament, we will walk through it. We will work constructively to find powers that can be devolved quickly. However, devolution without the power to invest is only partial devolution.

The UK chancellor has told his Cabinet that new devolution has to be paid for out of existing budgets. That is why it is so important that the motion for this debate calls for commensurate funding, because handing over responsibility without resources is just handing over a problem. However, devolution is only one part of the equation. Scotland also needs sufficient funding to exercise the powers that we already have. As things stand, Scotland's resource block grant is forecast to fall in real terms for the first time since 2022-23—that is not my assessment but that of the Fraser of Allander Institute, which was published earlier this week.

The additional money in this year's budget came largely from writing off English local authority debts. If we take away that one-off and add in low UK spending growth, our resource budget for next year falls by 1.2 per cent in real terms.

Julie MacDougall: Will the member take an intervention?

Craig Hoy: Will the member take an intervention?

Clare Haughey: No, thank you.

That is the cliff edge that the chancellor can stop on 28 October, should he choose to do so.

On capital investment, I welcomed the Prime Minister's assurance that his plans to increase spending on defence cannot come at the expense of social security, but cutting capital budgets to pay for defence is a choice by the UK Government to move away from reversing historical underinvestment in public service infrastructure. As the Institute for Government says, the result of that choice is likely to be weaker growth, and in

Scotland it will result in an automatic fall in our capital funding. I am not arguing against investing in defence, but it is not honest to pretend that that is not a back-door cut to Scotland's investment budget.

The impact of damaging UK choices and policies does not stop at the border, and they continue to drive Scots into poverty. This year alone, the Scottish Government is spending £159 million to mitigate UK policies such as the bedroom tax, the benefits cap and the young parent penalty.

Craig Hoy: The member has not mentioned the GERS figures, which show that there is £2,700 more public spending per man, woman and child in Scotland. How would that be funded in her independent utopia?

Clare Haughey: What Mr Hoy has not mentioned is that that is under the current constitutional arrangements. It does not reflect what Scotland would look like as an independent country.

There is no doubt that the UK Government faces difficult choices over public spending and taxation. Additional revenues from wealth taxation would help to create room for investment in public services and economic growth. Scotland is doing what it can—legislating on the mansion tax, for example—and the chancellor should show the same ambition across the UK. If he will not, he should let this Parliament do it.

The burden must not continue to fall on the households that are already under extreme pressure. Inflation is back above 3 per cent, driven by the things that people cannot avoid paying for: energy, fuel and housing. The Prime Minister promised "breathing space" in his budget, but now we hear that it will be "challenging". We are seeing the same cynical pattern play out. People were promised "change" under Starmer, and we know how that went. We were promised "hope" under Burnham, but now we are being softened up for a Westminster budget of cuts and tax rises. People need help this winter, not hand wringing and slogans.

Scotland is energy rich, but we pay among the highest bills in Europe. By January, energy bills are set to be £1,000 higher than the Labour Party promised at the general election. Andy Burnham has said that he wants to deal with the energy costs as part of a 10-year plan, but we need action now and not in a decade. Diesel is already more than £2 a litre. Last week, the Convention of Scottish Local Authorities told the Finance and Public Administration Committee that care staff who pay for their own fuel are turning to councils for help.

People are waiting to hear how the latest UK Prime Minister is going to put money in people's pockets. The UK budget must contain immediate measures to reduce household costs, and it must cut fuel duty, as other European countries have done. If the UK Government will not act on household costs, it should hand this Parliament the powers to do so. Greater fiscal powers could give Scotland more ability to respond to economic shocks, support investment, develop long-term infrastructure and respond more flexibly to economic circumstances in Scotland.

Scotland needs the UK budget to deliver three things: fair funding, cost of living support and greater fiscal empowerment through devolution. The UK Government must end the era of austerity politics and deliver an increase in Scotland's budget in real terms. It must deliver the immediate action on bills that households need and not just promise action in the future. The more powers that we have in Scotland and the more policy levers that we can control, the more we can achieve.

The Scottish Government is ready to work with the new Prime Minister on his plans to expand devolution. Ultimately, however, Scotland needs the powers that come with independence to build the stronger economy that we need to boost living standards. Independence is the route to delivering fairness, wealth and opportunity for all our people.

15:36

Alex Kerr (Hamilton, Larkhall and Stonehouse) (SNP): Our responsibility in the Parliament is simple: to represent the people of Scotland, listen to their concerns and do everything that we can to improve their lives. For far too many people, life is becoming harder, not easier. The cost of living crisis is not over. Across Scotland and the rest of the UK, families are still struggling to heat their homes, pay their bills, put food on the table and plan for the future.

People were promised change. The Labour Party promised to bring down the cost of living and ease the financial pressure on working households, yet many families continue to face the exact opposite: rising costs and growing uncertainty. Keir Starmer promised to cut energy bills by £300, but, instead, they have risen by £1,000.

Too many households are being forced to make impossible choices—choices between heating and eating, and between saving for the future and simply getting through the month. That is why the UK chancellor must use the budget to provide meaningful support for those who need it most. This is an opportunity to deliver action that puts money back into people's pockets, protects families from rising costs and gives Governments

the tools that they need to support their communities.

Julie MacDougall: Does Alex Kerr agree that every pound asked of the Treasury should come with a plan for better results and not just a bigger budget?

Alex Kerr: One of the things that I will come on to discuss—but I will mention it now—is that child poverty is falling in Scotland, and that is because we had a plan. The Scottish child payment means that child poverty in Scotland, unlike in the other UK nations, is going down. The UK Labour Government should consider copying our homework on that, as it has done with quite a few other things. If it were to adopt the child payment across the rest of the UK, we could potentially invest that money in increasing the child payment or taking other interventions to tackle poverty across Scotland. That is the plan. If members are with us, I think that it is a pretty good plan, and I hope that the Labour Party will listen.

Let me be clear: real action does not look like scrapping the triple lock for Scottish pensioners to pay for free personal care for the elderly in England. When Keir Starmer won a historic majority for the Labour Party, which members on the Scottish Labour benches campaigned for, what was the first act of that Labour Government? It was to cut the winter fuel payment for pensioners, until the SNP, alongside other parties, embarrassed it into a U-turn. What was one of the first major policy announcements of Andy Burnham's Labour Government? It was the scrapping of the triple lock and making Scottish pensioners pay for its plans.

Paul Sweeney: Does Alex Kerr accept that the logical conclusion of not getting rid of the triple lock would be, at some point, 100 per cent of public expenditure being spent on the state pension? That would be the inevitable ratchet effect. Does he also accept that the Barnett consequentials that will flow to Scotland as a result of investment in a national care service could lead to the introduction of a similarly enhanced scheme in Scotland, if the Government chooses to do that?

Alex Kerr: The last time that the link with wages was taken away from pensions was under Thatcher. That is part of the reason why the triple lock had to be brought back in—because pensions in the UK fell way under the level of other pensions. The question—Labour members can intervene at a later point—is whether Labour will adopt the child payment across the rest of the UK to help us to accelerate that mission. Michael Marra's pitch is to work with us on tackling child poverty, and that would turbo boost that work in Scotland.

We see, once again, the reality that Scottish Labour takes its marching orders straight from London. Just two weeks ago, Michael Marra said on the record that he believed the triple lock should not be scrapped. Andy Burnham tells him to jump and, before you know it, he is hangin fae the rafters. That is just like the attempts by Scottish Labour to justify the scrapping of the winter fuel payment before they realised how damaging their position was.

Malcolm Offord: We all agree that we want child poverty to come down. That should be one of the key determinants of a successful Scotland. But why, with all the effort that has been put in, are 20 per cent of children still living in poverty? That figure has not moved in more than 20 years. [*Interruption*.]

Alex Kerr: I hear from members across the chamber that austerity is a reason for that, along with a host of things. Child poverty is falling here, and we are committed to that. Does Reform back keeping the Scottish child payment? [*Interruption*.] I have to make some progress.

Despite every council area in Scotland voting to remain a member of the European Union, Scotland was dragged out of one of the world's largest trading blocs, which narrowed the horizons of young people across our nation. There is a common thread here. Those decisions would not have been made if Scotland had control over her own affairs. Currently, we have some power to mitigate the disasters imposed on us, but why should we reduce our ambition to cleaning up Westminster's mess?

We know that the Scottish Parliament is best placed to make decisions for Scotland, but, if this Parliament is to tackle inequality, drive economic growth and improve living standards, it needs the powers to do so. The Prime Minister has spoken about new powers for Scotland, and people across the UK, including Andy Burnham and, indeed, Scottish Labour, have recognised Scotland's right to choose its own future, but warm words are not enough. If there is a genuine commitment to empowering Scotland, that commitment must be backed by action. The powers that can be devolved should be devolved. Decisions that affect Scotland should increasingly be made in Scotland.

Julie MacDougall: Will the member take an intervention?

Alex Kerr: I need to make progress.

The more powers we hold in this Parliament, the more we can do to support businesses, reduce inequality, strengthen public services and help people through difficult economic times. Ultimately, Scotland's future should always be decided by the people of Scotland. If the UK

Government is unwilling to take the action needed to address the cost of living crisis, we must ask ourselves a fundamental question: who is best placed to build the prosperous future that Scotland deserves? I believe that the answer is Scotland.

This debate is about more than budgets and balance sheets; it is about the family worried about the next energy bill; it is about the young person wondering whether they will ever own a home; and it is increasingly about the pensioner choosing between heating and other essentials. The people of Scotland deserve action, they deserve an opportunity and they deserve a Government with the powers necessary to deliver both. Fundamentally, people deserve to have a say over their own future. If Michael Marra and his boss Andy Burnham are actually democrats, it is incumbent on them to give the people who live and work in Scotland the opportunity to answer the question, "Can Scotland still afford to remain a part of the UK?"

15:43

Katie Hagmann (Carrick, Cumnock and Doon Valley) (SNP): Scotland is a nation. That statement was overwhelmingly agreed on in our Scottish Parliament last week. We are a country in our own right, but we are debating what our nation's priorities should be in the UK budget. What other country in the world faces this bizarre situation?

Jamie Langan (South Scotland) (Reform): Will the member take an intervention?

Katie Hagmann: No, thank you.

We are a nation in our own right, but we have to outline to another nation what funding and crumbs off the table we should get. I have been an MSP for less than five months—

Jamie Langan: Will the member take an intervention?

Katie Hagmann: I have already said no, thank you.

The Deputy Presiding Officer (Clare Adamson): The member is not taking interventions. We will not have them from those who do not have their microphones on.

Katie Hagmann: Thank you, Deputy Presiding Officer.

I have been an MSP for less than five months and, in that short time, the failings of the UK system have been stark and clear to see. Yes, we have some devolved powers, but the levers of full fiscal autonomy remain frustratingly out of reach.

I am proud of our budget processes in the Scottish Parliament. There is opportunity for everyone to get involved, from pre-budget scrutiny to the various stages of the budget bill, with opportunities for amendments and the willingness of the Scottish Government to listen, compromise and work together. Every member of our Scottish Parliament is involved. Every member was invited, by the Presiding Officer, to upskill in fiscal literacy in order to ensure that the people of Scotland are best served, as they should be. That is what democracy should look like.

We might compare our system with that of Westminster, although it is hardly a comparison.

Paul Sweeney: Will the member take an intervention?

Katie Hagmann: No, thank you.

Yesterday, in a meeting with conveners of the Parliament's committees, the First Minister put it eloquently in his response to a question posed by Jenni Minto, the convener of the Standards, Procedures and Public Appointments Committee. He said that budget scrutiny in this Parliament is forensic, whereas, in the House of Commons, it is non-existent—it has never darkened the door of the place.

Craig Hoy: Will the member take an intervention on that point?

Katie Hagmann: No, thank you.

As far as I can see, there is little, or no, way for any of the Scottish MPs to either amend or influence the UK budget in any significant fashion.

However, here we are, and, as long as we are tied to that outdated system, we must do all that we can to ensure that the people of Scotland are best served. I truly hope that there is a genuine desire from the new Prime Minister to do things differently.

I whole-heartedly support the Deputy First Minister in her asks, as set out in the motion. We are an energy-rich nation, but most households are struggling with the cost of living. Many will be carrying real anxiety as to how they will be able to heat their homes this winter, and pensioners will be worried about their future following the announcement on the scrapping of the triple lock in the future. Energy bills are almost £1,000 higher than promised, food prices are soaring and mortgage rates are rising. That is not good enough, and those issues must be addressed in the UK budget.

A likely increase in defence spending will reduce the funding that is available for Scotland. With the continued abhorrent investment in nuclear weapons—

Jamie Langan: Will the member take an intervention?

Katie Hagmann: No, thank you.

It is perhaps time for the UK Government to rethink its policy, especially in the light of the fact that global pandemics, the collapse of biodiversity and cyberattacks pose far more risk to humanity than the threats of nuclear weapons. The damaging rise in national insurance contributions, the cruel bedroom tax, the outrageous young parent penalty in universal credit and the pressures on our Scottish whisky industry are just a small number of examples of policy choices that are damaging our nation.

In 2018, Philip Alston, the United Nations special rapporteur, reported that

"poverty is a political choice"

and warned that our community roots would be broken. That was in 2018—and look where we are today, eight years on, with the Scottish Government having to prioritise community cohesion.

Political choices will be made in the UK budget. The Scottish Government will do what we can to mitigate the impact in Scotland of decisions made elsewhere—protecting the most vulnerable in our society, as we always do—but I hope that, for once, we will not have to do so.

15:48

Jack Middleton (Aberdeen Central) (SNP): I welcome the opportunity to speak in support of the motion in the Deputy First Minister's name. At its heart, the motion is about a very simple request of the UK Labour Government: to use its powers in the upcoming budget to make people's lives better in Scotland.

Across the country, households are under serious pressure as the cost of living soars. Energy bills have risen again today, and by January they will be a thousand quid higher than the Labour Party promised at the general election in 2024. In some parts of Scotland, diesel is over two quid a litre and three quarters of people are worried about the ever-rising cost of food. Those are not abstract examples of Westminster's failure to tackle the cost of living; they are pressures being felt that will be discussed around kitchen tables in Aberdeen and across the north-east of Scotland tonight.

My first point, therefore, is that people need real action now. That starts by finally ending the UK Government's years of austerity and increasing the Scottish Government's block grant in real terms.

Whatever our political differences and party allegiances, there is surely agreement on the principle that Governments should use every available lever to help households through a cost of living crisis. With the powers available, the Scottish Government has the best cost of living package in the UK—free tuition, free prescriptions, the Scottish child payment and the £2 bus fare cap, which I hope will be rolled out in Aberdeen and Aberdeenshire in the very near future.

Of course, the UK Government continues to hold power when it comes to energy, fuel and large aspects of household incomes. That is why the announcement this week on the future of the state pension really matters. Rather than help Scottish pensioners, the move would cost every one of them about £2,000 a year. With ever-increasing energy bills, Scottish pensioners cannot afford any more cuts to their household budgets. Official estimates today provide evidence that, by 2050, Scotland will lose a total of £4 billion a year as a result of Labour's attack on the triple lock.

Paul Sweeney: Does Jack Middleton, as a working-age person like me, at least agree that the state pension outstripping average earnings is fundamentally unsustainable in the long run?

Jack Middleton: I am curious about Scottish Labour's position, because, when he was announced as leader, Michael Marra supported the triple lock, but Mr Sweeney has been sent out today to bash it. They need to get their own house in order before they come knocking at mine.

One of Keir Starmer's first moves as Labour Prime Minister was to scrap the winter fuel allowance. It was one of a catalogue of errors that, ultimately, led to his resignation. It beggars belief, as my colleague Alex Kerr said, that Andy Burnham has made the political choice to make the same mistakes and, as one of his first acts as Prime Minister, attack Scottish pensioners who have paid their way throughout their working life. Of course, the state pension is reserved to the UK Government, but today, as we mark world day of older people, that does not mean that the Scottish Parliament should be silent about the consequences for people living here. All of that, of course, is to fund social care in England, which brings me to a broader point on funding.

If the Scottish Parliament is to take on greater responsibilities, which would be devolved by the UK Government, it must have the financial capacity to deliver them. The motion rightly calls for an increase in the Scottish Government's budget in real terms. There should also be a serious discussion about whether the taxation system is raising sufficient revenue in a fair and sustainable manner, including whether those with the greatest ability to contribute should make a greater contribution.

I sincerely welcome the Prime Minister opening the door to further devolution. There should now be a constructive process to identify the powers

that could make a tangible difference to economic growth in Scotland, to the reduction of inequality and to the support of household incomes.

For my constituents in Aberdeen Central, that has a particular relevance when we consider our energy economy. Our region has supplied the skills and expertise that have powered these islands for half a century. Those workers deserve confidence that their skills have a future. That means recognising the contribution of the existing sector to our energy mix, but it also—importantly—means investing directly and heavily in the renewables sector that will power the future.

Instead, Labour has chosen to leave Scotland's workforce, industry and economy in the lurch by delaying a decision on Jackdaw until after the Holborn and St Pancras by-election. By my working, that decision costs our economy greatly, to the tune of at least £1.4 million in tax revenue every day. That is a conservative estimate, but it is a significant one, too. Let us remember that we are talking about wealth that is unlocked by Scottish workers who are harnessing Scottish resources. Wealth created from North Sea projects should not be used to plug black holes in the Treasury; it should be invested directly into Scotland and Scotland alone.

Rachael Hamilton: I listened to Jack Middleton's speech yesterday—he is a great advocate for the oil and gas sector in the north-east. We know that GDP is suffering and that earnings growth and employment are weak in the north-east—if only Jack Middleton could persuade his colleagues to open up the oil and gas fields and remove their presumption against doing so.

Jack Middleton: I am not entirely sure what that intervention was, but I thank Ms Hamilton. I believe something that the Conservative Party, I am afraid, has significantly moved away from—that Scottish wealth should be invested directly in the renewables industry in the north-east of Scotland and beyond. Scaling up that industry will benefit our economy massively. Meeting our net zero targets and properly managing the energy transition will unlock £150 billion of additional gross value added for the economy over the next 25 years. The future generations fund that Stephen Gethins and the Scottish Government called for yesterday—and the Conservatives voted down—would unlock that reality.

My call for the Labour Government, which is proud to talk about devolution and the fight against deindustrialisation, is to include that simple ask in its upcoming UK budget—and to cement Aberdeen as Europe's capital of energy excellence.

15:55

Lloyd Melville (Angus South) (SNP): Almost every time that I visit a business in Angus South—whether it is one in agriculture, hospitality, retail or anything else—I hear about the same pressures. I hear about Brexit, the cost of employing people, energy bills, transport costs and other overheads.

Jamie Langan: Will Lloyd Melville give way?

Lloyd Melville: I have just begun.

All those pressures are making it more difficult for businesses to invest, expand and create jobs. Those businesses want to grow. They want to take people on and to invest in their communities and in Scotland's economy.

The Scottish Government is using the powers that we have. This year's Scottish budget reduced all three non-domestic property rates, maintained the small business bonus scheme and provided targeted relief for retail, hospitality and leisure businesses. However, there is a limit to how much we can do in Scotland if decisions taken elsewhere continue to add costs back on. Arrangements put in place by the UK Government are holding Scotland's economy back. The UK Government could, and should, make a real and immediate difference to businesses in my constituency—through policies on employer national insurance contributions, VAT, energy costs and inheritance tax for family farms.

