

# **MEETING OF THE PARLIAMENT**

Wednesday 6 December 2006

Session 2

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## Scottish Parliament

*Wednesday 6 December 2006*

[THE PRESIDING OFFICER *opened the meeting at 14:30*]

### Time for Reflection

**The Presiding Officer (Mr George Reid):** Good afternoon. The first item of business is, as it is every Wednesday, time for reflection. Our time for reflection leader today is the Reverend John Lafferty of Stevenston.

**Rev John M M Lafferty:** Ten years ago, I met Liam, a talented artist who paints in oils. We hail originally from neighbouring Lanarkshire villages. Liam is from the village of Newarthill and I am from the village of Cleland. Following our introduction, Liam was commissioned to paint a portrayal of St Barnabas to hang in a Roman Catholic church of the same name. He asked me to be his model and, modestly, I agreed. My ego trip did not last very long. The painting completed, Liam laid down his brush, smiled at me and said, "At last I'll see a minister from Cleland hung in a Catholic church." So continued—albeit in jest—not denominational bigotry but the rivalry between our neighbouring villages.

In the gospel according to St John, Philip tells Nathaniel that Jesus, from Nazareth, is the long-awaited saviour of the world. Nathaniel, from Cana, near Nazareth, perhaps influenced by inter-town rivalry, responds, "Can anything good come out of Nazareth?" Philip replies simply, "Come and see." So the Cananite approached the Nazarene and they entered into dialogue in which Nathaniel's scepticism and mistrust were allayed. Nathaniel went on to serve Jesus in the wider world.

Postmodern horizons have expanded far beyond parochial rivalries. Nowadays, our communities include people from different cultural and faith backgrounds. We, as well as our new neighbours, need to adjust, in mutual respect, to find harmony in diversity. Objective, sympathetic dialogue is one way ahead. It was in honest, open conversation that Nathaniel and Jesus found common ground.

Sadly, current global conflict threatens peaceful co-existence within our local communities. Some—the extremists, I imagine—attempt to legitimise conflict using religion, and that creates an air of suspicion. The teachings of both Jesus and the Prophet Mohammed refute such attempts at legitimisation. Jesus taught, "Do unto others as you would have them do unto you." Mohammed said, "He is not one of us whose neighbour is not

safe from his conduct." Those are complementary rules for living that could lead to an understanding between religions and bring about a genuine state of peace. Yet, tension and suspicion continue between world faiths, each of which sees its own truth as the absolute truth.

When Christmas eve comes this year, like many Christian ministers, I will preach on the text: "peace on earth and goodwill to all." As there is no peace and, for the main part, an absence of goodwill, I will be conscious of what Hans Küng once said: "There will be no peace among the peoples of the world without peace among the worlds' religions."

Thank you for listening.

## Civic Participation (Trade Unions)

**The Presiding Officer (Mr George Reid):** The next item of business is a debate on motion S2M-5269, in the name of Margaret Curran, on civic participation and trade union engagement with Scotland's civic society.

14:35

**The Minister for Parliamentary Business (Ms Margaret Curran):** I begin by declaring an interest. My constituency party is supported by the Communication Workers Union, and I am a member of the Transport and General Workers Union. I am very proud of both associations.

I welcome the holding of trade union week at the Parliament. I take this opportunity to congratulate Grahame Smith on his appointment as the new general secretary of the Scottish Trades Union Congress. I have known Grahame for many years. He is knowledgeable and effective in his negotiations, and the Executive looks forward to many constructive conversations in the coming period. I am sure that my congratulations are shared by the members of the STUC general council who are in the public gallery.

It is a particular pleasure for a politician of my background to introduce this debate, the first in Scotland's Parliament to recognise and celebrate the role of trade unions. It is the first time that the STUC has organised a trade union week in this place. Like many other members, I hope that it will be the first of many.

Trade unions have had a bad press from time to time—I say to Mr Aitken that I am not pointing any fingers. I say unequivocally that parliamentary democracies and free societies require strong, independent trade unions—of that, there can be no qualification. From the outset, the concept of working people coming together to serve their interests and to prevent exploitation has been for the social good.

I do not have the time to go through the glorious radical past of the trade unions, from the Tolpuddle martyrs to Peterloo, but it is necessary to remind ourselves of things that are now taken for granted, but for which the labour movement has had to struggle: paid holidays, sickness pay, job security, equal pay, health and safety at work, skills training and—broadly, as the STUC would tell us—fairness at work. The list could go on.

Trade unions have developed in a number of ways, influenced, of course, by different political and economic regimes and societal factors. Despite the changes that have taken place over many years, the trade union movement has

continued its core business of providing services to members, negotiating on their behalf, sometimes organising actions in their defence and lobbying Parliament to bring about change. Trade unions have never shirked from tackling Governments of every persuasion when they have felt the need to do so. That must be welcome in any democratic society.

The STUC was established in 1897. From its earliest days, it has consistently been a force for addressing the needs of ordinary people. Improving workplace conditions has been a central priority for the STUC, but it has also played an important part in wider issues such as international affairs, housing, education and transport, and in campaigning for social justice and peace and against inequality in all its forms. The STUC represents about 630,000 trade unionists—the members of 46 trade unions. It can speak for the interests of women workers, black workers, young workers and those who suffer discrimination not just in the workplace but in civil society.

There is considerable evidence around the Parliament this week of the work that is undertaken by trade unions on behalf of their members. From workplace safety to lifelong learning, the programme for trade union week has demonstrated the significant contribution that trade unions make, not just for their members, but for Scottish society as a whole. It is that wider role in civil society on which I think we should focus. A strong civil society is central to the Scotland that we want to create: confident, open and tolerant. Faith communities, voluntary organisations, political parties and trade unions all contribute towards Scotland's social capital. Collectively, those organisations provide the glue that binds our communities together.

Civil society is changing, with many large organisations experiencing declining membership, and there is a shift towards individual forms of participation, including volunteering, signing petitions and giving donations to single-issue-based campaigns. All those forms of individual action and participation are significantly increasing. As a result, trade unions, like other civil society groups, are facing challenges to the ways in which they traditionally engage and represent the views of individuals and communities. Representing and articulating the views of ordinary people has been a strength of the trade unions from the beginning. I am confident that they can do that again as we all rise to the challenge of the new civil society. That contribution has served unions well as they have developed those models of working, and we hope that it will continue.

Those of us who campaigned long and hard for devolution cannot forget the central role that the STUC and individual unions played in the

campaign for a Scottish assembly and, latterly, in the Scottish constitutional convention. The institution in which we sit today in part owes its existence to those partners. They forged that new consensus, and the trade unions were foremost among them. Although they had to debate many difficult issues, their shared goal was to shape the principles—including equal opportunities for all—on which the Parliament was founded. I am pleased to recall that my party's strong relationship with the trade unions ensured that 50:50 gender representation was a reality in our selection process.

It is interesting to note from the history of the STUC that women have played an active role in it from the very beginning. When the STUC was established in 1897, a female delegate, Miss Irwin, obtained the highest vote in the election of the first parliamentary committee, which later became the general council. The first female president presided at the 1926 congress. I congratulate the work of the STUC women's committee which, following in those famous footsteps, is ensuring that women play their proper role in trade union life.

The Executive values the trade unions as key partners in what one might term another version of the union dividend. We have achieved much in recent years and the memorandum of understanding between the Executive and the STUC has enabled a strong and positive relationship to develop. That we have achieved a great deal could be argued on many fronts, including in my constituency where there is visible evidence of how the trade unions connect strongly with local people. The way in which the Communication Workers Union has worked effectively with local people to protect key local services is one example of that.

**Tommy Sheridan (Glasgow) (Sol):** Does the minister agree that it might be helpful if, in awarding public contracts in future, some consideration was given to ensuring that trade union-friendly employers receive that public money? Surely our public money should go to good employers who recognise and promote trade unionism.

**Ms Curran:** As my colleague with responsibility for such matters—Allan Wilson—has just pointed out to me, we have a new public procurement manual. Generally, the Executive promotes, and in practice maintains, a positive relationship with the trade unions. I will deal with our relationship with businesses when I come to the Tory amendment, but of course we want to encourage employers to be trade union friendly. We also want the value of trade unions to be recognised in society more broadly.

In the final minutes of my speech, I want to focus on the impact that trade unions have had on the legislation that the Parliament has passed. Three pieces of legislation demonstrate categorically the contribution that trade unions have made to ensuring that Scotland is a healthier and safer place in which to work and live. The Emergency Workers (Scotland) Act 2005 is an example of legislation that emerged from our joint work on ensuring that those who serve their communities in the public services have the protection that, sadly, they need on some occasions. Another landmark piece of legislation introduced the ban on smoking in public places, which is already benefiting workforces the length and breadth of Scotland. In that legislation, the interests of those who work in particular services and industries was directly taken into account.

Finally, the Rights of Relatives to Damages (Mesothelioma) (Scotland) Bill, which is currently going through the Parliament, will address the plight of workers who suffer from asbestosis-related diseases. The bill will remove obstacles that prevent the awarding of fair damages claims, and it addresses the issue of relatives' claims so that people will not have to make terrible choices for their families. Such a measure has been a key trade union demand to which I am proud to say that the Executive has responded. The Executive and the Parliament have been bold in passing legislation with the support of trade unions, which have played a critical role in taking forward our ambitions for our country.

This week recognises those joint changes. This week takes us forward together so that we can tackle our future challenges of growing our economy and tackling poverty, growing our population and furthering social justice, and ending discrimination and building a Scotland of mutual respect and tolerance. That has been the dividend of our common endeavour since devolution was established. That is the dividend that the Executive and Parliament have received from working with trade unions. I hope that, this week, we will take the opportunity to pay tribute to the trade unions and the contribution that they have made to Scotland.

I move,

That the Parliament recognises the strength and constructive nature of its partnership with civic Scotland; recalls that this began in the Constitutional Convention when a wide range of civic organisations, including trade unions, came together with the Labour and Liberal Democrat parties to develop the blueprint for devolution; notes that this partnership is evolving as the Parliament and civic society work together to achieve social justice, and acknowledges the importance of the Executive working in partnership with organisations such as the Scottish Trades Union Congress, other non-governmental organisations and civic partners in Scotland.

14:45

**Bill Aitken (Glasgow) (Con):** The difference between us today relates not to the contribution of the trade unions but to the fact that our consultation process has such a narrow base. The interests that should be represented in it are those of wider society, rather than the somewhat narrow vested interests that the trade unions represent.

**Karen Gillon (Clydesdale) (Lab) rose—**

**Ms Curran:** Will the member take an intervention?

**Bill Aitken:** I ask members to give me one minute.

I pay tribute to Grahame Smith and welcome him to his new position. I am sure that he will do very well and that his contribution will be in line with those of his predecessors. Although trade unions may not have the glorious radical past that the minister claims for them, I would be the first to admit that they have been an enormous influence for good in relation to issues such as health and safety at work, conditions of employment and pensions. I am pleased to record my appreciation of that involvement, although I accept that the minister's ability to praise the trade unions is somewhat greater than mine.

**Ms Curran:** That may be explained by the fact that I have greater knowledge of the trade unions and their contribution. Given what Bill Aitken has just said, it is very disappointing that he cannot take the opportunity at this time to recognise the role of the trade unions. The fact that we recognise their role does not diminish our commitment to the voluntary sector or others. It does not narrow the agenda—it simply throws light on the particular contribution that trade unions have made. It is extremely disappointing that the Tories, who are supposedly in a new era, cannot bring themselves just to recognise that contribution.

**Bill Aitken:** I thought that in the one minute and 17 seconds that I was permitted without interruption I paid tribute to the trade unions for what they have done and are doing. The point that I must continue to make, if the minister will allow me to do so, is that we cannot have proper consultation if the influences on Executive and parliamentary consideration are so narrowly based. I am not picking out the trade unions specifically. I accept that vested interests—people with a bee in their bonnet—should be listened to, but why is so much attention paid to them? We must ensure that there is a much wider focus on public opinion in Scotland and that consultation is not restricted to the vested interests that are consulted at the moment.