Some businesses in Angus have told me that the changes to national insurance resulted in almost £100,000 of additional costs in the first year alone. That burden has not hit businesses in isolation—those same businesses are facing rising energy bills, increasing transport costs and higher rents, which reduce the money that they have to recruit and retain staff and to grow. If Andy Burnham is serious about wanting growth, he must reverse that punitive measure.

The same applies to our hospitality sector. This summer, when it temporarily cut VAT on children's meals and family attractions, the UK Government demonstrated that, when it wants to stimulate demand, VAT can be reduced. However, hotels, pubs, restaurants and cafes are facing persistent pressures from wages, food costs, energy costs and others, and they are, reluctantly, passing on those costs to consumers. That is why Westminster must go substantially further and cut the VAT rate to 10 per cent for hospitality. I heard that clearly over the summer and, most recently, last month, when I visited Forbes of Kingennie, in my constituency.

Up to 72 per cent of the total price of a bottle of Scotch whisky flows to the Treasury. Despite promising to back Scotch whisky to the hilt, Labour hiked the duty on it in its first budget. Revenues

plummeted. Once again, a UK-wide tax system bears down particularly heavily on one of Scotland's great economic success stories. Andy Burnham has a golden opportunity to undo some of Starmer's damage by cutting whisky duty. That matters far beyond the distillery gate—it matters to hospitality, to tourism and to the farmers who supply the barley on which the industry depends. Those farmers receive less than £200 per tonne of barley. Meanwhile, distilled, that same tonne can easily generate an amount well into five figures in duty and VAT for Westminster. Instead of watering down protections on Scotch whisky, the UK Government should back our most famous product and deliver the cut in duty that is needed so badly.

The family farm tax also needs to be scrapped. Although I recognise that the UK Government has rowed back on its original proposal—albeit after intense pressure from rural businesses—the changes to thresholds and transfers of unused allowances between spouses do not go far enough. Farmers across Angus remain deeply concerned and have told me that, although their family farm might be worth a substantial amount on paper, they simply do not have the cash sitting in the bank to meet a large inheritance tax liability—not least given the impact of rising fuel, fertiliser, feed, energy and staffing costs.

Let us not forget that the tax disproportionately impacts Scotland, with our larger farming sector. That is why I back the Scottish Government's call for inheritance tax powers to be devolved, so that we can design a system that meets Scotland's needs. In the meantime, the UK Government should reverse the family farm tax and give our farmers the certainty that they need for the future.

The cost of energy bills has risen again today, despite the promise that Labour made before the election to cut bills by £300. Although I welcome the removal of VAT from domestic energy bills this winter, I am left wondering what I am going to spend that extra £4 a month on. Perhaps I will treat myself to a Freddo once or twice a week. Ah, but wait—it will need to go towards the increase in energy bills that was announced today.

However, this is no laughing matter; it is deadly serious. People across Angus will be dreading their energy bills dropping through their letterboxes this winter. The paltry VAT move is a drop in the ocean compared with today's rise in the price cap. It is woefully inadequate. In an energy-rich country such as Scotland, how can it be that energy costs are such a source of anxiety for households, businesses and industry?

I see that time is marching on, so I will conclude. Businesses in Angus South are not telling me that they lack ambition. Instead, they say that they lack the means to go ahead, because Westminster is holding them back. That has to change in the UK budget.

16:01

David Linden (Glasgow Baillieston and Shettleston) (SNP): I might be getting this entirely wrong, but I am quite struck by the fact that in a debate about Scotland's priorities for the UK budget, we have had speech after speech from SNP members, but not one contribution in the open debate from the other parties in the chamber. That says an awful lot about the priorities of members from other parties in standing up for the people of Scotland on budget responsibilities.

Willie Rennie (Fife North East) (LD): I am afraid that that is because of sheer numbers. We have our opening and closing speeches, then there is no time for other parties in the open debate. I wish that the Lib Dems had more members, but maybe the electorate will choose differently next time.

David Linden: The irony of the fact that Mr Rennie made that point when he is the only Liberal Democrat in the chamber is not lost on me.

I welcome the motion from the Government and I support it, because it is focused on tackling the cost of living crisis. When I go door knocking on a Tuesday morning before I come to the Parliament, whether in Carntyne or Sandyhills, people's biggest concerns are energy bills and the cost of living crisis.

This country generates more electricity than we can consume. We are an energy-rich country, but we are going to be faced with the ridiculous situation in which, in the coming months, pensioners in Swinton, Sandyhills and Carntyne will face a very live decision about whether they can pay their bills: choosing whether to turn on the heating or to go to the supermarket, such as the Aldi in Shettleston. That goes to the very heart of the issue of our aspirations for the people of Scotland. Only two years ago, during the general election of 2024, Labour Party members were traipsing round streets across the east end of Glasgow telling folk that they would get £300 off their energy bills, and we are now in a situation in which they have to pay £1,000 extra on their energy bills, which Daniel Johnson is about to explain.

Daniel Johnson: The member is right about the importance of energy bills, but does he not also accept that the events in the Strait of Hormuz are a significant factor in what is going on, and that he cannot lay the blame for that at the door of the Labour Government?

David Linden: Part of my issue is that there have been a number of situations during the past

two years in which the Labour Government has claimed credit for things that have gone in its direction. I have seen infographics from the British Labour Party north of the border that talked about interest cuts when that was all going in Labour's direction. If the Labour Party wants to own economic policy, I am happy for it to do so, but I would be grateful if it could do so consistently.

Energy bills are not the only issue. When people are driving around Baillieston in my constituency, they only have to look at prices at the Morrisons petrol station to see that diesel now costs £2 a litre, which is part of the reason why we need to see a cut in fuel duty. It would be nice to hear members refer to that, too.

There are other decisions that the United Kingdom Government and the Labour Party could take, including on reducing VAT on hospitality or dealing with the issue of the bedroom tax across these islands, because we must not forget that this very Parliament spends money mitigating the effects of the bedroom tax.

Jamie Langan: Will the member accept an intervention?

David Linden: I am happy to give way to the Bolshevik from the Borders.

Jamie Langan: Does Mr Linden not recognise that this Parliament could cut a number of taxes to put money in people's pockets?

David Linden: As I spend time in this Parliament, particularly when we discuss the issue of public services in the Criminal Justice Committee, I regularly hear members talking about wanting to invest more money, so it is interesting that the member is now talking about cutting taxes.

The reality is that if Mr Langan wants to have good public services he has to pay for them—I am afraid that that may sometimes mean that a member of the House of Lords might have to pay a bit more as well.

Paul Sweeney: Does the member recognise that certain functionalities of taxation in Scotland could be improved? For example, non-domestic rates are a really blunt instrument. In some instances, people who are trying to invest to renovate a building are penalised for doing that, which blocks growth and progress. Can we look at how to tailor certain taxes to achieve better outcomes?

David Linden: There is a risk that Mr Sweeney and I could be here for a long time if we get into a debate about buildings. I have a degree of sympathy for his position and I know that Scottish Government ministers have looked at the issue of non-domestic rates.

The First Minister has indicated that, if the Labour Party starts to take a more constructive approach—as appears to be the case, particularly since the election of the latest Scottish Labour Party leader, Michael Marra—and Labour members come forward with policy suggestions, they will find that the doors of the Deputy First Minister, and indeed of Ms Goodlad, will be open. If so, I am sure that Mr Sweeney will want to press the issue.

There are some areas where the UK Government could certainly move in ways that would make a difference here. Just before the Bolshevik from the Borders intervened on me, I mentioned the issue of the bedroom tax. We are spending far too much money on discretionary housing payments. If we could spend money investing in things such as local government instead of mitigating the bedroom tax, that would be welcome. There are other things that we could do on national insurance, the benefit cap or the young parent penalty, but the common theme with all those issues is that they are reserved to the United Kingdom Government.

That brings me to a fundamental point. The Labour Party has changed its Prime Minister and the early signs are that he is a better communicator and has a lot more charisma—although that probably would not have been difficult, based on who he succeeded. When the rubber hits the road, we have to see whether there will be change—

Julie MacDougall: Will the member accept an intervention?

David Linden: I am happy to give way to Ms MacDougall, as long as she is not going to read from a written-out intervention.

Julie MacDougall: How does the member explain the fact that we get more money per head than other places in the UK do, but our schools get worse results?

David Linden: I am not sure that is actually the case. If the member wanted to come with me to visit schools in my constituency, I could take her to St Andrew's secondary school, which gets £250,000 from the pupil equity fund in recognition of the challenges that pupils face there. That is not something that happens south of the border. Perhaps that was at the bottom of the handout that she got from the whips and she might get to that later.

The fundamental point that I want to come back to is that we can have debates about our requests for more powers or about what we want to see from a United Kingdom Government, but the reality is that the only way we are going to get real change is with the powers of independence. It was

interesting to note that the Labour Party, at its conference in Liverpool over the past few days, decided that it would start reopening the question of Europe. That is fine if Labour wants to do that, but it raises a point about consistency: if Labour wants to reopen the issue of Europe, it ought to reopen the issue of where Scotland stands by giving us a referendum that would give us a fresh start with independence.

The Deputy Presiding Officer (Katy Clark): We move to the closing speeches.

16:09

Willie Rennie (Fife North East) (LD): On reflection, I agree with David Linden. I think that there were far too many SNP contributions in the open debate and that we should immediately change standing orders to prevent such a calamity from happening in future. [*Interruption*]. That has woken them up.

I have to say that this has been a rather dispiriting afternoon, because we have simply had the trading of a series of slogans, and I am not sure that we are any further forward. I can check, but I do not think that the chancellor will have been tuning in to the debate to find out whether we have any nuggets that he might want to include in the budget.

Although the Deputy First Minister had lots of helpful, constructive and friendly suggestions for the chancellor, which I am sure that he will take on board, we heard almost nothing about—there was complete silence on—the looming £5 billion deficit that is coming down the track here in Scotland. We also had silence on how the Government intends to grow the economy here in Scotland so that we can close that looming £5 billion financial gap. We also had absolute silence—which is being replicated right across Government—on how we are going to drive down the costs of government. Indeed, we heard this week that the Government's attempts to reduce staff numbers have resulted in those numbers going in the opposite direction.

We had complete silence on all of that. I would prefer us to have a much more constructive, serious debate on those difficult and challenging issues, which I accept are not easy to address, rather than another debate in which we just trade slogans. We know that the SNP likes independence. We know that Reform does not like the European Union. We know that Craig Hoy does not like tax rises. We know that Daniel Johnson has a lot of intelligent things to say. [*Laughter.*] We know all of that. So, can we not just cut that out next time and cut straight to the chase? [*Interruption*.]

I apologise to Ross Greer, who has equally intelligent things to say.

Daniel Johnson: Is Willie Rennie very politely asking me to shut up?

Willie Rennie: I would never dream of doing such a thing.

I want to get down to substance, because there are some serious issues that I would like to debate. Liam McArthur has set out the Liberal Democrat asks for the UK budget, which I am sure that he will send on to the chancellor.

This morning, an Audit Scotland report was published on how we are spending the money in the offshore wind investment programme. We are behind schedule on that. Why is that? Although we have managed to lever in extra private investment on the back of that programme, only £141 million of the £500 million has been spent on the 17 projects. Why are we behind schedule on that? What does that mean for the ScotWind programme? What does that mean for growing the offshore renewable energy sector and the potential tax revenues that could come from that, which might help us to close the financial gap? That is an issue that I am interested in.

Why are we so slow on the construction of houses? We had a debate on that earlier in the week. The number of starts has gone down significantly, as has the number of completions. I had thought that the Housing (Scotland) Act 2025 was a step in the right direction. I had thought that it managed to provide enough exemptions on mid-market rents and on buy to rent. All those provisions were good. There was also investment in the planning system in an effort to unblock the sites that were stalled.

Paul Sweeney: Will the member take an intervention?

Willie Rennie: I will, in a second—let me finish this point.

All of that was good, but why are we not managing to increase the number of new starts and the number of completions? If we cannot get the construction sector moving, we will have a problem with growing the economy and utilising that workforce.

Paul Sweeney: I recognise that that compounds the fiscal challenge that the Government is facing, because it is haemorrhaging money into meeting emergency homelessness accommodation costs, but it is not investing in new housing stock and turning tenancies into a revenue stream for the public sector.

Willie Rennie: That is exactly the point that I was seeking to make, and I think that Paul Sweeney has made it in a much more intelligent fashion.

This week, we debated the fact that we are sending orders for buses to China. How can we get Alexander Dennis into a position in which it is fit to build more of those buses here, utilising the Scottish workforce, increasing our tax take and closing the £5 billion financial gap that we have talked about?

We still have the Dalzell steel plant in Lanarkshire. That has been mothballed for two years. We could get that working to fulfil the order for the British ships that the UK Government is progressing with. Why can we not manage to get that plant moving again, to get the workers working and to get the tax take in so that we can close the financial gap?

I would far rather be debating all of those things this afternoon. I do not adopt a Reform or Conservative approach to this but, crucially, it is a matter of getting the welfare spend in this country down—not by slashing and burning benefits, but by providing ladders of opportunity to get people out of their situation.

David Linden: [*Made a request to intervene*.]

Paul Sweeney *rose—*

Willie Rennie: In a second.

That way we can get people into the workforce and create opportunities for them. That is good for them, good for the tax take and good for the country.

The Deputy Presiding Officer (Katy Clark): I call Paul—

Willie Rennie: I will take the intervention from David Linden, if that is okay.

David Linden: I am grateful to Mr Rennie for the thoughtful way in which he is approaching his speech. We always have discussions about the welfare bill—or the social security bill, as some of us refer to it; Mr Rennie will recognise the distinction. Does he understand and recognise that we are talking about demand-led benefits? The reality is that we are living longer, and with complex health conditions; it is not as simple as saying that we can just crack down on that bill when we have difficult health conditions.

Willie Rennie: A central feature of the current cohort of people who rely on benefits is that they are younger people with conditions of the mind, such as attention deficit hyperactivity disorder, autism or other mental health conditions. Those people should be given the opportunity to work, which will increase our income tax take and other taxes. That might not necessarily reduce the benefits bill in that respect—David Linden is right about that—but it can contribute more to the growth of the economy. That is my point here: it is a waste of talent unless we can get those people back into the workplace, and that does not benefit the economy either.

We should have been debating all those issues this afternoon, rather than just trading slogans between parties. I urge the Government to try to move forward and to focus on the detail because, unless we get on top of it, we will have a massive problem in just a few years' time with that £5 billion deficit.

16:16

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): Today's debate has reflected the different paths that our country could take, depending on the decisions that are made in the UK and Scottish budgets this year. I have listened carefully, and there are many policy choices to be made, but there are really only two directions that Scotland and the UK can go in. It is evident that either of Scotland's Governments can increase taxes yet again, make life harder for households and businesses, increase the cost of living, slow down the economy, damage growth prospects and borrow more that future generations will have to pay for; or they can change their tune and finally make life more affordable.

They can reduce the cost of living so that families can cover their monthly bills, they can let taxpayers keep more of their own money, they can give businesses a break, and they can show some fiscal responsibility and balance their budgets so that our children and grandchildren are not left with a mammoth debt burden. They can set conditions for a new era of growth and prosperity.

Jamie Langan: Does the member regret the significant debt burden that the Conservative Party left the country with?

Rachael Hamilton: Jamie Langan will understand, from when he was a Conservative, that, amid the challenges of the pandemic and the Ukrainian war, the Conservative Government sought to support individuals across the United Kingdom: that is exactly what the Conservative Government did. That is the vision that I have talked about, and which my colleague Craig Hoy has set out today: a better future for Scotland and Britain.

As Willie Rennie said, the debate has covered vastly different potential directions in Scotland and the UK. It has been quite a depressing debate, I would say, but we know which way the SNP is likely to go, even if Jenny Gilruth says that she is not inclined to raise taxes. I believe that the SNP will gladly see costs rise and bills ratchet higher than ever. The SNP is first class at spending other people's money.

Today's debate has been very much about blame shifting and deflection. As I say, it has been quite depressing. The 15 SNP back benchers who have turned up have made tediously predictable contributions. Rather than address the key weaknesses of their own making, using the powers that the SNP has, they have wallowed in self-pity. It is not ambitious for anyone who is listening, but nobody is listening, and that is the key point. The SNP is not creating opportunities for Scots who want to get on in life.

The Scottish Government projects a £5 billion funding gap by 2030, which is extremely concerning. Scotland's income tax base performance gap widened from just under £500 million in 2023-24 to £888 million in 2024-25. In addition, the 2027-28 Scottish budget will be reduced by a £720 million negative income tax reconciliation. The SNP Government will need to manage that reconciliation, but none of the SNP members has addressed that point today. That will lead to less money for crucial public services for everyday people who rely on them.

What about the SNP's £560 million of planned savings?

Alex Kerr: When it comes to the income tax reconciliation, does the member agree that there is definitely something that must be looked at in the fiscal framework because, right now, there are a lot of aspects of the framework, particularly that reconciliation, that mean that the Government cannot plan over multiple years? There are a lot of calls for the Government to hand out multiyear funding streams but, to do that properly, the Government must be confident that the money that it gets will come over multiple years, too.

Rachael Hamilton: The Scottish Fiscal Commission has warned the Scottish Government about its overspend and about the potential of less tax income. The Scottish Government has had plenty of time to prepare to deal with the reconciliation. All that will happen is that there will be less money for public services, because the Scottish Government is using that money irresponsibly.

The Scottish Government also plans to reduce the size of the public sector workforce. What has happened to that? There has been no progress whatsoever. Of the SNP's £560 million of planned savings, 44 per cent are expected to fall on the NHS, and there is no detail on public sector reform. It is a complete disaster. There has been little progress. No wonder the economic agencies are saying that the Scottish Government needs to be transparent. It needs to show the public what it means when it talks about tax rises and less money for public services.

There is a point of conciliation here, and that is that energy costs need to be dealt with. They are rising globally. It makes no sense not to use the resources that we have here on our doorstep. Those energy costs also mean that Andy Burnham must give drivers a break by cancelling an increase to fuel duty or, better yet, cutting fuel duty. Prices at the pump have risen to just over £2 per litre at many garages, which experts say is among the highest prices in Europe.

Today's debate has been depressing. Very few SNP members have turned up—[*Interruption.*] This is a great lesson in maths. They do not understand that my point is about proportionate numbers of their own ranks.

There is no hope for the public to put their trust in this SNP Government to run taxpayers' finances, and that is a sorry state.

16:22

Holly Bruce (Glasgow Southside) (Green): I start by agreeing with what Willie Rennie mentioned earlier about trading slogans, but that will be the only thing that I agree with Willie Rennie on in this debate.

The phrase "cost of living" has almost lost all meaning in the Parliament, as it is mentioned so many times. However, behind every debate on the subject is a human being, a family and a daily exhausting struggle for basic human needs. I ask members to think of a young mother in my constituency of Glasgow Southside. She is under 25, raising her young child and trying to navigate a social security system that feels less like a safety net and far more like an obstacle course. Under the current universal credit set-up, simply because she is under 25, the UK Government decides that she gets £86 less every month to survive. However, her landlord does not offer a youth discount on her rent, energy companies do not lower the tariffs for under-25s and supermarkets do not charge less for the big shop. It is no wonder, then, that young mothers in Scotland face a staggering 52 per cent rate of relative poverty.