**Karen Gillon:** Does the member agree that organisations such as the Confederation of British Industry, the Federation of Small Businesses and the Institute of Directors are exactly the kind of vested interests to which he refers?

**Bill Aitken:** From the member's perspective, that may well be the case, but the problem for the CBI is that it is not listened to. Very little legislation that goes through the Parliament and is sponsored by the Executive pays any heed whatever to business interests. Less attention is paid to those who create the wealth and bring in the money than to those who, perfectly naturally, spend the money. Until we get matters back into kilter, the governance of Scotland will be ill served.

The minister dealt with three pieces of legislation in respect of which the trade unions have played a prominent role. I agree that the Emergency Workers (Scotland) Act 2005, which was voted through unanimously, was legislation that should have been introduced many years ago. Of course, the problem could have been dealt with by other means. As the minister reminded us in this morning's edition of *The Herald*, we legislate too much. We could have dealt with the issue simply by taking cases of assaults on ambulance drivers, for example, on indictment. However, it is good that the legislation has been passed.

I feel very strongly about the Rights of Relatives to Damages (Mesothelioma) (Scotland) Bill. The minister will be aware that I have been closely involved with that legislation, on the basis of my work in the outside world, when I saw the effects of insurance companies dragging their feet on the settlement of claims. The bill is another positive contribution.

However, until we are prepared to widen the circle of those who have influence in Scottish political affairs, we will not have a balanced society. There is a consultation process every time it is hinted that a piece of legislation will be introduced, and every time the same people, with the same vested interests and the same axes to grind, write in and are listened to disproportionately. We know that the vast majority of the population of Scotland are basically neutral on certain pieces of legislation, although we accept that people who have suffered in particular circumstances will feel very strongly about their experiences. It is regrettable that such an imbalance exists. The only way to sort it out would be for members to agree to my amendment.

I acknowledge the achievements of the trade union movement and welcome the fact that it has modernised and become much more realistic in recent times. That is a good thing. Although I look forward to working with it in the future, I have the right to demand that the Parliament work with a rather less exclusive group.



I move amendment S2M-5269.1, to leave out from “its” to end and insert:

“a partnership with civic Scotland, but stresses that such a partnership should be on as wide a basis as possible including the private sector and business and enterprise groups in order that a more balanced approach be taken towards the governance of Scotland and the achievement of social justice.”

14:51

**Mr Kenny MacAskill (Lothians) (SNP):** Bill Aitken made some valid points about how important it is for the Parliament and the trade union movement to interact and engage with the business community. However, the purpose of the motion is partly to celebrate and pay tribute to the history of the trade union movement in Scotland, so it is rather regrettable that the Executive's motion is so partisan. Instead of adopting a self-congratulatory position, as the Executive is prone to do, it would have been much better simply to pay tribute to a movement that is an important part of Scottish society and to acknowledge its history, its present role and the engagement and good works that it will undertake in the future.

We will not support Mr Aitken's amendment, and although we will be happy to support the Executive's motion, we think that its tone is somewhat inappropriate. However, it would have been churlish not to recognise that today's debate is about acknowledging the role of the trade union movement and its significance to Scotland.

As the minister said, various dynamics exist in our society. There is a constant battle between capital and labour, which is not always manifested on industrial battlegrounds or in strikes. Whether one takes a Marxist perspective or the perspective of Adam Smith, there is always some sort of clash. If we are to protect the rights of workers and society more broadly, it is important that people should come together to protect themselves, not just on pay and conditions, but on broader matters. The Scottish National Party pays tribute to the trade union movement, not simply for the way in which it interacts to ensure that the best benefits are achieved for its members, but for its desire to participate, both with the body politic and with wider civic society, to ensure that Scotland is a much better society.

We should be proud of the history of the trade union movement in Scotland, which Tom Johnston and others have written about at length. Sadly, that history is often not reflected in more contemporary historical accounts. Tragically, as is the case with many aspects of Scottish life, we do not know our own history. The minister was quite right to mention Tolpuddle and Peterloo, but those events took place south of the border. I accept that the labour movement is international and that

many of its struggles are international and do not relate just to happenings north and south of the border. For example, there was and continues to be a significant labour movement in the North American continent and elsewhere.

However, the history of trade unionism in Scotland, which could be said to go back to the radical risings of 1820, is significant. We must accept that before trade unions came along in Scotland, weavers such as the Calton weavers were the first groups that came together because they recognised that they had to stand up against the interests of the people to whom they were selling or by whom they were being used, abused and whatever else. They also recognised that they had broader interests. We should pay tribute not just to the people who made sacrifices and, in some instances, gave their lives south of the border—although it is important that we do that—but to the Calton weavers and the people who were involved in the 1820 rising. Such events are fundamental to Scottish history and to the history of the trade union movement in Scotland.

The minister was correct to pay tribute to the important role of women. We do not have to go back to the beginning of the STUC to find evidence of their role. Within our lifetimes, in the protests at Plessey and Lee Jeans, for example, it was ladies who showed commitment and courage in standing up to many of the challenges of Thatcherism. I do not wish to be churlish, but I have to say that in some cases they were advised by their trade union delegates and officials to get out, stop the occupation, cease the fight and instead fight on another front. Thankfully for the history of Scotland and the history of the trade union movement, the rank and file held the faith and managed to bring the leadership round to continuing to support and maintain the occupations. We pay tribute not only to those who hold positions in trade unions but to those who are involved in the broader labour movement.

We must also accept that the trade union movement is part of not only our history but our present. The minister is right to say that the movement has evolved. The nature of trade unions has moved on in my lifetime, from the time when they operated in the shipyards, the steelworks and the coalfields and membership was predominantly male, manual labouring and working class, to the present situation in which, for example, in my household it is my wife rather than me who is a member of Unison. In many cases, women are the main members of societies in which white-collar workers predominate. That reflects economic and social changes. Whether we go back to the treatise of Marx or the treatise of Adam Smith, the role of the trade union movement is part of the society in which we live.

We recognise the role that the trade union movement has played in interacting with the body politic, but we must also pay tribute to the trade union movement as a whole. We must acknowledge what it has done for Scotland in the past, what it does at present and what it will continue to do to make Scotland a better place. Whether a person is a worker or a businessman, we are all in this together and have a shared interest in civic society.

14:56

**Donald Gorrie (Central Scotland) (LD):** I am happy to support Margaret Curran's motion. We should all recognise the important part that the trade unions have played in Scottish life.

I have had very good experiences, which go back to the unsuccessful referendum campaign of 1979, of dealing with trade unions. For whatever reason, leading Labour and Liberal politicians did not take part in the referendum campaign. Apart from the Tam Dalyell and Jim Sillars roadshow, all the other public meetings of which I am aware were organised by trade unions and addressed by trade union officials and relatively unimportant politicians such as me, leading councillors and the like. We campaigned energetically but unsuccessfully on that occasion.

I again had happy dealings with the trade unionists in the Scottish constitutional convention, although we did not always succeed. On one occasion I was made incandescent, as were many Liberals and trade unionists, by one of the compromises that inevitably happen in such organisations. The number of MSPs for the Parliament was set at 129, which the Scottish trade unions and many people in the Liberal party thought was too small. I think that we were right. The Parliament would have benefited from having a larger number of members. Back benchers are currently so heavily engaged in our various committees that we do not have enough time to take a wider view. We would have gained from having more members.

We certainly co-operated happily with the trade unions. The gentleman from the Labour Party with whom I negotiated most left politics to become owner, manager and promoter of what is probably the leading comedians centre in Edinburgh. I am not sure what that tells us, but he has certainly been extremely successful.

My personal experience of trade unions has been good, but in the 19<sup>th</sup> century, the Liberal party somewhat lost the plot. We helped to start the trade unions, but in opposing the aristocracy we put too much emphasis on helping manufacturers rather than the trade unions.

However, we now have very good relations with the trade unions and value their work.

We should explore ways of involving the talents and public interest of trade unionists more at a local level. Consultation at a local level is not as good as it should be. For whatever reason, good or bad, we have stopped supporting the Scottish Civic Forum, which was supposed to act as a conduit through which small local organisations could influence the Parliament.

We have to replace the Civic Forum with other arrangements. We should encourage the development of community councils and similar bodies. Trade unionists can play an important part in developing ideas for their community. We should have constructive discussions about how best to co-operate with and involve people, rather than just consulting them by sending them a piece of paper and asking them to tick various boxes, which we then ignore. People should be made real partners. We should extend the opportunity to become involved to the people who Bill Aitken mentions in his amendment; we should have an inclusive society. Trade unionists can make a good contribution to their communities as well as nationally.

I hope that the minister and Parliament take that on board. We need there to be good relations between the Executive, Parliament, trade unions, community councils and everyone else. We can perhaps compete to be more consultative and effective than the other lot. I welcome the debate and hope that we all agree to make the best use of the talents and energies of trade unions nationally and locally.

15:01

**Cathy Peattie (Falkirk East) (Lab):** I declare an interest as a proud trade unionist. I am a member of Amicus and Unison, am involved through my constituency with the Communication Workers Union and am in regular contact with the STUC.

There is a notion among some on the right that trade unions should be restricted to the workplace—and some think that they should not exist at all. I believe that trade unions have a right to represent their members not only in the workplace but in wider civic society. They are an essential part of a healthy democracy and those who value democracy should ensure that their role is at the heart of civic society.

It is acknowledged properly in Government and civic institutions that trade union involvement in the democratic process should be a given. The growth of trade union involvement should be encouraged actively by all those who work in the Parliament and the Scottish Executive.

Trade unions, through the STUC, the campaign for a Scottish assembly and the referendum campaign, helped to create this Parliament and were a cornerstone of the constitutional convention. We have their input and commitment to thank for the central role of equal opportunities in the Parliament. I say to Bill Aitken that I also believe that there are a large number of Labour women in the Parliament because the trade union movement supported the 50:50 campaign.

**Tommy Sheridan:** Does Cathy Peattie agree that the trade union movement should be obliged and entitled to represent workers in their workplace from day 1 of their employment, rather than only after 12 months?

**Cathy Peattie:** We have moved a long way to ensuring trade union membership within the workplace. I am concerned that there are still places where trade union membership is not encouraged and we all have to fight to change that.

Trade unions are frequent contributors to consultations and evidence taking, although it is unfortunate that sometimes their potential contribution is overlooked.

The STUC and the Scottish Executive have agreed a memorandum of understanding, which has led the way in the United Kingdom and given rise to further agreements such as the protocol to prevent two-tier workforces in public services.

Trade unions' civic involvement covers a huge range of issues from community campaigns to international solidarity; peace, freedom and nuclear disarmament; environmental campaigns; campaigns against unemployment, deprivation and exclusion; and campaigns against racism, sexism, sectarianism and all other forms of discrimination. Trade unions seek to extend the benefits of organisation to migrant workers and others and to promote, support and defend the arts.

We should congratulate the STUC on organising a trade union week in the Scottish Parliament and I urge every MSP to support it, speak to the unions and attend as many meetings as they can. Today is a good day for the Parliament and I welcome the representatives of the STUC.

15:05

**Mark Ballard (Lothians) (Green):** On behalf of the Greens, I congratulate Grahame Smith on his recent appointment, and share the sentiment expressed by Cathy Peattie and others that trade unions are essential to the development of a strong civic society.