Just today—I implore Willie Rennie to read this—a joint research report by Close the Gap and Save the Children Scotland explores—

Craig Hoy: Will the member take an intervention?

Holly Bruce: I will not take an intervention at the moment.

The report explores those severe labour market inequalities. It highlights that young mothers face a systemic double penalty: the traditional motherhood penalty of discrimination, childcare barriers and a loss of earnings due to parental

duties, combined with the youth penalty of lower statutory pay bands and reduced social security allowances.

Universal credit is fundamentally failing our communities, from single mothers and private renters to young school leavers. That is why the Prime Minister and the chancellor need to put money back into people's pockets during this crisis. We must increase the basic rate of support under universal credit, which sits at historic lows, and end the punitive youth penalty once and for all. I agree with Alex Kerr's remarks about Scottish Labour and its indication that it would support the Scottish child payment, but I have not seen that indicated in the Labour amendment.

Instead of providing stability, the freeze on local housing allowance is driving private rents completely out of reach, as the Deputy First Minister alluded to. In greater Glasgow, low-income families now face an average annual shortfall between their housing support and actual rent of £642 for a two-bedroom home and £1,080 for a three-bedroom home. That gap is pushing working families straight into temporary accommodation and homelessness. Meanwhile, as we heard earlier, the Scottish Government has been forced to allocate around £160 million to our social security system for mitigation.

I am also deeply concerned about the cuts to disabled people's benefits and the rumours of cuts to the personal independence payment by the UK Government, as alluded to in our amendment. Although disability benefits are devolved, decisions that are made in Westminster directly impact the budget that is allocated to Scotland. The proposed changes would further strain our budget, because any cuts to PIP would bring a corresponding reduction to ADP delivery.

The Prime Minister speaks loudly about supporting more than a million young people into education or work, but how can a school leaver take up their dream apprenticeship in Glasgow if rental support does not cover a basic room in the city? Housing support must enable opportunity, not lock young people out of it. Rather than address those structural failures, the chancellor recently signalled further benefit cuts, claiming that social security should merely be "a bridge to work". That is deeply concerning. Such cuts force households into destitution in the hope of punishing them into employment. It is the exact same failed austerity logic that we endured for 14 years under the Conservatives.

Craig Hoy: [*Made a request to intervene*.]

Holly Bruce: I will not take an intervention at the moment.

As the Joseph Rowntree Foundation has proven time and again, extreme poverty acts as a blocker to work, not a driver. A parent who cannot afford a bus fare cannot travel to a job interview. A social security system that is built on sanctions and reductions creates anxiety, isolation and economic disengagement. Research from the Public Law Project shows that 91 per cent of sanctions are handed out simply for missing or being late for a meeting, thus using punishment as a first resort and destroying the crucial trust between claimants and work coaches.

That reality was starkly laid bare in recent research from the University of Glasgow's centre for public policy. The evidence from its state of poverty project demonstrates how fragmented and siloed Government decision making actively traps households in hardship. When housing, social security and local services operate in isolation, administrative traps are created that prevent people from accessing the lifeline supports that they are entitled to. Income support alone cannot succeed where Government systems are working in silos against an individual. All Governments should be working on that issue.

We see the compounding weight of these policies every day in our constituencies and regions. We are living through a severe housing emergency, which is felt acutely in Glasgow, where our council faces unprecedented housing shortages alongside a £90 million budget deficit. The Deputy First Minister has assured Glasgow that it will receive meaningful support, and I hope that that comes when the budget arrives.

While some in Parliament disgracefully use this crisis to target asylum seekers, we should be looking at the structural inefficiencies that exist. For example, the Home Office rehousing scheme funnels public money into private contracts with companies such as the Mears Group. If that contract were transferred to a public agency, we could deliver a vastly superior service—one that is cheaper, better and does not profit off human misery.

We cannot cut our way to growth when the top 2 per cent of households in Scotland hold more wealth than the bottom 50 per cent of households combined.

Jamie Langan: [*Made a request to intervene*.]

Holly Bruce: I will not be taking an intervention.

That money exists; it is simply in the wrong hands. That is why all of us in this chamber should call on the UK Government to implement a wealth tax in order to properly fund our public services, restore our safety net and build a society that is rooted in care rather than punishment.

16:29

Paul Sweeney (Glasgow) (Lab): I am glad to see that the Scottish Government has begun to recognise that a new approach to governing is taking shape across the United Kingdom and that our new Prime Minister is leading the charge towards a fairer, more prosperous and more democratic Britain. I was very proud to be in the room when he gave his recent speech at conference.

A Scottish Government that acts collaboratively will find that it can build partnerships for mutual flourishing across our shared isles, and yet I must be honest that I am disappointed that, once again, the Government has opted for the simplistic shopping list method of negotiation. Rather than setting out a coherent, systems-thinking vision for the future of Scotland, recognising the complex trade-offs that we face in public policy, it has made what feels more like a prickly, sanctimonious and haughty set of demands.

Lloyd Melville: I do not think that the SNP needs to take any lessons from Labour on the budget process, given that Labour has achieved absolutely nothing in any budget process in recent years.

Paul Sweeney: I agree—it was a failure on our part not to participate more constructively in the budget process.

I thought the member made a very thoughtful contribution to today's debate, unlike some of his colleagues.

Fundamentally, these are matters for intergovernmental talks, and yet they are again consuming valuable parliamentary time. The October recess is almost upon us, and yet, since the election, not a single piece of legislation has gone through the Parliament. We have to recognise that we are a legislature, not a debating society.

Let me be clear about what the amendment in the name of my friend the member for Edinburgh Southern asks for. Too much of the debate has been about Scotland's relationship with the rest of the UK in a constitutional sense, but we need to remember that we are here to transform and reform Scotland, across all aspects of Government. Local government, planning, transport and skills are overwhelmingly matters that this Parliament already controls.

Craig Hoy: Does the member share my frustration at Katie Hagmann's speech? I ask that given that she did not take an intervention and seemed to summarise budget scrutiny in this place as being perfect and not requiring any review, and she seemed to think that, at Westminster, the process is appalling. Mr Sweeney is a former MP. A finance bill will go through Westminster, and there is great scrutiny of the UK budget through that process. As a former member of the Finance and Public Administration Committee, I know that it was a frustration of my committee colleagues that we did not go through such a process here. Will the member perhaps alert Katie Hagmann to how the process works here and at Westminster, given that there is detailed examination of the finance bill at Westminster but no such process here?

Paul Sweeney: I agree that the process for scrutiny of the budget here is poor, and there could be more integration of the civil service in determining how we look at options for budgets in this Parliament.

Jenny Gilruth: On the point about information sharing, one of the challenges that the Scottish Government faces is the short period that it has for presenting its budget following publication of the UK Government's budget. Does the member support better information sharing between the UK Government and the Scottish Government at an earlier stage to help facilitate transparency?

Paul Sweeney: I think that there is a very open attitude to a change in tactic on the approach to that, which would deliver a more efficient public service. However, the same goes for local government, because many councils find it very difficult to reconcile quickly the budget decisions that are made here, so let us join up the whole chain to deliver a more effective fiscal position.

Mr Hoy made an interesting point about Ms Hagmann's speech, because I was concerned about the apparent endorsement of full fiscal autonomy. We need to recognise that that would entail a £14.3 billion reduction in public expenditure in Scotland, which would be disastrous, frankly.

David Linden: Given that Mr Hoy was not at the Conveners Group meeting yesterday, he might have misinterpreted Ms Hagmann's point about what the First Minister said. The point was specifically in relation to the second reading of the finance bill and how public bill committees are constituted. I know that Mr Hoy sometimes does not like to get into the detail of these things, but it is important that he does not inadvertently mislead the chamber on that.

Paul Sweeney: That is a fair observation. David Linden and I are both former members of the House of Commons, and I agree that the system here is better than the public bill committee system in Westminster.

The only question before us today is whether we keep powers tightly to ourselves or let them flow outwards to the people of Scotland. Therein lie the

seeds of good growth in every postcode of this country, which the Prime Minister mentioned. Nobody can pretend that this is a fringe preoccupation. In March, the previous Scottish Government and COSLA jointly published "Democracy Matters: A Route Map to Reform", which argued that decisions about public services should sit as close as possible to citizens and told us that implementation would be a matter for the next Administration. Colleagues, that Administration is this one.

The previous Parliament incorporated the European Charter of Local Self-Government into Scots law. The charter states:

> "Public responsibilities shall generally be exercised, in preference, by those authorities which are closest to the citizen."

The principle is agreed and settled, the charter is law and the route map is written. What is missing is the political willpower to realise it.

The scars of austerity during the 2010s have left communities feeling threadbare and unheard across the country. Too often, measures that should have empowered them, such as community asset transfers, have become a way of handing volunteers the liabilities for running the local community centre. What could be opportunities for empowerment become cuts by indirect means.

The Government's route map concedes that point. It acknowledges that the reduction in community learning and development teams now limits the hands-on support that councils can provide. Without investment in that infrastructure, the communities with the fewest assets will be the least able to take on new powers. We need to do better in that regard.

Alex Kerr: On tackling child poverty and investing in our communities, I made the point that an opportunity to work with the UK Government would be the adoption of the child payment across the UK, which would help bring down child poverty and, crucially, unlock a host of resources for the Scottish Government. Would Scottish Labour support that in this budget?

Paul Sweeney: We are certainly open to such innovations.

Let us reflect on the Prime Minister's speech. He said that we need to stop paying for failure and to start investing in the success of our people and unlocking the talents and potential of our society. That is what we need to do. Often, people are stressed and struggling, so if we integrate the benefits system—as Ms Bruce said—let us make it more automatic so that benefits are triggered without people having to navigate a complex bureaucracy, and let us make it effective in delivering good outcomes for our communities.

I am sure that most members know my support for better regional governance and for combined mayoral authorities for Scotland's major city regions, but our amendment does not ask members to settle that argument today. Regardless of the exact framework, I appeal directly to the Government to stop treating strong local government as a rival to Holyrood instead of a supporting partner. My home city of Glasgow ranks 35th out of the UK's 63 largest cities and towns by productivity, despite being the fourth largest by population. The Centre for Cities estimates, conservatively, that Glasgow's economy underperforms by £7.3 billion every year.

Public transport across the region is divided among Strathclyde Partnership for Transport, eight local authorities, the Scottish Government through Transport Scotland and private operators, yet the modelling shows that simply aligning timetables, frequencies and fares could put 300,000 more people within 30 minutes of Glasgow's urban core. It is not about building a new railway or bridge, but making one set of decisions at the scale at which people live and work. That is the difference—the economics of agglomeration—that regional democracy could make for Scotland.

The last railway to be entirely built in the Glasgow suburban area was built as long ago as 2005, when the Maryhill line was extended by 1.6km from Maryhill to Anniesland to link the northern suburbs to the north Clyde line. That is a paltry investment for a city the size of Glasgow.

Those problems of disempowerment are not only in Scotland's great metropolitan city of Glasgow. The Highland Council area is roughly the size of Belgium, and the needs of Skye and those of the Inverness suburbs must compete against one another. For many islanders, local democracy is not local at all and power for the people of Skye sits largely away in Inverness and Holyrood. A true two-tier local democracy under the Scottish Parliament, as in most of Europe, would allow politics to be handled at local, regional and national levels. Instead, we live in a country where councils are so weak that rules about parking are decided in Holyrood and are so large that even their limited power is far from those on the ground.

We must address the real issue: the Scottish Government has become worryingly anti-politics and overly technocratic. The First Minister told us that his one rule for local government reform is, "No more politicians"; we in the chamber need to recognise that that is not a healthy attitude. Aristotle observed that man by nature is a political animal; participation in politics is not to be treated

with disdain. As progressive politicians, we should want more people to be involved in our democracy at all levels. In fact, politics has already been practised across our communities, largely unnoticed: it is there when the chair of a small charity tries to keep quarrelsome trustees on board, when a community-based housing association tries to improve the living standards for their community and when the organisers of a food pantry are trying to build a co-operative commonwealth. We need to empower those people and, because we are a proud democracy, bring them properly into our democratic processes so that accountability to the electorate and transparency in decision making become the hallmark of how we do things here in Scotland.

This Parliament was founded on the conviction that decisions are better made closer to the people they affect. That argument does not end at the door of this Parliament. Please vote in favour of the amendment by my friend the member for Edinburgh Southern. We know that Scotland can be run better. We want to see that happen and, crucially, with collaboration and creativity, we can build the better nation that we all want to see.

16:39

Kim Schmulian (Glasgow) (Reform): I approach this debate with some amusement. Reform is likely to see very little in the budget that will fill us with enthusiasm, so what follows just amounts to a wish list on my part.

Last year's UK budget confirmed that the public finances are under strain, and the benchmarks on growth that it provided have not been hit in the past year. I point out that our European neighbours are suffering slightly more than us in terms of GDP, although our productivity rates are lower. Crucially, low growth seems to land more significantly on UK households, and there are a few reasons for that. The wholesale price of power in the UK is heavily tied to expensive European gas prices, and green policy costs are loaded directly on to consumer and business bills instead of being funded by taxation.

Gas is being pumped to the UK for domestic use. Reform sees gas as a transitional fuel, just as the Chinese use coal and France is run mainly on electricity from nuclear and hydro power. Experts tell us that, regrettably, the price of gas is not going down any time soon, and that will still be the case even if Jackdaw gets the green light. However, if Jackdaw licences were restricted to gas for domestic use only and were not competing in a European marketplace, the price of gas in the UK would fall. Malcolm Offord talked about that in his speech, and Liam McArthur gave us a moving example of someone in his constituency who has struggled with the price of fuel that they need to get to work. That restriction would have a positive financial impact on homes and businesses, providing much-needed jobs for households.

Our food is harvested and manufactured using fuel and it is moved around the UK predominantly by heavy goods vehicles that use diesel. The cost of all that energy must be loaded on to the cost of goods in our supermarkets, and people's weekly shopping costs have also been compounded by a plastic packaging tax. With the crisis in diesel supply potentially hitting us down the line, that will inevitably influence inflation. The cabinet secretary has confirmed that it will likely hit 3.75 per cent on current targets alone.

The housing crisis places a squeeze on people, creating high rents and making it more difficult for those who are starting out to get on the housing ladder. Regrettably, middle-income families who are working the hardest are being squeezed the most. The average age of young people buying a home is now 34, and they are the lucky ones. The rent controls that the SNP has introduced have had an adverse effect on the supply of affordable rented accommodation. Social landlords have left the market or have reduced the available supply but increased rents.

I think that it was Daniel Johnson who said that, in respect of the fiscal position, the Scottish Government is out of its depth or has lost its way. I hope that that is correct—I do not want to put words into his mouth. He also highlighted that we have not seen the medium-term financial strategy yet.

Nights out on the town are becoming a rarity for some people, so I would like VAT on hospitality to be reduced. When it is cheaper to dine out in Paris than in Glasgow, we know that something is wrong. We have the highest VAT rates in Europe.

The chancellor has several levers to pull when he delivers his budget. While continuing the benefits of lower VAT, he could review the windfall tax on energy companies, as Craig Hoy mentioned, and remove the green levy from household and business bills. Looking to the future, we need better joined-up transport infrastructure to help with our freight options.

The personal allowance, which the UK Government controls, has been frozen for several years, creating fiscal drag. As I said yesterday, we want the chancellor to look to increase the allowance to £15,000. The Deputy First Minister says that she wants to simplify tax rates, so perhaps we can be hopeful there.

We want to get our young people off benefits and into work. We want to keep our young people in this country by enabling them to take starter jobs and keep most of their earnings as a state

incentive to work. Even Labour politicians are on record as saying that our young people are getting a poor deal at the moment. We accept that such a move would significantly help middle-income households, but those are the very people whose shoulders seem to be getting narrower all the time. They are working harder but, unfortunately, they are seeing little reward.

I would like the UK Government to look again at inheritance tax, particularly in relation to family businesses. You cannot cut off someone's income lifeline at the age of 50, when they have worked hard to consolidate a family business and forsaken other personal opportunities. To suddenly have that torn out from under them is unfair and punitive within the timescales that have been laid out.

Paul Sweeney: There is an interesting point about succession planning for small businesses, and asking whether we could do more to promote employee ownership in the long run. If a family has started a business and is looking to retire, are there ways for us to incentivise a transition to selling it to the employees instead of to, say, private equity, effectively offshoring ownership in the business, which happens all too often in Scotland?

Kim Schmulian: I agree with Mr Sweeney that all options need to be looked at. In such a scenario, all options should be on the table.

Capital gains tax is another mechanism that many people on the left would like to be increased to a similar level to income tax. Indeed, Louise Haigh and Wes Streeting have been quoted as saying so, and have talked about policies such as reviewing the pension triple lock, which has been mooted across parties as a potential future funder of social care for the elderly. The triple lock was a bargaining chip from the Tory-Lib Dem coalition pact in 2010, but it will be difficult to preserve in the future in its current form unless overall economic conditions substantially improve. Currently, the triple lock is unaffordable because there is no economic growth.

Pensioners are easy targets. If the bill for welfare costs was sorted and reduced instead of increased, the triple lock might become affordable, to the benefit of financially vulnerable pensioners. We would wish to uphold it. To get the best affordable deal for them, all parties need to look closely at international comparators. Before anyone cries "far right", I note that Australia has been successfully operating a means-tested policy for years. That is common sense from a left-wing Government.

Under Keir Starmer, the UK Government has started killing quangos, and we are pleased that Scotland will follow suit, as we heard from the First Minister in his programme for government. We need to be focused on internal Government waste, too, and on the UK Treasury's "Managing Public Money" policy. We should do that in a manner similar to our own scrutiny of the Scottish public finance manual, which covers controversial gifts and delegated ministerial powers.

Politicians across parties are saying that the bill for welfare needs to be cut, and that must start to be addressed in the budget. We need to tighten up on PIP and ensure that money is being targeted where it is most needed. Reform would not have extended the two-child benefit cap; the way that it uprates universal credit within its capped amount is a crucial reason for that. Some families who are not working now have more income per month from benefits than those who go out to work have. That is not equitable in a society that cares so much about equality. The benefits system must represent a finely balanced act for all.

Defence is another crucial area that is in need of money. In Scotland, our security is at risk—we all remember the Glasgow airport attack. We must increase defence spending as soon as possible, so I have a suggestion for the Prime Minister: he should divert what he is spending on plans to re-enter the big federal state of the EU, starting with the £570 million that it is costing to kick-start the Erasmus programme. Students do not have to go abroad now to meet their international counterparts, as they already have many of them here in UK universities. He should give that money to John Healey so that he can plan a modern-day defence force that is fit for the countless challenges that we face. After all, that was the reason that John Healey gave for resigning from Keir Starmer's Cabinet, if any of us believed that at the time.

I have a name for that new defence strategy: operation survival. I borrowed it from Benjamin Netanyahu. Members might not like his politics, but Israelis like the way in which he runs his economy and manages his complex democratic coalition. It funds their defence and their technological supremacy, which we can all learn from. Israel's GDP is predicted to be 3.5 per cent per capita this year, and trade between Israel and the UK benefits both economies.

The UK can learn much from Israel's multilayered defence system, with its technological innovation pipelines and close integration between specialised and conventional forces. There is also much that we can appreciate in Israel's crucial iron dome. Parliamentary papers on defence have noted that the UK has gaps in its domestic missile defence, prompting calls for us to have a similar domestic shield against advanced drone and missile threats. We need it now. That spending should be non-negotiable, and we should be

working with the Israeli Government to achieve it. I did not speak in the sanctions debate—

The Deputy Presiding Officer (Katy Clark): Please bring your remarks to a close.

Kim Schmulian: I will save those closing remarks for another time.

The Deputy Presiding Officer (Katy Clark): I call Hannah Mary Goodlad to wind up the debate and take us to decision time.

16:50

The Minister for Public Finance (Hannah Mary Goodlad): I have a lot of pre-written words here, but to be honest, I am just going to reflect on what I heard towards the end of the debate.

To give Netanyahu as an example of somebody who we should take lessons and learnings from—somebody who is a war criminal, perpetrating genocide on the people of Gaza—what planet is Kim Schmulian on?

Kim Schmulian: I had not actually finished my speech. I wound up because the Presiding Officer asked me to. I would have gone on to explain why Israel is so important to me. I have family there. I am a Christian woman who has been married to a Jewish man for 33 years. I hear talk in this chamber all the time about integration and multiculturalism, as if it were so easy. I wanted to explain that it is not.

Hannah Mary Goodlad: Many of us in this Parliament have faith, but that is absolutely no reason to give a war criminal as an example of someone who we should include in a debate on a fiscal strategy—it is just incomparable. As politicians, we have a duty of care to act calmly and responsibly in response to global tensions, so I completely reject that comparison.

I want to move on to the constructive comments that Mr Sweeney made towards the end of the debate, and I want to say that I agree with Mr Willie Rennie—there is a lot that we agree on. We started to get into the territory of agreement on process and participation in budgets. There is a piece on improving the budget process from the national Scottish level to our regional council levels and our local council levels.

I welcome the indication that there could be a better budget process from the UK Government in relation to the Scottish Government. I also very much welcome the point on engaging with the upcoming Scottish budget. We would very much welcome that engagement, and we look forward to working with members on that. As Alex Kerr said, there is strong indication that the child payment could be explored and extended across the UK. Again, that is something that we could work on.

On responsibility and the devolving of powers not only to Scotland, but regionally within our country, if responsibility does not come with funding, it is a problem. That point has been woven through the debate today. Responsibility and funding must come hand in hand, because otherwise we are passing the problem down.

I welcome Daniel Johnson's comments on devolution across the country. It is a shame that he was not here for the debate that we had on Tuesday, because we explored that issue in depth, but I know that he was south of the border at a conference.

One issue that struck home in the debate on Tuesday was the piece about democratising our country. We see people pulling back, a disengagement and an apathy at many levels across Scotland. That leads to a lot of the social tension that we see—the rise of the far right, violence against women and a racial tension across society. I was listening to an episode of "The Rest Is Politics" podcast with Gordon Brown, and he identified the same piece. He identified that people are not engaging locally in the same way that they used to, whether that is in kirk groups, political parties or unions—participation is very much down. If we are to take democracy to the heart of Scotland, we will be able to target and increase global participation.

Craig Hoy: The minister may think that I am cynical in asking this question—I am not sure. Is it not a bit of a surprise that the Scottish Government is, all of a sudden, looking at a root-and-branch review of our regions and all the structures only after a new Prime Minister has emerged and has said that he may potentially intervene from Westminster to impose some form of regional devolution in Scotland? Is it just a power grab by the SNP, which fears that the Labour Government wants to cut across it?

Hannah Mary Goodlad: The SNP has the principles and values of self-confidence and decentralisation, and pushing power out and down, at the core of who we are as a party. If Mr Hoy had taken the time to read our manifesto, he would have seen that public service reform was woven throughout it.

At the start of the debate, the Deputy First Minister set out the actions that we are calling on the chancellor to take, including a reversal of the planned real-terms cut in our block grant funding. Members across the chamber have indicated what they would like to see at the budget in a couple of weeks' time, but I am very sorry to have left Rachael Hamilton depressed in that regard.

We all have different views on what those priorities should be, but I think that we can agree that the budget must work in favour of Scotland to

address the cost of living and energy costs, and to push power out, down and across. When you do not have the economies of scale, there can be a question of cost around democracy, devolution and autonomy, and we must see that red thread follow through at national, regional and local levels. The budget must also target, and provide support for, the high cost of energy bills; I am acutely aware of that in my constituency. The very same wind that provides Viking Energy with profit strips the homes of people in Shetland, and 35 per cent of our population there is in fuel poverty.

Ross Greer made a point about metrics and GDP. We have used GDP as a measure of growth for many years. If we are talking about facts and figures, I point out that, since 2007, GDP growth in Scotland has been 10 per cent in comparison with 8 per cent in the rest of the UK. Scotland has also been the most attractive place to invest outside London for the past decade and a half. However, it is an interesting point, and GDP could be supplemented by other metrics across the board. We should acknowledge that GDP also grows in times of war and natural disasters such as floods, and during many other times that are not good for the wellness or happiness of a nation. Measuring inequality is, therefore, a very good supplement to GDP.

There is something called the Palma ratio, which is a measure of inequality across Scotland, England and the UK, and it also measures inequality globally. Basically, the principle is that a lower number on the Palma ratio means that a place is in better shape in terms of reducing inequality. I would argue that that is the kind of principle that a Government should lean towards. Scotland's number is 1.1, and for the rest of the UK it is 1.4, so, in trying to address inequality and reduce the divide between those who have and those who do not, Scotland is doing better.

I want to talk about the £5 billion hole in our public finances. It is the responsibility of any Government to have fiscal sustainability at its heart, and members should make no mistake about it—this Government has a laser-sharp focus on reducing that gap, and we are starting that work now.

In my first week, I gave Willie Rennie a commitment that I would focus on the 1 per cent and on the detail, and that I would be as boring as I could. I will continue to do that. We are looking into that detail across Cabinet and Government to enable us to put at the heart of our fiscal strategy a portfolio efficiency plan that looks at reducing the number of quangos, at streamlining and at targeting public sector spend. That includes looking at the public sector and civil service workforce; we have reduced that year on year.

Rachael Hamilton: Would Hannah Mary Goodlad cheer me up?

Hannah Mary Goodlad: Sure.

Rachael Hamilton: Does Hannah Mary Goodlad believe that the Scottish Government will reach its efficiency target of £563 million? Can she give Parliament an update on where the Government is with those efficiencies?

Hannah Mary Goodlad: There is a target that we are driving in the next few years, and we are taking a portfolio approach to that. The First Minister has been very clear that Cabinet portfolios need to look at the commitments that are in our manifesto and within the portfolio and identify savings where we can. We have a saving of £1.5 billion to be delivered by 2028-29, and a further £0.7 billion to be saved towards 2029-30. That is £2.2 billion in total. We need to assess, deliver and measure that as we go, because Ms Hamilton is right—the first rule of Government is to ensure that we remain in the green. We are taking those steps now to ensure that, towards 2030, we are on track.

I lean into what I said to Willie Rennie before—I come from business and I can be very boring and I will continue to be so.

In Scotland, we are leading the way in showing that we can grow the economy and take meaningful action to tackle poverty, with around £3.5 billion allocated in 2026-27. That action improves the lives of people in Scotland and creates new opportunities for all to succeed. Even as we take action, UK Government decisions continue to have a significant impact on Scotland's public finances. Decisions taken elsewhere affect our back pocket.

It is still early days for the UK Government under Andy Burnham, and the First Minister has been clear that we will work constructively. We want to work constructively, and I am sure that you get that sense from us in this chamber. However, the upcoming budget is the real litmus test as to where the UK Government's priorities lie and whether it is prepared to take bold action. This Government is clear on what the UK Government needs to do and we are clear on what we need to do. We extend the hand to those who will work with us. Increased funding, action on cost of living, support for economic growth, real change to tackle child poverty, and respect for devolution and further autonomy—

The Presiding Officer (Kenneth Gibson): Minister, you are well over your time. Can you wind up, please?

Hannah Mary Goodlad: Those priorities give us the best chance to see Scotland flourish. That is why we will continue to make the case for Scotland's needs to be recognised and resourced.

The Presiding Officer: That concludes the debate on Scotland's priorities for the UK budget.

Decision Time

17:02

The Presiding Officer (Kenneth Gibson): We move to decision time. There are six questions to be put as a result of today's business. I draw members' attention to the pre-emptions: if the amendment in the name of Malcolm Offord is agreed to, the amendments in the names of Daniel Johnson and Ross Greer will fall; if the amendment in the name of Daniel Johnson is agreed to, the amendment in the name of Ross Greer will fall; and if the amendment in the name of Craig Hoy is agreed to, the amendment in the name of Liam McArthur will fall.

The first question is, that amendment S7M-01395.2, in the name of Malcolm Offord, which seeks to amend motion S7M-01395, in the name of Jenny Gilruth, on Scotland's priorities for the United Kingdom budget, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

There will be a short suspension to allow members to access the digital voting system.

17:03

Meeting suspended.

17:05

On resuming—

The Presiding Officer: We come to the vote on amendment S7M-01395.2, in the name of Malcolm Offord, which seeks to amend motion S7M-01395, in the name of Jenny Gilruth, on Scotland's priorities for the UK budget. Members should vote now.

The vote is closed.

The Minister for Europe, External Affairs and Energy (Stephen Gethins): On a point of order, Presiding Officer. I would have voted no.

The Presiding Officer: Thank you. Your vote has been recorded.

For

Adams, James (North East Scotland) (Con)
Bannerman, Max (Highlands and Islands) (Reform)
Beresford, Senga (South Scotland) (Reform)
Bland, Amanda (Central Scot and Lothians West) (Reform)
Briggs, Miles (Edinburgh and Lothians East) (Con)
Carson, Finlay (Galloway and West Dumfries) (Con)
Currie, Victor (Highlands and Islands) (Reform)
Eagle, Tim (Highlands and Islands) (Con)
Fraser, Murdo (Mid Scotland and Fife) (Con)

Gallacher, Meghan (Central Scot and Lothians West) (Con)
Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
Hoy, Craig (Dumfriesshire) (Con)
Kerr, Liam (North East Scotland) (Con)
Kerr, Stephen (Mid Scotland and Fife) (Con)
Kerr, Thomas (Glasgow) (Reform)
Kirkwood, David (South Scotland) (Reform)
Langan, Jamie (South Scotland) (Reform)
Lindsay, Amanda (Central Scot and Lothians West) (Reform)
MacDougall, Julie (Mid Scotland and Fife) (Reform)
Massey, Duncan (North East Scotland) (Reform)
McDade, Helen (Mid Scotland and Fife) (Reform)
Offord, Malcolm (West Scotland) (Reform)
Ross, Angela (Edinburgh and Lothians East) (Reform)
Schmulian, Kim (Glasgow) (Reform)
Simpson, Graham (Central Scot and Lothians West) (Reform)
Simpson, Mark (North East Scotland) (Reform)
Smith, David (West Scotland) (Reform)

Against

Adam, George (Paisley) (SNP)
Adam, Karen (Banffshire and Buchan Coast) (SNP)
Adamson, Clare (Motherwell and Wishaw) (SNP)
Ahmed, Irshad (Edinburgh and Lothians East) (Lab)
Anderson, Heather (Dundee City West) (SNP)
Arthur, Tom (Renfrewshire West and Levern Valley) (SNP)
Baillie, Jackie (Dumbarton) (Lab)
Baker, Claire (Mid Scotland and Fife) (Lab)
Barratt, David (Cowdenbeath) (SNP)
Beattie, Colin (Midlothian North) (SNP)
Black, Dawn (Angus North and Mearns) (SNP)
Bonnar, Steven (Uddingston and Bellshill) (SNP)
Brown, Alan (Kilmarnock and Irvine Valley) (SNP)
Brown, Keith (Clackmannanshire and Dunblane) (SNP)
Brown, Siobhian (Ayr) (SNP)
Bruce, Holly (Glasgow Southside) (Green)
Campbell, Kate (Edinburgh Eastern, Musselburgh and Tranent) (SNP)
Campbell, Michelle (Renfrewshire North and Cardonald) (SNP)
Chapman, Maggie (North East Scotland) (Green)
Chou Turvey, Yi-pei (North East Scotland) (LD)
Clark, Katy (West Scotland) (Lab)
Cole-Hamilton, Alex (Edinburgh North Western) (LD)
Constance, Angela (Almond Valley) (SNP)
Day, Martyn (Falkirk East and Linlithgow) (SNP)
Dijkstra-Downie, Sanne (Edinburgh Northern) (LD)
Doris, Bob (Glasgow Kelvin and Maryhill) (SNP)
Duane, Iris (Glasgow) (Green)
Dunbar, Jackie (Aberdeen Donside) (SNP)
Dunlop, Duncan (South Scotland) (LD)
Fagan, Joe (South Scotland) (Lab)
Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)
Flynn, Stephen (Aberdeen Deeside and North Kincardine) (SNP)
Gethins, Stephen (Dundee City East) (SNP)
Ghani, Zen (Glasgow Cathcart and Pollok) (SNP)
Gibson, Patricia (Cunninghame South) (SNP)
Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
Goodlad, Hannah Mary (Shetland Islands) (SNP)
Gray, Neil (Airdrie) (SNP)
Green, David (Caithness, Sutherland and Ross) (LD)
Greer, Ross (West Scotland) (Green)
Griffin, Mark (Central Scot and Lothians West) (Lab)
Hagmann, Katie (Carrick, Cumnock and Doon Valley) (SNP)
Harley, Adam (Strathkelvin and Bearsden) (LD)
Harvie, Patrick (Glasgow) (Green)
Haughey, Clare (Rutherglen and Cambuslang) (SNP)
Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
Johnson, Daniel (Edinburgh Southern) (Lab)
Kerr, Alex (Hamilton, Larkhall and Stonehouse) (SNP)
Kerr, Calum (Midlothian South, Tweeddale and Lauderdale) (SNP)
Kinross-O'Neill, Kayleigh (Edinburgh and Lothians East) (Green)
Kumar, Simita (Edinburgh South Western) (SNP)
Leask, Kristopher (Highlands and Islands) (Green)
Linden, David (Glasgow Baillieston and Shettleston) (SNP)
Long, Joe (Mid Scotland and Fife) (Lab)
MacCallum, Morven-May (Highlands and Islands) (LD)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Mackay, Gillian (Central Scot and Lothians West) (Green)
MacKinnon, Donald (Na h-Eileanan an Iar) (Lab)
Macpherson, Ben (Edinburgh North Eastern and Leith) (SNP)
Manivannan, Q (Edinburgh and Lothians East) (Green)
Martin, Gillian (Aberdeenshire East) (SNP)
McAllan, Màiri (Clydesdale) (SNP)
McArthur, Liam (Orkney Islands) (LD)
McKee, Cara (West Scotland) (Green)
McKee, Ivan (Glasgow Easterhouse and Springburn) (SNP)
McLennan, Paul (East Lothian Coast and Lammermuirs) (SNP)
McMillan, Stuart (Inverclyde) (SNP)
Melville, Lloyd (Angus South) (SNP)
Merrick, Colm (Glasgow Anniesland) (SNP)
Middleton, Jack (Aberdeen Central) (SNP)
Minto, Jenni (Argyll and Bute) (SNP)
Mitchell, Laura (Moray) (SNP)
Mochan, Carol (South Scotland) (Lab)
Moodie, Laura (South Scotland) (Green)
Nevens, Kate (Edinburgh and Lothians East) (Green)
Oswald, Kirsten (Eastwood) (SNP)
Rennie, Willie (Fife North East) (LD)
Roddick, Emma (Inverness and Nairn) (SNP)
Ruskell, Mark (Mid Scotland and Fife) (Green)
Sangster, Katherine (Edinburgh and Lothians East) (Lab)
Slater, Lorna (Edinburgh Central) (Green)
Smith, Alyn (Stirling) (SNP)
Somerville, Shirley-Anne (Dunfermline) (SNP)
Stafford, Pauline (Bathgate) (SNP)
Stevenson, Collette (East Kilbride) (SNP)
Sweeney, Paul (Glasgow) (Lab)
Swinney, John (Perthshire North) (SNP)
Thewliss, Alison (Glasgow Central) (SNP)
Todd, Maree (Highlands and Islands) (SNP)
Torrance, David (Kirkcaldy) (SNP)
Young, Jenny (Central Scot and Lothians West) (Lab)

The Presiding Officer: The result of the division on amendment S7M-01395.2, in the name of Malcolm Offord, is: For 27, Against 91, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S7M-01395.3, in the name of Daniel Johnson, which seeks to amend motion S7M-01395, in the name of Jenny Gilruth, on Scotland's priorities for the UK budget, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Ahmed, Irshad (Edinburgh and Lothians East) (Lab)
Baillie, Jackie (Dumbarton) (Lab)
Baker, Claire (Mid Scotland and Fife) (Lab)
Bannerman, Max (Highlands and Islands) (Reform)
Beresford, Senga (South Scotland) (Reform)
Bland, Amanda (Central Scot and Lothians West) (Reform)
Chou Turvey, Yi-pei (North East Scotland) (LD)
Clark, Katy (West Scotland) (Lab)
Cole-Hamilton, Alex (Edinburgh North Western) (LD)
Currie, Victor (Highlands and Islands) (Reform)
Dijkstra-Downie, Sanne (Edinburgh Northern) (LD)
Dunlop, Duncan (South Scotland) (LD)
Fagan, Joe (South Scotland) (Lab)
Green, David (Caithness, Sutherland and Ross) (LD)
Griffin, Mark (Central Scot and Lothians West) (Lab)
Harley, Adam (Strathkelvin and Bearsden) (LD)
Johnson, Daniel (Edinburgh Southern) (Lab)
Kerr, Thomas (Glasgow) (Reform)
Kirkwood, David (South Scotland) (Reform)
Langan, Jamie (South Scotland) (Reform)
Lindsay, Amanda (Central Scot and Lothians West) (Reform)
Long, Joe (Mid Scotland and Fife) (Lab)
MacCallum, Morven-May (Highlands and Islands) (LD)
MacDougall, Julie (Mid Scotland and Fife) (Reform)
MacKinnon, Donald (Na h-Eileanan an Iar) (Lab)
Massey, Duncan (North East Scotland) (Reform)
McArthur, Liam (Orkney Islands) (LD)
McDade, Helen (Mid Scotland and Fife) (Reform)
Mochan, Carol (South Scotland) (Lab)
Offord, Malcolm (West Scotland) (Reform)
Rennie, Willie (Fife North East) (LD)
Ross, Angela (Edinburgh and Lothians East) (Reform)
Sangster, Katherine (Edinburgh and Lothians East) (Lab)
Schmulian, Kim (Glasgow) (Reform)
Simpson, Graham (Central Scot and Lothians West) (Reform)
Simpson, Mark (North East Scotland) (Reform)
Smith, David (West Scotland) (Reform)
Sweeney, Paul (Glasgow) (Lab)
Young, Jenny (Central Scot and Lothians West) (Lab)