I have been particularly inspired by the work of the Australian Builders Labourers Federation,

which, between 1968 and 1973, instituted a programme of stopping work on environmentally destructive projects, particularly in Sydney. By 1973, 36 green bans were in operation on projects that would have involved the destruction of green spaces and housing in working-class communities. Indeed, those workers held up projects worth up to £12 billion. In the words of Jack Munday, the secretary of the BLF,

"What is the use of higher wages alone, if we have to live in a city devoid of parks, denuded of trees, in an atmosphere poisoned by pollution and vibrating with the noise of hundreds of thousands of units of private transport?"

Those are stirring words from one of the leading trade unionists of his generation.

Recently, I learned that Australian Greens senator Robert Brown had discovered that Petra Kelly, founder of the German green party, visited Australia and saw at first hand the green bans that the unions had imposed on untoward developments in Sydney. She took back to Germany the idea—and terminology—of the green ban, which, as best as we can know, gave rise to the term "green" as used by the German green party and, now, by other green parties around Europe, including the Scottish Green Party. Our party's very name originates in the trade union movement. In declaring that workers are concerned as much about environmental and social justice as about what is happening in the workplace, the BLF in New South Wales started the green movement in politics, which is why I am proud to say that the Greens support trade unions and indeed have been working very constructively with the STUC.

Trade unions are vital if Scotland is to move not just into a realm of political democracy through the Parliament but into a realm of economic democracy. To ensure that workers' rights are comprehensively built into the system, economic planning must involve trade unions and have workers' concerns at its core. In that respect, we can learn much from the European countries that recognise that the concept of social partnership is key; that workers, as well as employers, have a stake; and that the Government's role is to bring both together.

As a result, I completely reject Bill Aitken's nonsensical claim that the CBI creates wealth, while trade unionists simply spend it. Trade unionists the length and breadth of Scotland are a key part of creating wealth and a prosperous and diverse society, and their role must be recognised by ensuring that, at all levels, they have more participation in economic development not only in Scotland but across Europe. For example, the European Union public sector procurement directive should acknowledge that workers' rights, environmental responsibilities and social justice

must be key aspects of central Government contracts. I am very proud that the European Federation of Green Parties supports the efforts of the European Trade Union Confederation to secure a public services directive that protects workers' rights throughout Europe.

For me, trade union issues and green issues go hand in hand. I very much welcome the debate and this opportunity to emphasise the role of trade unions in Scottish civic society.

15:09

**Karen Gillon (Clydesdale) (Lab):** First, I must declare my interests as registered in the register of members' interests. My constituency party has a constituency agreement with Amicus; I am a member of Unison; and I was supported by the STUC in the production of my consultation on culpable homicide.

I welcome the opportunity to participate in the debate and to nail my colours firmly to the mast, as the Tories have done. I was brought up in a Labour and trade union household and I remember my mother, who never earned more than £100 a week, negotiating for fair pay and better holidays for the people she worked with, against the wishes of the people who controlled the industry. When I started work, joining a trade union was the natural thing to do—I joined what was then the National Union of Public Employees. The relationships that started then remain strong.

In many ways, I cut my political teeth in the trade union movement. I join other members in congratulating Grahame Smith on his appointment as general secretary of the STUC. He was a great support to me when I was chair of the STUC's youth committee and a member of the STUC general council and I am sure that he will make a positive contribution to public life in Scotland.

David Cameron has tried to reinvent the Tories, to make them softer, cuddlier, more approachable and more attractive to wider society. He is in his first year of office as party leader. However, the amendment to the motion shows us the real Tories, who cannot even bear to use the words "trade union" in an amendment. The amendment uses the word "partnership" twice and calls for a "balanced approach", but the balanced partnership that is called for is to be with the

"private sector and business and enterprise groups".

Members may call me old fashioned, but that does not look much like a balanced partnership. In a partnership, both sides should be represented. If the partnership is to work, employer and employee are both needed.

**Bill Aitken:** I am looking at the amendment and that is exactly what we are asking for. We simply

ask for the addition of the private sector and business and enterprise groups. Nothing in the amendment excludes the trade union movement.

**Karen Gillon:** The amendment would delete from the motion everything that refers to the trade union movement and it does not mention trade unions. Either Bill Aitken does not know what is in the amendment or the amendment sets out what the Tories want to do.

I believe in a social partnership. Where is the CBI when we talk about a social partnership? The trade unions and the STUC asked whether they could get round the table on a social partnership basis, but the Tories' friends told them to get lost. If we want a genuine partnership, everyone must be represented at the table. I want the consultation that Mr Aitken talked about to be meaningful.

During the past few years, I have spent a good deal of time giving detailed consideration to culpable homicide by corporate bodies. During the summer, I issued a consultation paper on a change to the law on culpable homicide in Scotland because four of my constituents had died in a terrible tragedy and there is growing concern that Scottish workers are twice as likely to die at their work than are their English counterparts. I wrote to a wide range of groups, including all the business organisations, and asked for responses, but the biggest business organisation has yet to respond to my consultation. That is not partnership working. I genuinely wanted to hear everyone's views on the issue.

If we are serious about partnership, everyone must get round the table. The issue is not what is bad or good, or right or wrong; it is about people working together. The trade unions are workers, consumers and earners and they deserve their place in the Parliament. I welcome the motion in the minister's name and I hope that members will support it.

15:13

**Colin Fox (Lothians) (SSP):** I offer the Parliament the apologies of my colleagues in the Scottish Socialist Party, who will be absent from this afternoon's debates. They are attending the funeral of Rosie Kane's father, who, sadly, passed away this week.

As members appreciate, the SSP attaches great importance to the role that trade unions play in civic Scotland and to the issue that we will debate next. Like other members, I will nail my colours to the mast, as Karen Gillon put it. I have been a trade union member all my working life and I am proud of that. The SSP group welcomed the new general secretary of the STUC, Grahame Smith, to our meeting yesterday, which took place as part of the organisation's trade union week in the

Parliament—other members rightly welcomed that initiative.

The SSP is an unashamedly pro-trade union party. We are immensely proud of our trade union record: no group of workers that has come to ask for our party's help has ever been turned away empty handed. These past three years, I have been on picket lines and have enjoyed delivering the full support of the SSP to firefighters, nursery nurses, bus drivers, electricians, civil servants and textile workers. As all workers know, it is actions that count in politics; they are far louder than words.

At the centre of the debate is Labour's relationship with the trade union movement, which the minister mentioned in her opening remarks. That has been an interesting historical journey and it is quite right that it should be the centre of the discussion. A hundred years ago, the trade union movement established the Labour Party. Why did it do so? Because coal miners, gas workers, railwaymen and individuals such as James Keir Hardie were sick to the back teeth of the Liberals, which, as Donald Gorrie rightly pointed out, were the party that working men primarily backed. They were sick and tired of the repeated failure of the Liberals to represent their interests. Keir Hardie who, like myself, was a native of Motherwell, said at meetings the length and breadth of the country, "You see they Liberals; they don't give a monkey's about working people. We need a party of our own." To his immense credit, he devoted his life to that cause and established such a party. He realised that, in the final analysis, the Liberals sided with the coal owners against the coal miners, with the shipbuilding companies against the shipyard workers and with the bosses against the people. The situation remains the same to this day.

There is no question but that if Keir Hardie was around today, he would be horrified to see what has become of his beloved Labour Party, which has assumed the mantle of the Liberals of 100 years ago. It clearly does not give a monkey's about working people and prefers what it calls partnerships with business and global conglomerates.

**Bristow Muldoon (Livingston) (Lab):** Will the member give way?

**Colin Fox:** Sorry, I do not have time.

Members do not have to take my word for it. Think about what the nursery nurses got when they came to the Parliament looking for support, or about when the unions came to the Parliament asking for the protection of public services and got privatisation. When the unions argued for the protection of jobs at the Soletron, Motorola and Lexmark sites, they were told, "There's nothing we

can do." The workers at Mackinnon Mills in Coatbridge have now been on strike for 10 weeks over their pay of £3.29 an hour, which is below the national minimum wage, but what has the Executive done? Did it immediately call in its partners in industry and say that the situation is not on? No; it said that the decision is a commercial one and that it cannot do anything about it.

As usual, Bill Aitken is completely wrong on the matter. His amendment, which says that the Executive is not listening closely to business, the private sector or enterprise groups, could not be more wrong. Labour members were right to berate him for that, because it is complete bunkum. The fact is that the STUC has far less influence on the Executive than business, the professions and enterprise groups have. Business has a disproportionate influence on the Executive, which eclipses almost completely that of the unions.

The motion talks about partnership. The problem with the theory is what happens to the interests of all the partners when the interests of one partner are inimical to those of the others or, in other words, when we cannot satisfy all the partners at the same time. On every occasion when such conflicts arise, Labour has nailed its colours to the mast, as Karen Gillon said, and sided with capital. The partnership is estranged, if not entirely abusive.

15:18

**Bill Butler (Glasgow Anniesland) (Lab):** I am proud to declare my interest as a member of the Educational Institute of Scotland and GMB and as a lifelong trade unionist. As a Labour and Co-operative MSP, I welcome the opportunity to speak in the debate. I am proud of my party's continuing link with the organised industrial wing of the labour movement. I am delighted to support a motion that acknowledges the central importance of the trade union movement to a democratic, progressive Scotland.

I am pleased that the newly appointed general secretary of the STUC, Grahame Smith, and members of the STUC general council are in the public gallery to witness our proceedings—welcome, colleagues. It is right and fitting that they are here because, as members have said, the STUC took a leading role in the campaign for home rule and the establishment of the devolved Parliament. It played a crucial role in the defence of working people's interests in the years of Thatcher, Major and the Tory offensive. I should note that the pettifogging terms of the Tory amendment show clearly that, despite the avuncular Mr David "Call me Dave" Cameron, the Conservative party has not changed fundamentally.

The STUC played a vital role in the 50:50 campaign. I am proud to be a member of the only major party in Scotland that formally included that condition in its selection process. If it were not for the assiduous part played by the trade unions in the Scottish constitutional convention, it would have been a weaker and less commanding body.

The STUC, along with other civic partners, continues to play a positive part in the moulding of Scottish society. The Labour-led Executive recognised that in a memorandum of understanding, which is a formal mechanism for continuing dialogue between the Government and the trade union movement. That is a good thing. I congratulate the trade union movement on its work in a number of areas: its backing of the determined to succeed initiative; its work with the Scottish Women's Convention; and its essential work on and support for the various campaigns and initiatives relating to the protection of workers who serve the public. Those are all vital and laudable areas of work.

I will go into some detail on the Scottish union learning fund and the one workplace equal rights project. The union learning fund, which was established in 2000, has so far committed £4.9 million of investment in 69 union-led learning projects from 25 separate unions. In 2005, the Executive and the STUC developed a proposal that led to additional funding being provided for the creation of the STUC skills and lifelong learning team. That has meant an increased day-to-day partnership approach to union learning. There is also the Scottish union academy, which will be a very good thing when it is fully developed and which is essential to the development of union-led learning in future. I commend the trade union movement for the one workplace equal rights project, which complements the Labour-led Executive's one Scotland campaign and its attack on racism in our society.

In talking of social and economic justice, I say that I hope that our colleagues at Westminster will also be able to play their part in supporting the enactment of a trade union freedom bill in the year of the 100<sup>th</sup> anniversary of the Trades Dispute Act 1906. Such a bill would allow trade unions to carry out their essential work on a level playing field. The STUC and the Trades Union Congress support those reforms, which, while modest, are the norm in most of Europe. I commend the STUC and the TUC for that. Free trade unions are a positive contributor to the democratic, progressive Scotland most citizens would like. They are a force for good. They combat poverty and they enrich our nation. I commend the motion.

15:22

**Mr David Davidson (North East Scotland)**

**(Con):** I should also declare an interest. I am a member of two unions: the National Farmers Union Scotland, and the Royal Pharmaceutical Society of Great Britain, which, under its charter, has the right to act as a trade union. This has been an interesting debate—with the participation of Margaret Curran, it has been like the old times. I do not know why Ms Curran has been kept away from us, because we have missed her. This is the kind of debate in which she excels because she does not let facts get in the way of a good argument.