Against

Adam, George (Paisley) (SNP)
Adam, Karen (Banffshire and Buchan Coast) (SNP)
Adams, James (North East Scotland) (Con)
Adamson, Clare (Motherwell and Wishaw) (SNP)
Anderson, Heather (Dundee City West) (SNP)
Arthur, Tom (Renfrewshire West and Levern Valley) (SNP)
Barratt, David (Cowdenbeath) (SNP)
Beattie, Colin (Midlothian North) (SNP)
Black, Dawn (Angus North and Mearns) (SNP)
Bonnar, Steven (Uddingston and Bellshill) (SNP)
Briggs, Miles (Edinburgh and Lothians East) (Con)
Brown, Alan (Kilmarnock and Irvine Valley) (SNP)
Brown, Keith (Clackmannanshire and Dunblane) (SNP)
Brown, Siobhian (Ayr) (SNP)
Bruce, Holly (Glasgow Southside) (Green)
Campbell, Kate (Edinburgh Eastern, Musselburgh and Tranent) (SNP)
Campbell, Michelle (Renfrewshire North and Cardonald) (SNP)
Carson, Finlay (Galloway and West Dumfries) (Con)
Chapman, Maggie (North East Scotland) (Green)
Constance, Angela (Almond Valley) (SNP)
Day, Martyn (Falkirk East and Linlithgow) (SNP)
Doris, Bob (Glasgow Kelvin and Maryhill) (SNP)
Duane, Iris (Glasgow) (Green)
Dunbar, Jackie (Aberdeen Donside) (SNP)
Eagle, Tim (Highlands and Islands) (Con)
Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)
Flynn, Stephen (Aberdeen Deeside and North Kincardine) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Gallacher, Meghan (Central Scot and Lothians West) (Con)
Gethins, Stephen (Dundee City East) (SNP)
Ghani, Zen (Glasgow Cathcart and Pollok) (SNP)
Gibson, Patricia (Cunninghame South) (SNP)
Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
Goodlad, Hannah Mary (Shetland Islands) (SNP)
Gray, Neil (Airdrie) (SNP)
Greer, Ross (West Scotland) (Green)
Hagmann, Katie (Carrick, Cumnock and Doon Valley) (SNP)
Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
Harvie, Patrick (Glasgow) (Green)
Haughey, Clare (Rutherglen and Cambuslang) (SNP)
Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
Hoy, Craig (Dumfriesshire) (Con)
Kerr, Alex (Hamilton, Larkhall and Stonehouse) (SNP)
Kerr, Calum (Midlothian South, Tweeddale and Lauderdale) (SNP)
Kerr, Liam (North East Scotland) (Con)
Kerr, Stephen (Mid Scotland and Fife) (Con)
Kinross-O'Neill, Kayleigh (Edinburgh and Lothians East) (Green)
Kumar, Simita (Edinburgh South Western) (SNP)
Leask, Kristopher (Highlands and Islands) (Green)
Linden, David (Glasgow Baillieston and Shettleston) (SNP)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Mackay, Gillian (Central Scot and Lothians West) (Green)
Macpherson, Ben (Edinburgh North Eastern and Leith) (SNP)
Manivannan, Q (Edinburgh and Lothians East) (Green)
Martin, Gillian (Aberdeenshire East) (SNP)
McAllan, Màiri (Clydesdale) (SNP)
McKee, Cara (West Scotland) (Green)
McKee, Ivan (Glasgow Easterhouse and Springburn) (SNP)
McLennan, Paul (East Lothian Coast and Lammermuirs) (SNP)
McMillan, Stuart (Inverclyde) (SNP)
Melville, Lloyd (Angus South) (SNP)
Merrick, Colm (Glasgow Anniesland) (SNP)
Middleton, Jack (Aberdeen Central) (SNP)
Minto, Jenni (Argyll and Bute) (SNP)
Mitchell, Laura (Moray) (SNP)
Moodie, Laura (South Scotland) (Green)
Nevens, Kate (Edinburgh and Lothians East) (Green)
Oswald, Kirsten (Eastwood) (SNP)
Roddick, Emma (Inverness and Nairn) (SNP)
Ruskell, Mark (Mid Scotland and Fife) (Green)
Slater, Lorna (Edinburgh Central) (Green)
Smith, Alyn (Stirling) (SNP)
Somerville, Shirley-Anne (Dunfermline) (SNP)
Stafford, Pauline (Bathgate) (SNP)
Stevenson, Collette (East Kilbride) (SNP)
Swinney, John (Perthshire North) (SNP)
Thewliss, Alison (Glasgow Central) (SNP)
Todd, Maree (Highlands and Islands) (SNP)
Torrance, David (Kirkcaldy) (SNP)

The Presiding Officer: The result of the division on amendment S7M-01395.3, in the name of Daniel Johnson, is: For 39, Against 79, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S7M-01395.4, in the name of Ross Greer, which seeks to amend motion S7M-01395, in the name of Jenny Gilruth, on Scotland's priorities for the UK budget, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

The vote is closed.

Max Bannerman (Highlands and Islands) (Reform): On a point of order, Presiding Officer. My voting app did not work; I would have voted no.

The Presiding Officer: Your vote has been recorded.

For

Adam, George (Paisley) (SNP)
Adam, Karen (Banffshire and Buchan Coast) (SNP)
Adamson, Clare (Motherwell and Wishaw) (SNP)
Anderson, Heather (Dundee City West) (SNP)
Arthur, Tom (Renfrewshire West and Levern Valley) (SNP)
Barratt, David (Cowdenbeath) (SNP)
Beattie, Colin (Midlothian North) (SNP)
Black, Dawn (Angus North and Mearns) (SNP)
Bonnar, Steven (Uddingston and Bellshill) (SNP)
Brown, Alan (Kilmarnock and Irvine Valley) (SNP)
Brown, Keith (Clackmannanshire and Dunblane) (SNP)
Brown, Siobhian (Ayr) (SNP)
Bruce, Holly (Glasgow Southside) (Green)
Campbell, Kate (Edinburgh Eastern, Musselburgh and Tranent) (SNP)
Campbell, Michelle (Renfrewshire North and Cardonald) (SNP)
Chapman, Maggie (North East Scotland) (Green)
Constance, Angela (Almond Valley) (SNP)
Day, Martyn (Falkirk East and Linlithgow) (SNP)
Doris, Bob (Glasgow Kelvin and Maryhill) (SNP)
Duane, Iris (Glasgow) (Green)
Dunbar, Jackie (Aberdeen Donside) (SNP)
Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)
Flynn, Stephen (Aberdeen Deeside and North Kincardine) (SNP)
Gethins, Stephen (Dundee City East) (SNP)
Ghani, Zen (Glasgow Cathcart and Pollok) (SNP)
Gibson, Patricia (Cunninghame South) (SNP)
Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
Goodlad, Hannah Mary (Shetland Islands) (SNP)
Gray, Neil (Airdrie) (SNP)
Greer, Ross (West Scotland) (Green)
Hagmann, Katie (Carrick, Cumnock and Doon Valley) (SNP)
Harvie, Patrick (Glasgow) (Green)
Haughey, Clare (Rutherglen and Cambuslang) (SNP)
Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
Kerr, Alex (Hamilton, Larkhall and Stonehouse) (SNP)
Kerr, Calum (Midlothian South, Tweeddale and Lauderdale) (SNP)
Kinross-O'Neill, Kayleigh (Edinburgh and Lothians East) (Green)
Kumar, Simita (Edinburgh South Western) (SNP)
Leask, Kristopher (Highlands and Islands) (Green)
Linden, David (Glasgow Baillieston and Shettleston) (SNP)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Mackay, Gillian (Central Scot and Lothians West) (Green)
Macpherson, Ben (Edinburgh North Eastern and Leith) (SNP)
Manivannan, Q (Edinburgh and Lothians East) (Green)
Martin, Gillian (Aberdeenshire East) (SNP)
McAllan, Màiri (Clydesdale) (SNP)
McKee, Cara (West Scotland) (Green)
McKee, Ivan (Glasgow Easterhouse and Springburn) (SNP)
McLennan, Paul (East Lothian Coast and Lammermuirs) (SNP)
McMillan, Stuart (Inverclyde) (SNP)
Melville, Lloyd (Angus South) (SNP)
Merrick, Colm (Glasgow Anniesland) (SNP)
Middleton, Jack (Aberdeen Central) (SNP)
Minto, Jenni (Argyll and Bute) (SNP)
Mitchell, Laura (Moray) (SNP)
Moodie, Laura (South Scotland) (Green)
Nevens, Kate (Edinburgh and Lothians East) (Green)
Oswald, Kirsten (Eastwood) (SNP)
Roddick, Emma (Inverness and Nairn) (SNP)
Ruskell, Mark (Mid Scotland and Fife) (Green)
Slater, Lorna (Edinburgh Central) (Green)
Smith, Alyn (Stirling) (SNP)
Somerville, Shirley-Anne (Dunfermline) (SNP)
Stafford, Pauline (Bathgate) (SNP)
Stevenson, Collette (East Kilbride) (SNP)
Swinney, John (Perthshire North) (SNP)
Thewliss, Alison (Glasgow Central) (SNP)
Todd, Maree (Highlands and Islands) (SNP)
Torrance, David (Kirkcaldy) (SNP)

Against

Adams, James (North East Scotland) (Con)
Ahmed, Irshad (Edinburgh and Lothians East) (Lab)
Baillie, Jackie (Dumbarton) (Lab)
Baker, Claire (Mid Scotland and Fife) (Lab)
Bannerman, Max (Highlands and Islands) (Reform)
Beresford, Senga (South Scotland) (Reform)
Bland, Amanda (Central Scot and Lothians West) (Reform)
Briggs, Miles (Edinburgh and Lothians East) (Con)
Carson, Finlay (Galloway and West Dumfries) (Con)
Chou Turvey, Yi-pei (North East Scotland) (LD)
Clark, Katy (West Scotland) (Lab)
Cole-Hamilton, Alex (Edinburgh North Western) (LD)
Currie, Victor (Highlands and Islands) (Reform)
Dijkstra-Downie, Sanne (Edinburgh Northern) (LD)
Dunlop, Duncan (South Scotland) (LD)
Eagle, Tim (Highlands and Islands) (Con)
Fagan, Joe (South Scotland) (Lab)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Gallacher, Meghan (Central Scot and Lothians West) (Con)
Green, David (Caithness, Sutherland and Ross) (LD)
Griffin, Mark (Central Scot and Lothians West) (Lab)
Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
Harley, Adam (Strathkelvin and Bearsden) (LD)
Hoy, Craig (Dumfriesshire) (Con)
Johnson, Daniel (Edinburgh Southern) (Lab)
Kerr, Liam (North East Scotland) (Con)
Kerr, Stephen (Mid Scotland and Fife) (Con)
Kerr, Thomas (Glasgow) (Reform)

Kirkwood, David (South Scotland) (Reform)
Langan, Jamie (South Scotland) (Reform)
Lindsay, Amanda (Central Scot and Lothians West) (Reform)
Long, Joe (Mid Scotland and Fife) (Lab)
MacCallum, Morven-May (Highlands and Islands) (LD)
MacDougall, Julie (Mid Scotland and Fife) (Reform)
MacKinnon, Donald (Na h-Eileanan an Iar) (Lab)
Massey, Duncan (North East Scotland) (Reform)
McArthur, Liam (Orkney Islands) (LD)
McDade, Helen (Mid Scotland and Fife) (Reform)
Mochan, Carol (South Scotland) (Lab)
Offord, Malcolm (West Scotland) (Reform)
Rennie, Willie (Fife North East) (LD)
Ross, Angela (Edinburgh and Lothians East) (Reform)
Sangster, Katherine (Edinburgh and Lothians East) (Lab)
Schmulian, Kim (Glasgow) (Reform)
Simpson, Graham (Central Scot and Lothians West) (Reform)
Simpson, Mark (North East Scotland) (Reform)
Smith, David (West Scotland) (Reform)
Sweeney, Paul (Glasgow) (Lab)
Young, Jenny (Central Scot and Lothians West) (Lab)

The Presiding Officer: The result of the division on amendment S7M-01395.4, in the name of Ross Greer, is: For 69, Against 49, Abstentions 0.

Amendment agreed to.

The Presiding Officer: The next question is, that amendment S7M-01395.5, in the name of Craig Hoy, which seeks to amend motion S7M-01395, in the name of Jenny Gilruth, on Scotland's priorities for the UK budget, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adams, James (North East Scotland) (Con)
Bannerman, Max (Highlands and Islands) (Reform)
Beresford, Senga (South Scotland) (Reform)
Bland, Amanda (Central Scot and Lothians West) (Reform)
Briggs, Miles (Edinburgh and Lothians East) (Con)
Carson, Finlay (Galloway and West Dumfries) (Con)
Currie, Victor (Highlands and Islands) (Reform)
Eagle, Tim (Highlands and Islands) (Con)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Gallacher, Meghan (Central Scot and Lothians West) (Con)
Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
Hoy, Craig (Dumfriesshire) (Con)
Kerr, Liam (North East Scotland) (Con)
Kerr, Stephen (Mid Scotland and Fife) (Con)
Kerr, Thomas (Glasgow) (Reform)
Kirkwood, David (South Scotland) (Reform)
Langan, Jamie (South Scotland) (Reform)
Lindsay, Amanda (Central Scot and Lothians West) (Reform)
MacDougall, Julie (Mid Scotland and Fife) (Reform)
Massey, Duncan (North East Scotland) (Reform)
Offord, Malcolm (West Scotland) (Reform)
Ross, Angela (Edinburgh and Lothians East) (Reform)
Schmulian, Kim (Glasgow) (Reform)
Simpson, Graham (Central Scot and Lothians West) (Reform)
Simpson, Mark (North East Scotland) (Reform)
Smith, David (West Scotland) (Reform)

Against

Adam, George (Paisley) (SNP)
Adam, Karen (Banffshire and Buchan Coast) (SNP)
Adamson, Clare (Motherwell and Wishaw) (SNP)
Ahmed, Irshad (Edinburgh and Lothians East) (Lab)
Anderson, Heather (Dundee City West) (SNP)
Arthur, Tom (Renfrewshire West and Levern Valley) (SNP)
Baillie, Jackie (Dumbarton) (Lab)
Baker, Claire (Mid Scotland and Fife) (Lab)
Barratt, David (Cowdenbeath) (SNP)
Beattie, Colin (Midlothian North) (SNP)
Black, Dawn (Angus North and Mearns) (SNP)
Bonnar, Steven (Uddingston and Bellshill) (SNP)
Brown, Alan (Kilmarnock and Irvine Valley) (SNP)
Brown, Keith (Clackmannanshire and Dunblane) (SNP)
Brown, Siobhian (Ayr) (SNP)
Bruce, Holly (Glasgow Southside) (Green)
Campbell, Kate (Edinburgh Eastern, Musselburgh and Tranent) (SNP)
Campbell, Michelle (Renfrewshire North and Cardonald) (SNP)
Chapman, Maggie (North East Scotland) (Green)
Chou Turvey, Yi-pei (North East Scotland) (LD)
Clark, Katy (West Scotland) (Lab)
Cole-Hamilton, Alex (Edinburgh North Western) (LD)
Constance, Angela (Almond Valley) (SNP)
Day, Martyn (Falkirk East and Linlithgow) (SNP)
Dijkstra-Downie, Sanne (Edinburgh Northern) (LD)
Doris, Bob (Glasgow Kelvin and Maryhill) (SNP)
Duane, Iris (Glasgow) (Green)
Dunbar, Jackie (Aberdeen Donside) (SNP)
Dunlop, Duncan (South Scotland) (LD)
Fagan, Joe (South Scotland) (Lab)
Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)
Flynn, Stephen (Aberdeen Deeside and North Kincardine) (SNP)
Gethins, Stephen (Dundee City East) (SNP)
Ghani, Zen (Glasgow Cathcart and Pollok) (SNP)
Gibson, Patricia (Cunninghame South) (SNP)
Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
Goodlad, Hannah Mary (Shetland Islands) (SNP)
Gray, Neil (Airdrie) (SNP)
Green, David (Caithness, Sutherland and Ross) (LD)
Greer, Ross (West Scotland) (Green)
Griffin, Mark (Central Scot and Lothians West) (Lab)
Hagmann, Katie (Carrick, Cumnock and Doon Valley) (SNP)
Harley, Adam (Strathkelvin and Bearsden) (LD)
Harvie, Patrick (Glasgow) (Green)
Haughey, Clare (Rutherglen and Cambuslang) (SNP)
Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
Johnson, Daniel (Edinburgh Southern) (Lab)
Kerr, Alex (Hamilton, Larkhall and Stonehouse) (SNP)
Kerr, Calum (Midlothian South, Tweeddale and Lauderdale) (SNP)
Kinross-O'Neill, Kayleigh (Edinburgh and Lothians East) (Green)
Kumar, Simita (Edinburgh South Western) (SNP)
Leask, Kristopher (Highlands and Islands) (Green)
Linden, David (Glasgow Baillieston and Shettleston) (SNP)
Long, Joe (Mid Scotland and Fife) (Lab)
MacCallum, Morven-May (Highlands and Islands) (LD)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Mackay, Gillian (Central Scot and Lothians West) (Green)

MacKinnon, Donald (Na h-Eileanan an Iar) (Lab)
Macpherson, Ben (Edinburgh North Eastern and Leith) (SNP)
Manivannan, Q (Edinburgh and Lothians East) (Green)
Martin, Gillian (Aberdeenshire East) (SNP)
McAllan, Màiri (Clydesdale) (SNP)
McArthur, Liam (Orkney Islands) (LD)
McKee, Cara (West Scotland) (Green)
McKee, Ivan (Glasgow Easterhouse and Springburn) (SNP)
McLennan, Paul (East Lothian Coast and Lammermuirs) (SNP)
McMillan, Stuart (Inverclyde) (SNP)
Melville, Lloyd (Angus South) (SNP)
Merrick, Colm (Glasgow Anniesland) (SNP)
Middleton, Jack (Aberdeen Central) (SNP)
Minto, Jenni (Argyll and Bute) (SNP)
Mitchell, Laura (Moray) (SNP)
Mochan, Carol (South Scotland) (Lab)
Moodie, Laura (South Scotland) (Green)
Nevens, Kate (Edinburgh and Lothians East) (Green)
Oswald, Kirsten (Eastwood) (SNP)
Rennie, Willie (Fife North East) (LD)
Roddick, Emma (Inverness and Nairn) (SNP)
Ruskell, Mark (Mid Scotland and Fife) (Green)
Sangster, Katherine (Edinburgh and Lothians East) (Lab)
Slater, Lorna (Edinburgh Central) (Green)
Smith, Alyn (Stirling) (SNP)
Somerville, Shirley-Anne (Dunfermline) (SNP)
Stafford, Pauline (Bathgate) (SNP)
Stevenson, Collette (East Kilbride) (SNP)
Sweeney, Paul (Glasgow) (Lab)
Swinney, John (Perthshire North) (SNP)
Thewliss, Alison (Glasgow Central) (SNP)
Todd, Maree (Highlands and Islands) (SNP)
Torrance, David (Kirkcaldy) (SNP)
Young, Jenny (Central Scot and Lothians West) (Lab)

The Presiding Officer: The result of the division on amendment S7M-01395.5, in the name of Craig Hoy, is: For 26, Against 91, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S7M-01395.1, in the name of Liam McArthur, which seeks to amend motion S7M-01395, in the name of Jenny Gilruth, on Scotland's priorities for the UK budget, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Chou Turvey, Yi-pei (North East Scotland) (LD)
Cole-Hamilton, Alex (Edinburgh North Western) (LD)
Dijkstra-Downie, Sanne (Edinburgh Northern) (LD)
Dunlop, Duncan (South Scotland) (LD)
Green, David (Caithness, Sutherland and Ross) (LD)
Harley, Adam (Strathkelvin and Bearsden) (LD)
MacCallum, Morven-May (Highlands and Islands) (LD)
McArthur, Liam (Orkney Islands) (LD)
Rennie, Willie (Fife North East) (LD)