The Conservatives are not opposed to trade unions—I admire the work of many of them. I congratulate Grahame Smith on his appointment and hope that he has a successful time in post. If he wants to come to the Conservatives' corridor for a chat on any issue, at any time, we would welcome him. As Kenny MacAskill correctly said, this is a narrow debate, which could have been wider. Mr MacAskill described the tone of the motion as "somewhat inappropriate". No one is arguing about the role of trade unions or knocking the proud history of their good works. I had been going to mention, before Bill Butler did, the education role of trade unions. I have been in employment around the United Kingdom and I have seen the Mechanics Institute in Burnley and so on. It is not just the Carnegies of the world who did that sort of thing for the ordinary folk out there. The trade unions should be very proud of that.

However, I have issues with the clarity and openness of political funding. I do not object to a trade union member donating money to politics, but he should not be told by his union where he should put it.

**Karen Gillon:** The member will be aware that his party's Government introduced legislation that requires every trade union to hold a political fund ballot. All those ballots have been successful in the past. If he is in favour of such a partnership and the positive role of trade unions, will he tell us why the Conservatives have removed all reference to the trade unions in their amendment?

**Mr Davidson:** I do not believe that we have, because we have talked about a broader partnership. As Donald Gorrie said, the issue is community involvement for the various groups. It is not about who is more equal than others but about the wider connection with society, which is what I thought the Scottish Parliament was supposed to be about.

**Tommy Sheridan:** I take it that David Davidson would agree that every corporation that donates to the Tory party should ballot its employees or, at

least, its shareholders before it makes those donations.

**Mr Davidson:** That point is answerable at every shareholders meeting every year. Questions are asked and the answers are there for everybody to see.

One or two other members made interesting comments. Cathy Peattie went on about people coming to the Parliament. This week, we have had Help the Aged and a range of other organisations in the Parliament, and we welcome that. I do not object to trade unions coming. They have as valid a right to be here as every other campaign group.

I was interested in Mark Ballard's comment that there should be no more construction work in Scotland. I wonder whether the unions favour that comment.

Colin Fox was right to talk about actions not words and to say that the unions established the Labour Party, which I think he said is now supported by business-based life peers.

I congratulate Bill Butler on his comments on the union learning fund.

When I was an employer, my staff were free to join any union that they wanted to join—I did not believe any nonsense about what employees can and cannot do—but the relationship that I had with them was based on my experience of working with them. Workers must have choice. I do not object to what the minister said, but I object to the style in which she said it.

15:27

**Linda Fabiani (Central Scotland) (SNP):** I declare my membership of the Transport and General Workers Union and the highly active Scottish National Party trade union group. I have no issue at all with Margaret Curran's motion. I could nitpick about it if I really wanted to but, as Kenny MacAskill said, today should be a celebration of the work of past, present and future trade unions. The Tory amendment is a bit disingenuous, so we will not be supporting that.

The work of trade unions for workers in Scotland has been covered, so I will focus on the movement's support and campaigning work. We all know that the trade union movement in Scotland is overwhelmingly opposed to all nuclear weapons and does not support the replacement of Trident. Unions also believe that there are grounds to justify an independent inquiry into the use of Scottish airports by Central Intelligence Agency rendition flights and do great work in campaigning against dawn raids and for the rights of asylum seekers and their children.

I would like the Government and Parliament to join those campaigns. The STUC does not

recognise matters as being reserved or devolved; it just recognises whether issues are right or wrong and campaigns accordingly.

In international matters, too, our unions have long supported trade unionists in adversity and solidarity causes. The Fire Brigades Union's long hard work to help the anti-apartheid movement in South Africa is an example of that.

Trade union rights in Central and Latin American nations are a particular interest of mine. I was privileged to meet trade unionists in Peru while it was under the oppressive Fujimori regime. Thankfully, things in Peru are improving somewhat, but they must be watched carefully. Despite all the talk about the sweep of the left wing and socialism through Latin America, there are still quite a few countries in the region that have not been caught up in that change and could do with being watched. When Gilbert Bermúdez, the general secretary of Costa Rica's SITRAP union visited me a few years ago and told me of the on-going struggle in his country against the world's largest fruit companies and when Doris Calvo spoke at the SNP conference of her people's struggle against the kidnapping and intimidation of union activists, I was glad to know that Bill Spiers, the STUC and trade union members throughout Scotland were offering support.

However, the struggle is still going on. SITRAP banana and pineapple members have been threatened with mass sackings and, inside the plantations in Costa Rica, there is a permanent and intense campaign to intimidate and threaten workers with blacklisting or plantation closure if they join the union. Trade unionists throughout Scotland are still working to help their fellow workers on the other side of the world.

That brings me to my final point, which relates to the political levy. I understand why the political levy was put in place and agree with the reasons for doing that, as it provided necessary support for the labour movement at the time. However, times have changed. I would like union funds to be used to support international solidarity for workers. As an example of how that can be done, I have examined what SASK, the Trade Union Solidarity Centre of Finland, is doing. It was founded by the Central Organization of Finnish Trade Unions and its affiliated unions in 1986 and functions as part of the Finnish and international trade union movement to strengthen trade unions in every corner of the world. That is what we should be about: the international solidarity of those who have to work for a living.

SASK promotes social and economic equality in the developing countries in the Baltic region and in the new democracies close to Finland by supporting organisations that are not as strong as

it is. I am particularly interested in a project that it is funding in Peru, which is designed to bring together the two unions that operate in the mining industry, in which there are many abuses of workers. SASK's projects are jointly planned and implemented by workers from the local organisations. SASK's activities are funded by member unions, the Government of Finland and the European Commission. A branch or an individual member of a trade union can support SASK's projects by regularly paying a percentage or by being a support member. I think that that model is something that trade union members across our country would think was a good idea and would be happy to support.

The Executive's motion talks about how we achieved a new politics in Scotland. I would like that new politics, which has engaged civic society, to move on. I think that allowing our unions freely to assist trade unions and their members across the world would be a good way for that to happen.

15:32

**Ms Curran:** I note Rosie Kane's absence from the chamber and ask Colin Fox to pass on our condolences to her.

I will not rise to the bait of David Davidson's insults—I will leave that for another time—but I will say a few words about the breathtaking hypocrisy of the Tories. I would not want to disappoint them, so I assure them that we can have a good old-fashioned political row in here. I thank the Tories for showing their true colours. It was not my party that snubbed the CBI; it was David Davidson's leader, which shows a bit of inconsistency in the Tories' position.

The Tories claim that they are at pains to acknowledge the role of the unions but, as Karen Gillon pointed out, they could not bear to say that and that alone. I agree with Karen Gillon that their amendment would delete the key words from the motion. However, what pains them more is the fact that, although they have for some time thought that they are the only party that can bring prosperity to the nation and that no other party can deliver economic growth and manage trade union relations, we have proved that it is possible to bring about years of industrial peace and economic prosperity by working constructively with trade unions and by delivering a partnership that works in the best interests of the people whom we represent.

**Mr Davidson:** The minister will need to go and check her statistics. More working days have been lost since Tony Blair came to power than were lost in the days of Thatcherism.

**Ms Curran:** I will take a leaf out of Kenny MacAskill's book and ask the member to look at

Scottish history a bit more. I do not think that any Scots would wish us to go back to the days of the miners' strike—that is not how people want the Government to conduct industrial relations. The Labour Government in Westminster and the Scottish Executive have much more constructive relations with trade unions because we believe in partnership and in constructive approaches. We have seen a great illustration this afternoon of how the Tories would change that.

The key to our approach is recognition that we cannot resist all social and economic change and that we must instead attempt to shape that change and manage it in a progressive direction so that it works in the interests of the many, not the few. We have seen great evidence of that approach working in Scotland—I hope that it will continue as we meet the challenges of the future.

In work on the fresh talent initiative, the Scottish Trades Union Congress has given us support in ensuring that new Scots who come here are valued not just as workers but as citizens. There are students here today from Northumberland who have come to look at the work that we are doing to promote our new citizens and to ensure that they gain access to all that Scotland can offer.

I acknowledge Bill Butler's point about the trade unions' contribution to tackling racism in Scotland. The one Scotland, many cultures campaign is an extremely effective Executive policy. The significant contribution that it makes is recognised throughout Scotland and the trade unions have helped by taking it into the workplace.

I was particularly disappointed by what Bill Aitken said about consultation and the way in which we try to engage with broader civic society. Concentrating on one particular debate or partner does not mean that we diminish or disregard the roles of others. We have broad relationships with business—we do not snub business, as the Conservatives do—and with young people's organisations, the faith sector and the voluntary sector. We will continue to have those relationships, not just because we want to encourage people to participate in our democracy, valuable though that is, but because we want to go beyond consultation.

This will probably pain Bill Aitken, but I have to say that we get great recognition throughout the world for our innovative techniques in consultation and engagement. Trade unions will continue to be a key part of that agenda, not just as passive consultees, but as active partners. We do not want dialogue only with a few people at the top—we need access to a network of people who work in the front line of industry and services. That emphasis on listening to people who work in industry and services is key to our approach. Again, that approach is very different from the Conservatives' approach.



We also provide opportunities for people who have traditionally not been heard by Government. In going well beyond vested interests and the usual suspects, we want to hear from people who have different perspectives and we are very willing to do that. As Linda Fabiani said, we are trying to inaugurate the new politics so that we go beyond those who have traditionally been included.

This has been not a narrow debate but a wide-ranging debate that has acknowledged the role of the trade unions in their various guises and the contributions that they make to society. They work directly with the workforce, but they are often involved in changes that benefit many people in society. More broadly, they also contribute to economic prosperity and social change. Despite the voices of those who try to prevent it, we must maintain our constructive focus to ensure that Parliament, the Executive and we as a country meet the challenges of the future. Trade unions will be a vital part of that, not just because we have them as partners but because they bring a particular perspective and experience to Government. We cannot do business without the trade unions.

I am pleased that we took the opportunity to have this debate largely, to be honest, because it flushed out what the Tories are really like, but also to show the trade unions that they have, in the Executive, a partner that is committed to ensuring that they get proper recognition. We will take forward the agendas that meet their members' needs, but we will also listen to them as they offer valuable perspectives on the policies that we need to take Scotland forward.

## Council Tax

### **The Deputy Presiding Officer (Murray Tosh):**

The next item of business is a debate on motion S2M-5258, in the name of Annabel Goldie, on council tax.

15:38

### **Derek Brownlee (South of Scotland) (Con):**

I hope that the Executive is as concerned for the plight of the council tax payer as it is for the Confederation of British Industry. Council tax in Scotland has increased by 60 per cent since Labour came to power and it is common knowledge that pensioners who are on fixed incomes are among those who have been hit hardest by the increase. As we will no doubt hear, part of the problem is that uptake of council tax benefit is too low—about 200,000 pensioners who are eligible for council tax benefit do not claim it. All parties would agree that that is a serious concern: it is why we propose a council tax discount of 50 per cent for pensioner households, which would be a simple but effective way of helping a group of people who have been affected by the rise in council tax.

### **Alasdair Morgan (South of Scotland) (SNP):**

Will the member give way?

**Derek Brownlee:** I would like to make progress.

Today's debate could go one of two ways. It could either rapidly become an academic discussion on the various merits and problems of a range of different local tax systems, or it could be focused more pragmatically on the practical aspects of how we can help pensioners to deal with the burden of council tax. We should focus more on the practical aspects.

**Alasdair Morgan:** Is Mr Brownlee as surprised as the rest of us that, for the second Opposition finance debate in a row, no Labour minister has turned up to defend the Executive's position?

**Derek Brownlee:** I am no longer surprised by the actions of Labour ministers.

There may be members who propose a local income tax to replace council tax and those who support a new local property tax. Such new taxes would take many years to implement, but our proposals would bring benefits to pensioners within a year. I suggest that all parties unite around a set of sensible proposals at least in the short and medium term because helping pensioners should surely be more important than ideological purity.

**Tommy Sheridan (Glasgow) (Sol):** Will the member give way on that point?

**Derek Brownlee:** No. I want to make progress.

Let us be honest: the Burt review was set up to provide cover for a division between the coalition parties. However, it is fair to say that the report is even-handed in that it was unhelpful to every party. It rejected the council tax, it rejected amendment of the council tax, it rejected a local income tax and it did not say much about the Scottish service tax. As we know, its central proposal was a new local property tax. All I will say in favour of the Executive is that at least it has published the report. The Lyons review on the same issue in England was quietly shelved today in the pre-budget report. Conveniently, it will now not emerge until after the next election, for which Mr McConnell will perhaps be grateful.

Let us look at the proposed local property tax that is outlined in the Burt report. The Minister for Finance and Public Service Reform has refused even to say when the Executive will publish its views on the Burt recommendations, so perhaps today his deputy will bring some clarity on that. Perhaps the problem is that once again the coalition parties cannot agree—there is, after all, an election in the offing. Of course, Mr McCabe is reluctant to publish many things of consequence.

**Mr John Swinney (North Tayside) (SNP):** He is no publisher.

**Derek Brownlee:** Indeed he is not. He is even reluctant to grace us with his presence, but there we go.

There was one occasion when Mr McCabe made it to Parliament and on which he told Mr McLetchie that the report “remains under active consideration”. The First Minister said to Nicola Sturgeon during First Minister’s question time in November that he had made his view clear, so the Minister for Finance and Public Service Reform is coming from a very different point of view.

The Deputy Minister for Finance and Public Service Reform, Mr Lyon, confirmed in his evidence to the Local Government and Transport Committee that the idea of taxing every home in Scotland on its value is very much alive. It is not surprising that Labour is minded to support the idea, because it has just imposed it on Northern Ireland—yet people are surprised that Labour does not field candidates there. I am not saying that the council tax is perfect, but it is infinitely preferable to a local property tax.

There are also problems with a local income tax. Evidence from HM Revenue and Customs on the Scottish Socialist Party’s Council Tax Abolition and Service Tax Introduction (Scotland) Bill estimated that it would take nine years to get the service tax up and running, and that is for a tax that would have one set of rates rather than 32.

The Lib Dems and the nationalists both support a local income tax. The Scottish National Party makes that clear in its amendment. I wonder which would be the more terrifying prospect if the Lib Dems and SNP were to surge ahead in the polls: the idea that a coalition between the two would impose a local income tax in Scotland or the idea of Mr Lyon as finance minister and Mr Swinney as his deputy.

Not every Lib Dem is in favour of a local income tax, however. No less a figure than the president of the Liberal Democrats, Simon Hughes, said on his party’s plans for a local income tax that “there was a flaw”. What was that flaw? It is that it means “different things in different parts of the country”.

Not like a typical Lib Dem policy, then?

Just in case Labour members are a little too comfortable now, we read during the summer that

“a source close to Labour’s policy forum”

thought that the idea of a council tax discount for pensioners “had legs”. However, the policy does not need legs of its own when Labour members are running away from it so quickly. I wonder whether that is because they burned their fingers badly in 2005. Members may remember that, just before the 2005 general election, the Chancellor of the Exchequer announced a £200 discount on council tax for pensioners. At that time, he said that it was

“a measure that is fairer and worth more to ... pensioners than all other proposed schemes.”—[*Official Report, House of Commons*, 16 Mar 2005; Vol 432, c 269.]

The press release that accompanied the announcement said:

“the Government believes it is right to help elderly households with their council tax.”

The decision was right in 2005 before an election, but wrong in 2006 after one, when the payment was scrapped. That was not because the chancellor believed that the principle was wrong: if we believe *The Guardian*, it was scrapped “to damage Labour’s chances” in the English local elections in May. We must hand it to him—it certainly worked.

The fundamental issue that we confront is a choice between the Lib Dems, who propose a local income tax and other measures that could not be implemented quickly, and people who prefer a pragmatic approach that would achieve results. The plans that we have proposed are costed, affordable and sustainable. They are simple to understand and would be easy to implement. More important, they would deliver lower tax to pensioners next year, rather than in nine years. All that is required is the political will.

I have pleasure in moving the motion in Annabel Goldie's name. I move,

That the Parliament notes the recommendations of the Independent Local Government Finance Review Committee report but opposes its central recommendation of a "local property tax"; agrees that the 60% increase in council tax levels since Labour came to power has left those on low incomes struggling to pay their council tax bills, especially our pensioner households, and therefore calls for a 50% discount on council tax for all pensioner households aged 65 and over in Scotland, as proposed by the Scottish Conservatives.

15:46

**The Deputy Minister for Finance, Public Service Reform and Parliamentary Business (George Lyon):** Local taxation issues have long been among the most difficult on which to reach consensus and the most controversial. Even the far-reaching and highly regarded Layfield committee's report 30 years ago acknowledged the difficulty of choosing between a property-based tax and a local income tax. More recently, in 2002, the Parliament's Local Government Committee examined the issues and highlighted the need to strike a balance between council tax funding of local services and the funding that we in the Executive provide.

Following the previous election, we committed ourselves to establishing an independent review of local government finance. We delivered on that commitment—the Burt committee published its report on 9 November. We have said that we will consider carefully the committee's final report.

I accept that genuinely different views exist on what the right systems should be. It is very observant of Mr Brownlee to notice the difference of opinion between the coalition parties, which has been highlighted in many debates and in the evidence that both parties presented to the Burt committee.

**Tommy Sheridan:** Will the minister take an intervention?

**George Lyon:** I do not have much time and I would like to make progress.

The Burt report presents challenges to all political parties, but it also provides a useful platform for our debate. The committee took a wide range of evidence and was well lobbied by organisations that represent older people; for instance, almost a third of the 350 responses to the committee's public consultation were from pensioners. The committee also received a further 450 postcards from pensioners as part of a campaign that Help the Aged co-ordinated.

**Tommy Sheridan:** The minister will be aware that the report cost the Scottish taxpayer more than £350,000. Was the First Minister speaking on

behalf of the Executive or the Labour Party when he dismissed the report before it was published?

**George Lyon:** The matter is very important and the Burt committee has done serious work on it. It behoves all the parties, if they are interested in the future of local government finance, to examine the work that Burt put into the report and to consider carefully the recommendations and conclusions.

Pensioners' high levels of concern and interest are reflected in the report, in which an entire section is dedicated to pensioners. We should all read that section and the committee's recommendations and discussion. Whether or not we decide to support the recommendations, we should at least make ourselves aware of the committee's reasoning and evidence for its assertions.

One comment by the committee that I am sure we can all endorse is that, under the current system, it is important that pensioners take up the benefits to which they are entitled, including council tax benefit. Pensioners who are on low incomes are among the most vulnerable people in our society, so we want to ensure as far as possible that they receive the money to which they are entitled. It is an entitlement, not a privilege.

**Christine Grahame:** Will the minister give way?

**George Lyon:** I am sorry—I must make progress. The debate is so short that I do not have much time to accept interventions.

Take-up rates are still too low and we support the measures that the Department for Work and Pensions has taken to increase awareness of council tax benefit. We, too, are promoting that via central heating programme benefits health checks, by providing additional information in our "Agenda" magazine and on our website, and through groups such as the older people's consultative forum. It makes no sense for vulnerable people to struggle on when they could be entitled to extra help.

Of course, the Executive has taken significant steps to improve the lives of older people in Scotland. We have acted to tackle pensioner poverty in Scotland and, as a result, since 1999 80,000 Scottish pensioners have been lifted out of relative poverty. That represents a reduction in relative pensioner poverty of over a third. We are continuing to tackle pensioner poverty through a number of measures that are targeted specifically at our older citizens. Our central heating programme has so far provided central heating systems to more than 73,000 homes throughout Scotland. That is a great achievement in which we take some pride. Over 2004-05, the central heating programme provided predicted average annual savings on fuel bills of between £217 and £461. Our warm deal scheme has also been targeted at pensioners, and we have provided free

bus travel for older and disabled people. We are also providing free personal and nursing care for the elderly.

For pensioners and for all council taxpayers throughout Scotland, we have just had the lowest average council tax increase since devolution. Over the period since 1999, council tax increased by 33 per cent in Scotland compared with 59 per cent in England and 60 per cent in Wales.

For the future, we want a system of local taxation that is fair, reliable, predictable and stable. That is why we need a constructive debate and proper consideration of the best available evidence on where need lies and how we can tackle it. I am sure that that is the spirit in which this afternoon's discussions will take place.

I move amendment S2M-5258.3, to leave out from "the recommendations" to end and insert:

"that the Scottish Executive established the independent inquiry into local government finance consistent with the Partnership Agreement of May 2003; notes that individuals and political parties made representations to this inquiry which published its findings in November 2006, and notes that the Executive will consider the report in its entirety and will respond to the committee's findings in due course."

15:51

**Mr John Swinney (North Tayside) (SNP):** There are moments in this chamber when one imagines that one could be in a parallel universe because of some of the remarks that are made. In response to a point that Mr Sheridan was trying to make to him, the minister just said that serious consideration had to be given to the conclusions of the Burt review. However, I have here an extract from *The Herald*, dated 9 November, which has the bold headline that "McConnell will not give 'the time of day' to 1% home tax". The subheading says that the "First Minister leads emphatic rejection of house levy plan". If that is "serious consideration", I would like to see what cursory dismissal is in the parallel universe in which the Scottish Executive operates.

There are points in the motion that Mr Brownlee moved—in, I must say, uncharacteristically graceless fashion in respect of his remarks about Mr Lyon and myself—with which we can agree. We accept that the council tax system has been unfair and that it has placed a punishing burden on many people in our society. We also accept that council tax has increased by 60 per cent since Labour came to power. We accept the analysis of the problem, but we do not accept the solution that the Conservatives propose.

There is a deep-seated problem—which Mr Brownlee and the minister touched on—in that there is, at its core, unfairness in the council tax system. We must try to tackle that. There are

496,429 pensioners in Scotland who are eligible to claim council tax benefit, but the information that we have shows that only 56 per cent of them claim council tax benefit, which means that more than 200,000 pensioners are not claiming the council tax benefit to which they are entitled. For the minister to labour so much the argument for council tax benefit is, to be frank, flogging a dead horse. Council tax benefit is a failed policy instrument. No matter how hard the Executive tries and no matter how many advice sessions it holds, a sizeable number of pensioners are unlikely to utilise council tax benefit because of the ridiculous and complex bureaucracy that the Government has put in place.

**George Lyon:** I hear what Mr Swinney says. However, does he accept that we need, until the system is changed, to try to maximise the amount of benefit that pensioners receive? I hope that Mr Swinney supports that notion.

**Mr Swinney:** Council tax has been in existence since 1994, but only 56 per cent of pensioners claim council tax benefit. At some stage, the Executive must conclude that the benefit is not effective and is not working. I am all for council tax benefit being paid to pensioners who are entitled to it, but I am deeply sceptical about the Government's ability to make any sizeable difference on the proposal.

The local government finance debate is obviously immensely complex, but parties must put forward their positions honestly. We argue for a local income tax and we think that the prevarication on the issue has gone on for far too long. The Executive has wasted four years and, as has been mentioned, more than £300,000 on an independent inquiry, but we are not an inch further forward in our deliberations.

We are putting our cards on the table in arguing for a local income tax. I am sure that the Labour Party will stand firm beside the evidence that it gave to the Burt review in saying that it believes in the council tax, in extra bands and in a revaluation—just to punish the council tax payers of Scotland even more than they have so far been punished over the seven years of devolution. We will put forward our proposal for a genuinely fair alternative that relates to people's ability to pay. Until the local tax system relates to ability to pay, it will be unjust and unfair and it will be a burden on those who cannot afford to pay it.