Against

Adam, George (Paisley) (SNP)
Adam, Karen (Banffshire and Buchan Coast) (SNP)
Adams, James (North East Scotland) (Con)
Adamson, Clare (Motherwell and Wishaw) (SNP)
Ahmed, Irshad (Edinburgh and Lothians East) (Lab)
Anderson, Heather (Dundee City West) (SNP)
Arthur, Tom (Renfrewshire West and Levern Valley) (SNP)
Baillie, Jackie (Dumbarton) (Lab)
Baker, Claire (Mid Scotland and Fife) (Lab)
Bannerman, Max (Highlands and Islands) (Reform)
Barratt, David (Cowdenbeath) (SNP)
Beattie, Colin (Midlothian North) (SNP)
Beresford, Senga (South Scotland) (Reform)
Black, Dawn (Angus North and Mearns) (SNP)
Bland, Amanda (Central Scot and Lothians West) (Reform)
Bonnar, Steven (Uddingston and Bellshill) (SNP)
Briggs, Miles (Edinburgh and Lothians East) (Con)
Brown, Alan (Kilmarnock and Irvine Valley) (SNP)
Brown, Keith (Clackmannanshire and Dunblane) (SNP)
Brown, Siobhian (Ayr) (SNP)
Bruce, Holly (Glasgow Southside) (Green)
Campbell, Kate (Edinburgh Eastern, Musselburgh and Tranent) (SNP)
Campbell, Michelle (Renfrewshire North and Cardonald) (SNP)
Carson, Finlay (Galloway and West Dumfries) (Con)
Chapman, Maggie (North East Scotland) (Green)
Clark, Katy (West Scotland) (Lab)
Constance, Angela (Almond Valley) (SNP)
Currie, Victor (Highlands and Islands) (Reform)
Day, Martyn (Falkirk East and Linlithgow) (SNP)
Doris, Bob (Glasgow Kelvin and Maryhill) (SNP)
Duane, Iris (Glasgow) (Green)
Dunbar, Jackie (Aberdeen Donside) (SNP)
Eagle, Tim (Highlands and Islands) (Con)
Fagan, Joe (South Scotland) (Lab)
Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)
Flynn, Stephen (Aberdeen Deeside and North Kincardine) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Gallacher, Meghan (Central Scot and Lothians West) (Con)
Gethins, Stephen (Dundee City East) (SNP)
Ghani, Zen (Glasgow Cathcart and Pollok) (SNP)
Gibson, Patricia (Cunninghame South) (SNP)
Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
Goodlad, Hannah Mary (Shetland Islands) (SNP)
Gray, Neil (Airdrie) (SNP)
Greer, Ross (West Scotland) (Green)
Griffin, Mark (Central Scot and Lothians West) (Lab)
Hagmann, Katie (Carrick, Cumnock and Doon Valley) (SNP)
Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
Harvie, Patrick (Glasgow) (Green)
Haughey, Clare (Rutherglen and Cambuslang) (SNP)
Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
Hoy, Craig (Dumfriesshire) (Con)
Johnson, Daniel (Edinburgh Southern) (Lab)
Kerr, Alex (Hamilton, Larkhall and Stonehouse) (SNP)
Kerr, Calum (Midlothian South, Tweeddale and Lauderdale) (SNP)
Kerr, Liam (North East Scotland) (Con)
Kerr, Stephen (Mid Scotland and Fife) (Con)
Kerr, Thomas (Glasgow) (Reform)
Kinross-O'Neill, Kayleigh (Edinburgh and Lothians East) (Green)
Kirkwood, David (South Scotland) (Reform)
Kumar, Simita (Edinburgh South Western) (SNP)
Langan, Jamie (South Scotland) (Reform)
Leask, Kristopher (Highlands and Islands) (Green)
Linden, David (Glasgow Baillieston and Shettleston) (SNP)

Lindsay, Amanda (Central Scot and Lothians West) (Reform)
Long, Joe (Mid Scotland and Fife) (Lab)
MacDougall, Julie (Mid Scotland and Fife) (Reform)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Mackay, Gillian (Central Scot and Lothians West) (Green)
MacKinnon, Donald (Na h-Eileanan an Iar) (Lab)
Macpherson, Ben (Edinburgh North Eastern and Leith) (SNP)
Manivannan, Q (Edinburgh and Lothians East) (Green)
Martin, Gillian (Aberdeenshire East) (SNP)
Massey, Duncan (North East Scotland) (Reform)
McAllan, Màiri (Clydesdale) (SNP)
McDade, Helen (Mid Scotland and Fife) (Reform)
McKee, Cara (West Scotland) (Green)
McKee, Ivan (Glasgow Easterhouse and Springburn) (SNP)
McLennan, Paul (East Lothian Coast and Lammermuirs) (SNP)
McMillan, Stuart (Inverclyde) (SNP)
Melville, Lloyd (Angus South) (SNP)
Merrick, Colm (Glasgow Anniesland) (SNP)
Middleton, Jack (Aberdeen Central) (SNP)
Minto, Jenni (Argyll and Bute) (SNP)
Mitchell, Laura (Moray) (SNP)
Mochan, Carol (South Scotland) (Lab)
Moodie, Laura (South Scotland) (Green)
Nevens, Kate (Edinburgh and Lothians East) (Green)
Offord, Malcolm (West Scotland) (Reform)
Oswald, Kirsten (Eastwood) (SNP)
Roddick, Emma (Inverness and Nairn) (SNP)
Ross, Angela (Edinburgh and Lothians East) (Reform)
Ruskell, Mark (Mid Scotland and Fife) (Green)
Sangster, Katherine (Edinburgh and Lothians East) (Lab)
Schmulian, Kim (Glasgow) (Reform)
Simpson, Graham (Central Scot and Lothians West) (Reform)
Simpson, Mark (North East Scotland) (Reform)
Slater, Lorna (Edinburgh Central) (Green)
Smith, Alyn (Stirling) (SNP)
Smith, David (West Scotland) (Reform)
Somerville, Shirley-Anne (Dunfermline) (SNP)
Stafford, Pauline (Bathgate) (SNP)
Stevenson, Collette (East Kilbride) (SNP)
Sweeney, Paul (Glasgow) (Lab)
Swinney, John (Perthshire North) (SNP)
Thewliss, Alison (Glasgow Central) (SNP)
Todd, Maree (Highlands and Islands) (SNP)
Torrance, David (Kirkcaldy) (SNP)
Young, Jenny (Central Scot and Lothians West) (Lab)

The Presiding Officer: The result of the division on amendment S7M-01395.1, in the name of Liam McArthur, is: For 9, Against 109, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The final question is, that motion S7M-01395, in the name of Jenny Gilruth, on Scotland's priorities for the UK budget, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

The vote is closed.

Max Bannerman: On a point of order, Presiding Officer. I would have voted no.

The Presiding Officer: Your vote has been recorded.

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): On a point of order, Presiding Officer. I would have voted no.

The Presiding Officer: Your vote has been recorded.

For

Adam, George (Paisley) (SNP)
Adam, Karen (Banffshire and Buchan Coast) (SNP)
Adamson, Clare (Motherwell and Wishaw) (SNP)
Anderson, Heather (Dundee City West) (SNP)
Arthur, Tom (Renfrewshire West and Levern Valley) (SNP)
Barratt, David (Cowdenbeath) (SNP)
Beattie, Colin (Midlothian North) (SNP)
Black, Dawn (Angus North and Mearns) (SNP)
Bonnar, Steven (Uddingston and Bellshill) (SNP)
Brown, Alan (Kilmarnock and Irvine Valley) (SNP)
Brown, Keith (Clackmannanshire and Dunblane) (SNP)
Brown, Siobhian (Ayr) (SNP)
Bruce, Holly (Glasgow Southside) (Green)
Burgess, Ariane (Highlands and Islands) (Green)
Campbell, Kate (Edinburgh Eastern, Musselburgh and Tranent) (SNP)
Campbell, Michelle (Renfrewshire North and Cardonald) (SNP)
Chapman, Maggie (North East Scotland) (Green)
Constance, Angela (Almond Valley) (SNP)
Day, Martyn (Falkirk East and Linlithgow) (SNP)
Doris, Bob (Glasgow Kelvin and Maryhill) (SNP)
Duane, Iris (Glasgow) (Green)
Dunbar, Jackie (Aberdeen Donside) (SNP)
Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)
Flynn, Stephen (Aberdeen Deeside and North Kincardine) (SNP)
Gethins, Stephen (Dundee City East) (SNP)
Ghani, Zen (Glasgow Cathcart and Pollok) (SNP)
Gibson, Patricia (Cunninghame South) (SNP)
Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
Goodlad, Hannah Mary (Shetland Islands) (SNP)
Gray, Neil (Airdrie) (SNP)
Greer, Ross (West Scotland) (Green)
Hagmann, Katie (Carrick, Cumnock and Doon Valley) (SNP)
Harvie, Patrick (Glasgow) (Green)
Haughey, Clare (Rutherglen and Cambuslang) (SNP)
Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
Kerr, Alex (Hamilton, Larkhall and Stonehouse) (SNP)
Kerr, Calum (Midlothian South, Tweeddale and Lauderdale) (SNP)
Kinross-O'Neill, Kayleigh (Edinburgh and Lothians East) (Green)
Kumar, Simita (Edinburgh South Western) (SNP)
Leask, Kristopher (Highlands and Islands) (Green)
Linden, David (Glasgow Baillieston and Shettleston) (SNP)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Mackay, Gillian (Central Scot and Lothians West) (Green)
Macpherson, Ben (Edinburgh North Eastern and Leith) (SNP)
Manivannan, Q (Edinburgh and Lothians East) (Green)
Martin, Gillian (Aberdeenshire East) (SNP)
McAllan, Màiri (Clydesdale) (SNP)

McKee, Cara (West Scotland) (Green)
McKee, Ivan (Glasgow Easterhouse and Springburn) (SNP)
McLennan, Paul (East Lothian Coast and Lammermuirs) (SNP)
McMillan, Stuart (Inverclyde) (SNP)
Melville, Lloyd (Angus South) (SNP)
Merrick, Colm (Glasgow Anniesland) (SNP)
Middleton, Jack (Aberdeen Central) (SNP)
Minto, Jenni (Argyll and Bute) (SNP)
Mitchell, Laura (Moray) (SNP)
Moodie, Laura (South Scotland) (Green)
Nevens, Kate (Edinburgh and Lothians East) (Green)
Oswald, Kirsten (Eastwood) (SNP)
Roddick, Emma (Inverness and Nairn) (SNP)
Ruskell, Mark (Mid Scotland and Fife) (Green)
Slater, Lorna (Edinburgh Central) (Green)
Smith, Alyn (Stirling) (SNP)
Somerville, Shirley-Anne (Dunfermline) (SNP)
Stafford, Pauline (Bathgate) (SNP)
Stevenson, Collette (East Kilbride) (SNP)
Swinney, John (Perthshire North) (SNP)
Thewliss, Alison (Glasgow Central) (SNP)
Todd, Maree (Highlands and Islands) (SNP)
Torrance, David (Kirkcaldy) (SNP)

Against

Adams, James (North East Scotland) (Con)
Ahmed, Irshad (Edinburgh and Lothians East) (Lab)
Baillie, Jackie (Dumbarton) (Lab)
Baker, Claire (Mid Scotland and Fife) (Lab)
Bannerman, Max (Highlands and Islands) (Reform)
Beresford, Senga (South Scotland) (Reform)
Bland, Amanda (Central Scot and Lothians West) (Reform)
Briggs, Miles (Edinburgh and Lothians East) (Con)
Carson, Finlay (Galloway and West Dumfries) (Con)
Chou Turvey, Yi-pei (North East Scotland) (LD)
Clark, Katy (West Scotland) (Lab)
Cole-Hamilton, Alex (Edinburgh North Western) (LD)
Currie, Victor (Highlands and Islands) (Reform)
Dijkstra-Downie, Sanne (Edinburgh Northern) (LD)
Dunlop, Duncan (South Scotland) (LD)
Eagle, Tim (Highlands and Islands) (Con)
Fagan, Joe (South Scotland) (Lab)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Gallacher, Meghan (Central Scot and Lothians West) (Con)
Green, David (Caithness, Sutherland and Ross) (LD)
Griffin, Mark (Central Scot and Lothians West) (Lab)
Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
Harley, Adam (Strathkelvin and Bearsden) (LD)
Hoy, Craig (Dumfriesshire) (Con)
Johnson, Daniel (Edinburgh Southern) (Lab)
Kerr, Liam (North East Scotland) (Con)
Kerr, Stephen (Mid Scotland and Fife) (Con)
Kerr, Thomas (Glasgow) (Reform)
Kirkwood, David (South Scotland) (Reform)
Langan, Jamie (South Scotland) (Reform)
Lindsay, Amanda (Central Scot and Lothians West) (Reform)
Long, Joe (Mid Scotland and Fife) (Lab)
MacCallum, Morven-May (Highlands and Islands) (LD)
MacDougall, Julie (Mid Scotland and Fife) (Reform)
MacKinnon, Donald (Na h-Eileanan an Iar) (Lab)
Massey, Duncan (North East Scotland) (Reform)
McArthur, Liam (Orkney Islands) (LD)
McDade, Helen (Mid Scotland and Fife) (Reform)
Mochan, Carol (South Scotland) (Lab)
Offord, Malcolm (West Scotland) (Reform)
Rennie, Willie (Fife North East) (LD)
Ross, Angela (Edinburgh and Lothians East) (Reform)
Sangster, Katherine (Edinburgh and Lothians East) (Lab)
Schmulian, Kim (Glasgow) (Reform)
Simpson, Graham (Central Scot and Lothians West) (Reform)
Simpson, Mark (North East Scotland) (Reform)
Smith, David (West Scotland) (Reform)
Sweeney, Paul (Glasgow) (Lab)
Young, Jenny (Central Scot and Lothians West) (Lab)

The Presiding Officer: The result of the division on motion S7M-01395, in the name of Jenny Gilruth, on Scotland's priorities for the UK budget, as amended, is: For 70, Against 49, Abstentions 0.

Motion, as amended, agreed to,

That the Parliament welcomes the new Prime Minister's approach to further devolution for Scotland; calls for commensurate 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; 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 Scotland's public finances in the form of cuts to the block grant.

The Presiding Officer: That concludes decision time. Members who are not staying for members' business should leave the chamber quietly.

Highlands and Islands Regional Air Strategy

The Deputy Presiding Officer (Clare Adamson): Our final item of business is a members' business debate on motion S7M-01191, in the name of Liam McArthur, calling for a regional air strategy for the Highlands and Islands. The debate will be concluded without any question being put. I ask members who wish to speak in the debate to press their request-to-speak buttons now.

Motion debated,

That the Parliament recognises that, for many island, coastal and rural communities, including those in Orkney, short-haul flights that connect them with mainland Scotland and the rest of the UK are a lifeline service, providing vital transport links for NHS patients, local businesses and the wider community; notes the deep concern of communities regarding the recent decision by Loganair to reduce services on routes from Inverness that connect the Northern and Western Isles with mainland Scotland, and the wider concern that this reflects an ongoing pattern of consolidation by the operator, which has cited the financial unsustainability of certain routes; recognises that reductions in flight availability and increasing fares can adversely affect the resilience and economies of island, coastal and rural communities; understands that the Scottish Government has already committed funding to restore air services from Inverness to island communities from October; notes the view that a long-term strategy is required to support a resilient, sustainable and accessible air transport network and that the development of such a strategy must be led by Scottish Ministers in collaboration with relevant stakeholders and informed by the needs and perspectives of island and coastal communities, and welcomes recent steps by the Scottish Government to take this work forward, while noting the call for this work to be done as a matter of urgency.

17:17

Liam McArthur (Orkney Islands) (LD): I flew to Canada last month to watch my son Tom compete for Scotland in the Commonwealth powerlifting championships. I mention that partly to get Tom's achievement into the Parliament's *Official Report*, for which I am sure I will pay a price when he finds out, but also to make the point that the £700 it cost to take a return flight between Edinburgh and Toronto was the same as the cost of my return flight between Kirkwall and Edinburgh immediately after the election in May. Similar comparisons are regularly made by my constituents and by those who visit the islands that I represent, whether for work, on holiday or to see family and friends.

I know that there are reasons why the costs can be so high. I appreciate that Loganair, like all airlines and the aviation sector more generally, is facing enormous challenges at present and I recognise that it is not in the interests of island communities for Loganair to be financially unviable. However, I note that whereas Loganair showed a willingness in the past to cross-subsidise between routes or between busier and less busy periods of the year, that is no longer the case, which makes today's debate all the more timely and urgent.

Aviation plays a unique role in our island communities. For people living in Orkney, Shetland or the Western Isles, reliable, affordable and accessible air services are not only about having the freedom to travel for leisure or work. Those services mean that patients can travel to Aberdeen, Inverness or further south for vital health treatment. They make the difference between someone who lives on North Ronaldsay being able to attend routine appointments, which can allow healthcare needs to be identified and addressed early, or becoming increasingly isolated, unwell and reliant on costly emergency transfers. They determine whether specialists can travel to our islands to see those with complex health needs.

For island communities, those flights are truly lifeline services and, as such, should reflect the needs of those communities. However, over recent years and across the Highlands and Islands, that has increasingly not been the case. We have seen a decline in service levels and a gradual consolidation of routes that has been described by the Highlands and Islands Transport Partnership as a "narrowing by commercial attrition".

Loganair makes the fair point that it is a commercial business and the financial pressure of maintaining some routes is becoming more and more unsustainable, but it feels as if there is a process of managed decline, with service levels dropping, ticket prices rising and islanders being priced out of travelling on those routes, despite air discount support.

Over the summer, cuts to services between Inverness and our islands exposed the fragility of the Highlands and Islands network and the urgent need to find a more sustainable model. The funding that the Scottish Government provided through Highlands and Islands Airports Ltd to allow Inverness routes to be reinstated was welcome, but it was very much a short-term response to a longer-term problem. As Loganair has made crystal clear, the risk is that, come next March, without a further injection of subsidy, those routes will be pulled again.

Therefore, I welcome the Cabinet Secretary for Economy, Tourism and Transport's willingness to respond positively to the calls that I and others have made for a strategic review of how the network operates. Such a review is overdue, but I am glad that work is now under way, with a

meeting having taken place earlier this week. However, I make it clear that that process will require strong and sustained leadership from the Government and the cabinet secretary to ensure that reform happens, and that it happens at pace. The review must not be another that produces recommendations without delivering meaningful change.

I pay tribute to those who were involved in this week's initial meeting. In particular, I pay tribute to HITRANS for the power of work that it, alongside other stakeholders, has put into developing potential options, drawing on experience in other parts of the world. There is the regional public service obligation network in Norway, to which I know that the Minister for Public Finance is very attracted. In Greece, we see how bundling routes can help to deliver a resilient air service network, while, in Corsica, maximum fares for island residents who access key airports on the French mainland appear to work well.

However, it must not be a case of lift and shift. Whatever model is applied in Scotland and the Highlands and Islands must reflect our specific needs and circumstances, but we should take encouragement from the fact that other countries are operating successful, sustainable models. We are not starting with a blank canvas. As I said, HITRANS and others deserve credit for the work that they have already carried out in this area.