I move amendment S2M-5258.1, to leave out from "a 50% discount" to end and insert:

"the council tax to be abolished and replaced by a local income tax based on the ability to pay."

**The Deputy Presiding Officer:** I call Bristow Muldoon to open for the Labour Party. You have four minutes.

15:56

**Bristow Muldoon (Livingston) (Lab):** The issue has been debated on many occasions in the past, and I have no doubt that it will be a major plank of next year's election campaign, with each party putting forward its distinctive position. As this is a short debate, I will get through as many points as possible.

The one point that I would agree with the Tories on is that there is an issue in respect of affordability of the council tax for pensioner households that are just above the council tax benefit threshold. Beyond that single point, however, the Tories' answer to the issue is deeply and fundamentally flawed. In relation to their privatisation plans for Scottish Water, it is completely unacceptable.

**Derek Brownlee:** Will the member take an intervention?

**Bristow Muldoon:** I do not have time—I have only four minutes, I am afraid. The Tories' solution is a complete mirror image of the approach that Labour has been taking in government of aiming to help the poorest pensioners the most, with measures such as the pension credit. In addition to such targeted measures, Labour has sought to help pensioners with universal measures such as the winter fuel payment, the reduction in VAT on fuel, and free bus travel here in Scotland. Most of those measures were opposed by the Tories in Parliament.

The Tory answer is neither targeted at the poorest pensioners nor is it universal. Consistent with the Tories' approach when they were in power, it is targeted at the wealthiest pensioners: those who would benefit from it most are in the largest houses. The poorest pensioners, who are in receipt of council tax benefit, would not benefit by a single penny. It is the classic Tory position of Robin Hood in reverse.

The Tories' proposed means of paying for their policy—privatising Scottish Water—was rejected by the people of Strathclyde in the 1990s and would be rejected again tomorrow if it were put to the people of Scotland. The Tories also fail to answer the question how their policy would be funded on an on-going basis.

**Derek Brownlee:** Will the member take an intervention?

**Bristow Muldoon:** No. I have very little time.

It is probably just as well that the issue that every single member in the chamber would agree on, including Annabel Goldie, is that the one outcome that will not happen next year is the election of a Tory Government, so those policies will never see the light of day.

I turn to the local income tax proposals from the SNP and the Liberals. The Burt review concluded that such a tax would need to be set at 6.5p in the pound on top of the existing standard and higher rates of income tax. Such a tax would hurt working families hard. It would damage the Scottish economy by reducing our competitiveness and it would give us the highest income tax in the United Kingdom.

**Mr Swinney:** Will the member give way?

**Bristow Muldoon:** I have very little time, although I would like to have a longer debate with Mr Swinney on this issue.

A local income tax would also damage our ability to recruit professionals, including doctors, to the national health service and academics to our universities. The SNP is obviously in retreat on the policy, given that Nicola Sturgeon started to talk about a cap on the level of the tax at the SNP conference. The SNP has failed to spell out to Parliament and the people of Scotland where it would find the £1 billion of public service cuts that would be needed to pay for such a cap. The SNP cannot be trusted on this.

Finally, I turn to Labour's position. To be clear, there are no circumstances in which the Labour Party will support the introduction of a local income tax. For the benefit of Mr Brownlee, I underline that we have no intention of introducing the local property tax that the Burt review proposes. I am sorry if Mr Brownlee was a bit confused on that. Labour believes that a property-based taxation system is a legitimate basis for raising resources. We recognise that there are many other ways of paying tax, including income tax. A property-based tax such as the council tax is easy to collect and hard to avoid. It provides a stable source of revenue and is supported by a benefits system that helps the less well off.

We believe that the council tax can be improved to ensure that those on the lowest bands do not pay a disproportionate amount and that we can do more to encourage the take-up of council tax benefit.

Finally, I suggest that we should consider introducing a rebate for pensioners on their water rates, which are paid by even the poorest pensioners. Even with the recent introduction of assistance towards water rates, the poorest households still pay 75 per cent of their water charges. Such a rebate could be either universal or targeted at the poorest pensioners.

The best way forward is to reform the council tax and to improve its fairness.

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

16:00

**Mark Ballard (Lothians) (Green):** I am grateful to the Tories for initiating a debate on the council tax. The need for a local government finance system that offers an alternative to the council tax is an issue in which I have long had an interest, much to the amusement of my Green party colleagues who regard me as an anorak for participating in these debates time after time.

It is absolutely clear that ability to pay is a factor that should be taken into account in considering ways of raising local government finance. It was a key issue that was considered in the much quoted report produced by Sir Peter Burt and his local government finance review committee. In the chapter to which the minister referred, the report deals with the issues faced by pensioner households. It examines why so many pensioners do not take advantage of the available benefits, why we have a problem of council tax bills rising faster than pensions and so on. The minister covered many of those points, so I shall not bore members by recycling them, but it is worth laying out some of the points in the Burt report that appear to have passed the Tories by.

First, as the report points out, if we are concerned about ability to pay, why should a pensioner household on a given income and living in a given house receive more benefits than a working-age household on the same level of income and living in a similar house? That is not explained in the Tory motion.

**Derek Brownlee:** My understanding is that the Green party favours a land value tax. How would that relate to ability to pay?

**Mark Ballard:** If Mr Brownlee wants to know the details, I will be glad to engage with him on that. I refer him to Professor Arthur Midwinter's magisterial work, "A Brief History of Local Government Finance in Scotland 1579 to 1999". It is well worth a read, I must say, because it looks at how laws that operated in Scotland for several hundred years taxed individuals on their means and substance. Ability to pay is based not only on people's income but also on their wealth. Land value taxation would cover wealth.

Some 50 per cent of the total tax take in the UK is made up of income tax and national insurance. If we want a broad tax base, it is right that wealth as expressed in land and property should also be taxed. I note that Derek Brownlee did not see fit to answer my question. Why should a pensioner household on a certain income in a certain house receive more benefit—as would happen under the Tory proposal—than a working-age household on the same level of income and in the same type of house? It is clear that the effect of the Tory proposal to provide a 50 per cent rebate for

pensioner households would be to narrow the tax base, which would push more of the costs on to working families.

The Tory proposal is fundamentally flawed. If we are serious about tackling pensioner poverty, which is a major issue, we should not fiddle at the margins with things such as local taxation and fuel tax benefits, but give more money to pensioners in the first place. That means that a citizen's pension should be available as part of a citizen's income scheme. We should ensure that pensioners have the money coming in rather than fiddle at the margins with the money going out.

Given their abysmal record of introducing the poll tax and their failure to outline any clear policy apart from the 50 per cent rebate, which would be another distortion in an already flawed system, it is a bit rich for the Tories to lecture Scotland on a fair approach to local government finance. Despite what we heard from Bill Aitken in the earlier debate and from Derek Brownlee in this one, I am pretty sure that, in claiming to be a new caring sharing Tory party, they are simply wearing a see-through suit rather than the clothes of a relevant political party that is serious about tackling injustice and pensioner poverty.

16:05

**David McLetchie (Edinburgh Pentlands) (Con):** A review of local government finance was one of the cornerstones of the partnership agreement between Labour and the Liberal Democrats in May 2003, but when it came to expressing a view on the Burt committee's recommendations we had eerie silence at official level, broken only by a few off-stage mutterings from the First Minister's spin doctor. From that we can draw two conclusions: first, the Executive parties have decided to kick the issue into the long grass until after the election; secondly, the local property tax, which was the Burt committee's central recommendation, is under active consideration by those parties.

We know that a local property tax is under active consideration by Labour and the Liberal Democrats because it has found favour with them in other contexts. Homes in Northern Ireland will now be subject to a local property tax as a result of a decision that was taken by the Labour Government at Westminster only last month. At UK level, the Liberal Democrats are giving favourable consideration to such a tax, on top of a local income tax.

**Mike Rumbles (West Aberdeenshire and Kincardine) (LD):** Will the member take an intervention?

**David McLetchie:** I am about to come to Mr Lyon. The proposal is alive and kicking. If Mr Lyon

would like categorically to rule it out now, on behalf of the Scottish Executive, I would be happy to give him time to do so.

**Mike Rumbles** *rose*—

**David McLetchie:** I invited Mr Lyon to rule it out—but he remains in his seat because it seems that when it comes to giving us substantive information on behalf of the Scottish Executive, Mr Lyon is as tight lipped as his boss, taciturn Tom McCabe. It is a great pity that taciturn Tom McCabe is not here this afternoon, because it would be really interesting to know what the Labour Party thinks of all this.

**Bristow Muldoon** *rose*—

**David McLetchie:** I am coming to Mr Muldoon, believe me. During the summer recess, one of the Labour Party's back benchers, Bristow Muldoon MSP, came up with a very interesting idea. He said that Labour should introduce a council tax discount—wait for it—for pensioners. That was brilliant. Inspired. We welcome Mr Muldoon as a convert to the Conservative case and urge him to encourage all his colleagues on the Labour back benches to adopt our plan for a 50 per cent council discount for pensioners.

**Bristow Muldoon:** Mr McLetchie should have listened carefully to my speech. I made clear that I think we should be helping pensioners, but I want to help the poorest pensioners, not—as the Conservative party wishes to do—only the wealthiest.

**David McLetchie:** I listened to the member's speech, in the course of which he said that the Tory answer was flawed, although it was the same answer that he gave in July. He dissembled slightly because, as the record will show, he went from arguing that we should help pensioners with council tax bills to arguing that we should help them with sewerage and water bills, which is completely different.

Our plan could be introduced right away. We do not need any new taxes, to create any new sets of winners and losers or to shuffle liabilities from one group to another. All we have to do is tackle what is undoubtedly the biggest single source of complaint. That is the Conservative way ahead. We recommend it to the other parties, even if only on a short or medium-term basis, as Derek Brownlee said. It could make a real difference in very short order, irrespective of what we may all think about the longer-term position.

16:09

**Tommy Sheridan (Glasgow) (Sol):** It is essential that I start by referring to Mr Brownlee's comment that helping pensioners is more important than ideology. I hope, therefore, that he

or whoever else sums up for the Tory party will begin with an undiluted apology for the 1980 policy of breaking the link between earnings and the state pension. I have the figures in front of me for them. If the link had not been broken in favour of an ideology whose aim was to facilitate the cutting of top-rate taxes for the wealthy and corporation taxes for the Tories' big business friends, single pensioners would today be £53 a week better off than they are and pensioner couples would be £85 a week better off than they are.

If the Tories really do not want ideology to get in the way of helping pensioners, they should apologise for breaking the link with earnings, which they did in 1980 in the name of ideology. I see that Mr Davidson is waiting, like a coiled spring, to intervene.

**Mr David Davidson (North East Scotland) (Con):** I want to put Tommy Sheridan out of his agony. The UK policy of the Conservatives is to re-establish that link.

**Tommy Sheridan:** That is why I hope an apology will be forthcoming from whoever sums up for the Tories. I do not want the pensioners of Scotland to get the wrong idea and to think that the Tories have their best interests at heart when their record provides concrete evidence of a different story.

I want to talk about asylum seekers of the worst kind—asylum seekers who are scroungers and dodgers and who want to take advantage of this country's public services, but who do not want to pay towards their delivery. The asylum seekers to whom I refer are the 23 billionaires whom only this week *Forbes* magazine revealed to be non-domiciled residents in London and the 100,000 multimillionaires who now choose to stay within the UK's borders precisely because they seek asylum from fair taxation in their own countries. They have come to live here to dodge their taxes. That is the background to today's debate.