Notwithstanding all that, the process—which will include engagement with the UK Government—will take time. I look forward to joining cross-party colleagues in a meeting with the cabinet secretary later this month to discuss next steps.

In the meantime, we must not have a repeat of what we saw earlier this summer, when routes were removed or reduced with no prior consultation with affected communities. I suspect that Donald MacKinnon will detail the havoc that that created for the national health service patients who are reliant on the Stornoway to Inverness route. In Orkney, I heard from members of the visually impaired people's group about the impact on those who attend the national ophthalmology treatment centre in Inverness, who were forced to take detours via Aberdeen, which increased journey times, accommodation costs and stress levels.

Only this week, Loganair notified us of its winter timetable. Once again, routes from Orkney and Shetland to and from Edinburgh are being consolidated, and there is an overall service reduction of between 10 and 15 per cent. That follows a familiar pattern of merging services, combined with not overnighting aircraft in the islands, that has reduced or removed entirely the ability of people in the islands to make a day-return journey between the northern isles and the central belt. Those routes are vital for access to essential services, but they are also economically significant. Routinely merging flights limits the economic growth potential of our islands, makes regional investment more costly and reduces resilience, competitivity and opportunity.

My final point is on the physical—as opposed to the financial—accessibility of the services. In Orkney and elsewhere, Loganair's Islander aircraft is a familiar, popular and durable mainstay of the lifeline interisle service, but, for all its virtues, it is an aircraft that presents accessibility challenges, even for passengers without mobility issues, to which I can testify. For those with mobility issues, however, it involves contortions too far and is often a no-go. To put it bluntly, it is not a lifeline service if you cannot get on and off the plane. As I said earlier, for residents of islands such as North Ronaldsay, which has no roll-on, roll-off ferry, the consequences can be dire.

On a more positive note, HITRANS and others have been working hard to find solutions—solutions the implementation of which former health secretary Neil Gray was very keen on when he attended a meeting that I organised on the issue in Orkney two years ago. Since then, HITRANS has confirmed that a suitable lifting device has been developed, and I hope that Mr Flynn will take up the invitation to visit Orkney to see the prototype in action and discuss how it might now be put to good use.

The Highlands and Islands deserves an air service and wider transport network that supports access to healthcare and other essential services, that underpins local economies and that is shaped by the needs of the communities that it serves. I welcome the strong cross-party consensus that now exists on this increasingly pressing issue. I thank those who supported the motion to allow the debate to take place, and I look forward to hearing contributions from colleagues.

17:24

Jenni Minto (Argyll and Bute) (SNP): I congratulate Liam McArthur on securing this important debate—and his son for representing Scotland in Canada. I support his call for a regional air strategy for the Highlands and Islands. Like Orkney, Shetland and the Western Isles, Argyll and its isles are served by several lifeline airports—which are some of the most beautiful places to land. As Liam McArthur notes, those airports and the flights to and from them provide an important link allowing residents, businesses and tourists to live, do business and visit.

As members may know, I am trying to get a Gaelic phrase into all my contributions. This one is

a bit blue sky, but I think that it reflects the importance of our lifeline air services. Is uasal gach nì a nì an iolaire—noble is everything the eagle does.

Campbeltown, Oban, Tiree, Coll, Colonsay and Islay airports all provide key infrastructure needs to my constituents. I put on record my thanks to everyone who works at all the airports in Argyll and Bute and the pilots and cabin crews on the planes. I have had the pleasure to land at or visit each of the airports—seeing the solar-powered lights on Campbeltown runway; watching the sheep keep the grass short on Colonsay; landing in Tiree after getting the most amazing views of Argyll and Bute from the air, like the eagle; and sharing flights to my home on Islay with whisky business folk and whisky tourists. Those connections are central to my constituency.

I give a special shout-out for the caring way in which all staff support those travelling for NHS appointments. That is so important, and it shows small communities at their best. Funding and consistent management are important, too, to maintain those services and improve lives and resilience. Airports that were expanded to protect Scotland's west coast during world war two are now at the front line of ensuring that the west coast can thrive.

I recognise the investment in resurfacing the runways in Islay and Campbeltown, which has ensured the long-term future of those airports. Residents can access the air passenger discount, although I agree with Mr McArthur's point about increasing fares. Campbeltown, Islay and Tiree are managed by HIAL, and Oban, Coll and Colonsay by Argyll and Bute Council, with flights provided by Hebridean Air Services. If we were starting with a blank sheet, that is perhaps not how we would want to design our lifeline air services.

I chaired a meeting with the community councils of Coll, Colonsay and Tiree, Argyll and Bute Council and Hebridean Air Services, with the aim of improving dialogue and the service, which has the purpose of providing medical support, scholar flights and community resilience. Those are all lifeline services.

As Liam McArthur mentioned, there are models across the world that we can learn from. Those island services from Oban rightly have a public service obligation, but is the council the right place for that responsibility to lie? I hope that that might be considered as part of the public sector reform work.

I will quickly touch on an investment opportunity near Campbeltown that matches the cabinet secretary's portfolio perfectly. I recently met representatives of Southworth, which already invests in local hotels and golf courses. It has plans for a second championship golf course in the Campbeltown area. It envisages around 25,000 additional visitors annually and up to 100 locally recruited jobs. Benefits from that would ripple out to the wider community. However, there is a need for a reliable air service to south Kintyre. I am grateful for the work that Transport Scotland, Highlands and Islands Enterprise, HIAL and others have been doing to find solutions, along with Southworth. As a result, three Gatwick pilot flights to Campbeltown have occurred, the last one today. The first two charter flights achieved around 96 per cent occupancy, showing that Kintyre is open for business and investment. A sustainable, accessible, safe airport network is key to that.

As the motion says,

"a long-term strategy is required"

for our lifeline airports, and strong leadership from

"Scottish Ministers in collaboration with relevant stakeholders and informed by the needs and perspectives of island and coastal communities"

is so important. Argyll and Bute, its people and businesses must be central to that.

Alongside Liam McArthur, I invite the cabinet secretary to see the importance of air services to Argyll and Bute first hand—and perhaps to be that eagle.

17:29

Victor Currie (Highlands and Islands) (Reform): I thank Liam McArthur for bringing this motion to the chamber, and I congratulate his son on his participation and achievement over in Canada.

This motion is of critical importance to constituents across the Highlands and Islands, because short-haul flights are not a luxury there—they are a lifeline. They are vital links for the reasons that were eloquently set out by Liam McArthur in his speech.

Loganair's recent decision to scale back services from Inverness sent shockwaves through our communities. It exposed a fragile reality: when commercial operators face unsustainable costs and consolidate routes, it is our most vulnerable citizens who pay the price through fewer opportunities, higher fares and greater uncertainty.

I would like the debate to focus on what is within the Scottish Government's power to fix. We have responsibility for transport infrastructure, Highlands and Islands Airports Ltd and the public service obligation framework, and those powers give us the means to make a lasting difference. I therefore welcome the Government's swift commitment of funding to restore critical Inverness air services from October. That intervention

prevented an immediate crisis, and ministers deserve credit for acting when communities needed support most. However, emergency funding is a sticking plaster and not a long-term solution, and islanders cannot be left living month to month, uncertain whether they will reach a mainland hospital appointment or whether a vital connection will operate.

The evidence of disruption is stark. Delays and cancellations have risen by 15 per cent, with technical faults cited as the main causes, and business surveys suggest that 40 per cent of local firms have suffered direct financial loss or reputational damage because of air travel disruption.

This is about far more than just convenience or even the immediate economy; it affects the entire infrastructure of island life. If we consider public sector recruitment, we find that a specialist doctor might be willing to work in the islands, but they are human beings with families—their partner might not be able to take their job with them or work in an island economy; therefore, reliable connectivity can determine whether that family can make island life viable and whether communities can recruit the professionals they need.

We must therefore move from crisis management to proactive strategy. In an ideal world, that would mean more aircraft, well-staffed air traffic control, modern infrastructure, affordable fares and a full schedule, but given the fiscal and market realities, we know that we will probably not be able to deliver all those things at once or anytime soon. However, I reckon that one foundational priority is achievable: reliability and consistency. Even if the number of flights is limited, people must be able to rely on the services that are scheduled. That certainty allows patients, families and employers and public bodies to plan with confidence.

A further suggestion would be to have a dedicated fund, down the line, for a standby aircraft and crew system that are based in the region. Right now, a single mechanical fault in the morning cascades into a full-day shutdown across the planning matrix.

Finally, exploration of enhancing the public service obligation framework, with strict reliability clauses to ensure that the operator meets minimum performance thresholds, would go a long way to giving the public confidence that the operator will be held accountable if the service is not meeting that minimum threshold.

We have shown that we can fix the immediate problem; now let us show that we as a whole Parliament can work together to secure these lifelines for a generation, however that might be defined, by building a service that islanders can truly trust. In support of the spirit of the motion, I urge the Government to work across the Parliament to deliver a long-term strategy without delay.

17:33

Donald MacKinnon (Na h-Eileanan an Iar) (Lab): I thank Liam McArthur for securing the debate today. It is an issue that he and I have spent much time discussing since I was elected, and I welcome his experience as a long-time campaigner on the subject.

The model of regional air travel in Scotland is broken. My inbox is full of messages from constituents who have contacted me about how expensive flights to our islands are. When I checked earlier today, a Loganair flight from Edinburgh to Stornoway tomorrow would cost just short of £300, while a Loganair flight on the same day to Southampton would set you back £178.

Even with the support of the air discount scheme, air travel is outwith the reach of many islanders. In 2025-26, the cost of the scheme increased by almost £2.5 million, for fewer tickets supported. There is no regulation of what Loganair can charge for a ticket, and those figures reveal the consequences of that position. Today's *Stornoway Gazette* reports that Loganair has been cashing in on a fuel surcharge that it has passed on to customers, despite public statements that it had already taken steps to hedge against fuel increases.

Air travel is not a nice-to-have. We are talking about essential lifeline services that connect some of our most fragile communities. A reliable air service is key for growing our economy, not only in our islands but across Scotland, and for ensuring that islanders have access to essential services—in particular, healthcare. That was brought into stark focus, as Liam McArthur mentioned earlier, when Loganair took the decision to reduce services from Stornoway to Inverness and to remove services altogether from Inverness to the northern isles.

Following that announcement, the Transport Committee took evidence from stakeholders. Gordon Jamieson, chief executive of NHS Western Isles, told us that the changes could lead to locum costs of up to £1 million annually. He went on to say:

> "there have been several changes throughout 2025 and 2026. It almost feels like each time we embark on a significant piece of work to mitigate the impact of changes on patients, and each time we get that settled in—which involves losing and regaining some activity—something like this then happens. That means that we almost need to start all over".

The Scottish Government stepped in and provided £1 million to Highlands and Islands Airports Ltd to provide the discounts required to allow the service to be reinstated. I commend the cabinet secretary for that intervention, but it will take us only to March next year, which is fast approaching. We cannot find ourselves in a situation again in which Loganair can, in effect, hold the cabinet secretary and the public purse to ransom.

That is why we need a regional air strategy for the Highlands and Islands—as Loganair itself has already recognised. At that committee meeting, Ronnie Matheson of Loganair told us, in reference to the Inverness situation:

"Without such a framework, what has happened here will happen again"—

guaranteed—

"on these routes or on others."—[*Official Report*, *Transport Committee*, 24 June 2026; c 4, 24.]

He was right. This week, Loganair has cut its winter schedule, including the flights between Edinburgh and Stornoway on Tuesdays and Fridays. I should declare an interest, as one of those cut is the flight that I use to get home to my constituency on a Friday morning, but I am trying not to take it personally. I understand the pressures that Loganair and the wider aviation industry are facing, but the events of this summer and the decision this week highlight the need for further Government intervention and the delivery of a meaningful strategy.

I understand, as Liam McArthur mentioned earlier, that a summit on regional air travel has taken place this week. I look forward to engaging with the Scottish Government, the cabinet secretary and other stakeholders on this issue in the future.

17:37

Kristopher Leask (Highlands and Islands) (Green): Regional air links provide essential connectivity for the economic and social wellbeing and health of communities across the Highlands and Islands. As Donald MacKinnon rightly points out, they are not just nice to have or there for tourism.

I am glad for the debate today on an issue that we have been working on collectively as regional MSPs. It is an issue that has shown what cross-party working can look like, and that work has reinforced the widespread support for the Government to make progress on the issue. I welcome the cabinet secretary's engagement so far.

Looking across the enormous and diverse region that I represent, I see a fractured transport system that delivers for some and not for others. Across the region, we are seeing higher prices, the reducing of services and the hanging uncertainty of whether routes will still be operated or not. We have a system that lacks co-ordination, integration and a focus on delivering for communities.

The work that we take forward on regional air transport links must be focused on the outcomes and quality of services that our constituents expect us to improve. We must also ask ourselves to ask ourselves big questions about the role of Government. It is down to Government to take that work forward and ensure a minimum service guarantee, which must be developed with the communities that rely on the services, much akin to the routes and services methodology that has been used for our ferries.

Having chaired the Orkney internal and external transport forums for two years, I am very familiar with the diversity of issues that folk there face relating to aviation. The reality, of course, is that they are far from alone across the Highlands and Islands. I asked one of my constituents in Colonsay, Caitlin, about her experience with her island's air links. She stressed to me that flights, ferries, buses and trains need to make more sense together. We need to take more control of ensuring that flights and ferry services complement each other, so that air links allow people, for example, to take a day trip to Oban for a hospital appointment.

She also added that, to her community especially, air links are particularly important in winter; ferries are more vulnerable to disruption from high winds, while flights can often provide a more reliable alternative. Further, she said that even increasing services from once to twice a week could make a meaningful difference for people who work away from home, need to attend appointments or want to visit relatives without facing repeated uncertainty.

This also matters because the Highlands and Islands are on the cusp of potentially transformational economic growth. The "Regional Transformational Opportunities in the Highlands and Islands" study by Highlands and Islands Enterprise identified 251 investment opportunities worth more than £100 billion across renewable energy, offshore wind, ports and marine industries, space, life sciences, food production and tourism. That will not only mean more residents travelling in and around the region, but engineers, construction workers, investors, healthcare professionals and specialist businesses needing to get around the Highlands and Islands. Reliable air connectivity is not a side issue; it is central to Scotland's and our own region's economic growth and prosperity, while still being, first and foremost, a lifeline for island and rural communities.

We must work towards an evidence-based vision for Highlands and Islands air connectivity that, as HITRANS and ZetTrans perfectly summed up, needs to, first, deliver affordable and reliable air connectivity for residents, businesses and visitors. It needs to identify minimum levels of air connectivity on specific lifeline and regional economic routes. It must support equitable access to healthcare, education, employment and public services. It must underpin Scotland's nationally significant economic opportunities. It must make the best possible use of existing public investment, and, finally, establish a sustainable regional aviation model capable of serving future generations. Whether people live in Shetland and Orkney, Caithness, the Western Isles or the Inner Hebrides, we have the opportunity to deliver security and improvement in service, which is long overdue.

The Deputy Presiding Officer (Clare Adamson): Because of the number of members who still wish to speak in the debate, I am minded to accept a motion without notice, under rule 8.14.3 of standing orders, to extend the debate by up to 30 minutes. I invite Liam McArthur to move the motion.

Motion moved,

That, under Rule 8.14.3, the debate be extended by up to 30 minutes.—[*Liam McArthur*]

Motion agreed to.

17:42

Tim Eagle (Highlands and Islands) (Con): I thank Liam McArthur for bringing this incredibly important debate to the chamber. I also congratulate his son Tom, who I think won a bronze medal, if I have read the member's Instagram posts right. We should always celebrate young people across Scotland and their efforts in sport.

I am not going to pretend for a moment that I am as up to date with island air travel as Liam McArthur, Donald MacKinnon, Hannah Mary Goodlad and Jenni Minto, who are all in the room, because they live on islands themselves. However, I wanted to come today, first to support them, because I think that there is a genuine cross-party effort on the issue. Although I have not been massively involved in that, I know that all those I have just mentioned have done a power of work to bring the issue forward—as has Kris Leask, of course. I support you, and if I can do anything to support you I am more than happy to.

I want to bring to the debate some of the voices of my constituents who have been in touch with me about air travel. Oddly enough, I was messaging somebody in Stornoway this morning, and I mentioned that this debate would be happening this evening. They replied to me and said, "Tim, island flights are a lifeline, not a convenience", and that is absolutely right—these flights are a lifeline for many people. That was really apparent to me when, in 2024, I went with Neil Gray, when he was the Cabinet Secretary for Health and Social Care, to Benbecula, when the flights had changed and they were downgrading the aircraft from, I think, a 40-seater to an 8-seater—I think that it can now take 5 people. There were people who were absolutely reliant upon that flight, first, to get to Stornoway for healthcare treatment, but, also often to do a jump to Stornoway and then a jump to Inverness to get to Raigmore hospital or further for healthcare treatment. Therefore, these literally are lifeline flights, and they are crucial for people who live on the islands. Kristopher Leask also made a really good point about their importance to the economy.

Liam McArthur: I am grateful to Tim Eagle for taking the intervention, for his contribution and for his expression of support for what has been a genuinely cross-party effort.

The transfer that he pointed to that has taken place in the Western Isles has brought into play the Islander aircraft. Over and above the issues around financial accessibility, it has opened up the question of how physical accessibility can be guaranteed for patients—not necessarily because they are in need of emergency treatment but just to allow them to attend routine hospital appointments. That issue has become front and centre for many of Donald MacKinnon's constituents and those who Mr Eagle represents.

Tim Eagle: I completely agree with that. I have not been on that Benbecula flight—I do not know whether Donald MacKinnon has. One of the cancer patients whom I spoke to in Benbecula said that they almost had to crawl over seats in order to get to the back of the plane, which they just could not do—I do not know whether that is 100 per cent true but that is what they told me when I was over there.

Another point that I want to raise—and it is one that I will continue to raise in the chamber every time I get a moment—is about rurality. I spoke about that the other night—indeed, I spoke about it in three members' business debates this week. It is not as easy to justify large capital projects such as the A9, the A96 or regional air travel in rural areas as it might be in the central belt where there are many more people; however, that does not mean that rural areas do not need those large projects any less. It is important that we accept that we need to put money in and bring in those services if we want to drive forward our economy and ensure that we do not suffer from rural depopulation—which is my big issue.

Two asks have come from the constituents whom I have had contact with over the past couple of years. The first is around identifying routes where the community is, in effect, dependent on air travel and whether those routes need to be considered as PSO routes, because, at the moment, those routes are all commercial. The second—I think that Donald MacKinnon made that point, too—is that we really need to make air travel genuinely affordable for islanders, so that people can get on and off the islands. Liam McArthur made the point earlier that Highlands and Islands deserve transport networks that support communities—I think that just says it all.

17:46

David Green (Caithness, Sutherland and Ross) (LD): I thank my friend Liam McArthur for bringing the debate to the chamber and I, too, add my congratulations to Tom McArthur, who will be delighted, I know, to see how significantly he has featured in the *Official Report* for this evening.

I also put on record my thanks to the Scottish Government for the investment that has been made in services from Wick John O'Groats airport, which has been warmly welcomed in Caithness and across the wider north Highlands. I am pleased that the case that I made to the transport secretary in the weeks after my election was well received, and I genuinely thank him for that early engagement. I also give real credit to the Highland Council, the North Highland Chamber of Commerce, Air Charter Scotland and everyone else who worked hard to secure that agreement. It was their efforts that demonstrated the strength of the local case and the importance of those services to the communities that we all serve.