When it comes to scrapping the council tax, what we require is recognition not just that it is an unfair tax but that it should be replaced by a progressive, redistributive tax. I say to Mr McLetchie that that would mean that we would have a new set of winners and losers and that we in the Parliament would be among the new set of losers. All members should be losers because of the income that we receive as representatives in Parliament—the fact that we receive £52,000 a year means that we could pay more towards local government jobs and services so that local government workers and other low-paid workers and pensioners would pay less. That is what redistribution should be all about. We do not need a new head tax.

I attacked the Burt committee before it made its report because everyone who sat on it had little ability to imagine what it would be like to pay more—they, of course, would lose out under a progressive income tax. Unlike the First Minister, I did not attack the Burt committee's members after they published their report; I attacked them before they did so and have more credibility as a result.

We must have recognition that we need a new income tax to replace the unfair council tax and that the new tax must be progressive in that it must tax high earners and the wealthy more. That is the only way in which we can make the books balance. If we have just a single-line tax, the books will not balance and there will have to be cuts in local government services. Let us have a new set of winners and losers. We should let the pensioners and the ordinary workers be the winners at long last and ensure that the wealthy and the well-paid are the losers because they can afford to pay more.

16:13

**Mr Charlie Gordon (Glasgow Cathcart) (Lab):**

In John Steinbeck's great story, "Of Mice and Men", poor Lenny is so grateful to his friend George for saving him from drowning in the river that he forgets that it was George who told him to jump in the river in the first place.

In attempting to grab some cheap headlines by calling for a 50 per cent council tax rebate for senior citizens, surely the Tories do not expect that their legacy of a decade ago—a legacy of £400 million of costs for Scottish council tax payers for their botched and gerrymandered reorganisation of local government—has been forgotten. Let us not forget, either, the consequential cuts and job losses in areas with high levels of poverty that were caused by the Tories' disaggregation of the former regional councils' budgets, which was conducted purely on a pro rata population basis, with no deprivation element.

We have not forgotten the damage that the Tories did. In Glasgow, the council tax rose by 50 per cent, £200 million was cut from services and 3,000 jobs were lost in the first three years of that Tory legacy.

**Bill Aitken (Glasgow) (Con):** Will the member give way?

**Mr Gordon:** I am sorry, but I do not have time. I hope that the facts do not confuse the member.

In the eight subsequent budget years, Glasgow has had no above-inflation increases in council tax. That is partly due to the Labour chancellor's handling of the United Kingdom's public finances, partly due to the Labour-led Executive's growing

the local government cake and partly due to efficient government locally, which has generated an average £15 million in savings annually over eight years.

Of course, that is not to say that some absolute levels of council tax are not still too high. Commitment to council tax stability, achieved through efficient government, must remain. Neither is it to say that the council tax does not require reform. The Burt committee report affords us a well informed contribution to that important debate, but it is too important a matter for us to rush to a decision on it. We do not want to rush into another mess like the Tories' hated poll tax or the expensive tower of Babel that would be a local income tax.

In *The Herald* today, Annabel Goldie claims to have a natural empathy with her UK Tory party leader, David Cameron—I think she calls him Dave and he calls her Miss Goldie. Dave is a slick public relations man by background, while Annabel is a serious—but not overly serious—respected lawyer and politician. This headline-grabbing foray, which would cost £200 million annually, smacks more of Dave than of Annabel. The Tories would pay for it by privatising our water services. Need I say more? Well, I will add this: the next Labour Government will restore the link between pensions and earnings, which the Tories broke; the next Labour Executive will reform the council tax; and, in the meantime, the Labour-led Executive will maintain council tax stability.

16:16

**Ms Maureen Watt (North East Scotland) (SNP):**

I am delighted to be taking part in the debate because, as the Tories have recognised, council tax will be a major issue at the election next year. People know that since 1997 the council tax for those who live in a band D house has increased by 50 per cent. The current system of council tax is now perceived as so unfair and such a huge burden on those least able to pay it that it will undoubtedly be high on voters' list of priorities when they decide how to cast their vote.

The SNP's view is that changing council tax bands, replacing council tax with a property tax or offering rebates here and there in the run-up to the election would only be tinkering at the edges of local government finance and that it would fail, like the Burt review, to address the real issues of local government finance and its relation to national taxation. Like George Lyon, I look forward to having a real and meaningful debate on the Burt review. I hope that he will not still be reading his ministerial brief with his tongue firmly in his cheek.

We must not forget that council tax is a small part of local government finance and that any



shortfall in the money provided by central Government to local government has to be made up through a much larger increase in council tax as a result of the so-called gearing effect. That is why the SNP believes that any national Government initiative that is foisted on local government must be accompanied by sufficient funding.

However, there is a much more fundamental issue, of which council tax problems are only one symptom and which the Burt report skimmed over. The McIntosh commission recognised that to achieve a meaningful role for local government and what it called "parity of esteem" between local government and the Scottish Parliament, the financial arrangements between the two were paramount. It is unfortunate that the Burt report did not take that as its starting point.

It is no accident that local income tax forms the basis of the taxation systems of small social democratic countries in the arc of prosperity. Contrary to Mr Brownlee's remarks, we would not be inventing the wheel if we had a local income tax. Other countries have managed to implement it and raise funds quite well. Indeed, this morning Bruce Crawford and I had a meeting with the Nordic Green Left Alliance. Its representatives believe that raising taxation and spending the money raised at a local level increases people's level of interest in Government affairs and has made a significant contribution to much higher turnouts at their elections.

Many in this Parliament now realise that raising revenue in Scotland as well as spending it is important to the credibility and legitimacy of the Parliament. In establishing subsidiarity in communities, it is important to reorganise local government finance. By raising finance locally in a fair and progressive manner, the local income tax is a win-win situation. I ask members to support the SNP amendment.

16:20

**Mike Rumbles (West Aberdeenshire and Kincardine) (LD):** The Scottish Liberal Democrats have argued strongly for the introduction of a local income tax to replace the discredited council tax. I put it on the record, for David McLetchie's benefit, that we do not support Mr Burt's property tax.

Local income tax would benefit around 70 per cent of households in Scotland. That is backed up by the Burt report, which states:

"It's clear that around 60% of households are no worse off under a local income tax and some are substantially better off."

Of course we are disappointed that Burt did not go down the local income tax route, but he made it clear that the council tax had

"fundamental and inherent shortcomings and couldn't be made fairer."

That is the key point. The Liberal Democrats have always argued that the council tax is not a fair tax and that it is not related to an individual's ability to pay it.

It seems, from the Tories' motion, that the Tories now accept that the council tax hits those on the lowest incomes and those on fixed incomes the hardest. We share the Conservatives' aspiration to help our pensioners, but do they want to get rid of the council tax? No: they just want to tinker at the edges of it.

The Conservatives seem to accept that Labour's policy of getting people on low incomes to claim council tax credit is failing because the system of form filling and red tape is confusing and difficult for them. According to Derek Brownlee, the Conservative spokesman, that is why 200,000 pensioners who are entitled to council tax credit do not claim it. What is the Conservatives' solution to the problem of red tape and difficulty? Is it to create a fairer system or to remove the red tape? No: their solution is to have even more red tape and to get our pensioners to fill in even more forms to claim the new rebate.

Let us for a moment ignore the ever growing mountain of paperwork and red tape and consider whether the Conservatives' policy would solve the problem. The council tax for a band H home in Glasgow is £2,400. Half of that is still £1,200. If we add water charges, the cost for a pensioner couple is £1,900. The proposal would do absolutely nothing to address the plight of many pensioners, who are asset rich but cash poor. The Tories' proposal is not a solution to the unfairness of the council tax, but a gimmick that they think will play well on the doorstep.

Let us not forget that it was the Conservatives who foisted the poll tax on Scotland, then had the nerve to introduce the council tax, then broke the link between pensions and earnings. Now they promise to halve pensioners' council tax bills. They have already admitted that they cannot win the election next year and say that they will not go into a Government in any form. They know that they simply cannot deliver their promise to pensioners. It is as empty and hollow as their apology for the poll tax—which came not from the Scottish Conservatives but from David Cameron.

Charlie Gordon made huge assumptions in his speech. I certainly do not agree that we should assume that we will have a Labour-led Administration next year—that is up to the voters.

The council tax hits those on low and fixed incomes the most. It is supported by the Labour Party and the Conservative party. The Liberal Democrats acknowledge that there is no majority

in this Parliament to get rid of the fundamentally flawed council tax, but we look forward to next year, when the people of Scotland will have the opportunity to change that situation. We look forward to the opportunity to replace the completely unfair council tax.

16:24

**John Swinburne (Central Scotland) (SSCUP):**

I have never heard, in any debating chamber, so many people try to defend the indefensible. Indeed, I find it incomprehensible that any intelligent person can argue for the retention of a totally regressive taxation system.

In response to Tommy Sheridan, Charlie Gordon said that the Labour Party will restore the link between earnings and pensions. That will not happen until 2012, which will be exactly 15 years after Labour came to power—if it is still in power at that time—and a third of a century after Maggie Thatcher did away with the link. On Mr Sheridan's point about the erosion of the value of pensions, today's pension will be worth the equivalent of only £71 before anyone gets around to reassessing the situation and restoring the link.

I could make 1,001 points and talk for four hours on this subject, but I have only another three minutes. Where do I start? The Burt report recommends that

"a new Local Property Tax (LPT) should replace council tax."

That is simply the council tax by another name.

We should take a hard look at recommendation 10 in the report, which refers to

"the introduction of an optional deferment scheme for pensioner households who own their own homes".

That is already happening. As soon as anyone enters a care home, the first person at their bedside is a social worker to means test them. Means testing is the abomination that we all have to live with today. Good, decent people who have worked hard all their lives are being degraded by having to parade their poverty before civil servants and getting—if they are lucky—a pittance in return.

As far as "deferment" is concerned, social workers already tell people in care homes, "You don't have to sell your home to pay for your care—just sign this deferred agreement." The soul signs the paper and, when he or she dies, the vultures descend and take the house to pay for the care that he or she received over the previous X number of years. That is probably what the Burt report means by the

"optional deferment scheme for pensioner households who own their own homes".

What about those who pay rent? They simply do

not come into the calculation and will receive no relief.

It cannot be right that, in 2006, a pensioner can receive a national pension of only 9p a week from this Government. Someone might have cared from the age of 16 for their mother for 20 years until she died and then cared for their father for another 24 years until he died. When they turn 60 and try to collect their pension, they find that they have no stamps. When they say, "But I've been a carer all that time," they are told, "If you had applied, we would have given them to you." When they ask whether they can apply retrospectively, they are told that they cannot. Moreover, they might be asked whether they have any money. If they say, "My father left me £25,000," they are simply told, "Come back when you're poor. In the meantime, you can have the minimum pension of 9p a week." We should all think shame of ourselves.

In any case, we must do something to stop means testing. I liked Mr Pringle's suggestions in that respect; indeed, I might even be tempted to vote Liberal with my first vote.

**Mike Rumbles:** Actually, it was Mr Rumbles.

**John Swinburne:** Sorry.

16:29

**Donald Gorrie (Central Scotland) (LD):** As everyone hates everyone else's local government tax proposals, we should perhaps concentrate on something that we might all agree on. The Burt committee made much of the relationship between national Government and local government and claimed that it had heard from many sources that local government was unhappy. Perhaps we should sort out that issue while all the other proposals remain in the long grass—or wherever it is such proposals end up.

The Burt committee also suggested that we separate water and sewerage charges from council tax collection. The suggestion has merit, because although water and sewerage charges, which are high, are not within councils' control, people regard their bill as a global figure for which they blame their council. We could pursue that issue.

**John Swinburne:** In an answer to a parliamentary question that I asked, I was told that qualifying pensioner households can get a 25 per cent reduction in their water services charges, if they know how to apply for it. That is a little step in the right direction.