As one of the most rural mainland regions in the country, reliable air connectivity is not just a luxury for people in Caithness and the wider north Highlands—it is a necessity. People across the far north should not be disadvantaged simply because of where they live. However, for many communities, travelling to Aberdeen by car can take seven hours, and travelling to Glasgow can take eight to nine and a half hours. The routes are about more than simply getting from A to B; they are about supporting economic growth, helping employers to attract and retain staff and ensuring that patients can access essential healthcare services.

We must recognise that the north Highlands also have a key role to play in Scotland's economy today and in future. From clean energy and the transition from oil and gas to the continuing work at Dounreay, major opportunities exist for investment, employment and innovation. However, those opportunities depend on reliable transport connections. The same is true for tourism and the future sustainability of our rural communities. Good connectivity helps businesses to grow, enables people to access employment and public services, and makes it easier for families and young people to choose to live or remain in or move to the far north.

The withdrawal of commercial air services in 2020 demonstrated just how vulnerable that region is to transport isolation. Digital connectivity is important but it cannot replace the ability to physically move people's skills and therefore support investment. Although I welcome again the Scottish Government's investment, I want to make clear that the debate that we are having now must be the beginning of a wider conversation: we need a long-term strategy to support a resilient, sustainable and accessible air transport network across Scotland.

Like Liam McArthur, I am grateful to HITRANS and colleagues in the chamber for exploring potential options through the many international case studies that we have heard about. To create a model that works for the Highlands and Islands will require leadership from Scottish ministers; crucially, that model must be informed by the needs and perspectives of the communities that many of us in the chamber serve. The Scottish Government has taken welcome steps to take that work forward, and I recognise that progress, but there is a need for urgency.

We cannot expect communities, businesses and passengers to live year by year relying on short-term PSO support and wondering whether these vital routes will be there in the years ahead. If we are serious about delivering the economic growth that I spoke about in every part of Scotland and ensuring that people can access the services that they need, the routes will continue to be essential. As I said, multiyear funding is essential to guarantee confidence in these vital connections and to allow communities, businesses and operators to plan for the long term rather than facing uncertainty every year.

I welcome the Government's engagement and the investment. I thank everyone who helped to secure it, and I urge Scottish ministers to continue to build on the progress that has been made, bring forward a long-term strategy and ensure that Caithness and the far north are absolutely at its heart.

17:50

Lloyd Melville (Angus South) (SNP): I speak in this debate out of interest and support rather than direct experience, although, as members will know, I am deputy convener of the Transport Committee, which heard a lot about the proposed changes to the flights. One aspect of our first

evidence session on the subject has particularly stuck with me. When I mentioned a letter from the Royal National Institute of Blind People, Gillian McCannon from NHS Western Isles told the committee:

"There will be an increased risk that people could go blind".—[*Official Report, Transport Committee*, 24 June 2026; c 7.]

That was because the changes would impact on visiting NHS eye services. That illustrates the real impact that such changes can have on people's lives, and it shows that the current system just does not work.

Liam McArthur: I am grateful to Lloyd Melville for raising that issue. I raised a similar issue with reference to my engagement with those in a similar group in Orkney. To be fair to the ophthalmology consultants in Inverness, they agreed to travel by car and ferry in order to protect on-island consultations, but that did not make it any less inconvenient for those travelling from the islands to the national treatment centre in Inverness, as I articulated in my speech.

Lloyd Melville: I thank the member for that. We also need to take into account the added worry for patients.

Thankfully, the changes have been averted, on a temporary basis, due to intervention by the cabinet secretary. I was pleased to hear further details of the long-term summit that was held. However, we need to look at the PSO element, and I am glad that there will be a focus on that. Members may know that a motion on the matter is going to the SNP party conference, and I am hoping to speak to it. My close friend Euan Smith has been involved in that effort on behalf of the Western Isles branch of the SNP.

The current PSO regime is not fit for purpose. Dundee is a key example of that, albeit that it is only tangentially related. When a provider on a PSO can cut flights and then remove its crew base entirely, that goes some way towards showing that PSOs are not always worth the paper that they are written on.

I also have a little to say about market failure, which is a key element of the PSO regime. Transport Scotland's definition is:

"Market failures arise where market forces alone do not produce an efficient outcome."

It says:

"When this arises, businesses may make decisions that are financially rational for themselves, but not socially desirable."

When folk who are from or deeply connected to the islands are forced to fork out hundreds of pounds and when the sole operator can chop and change flights on a whim with little engagement with affected residents or public bodies, that sounds very much like market failure to me. The fact that it has not led to a PSO on several of the lifeline services that islanders rely on is a key indicator that the current system is not working.

A strategic approach is absolutely needed, and public service reform is a golden opportunity to try to get it right. Instead of having a piecemeal approach, we should make sure that islanders and their families are included in the process at every stage.

We should make sure that all the moving parts, including operators and public bodies, are involved in the process. Transport Scotland is due to come back into the Scottish Government, and I make the polite suggestion that HIAL should follow suit. If we have a strategic approach, we need an empowered aviation directorate to oversee that, and we need to involve our island communities at every stage.

I pay tribute to Liam McArthur and Jenni Minto for raising the examples of other countries. The Nordics do it far better than we do, and we should continue to take inspiration from them.

Ultimately, the Government cannot be left plugging the gaps after operators make the changes. That would not be a sustainable situation. Operators need clarity on our approach. People who live on the islands or who have a deep connection to them need to be able to live their lives with the certainty that they can get to and from the islands more affordably.

Those are some suggestions, and I hope that the cabinet secretary will reflect on them.

17:55

Graham Simpson (Central Scotland and Lothians West) (Reform): I congratulate Liam McArthur on securing the debate and young Tom on his achievements.

For people in our islands and remote communities, air travel is not a luxury. It is how patients reach hospital appointments, how businesses reach customers, how families stay connected and how some communities remain viable. The reductions in services from Inverness caused alarm, but the problem is larger than just one timetable change. Less-popular routes, ageing aircraft, volatile costs and lack of competition make the network fragile.

Welcome as the short-term rescue funding was in the Inverness case—I praise the cabinet secretary for stepping in quickly on that occasion—it cannot substitute for a more coherent strategy, which is what we must have. The cabinet secretary

convened a summit this week to look at the issue, and, when we hear from him, if he can, it would be good to hear whether that achieved anything and what the outcomes were. That would be really welcome.

The Transport Committee is looking at this issue seriously. We have a session on it again next week, and there will be more to follow. However, for today, we must surely all accept that there is a problem.

I will soon visit Shetland by plane, and, frankly, because I am paying for it, it will probably be a once-in-a-lifetime trip, because the fare is ruinous. I really want to go, but it costs about £500 return.

Liam McArthur: I thank Graham Simpson for taking my intervention, because the Minister for Public Finance will perhaps not be able to say this: it will be a visit of a lifetime. If it is of any reassurance, Loganair will offer not just a Tunnock's caramel wafer but a small bit of shortbread.

Graham Simpson: Well, in part, that will make up for the cost.

It is a serious issue. I will just be visiting; I do not live there, but, if you live there or have to get there regularly, the cost is not sustainable or affordable. It is a real problem for islanders, so we have to do better.

There are different models around the world that we could look at. I quite like the look of the Norwegian model, which could be a useful comparison for Scotland. In Norway, when the market cannot provide an adequate service, the state purchases regional air links through public service obligation contracts. It specifies the route, frequency, capacity and maximum fares, and it tenders the service to airlines. The subsidy is tied to a defined public service, and it is not handed over without conditions.

For the contract period that began in April 2024, Norway tendered 24 regional route areas, and the programme cut maximum permitted fares by half—which is a good thing—increased capacity on selected routes and brought two additional links into the scheme, but it comes at a cost. The Norwegian Government said that the new contracts would cost the equivalent of £184 million every year. To me, doing something similar would come at a cost, but we need to see this as part of the public transport network, and that is why we need to invest in it.

Stephen Flynn ought to seriously consider—I am sure that he will be doing this, because I know that he is taking the issue seriously—the Norwegian model. We do not have to copy it exactly line by line, but we need a model that suits our geography, our existing public service obligations, the air discount scheme and the devolution settlement. We also have got to get value for money, of course, and accountability, but Norway shows that a Government can set the service, cap the fare and contract operators to deliver.

The Scottish Government, in my view, should use the promised regional air strategy to test that model and give our island and rural communities the long-term certainty that they deserve. I will report back from Shetland when I get back, slightly lighter in the pocket.

18:01

Paul Sweeney (Glasgow) (Lab): I congratulate Liam McArthur for securing the debate. I was pleased to sign the motion.

Loganair, which is based at Glasgow airport, provides a vital lifeline service to our island and remote communities across Scotland, but we must fundamentally question the long-term sustainability of its current ownership model. Right now, we have a system that socialises the risk through millions of pounds in public service obligation subsidies and the air discount scheme, while keeping the physical assets and strategic control entirely in private hands.

If we are going to treat regional aviation as the critical national infrastructure that it is, the state must take a more active role. At the very least, as the airline requires significant capital investment to decarbonise its fleet in the coming years, the Scottish Government should be looking at how we stop handing out blank cheques. We should demand an equity share in exchange for subsidy, securing a golden share in the airline and perhaps a seat on the board to give the public more of a say over the major network cuts or changes, in order to protect those routes from the volatility of a purely private market.

We should also be more ambitious than simply managing decline. Perhaps we could look beyond that to the principles of public franchising that are so desperately needed, as we know, to fix our municipal bus networks. Perhaps that could also apply to our skies.

Transport Scotland could have the power to specify routes, cap fares and mandate seamlessly integrated ticketing across air, rail and bus services. Furthermore, reflecting on Mr McArthur's expedition with his son, Tom, to Canada, we have no direct Scotland-based or UK-based airline connecting Scotland across the great circle route of the north Atlantic to Canada and the United States. We are entirely dependent on Icelandair, Canadian Airlines and American Airlines. There is something to consider there. We need to consider

how we could explore developing direct connectivity.

I know Norwegian Airlines tried to test it in Scotland in 2017 and pulled out with the Covid pandemic, but could we do more? Take the Icelandair model and the stopover scheme that it has pioneered. It has driven traffic into the country with the free seven-day stopover initiative. With a share in the airline, perhaps we could look at developing point-to-point routes, feeding our regional communities as the tourism opportunity emerges, such as the member for Argyll and Bute, Jenni Minto, mentioned.

If we could do that directly with an airline that has transatlantic connectivity from Glasgow, feeding directly into regional route transfers, perhaps that would open up more of the country to America and Canada. We are currently dependent on foreign airlines to do that, because British Airways as the flag carrier and Aer Lingus focus on Heathrow and Dublin, so we do not get the benefit of flows through Scotland. That goes to Dublin, Heathrow and Keflavik. Perhaps even a code share initially with Icelandair could be an opportunity. We know that the Faroe Islands state-owned airline, Atlantic Airlines, has that initiative, so perhaps we could consider that opportunity in the first instance as a lower-risk opportunity.

We need to consider a broader strategy for how we subsidise these airline routes that is not simply dependent on the purely state-funded loss-making routes. How do we develop an entrepreneurial strategy that drives connectivity internationally for Scotland, particularly across the transatlantic routes, which is the most lucrative air corridor in the world? We are right at the heart of it, but we miss out, because everything is flying over our heads. How do we look more broadly at an entrepreneurial proposition?

The Deputy Presiding Officer (Clare Adamson): I call the cabinet secretary, Stephen Flynn, to respond to the debate.

18:04

The Cabinet Secretary for Economy, Tourism and Transport (Stephen Flynn): Thank you, Presiding Officer—I can start my speech in only one place: congratulating Tom on his incredible success. I am sure that he is going to be delighted at the attention he has received in the chamber today. Having played football with Mr McArthur's other son, I know that he clearly has significantly good genes when it comes to sporting events; I am sure that Mr Eagle can testify to that point, too.

On a more serious note, I thank Liam McArthur for securing this members' business debate on what has become a topic of real cross-party interest, and I thank all members who have contributed to the discussion. As Mr McArthur's motion makes clear, aviation connectivity is vital not just for Orkney but for many other island communities, including those in Shetland and the Western Isles. We often—justifiably—refer, as Tim Eagle rightly did, to some of those services as "lifeline" services.

Jenni Minto: I point out that the Argyll and Bute islands are also impacted in this regard.

Stephen Flynn: Point made—absolutely.

In talking about lifeline services, therefore, I think that we all acknowledge their importance, and we do so, in many ways, by recognising that they can be used to access vital NHS medical services, as Lloyd Melville and Liam McArthur eloquently outlined. On that point, I think that it is important for members to acknowledge and reflect on the fact that Transport Scotland and the Scottish Government have provided funding to the Highlands and Islands Transport Partnership to bring together NHS boards, local authorities and many stakeholders across the Highlands and Islands to support implementation of the Highlands and Islands health and transport action plan. That plan will directly support health boards to come together with transport partners to better plan for delivery, and it is a commitment in the current national islands plan.

However, the flights are crucial in many other ways, too. For example, they enable students to access education and allow workers to maintain the vital infrastructure that is required for everyday islands and rural life—indeed, as Mr MacKinnon rightly outlined, they take MSPs home, too. Some of us on the mainland may often take such connectivity for granted. However, ever since I took up my current post, I have been in no doubt whatsoever about just how critical for our island, coastal and rural communities reliable and affordable aviation services are.

It is fair to say that the Scottish Government has a long—and, I believe, proud—track record in supporting those communities. We maintain, at a cost of more than £30 million over four years, subsidised routes from Glasgow to Tiree, Barra and Campbeltown. Those allow residents to enjoy and access all the services that Glasgow has to offer, and to travel much further afield, as Glasgow airport continues to develop its selection of routes. I am sure that the airport is playing close attention to the suggestions from Mr Sweeney on what more could be done.

During my short period in post, I have also committed to continue our funding contribution to the subsidised service between Wick and Aberdeen, which has been newly extended to include Glasgow. That was touched on at length

by Mr Green; I sincerely thank him for his very positive and constructive engagement on that issue, and I thank Maree Todd for her engagement, too. It shows what can be achieved when we work across party lines.

As has been outlined in the debate, members are familiar with the often high costs of travelling between our islands and the mainland. Although it is by no means always the case, fares can often run—as has been outlined—into several hundred pounds, which pushes them far beyond the reach of far too many people. That is why it is important that I take this opportunity to highlight our ongoing commitment to the Highlands and Islands air discount scheme, which marks its 20th anniversary this year. With the simple act of joining the scheme, eligible residents are immediately entitled to a 50 per cent discount on the core fare. The scheme is very popular, with almost 85,000 members, but it comes at a price, with around £15 million committed just last year.

The third way in which our policies significantly lower the cost of air travel is through our continued funding of HIAL, as has rightly been referred to, which totalled around £53 million in the previous budget. All of HIAL's airports require a public subsidy, as unfortunately they would not otherwise be commercially viable. However, this investment does much more than enable HIAL to maintain safe and reliable airports across its network; it also provides well-paid, specialist employment across the Highlands and Islands. In short, our support for HIAL is a good example of state intervention, because it significantly reduces the cost of services that are socially, economically and culturally vital, but would not otherwise be economically viable. As far as I am aware, there is rock-solid support for intra-Scotland aviation within this Parliament.

I have, of course, heard the serious and repeated concerns expressed throughout the debate, particularly about Loganair's decision to reduce services from Inverness. I will address these concerns, but I think that it is fair to describe our wider track record first, so that we have a balanced and full picture. As was welcomed in Mr McArthur's motion—and by many communities and commentators—we reacted swiftly to provide extra funding to HIAL to deal with the negative consequences of these changes. The Scottish Government took some unjustified criticism—it would not have been appropriate or prudent to interfere in the commercial discussions that were always the quickest route to securing these services. The actions that we took also saved £250,000 from Loganair's initial ask from the public purse—a not insignificant sum.

I want to make clear that I fully appreciate the critical role that Loganair plays in maintaining the connectivity that we are discussing here today. It was therefore heartening to see the company recently quoted in the *Shetland News* as saying, there is "no danger" of the Sumburgh, Kirkwall and Inverness service being cancelled, and confirming that threatening the route was "the wrong way" of negotiating. I support that constructive approach being carried into commercial discussions focused on next year.

It would be wrong to suggest that the temporary erosion of routes from Inverness is the only challenge facing Highlands and Islands connectivity, and we have heard that in the Parliament today. Various people remain concerned about the cost of flying, despite the record funding that we are providing for the air discount scheme. Some are concerned about ongoing viability of routes, or question whether we can take a different approach, perhaps by looking at countries such as Norway, Greece or Corsica as exemplars, as I heard. Each of them offers a different way of doing things, but each way has a consequential impact, whether that is in relation to cost or the way in which a service is delivered.

Graham Simpson: Will the cabinet secretary take an intervention?

Stephen Flynn: Although I am conscious of time, I will let Mr Simpson in, if the Deputy Presiding Officer gives me the time back.

Graham Simpson: I am really keen to hear a little bit about the summit that the cabinet secretary convened, if he is able to say anything.

Stephen Flynn: I was just coming on to that after I had addressed the point that Mr Simpson made in relation to Norway. When we look at the Norwegian model—and we must take into account the costs—it operates in a hub-and-spoke fashion, which is different to what we do, particularly with our Western Isles community and that direct connectivity into Glasgow. When we are looking at how we want to amend the system, we need to be cognisant of both the opportunities and the challenges that some of those suggestions pose.

I reiterate that I welcome any ideas that would lead to improved connectivity and reduced costs, which is why we invited stakeholders to our intra-Scotland aviation event, which was held this Tuesday—I apologise for this pun—and encouraged blue-sky thinking, as has already been outlined, about what an improved Scottish network would look like. I am pleased to advise Mr Simpson and Parliament that attendees from across the sector rose to that challenge, and I will now honour my commitment to continue that discussion with MSPs from across the Highlands and Islands in the coming weeks.

The Transport Committee is also continuing to look at similar issues, and I remain committed to working with the committee. That will include consideration of whether a regional air strategy for the Highlands and Islands is required and what it would do to end some of the current constraints and utilise some of the powers that we have.

I thank members for the constructive approach that they have taken to this issue, and I hope that we can continue in that fashion.

The Deputy Presiding Officer (Clare Adamson): That concludes our debate in the name of Liam McArthur—also known as Tom's dad. [*Laughter*.]

Meeting closed at 18:14.

This is a draft *Official Report* and is subject to correction between publication and archiving, which will take place no later than 35 working days after the date of the meeting. The most up-to-date version is available here: https://www.parliament.scot/chamber-and-committees/official-report

Members and other meeting participants who wish to suggest corrections to their contributions should contact the Official Report.

Official Report
Room T2.20
Scottish Parliament
Edinburgh
EH99 1SP

Email: official.report@parliament.scot
Telephone: 0131 348 5447

The deadline for corrections to this edition is 20 working days after the date of publication.

Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

All documents are available on
the Scottish Parliament website at:

www.parliament.scot

Information on non-endorsed print suppliers
is available here:

www.parliament.scot/documents

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000
Textphone: 0800 092 7100
Email: sp.info@parliament.scot



The Scottish Parliament
Pàrlamaid na h-Alba