**Donald Gorrie:** I am pleased and interested to hear that.

We will not reach an agreement on a system of local taxation, because everyone hates everyone

else's system. Indeed, everyone unites in hating poor Sir Peter Burt's proposed system, which was kicked into the long grass before the first ball of the match was bowled—that was unfortunate. Nobody likes paying tax and all systems are defective in some way, but somehow we must take a rational look at the different ways of raising local taxation.

We will not do anything in this session of the Parliament. The coalition agreed that there should be an inquiry and until the election it will—legitimately—hide behind the fact that it is carefully studying the local government finance review committee's conclusions. That is how life is. However, the election will be heavily fought on local government systems of finance and I hope that, after the election, members of the Scottish Parliament—I will not be one of them—will be adult enough to discuss sensibly how to proceed, because the status quo is not an option and all other options have been rubbished by someone. There will have to be some concessions, which people will find difficult, but it is possible that the new Parliament will be full of extraordinarily enlightened and co-operative people, who will be prepared to compromise and dwell in amity with all parties. I will watch with interest.

16:32

**Colin Fox (Lothians) (SSP):** There is a palpable sense of déjà vu in this debate on the council tax—perhaps with two exceptions. Even though I was sitting at the back of the chamber, I could feel the discomfort of the minister, Mr Lyon, when he outlined the Liberal position, which appears to be all over the place.

**Mike Rumbles:** Will the member give way?

**Colin Fox:** I will come to the member later. He should give me a chance to get started.

As members said, when the Conservatives initiate a debate on the council tax, credibility is stretched too far. No one can trust the policies on local government finance of a party that defended the poll tax for so long. The propositions that the Conservatives make therefore come under immense scrutiny and fail the essential trust test.

In previous debates on the council tax, the Executive has told us many times that we must wait for the local government finance review committee's conclusions. The long-awaited report has been produced, but the Executive's response is simply to defend the status quo. Labour and the Tories defended the council tax and kicked the review into the long grass for years and years, only to end up in the position in which they started—there are no surprises there.

People argue for a local property tax on the basis that, first, such a tax would have an approximation to an income tax, and secondly, a property tax cannot easily be avoided. We have heard those arguments many times, but better arguments must be proffered in this debate if we are to be attracted to such a system.

Members talked about the impact of the council tax. We have studied the matter for many years. Many pensioners find that as much as a quarter of their income goes to pay their council tax bill. The Parliament has debated fuel poverty. Given that a person who spends a quarter of their income on their fuel bill is regarded as being in fuel poverty, it is clear that tens of thousands of pensioners in this country could be regarded as being in council tax poverty.

Frankly, council tax is an unfair, unjust and hated tax base. As members have said, not only is it not related to the ability to pay, but the reality is that the rich pay coppers, while pensioners and low-paid workers pay a relatively high proportion of their income.

As members have rightly said, council tax will dominate or be a prominent part of the 2007 elections. Mr Swinney talked about honesty and other members talked about distinctive positions. The people of Scotland will realise that the Scottish Socialist Party has had a distinctive position on the issue from the beginning: we wish to scrap the council tax and replace it with a local income tax. The Scottish Socialist Party, the only party that has stood by that position consistently, will remind the voters of Scotland that, on 1 February of this year—February fool's day—the SNP and the Liberals, members of which parties have talked about distinctive positions and honesty, had the opportunity to support a local income tax to replace the council tax, but chose not to support the Council Tax Abolition and Service Tax Introduction (Scotland) Bill. No party has done more than the Scottish Socialist Party to highlight the inequities of the council tax and the need to replace it with a progressive alternative. We stand by what we have done. Other parties will be called to account on the issue. The minister said that we need further debate on the matter, but we have debated it for four years and the Liberals still seem not to know where they stand. Go on, minister, take a view on the issue rather than prevaricating. The Liberals should have voted for, not against the bill that would have scrapped the council tax and replaced it with a local income tax.

16:36

**Michael McMahon (Hamilton North and Bellshill) (Lab):** Much of the speculation about the Tory party these days focuses on whether it is pursuing a distinctly different set of proposals in

Scotland from those that David Cameron is developing at Westminster. In the debate, the Scottish Conservatives have managed to pursue both: like David Cameron, they tell people what they think they want to hear, but they remain, in Mr Cameron's words, Conservative to the core. The debate has exposed that, when we get beyond the branding and the newly created public relations image, the Tories—in Scotland as in the rest of the United Kingdom—do not have the answers to the problems that face people in Scotland today.

David Cameron would put our economic stability at risk. The tax report that the Tories released in October outlined plans for a huge £21 billion cut in public spending—how very old Tory.

**Derek Brownlee** *rose*—

**Michael McMahon:** Give me a minute to make some progress.

The cuts that the Tories intend to impose would damage our country's long-term competitiveness by undermining Labour's investment programmes in matters such as skills and training—again, so very Tory. From what Tory members have said this afternoon, it is clear that the Scottish Conservatives are signed up fully to that agenda, but they have also told us that they will destroy public services in a distinctively Scottish way. Mr Cameron has been at great pains to put across the PR image that the Tories will not look for tax cuts, but Annabel Goldie, ploughing her own furrow, announced subsequently that the Tories plan to cut taxes for pensioners by 50 per cent, which would cost public services £200 million per year in the process. There we have it: populist nonsense coupled with economic irresponsibility, wrapped in Tory tartan.

**Derek Brownlee:** The Chancellor of the Exchequer today announced £284 million per year extra for the Scottish Executive, which could fund the policy in full, if Michael McMahon does not like our proposal. He talks about the record of the Labour Government, but is he proud or ashamed that £100 billion has been taken out of pension funds as a result of Gordon Brown's actions when he first became chancellor?

**Michael McMahon:** I am certainly not going to take any lectures from the Tories about stealing from pensioners.

As everyone knows, the Tories have given us an undeliverable promise, which, when held up against the core Conservative instincts, exposes an uncoded ideological sham, despite what Derek Brownlee says. When the Tories left office in 1997, they had created the greatest pensioner inequality in 30 years. Their high-inflation economic mismanagement had eroded incomes and savings for two generations of pensioners, while the mass unemployment that they created

deprived many older workers of the chance to build a decent retirement income. Since they were, mercifully, kicked out of office, they have, in opposition both at Westminster and here, opposed everything that Labour has done to help pensioners. The proposal to cut council tax for pensioners would reduce the money that is available for local services on which pensioners depend. We need to provide help for pensioners, but the Tories want to concentrate on helping only wealthy pensioners. They then revert entirely to type by announcing that they will pay for their tax cuts by privatising Scottish Water.

**Dave Petrie (Highlands and Islands) (Con):** Will the member give way?

**Michael McMahon:** I am in my last minute.

That is not only a failed policy from the past, but one that makes even less economic sense today.

Will the Conservatives tell us how, after their one-off windfall—and it is debatable whether it would even cover the £200 million loss to local authorities—they intend to find the money in the subsequent years? They simply cannot, and no matter how populist they try to be, they will never erase from the minds of our pensioners the consequences of their policies.

**David McLetchie:** Will the member give way?

**Michael McMahon:** I am in my last minute.

Their proposal is incredible in its substance and in its ideology. It is Tory, it is Scottish Tory and, because it is so, it will never happen.

16:41

**Christine Grahame (South of Scotland) (SNP):** I am beginning to feel a bit sorry—just a bit sorry—for George Lyon. When the going gets tough, Tom McCabe gets going and George Lyon is plucked out to deal with matters.

Derek Brownlee set the tone for a consensual, pragmatic debate, so he is reaping what he sowed. The Tories are scandalous. They broke the link between pensions and earnings and now they are talking about restoring it. They imposed the poll tax on Scotland—we were the sorry guinea pigs, but who is sorry now, Mr Brownlee? It is like an albatross around his neck, from which he will never escape. Scotland's pensioners have nothing to thank the Tory party for and they have nothing to thank the Labour Party for. As John Swinburne so eloquently described, the Labour Party happily kept a Tory policy and has not restored the link with earnings. It has kept the council tax. In fact, that is how it got elected in England: it pinched the Tories' clothes and now Mr Cameron is trying to steal them back from a very weary Tony Blair.

What people require is a decent citizens pension and a proper taxation system that takes account of income. John Swinney talked about flogging a dead horse—I could not have put it better myself. How many times have we stood here and said, “Forty-eight per cent of pensioners entitled to pension credit do not claim it. More than 40 per cent entitled to council tax benefit do not claim it”? There is no point in saying that we must encourage pensioners to claim those benefits—they just ain’t working. Targeting and means testing have been a failure for the poorest in society. I say to Bristow Muldoon that, as we know, the Burt review was yet another shameless delaying tactic to stitch together the Lib-Lab coalition until after May, when they will all pretend that they have had nothing to do with each other for the past seven years.

**Mike Rumbles:** Does Christine Grahame accept that if we had a vote to replace the council tax with a local income tax, we would not win it because the Labour Party and the Tories would combine to defeat it?

**Christine Grahame:** Mr Rumbles is stating the obvious. The point is that this is the umpteenth time that we have watched Labour and the Liberal Democrats keeping their marriage together on the slimmest of grounds. After the election we know that the Liberal Democrats will try to take the credit and blame the Labour Party—hence Mr McCabe’s absence.

Two principles should be applied to a tax: it should be equitable and collectable. A local income tax meets those tests. It is based on the ability to pay. We have an income tax system that already identifies those who are liable, so we have the processes in place. It is clear and simple, and would not involve the bureaucracy of the council tax and the council tax benefit system. It would protect not just pensioners, but others who we have not mentioned, such as those on low and fixed incomes and families on the poverty line. A local income tax would be reliable to collect. Income tax collection rates are around 96.17 per cent. Collection rates for the council tax are 92.7 per cent. A local income tax would be easier and cheaper to collect. Collection costs for the council tax were £78 million, £30 million of which was spent on the failing council tax benefit system.

There are people out there who must despair that, after seven years of a Liberal-Labour coalition, we are no further towards a fair, accountable system of local tax. We have had yet another fudge on the Labour and Liberal Democrat side of the chamber, while on the Tory side of the chamber, for “interim measure”, read “election bribe”. Everyone can see through that. No wonder the Scottish electorate is turning to the Scottish National Party, with our local income tax—which

would remove people’s fear of losing their house—a decent citizens pension and a nuclear-free Scotland. I rest my case.

16:45

**George Lyon:** The debate has been reasonably constructive. Although I welcome the concern that has been expressed for me, as the minister who is appearing, it is deeply disappointing that my appearance is not appreciated and that members would prefer someone else to turn up to answer the debate.

**Christine Grahame:** Not at all; we are your greatest fans.

**George Lyon:** I am not sure what to say after that, to be honest.

Scotland faces a number of challenges and opportunities, including an aging population. It is expected that there will be a 35 per cent rise in the number of people of state pension age from 2004 to 2031. We want to respond proactively to that expectation to safeguard the future of Scotland. The debate on the future of local taxation must be set in that context of a declining and aging population and in the context of a change in the way people live that has, for example, created a huge demand for affordable single-person housing.

We are setting the agenda with our public services reform work. It is a challenging agenda, but the Burt committee welcomes our public services reform work and makes the point that local taxation cannot be considered in isolation from the kinds of public services that we want to deliver. Our vision is for world-class public services that provide the people of Scotland with the platform on which to build better lives for themselves and their children and that are there for them when times are good and support them when times are hard. We are achieving that by progressing a range of cross-cutting policy and delivery programmes that are driving up standards and creating the kinds of sustainable and accessible services that the people of Scotland need and deserve. That work must all be underpinned by a modern and sustainable taxation system.

I have spoken about the future, but I am aware of the pressures that the council tax can place on many people, especially those who are on fixed incomes, such as pensioners. The setting of council tax levels is a matter for local authorities, but we have repeatedly said that we expect councils to keep council tax rises to reasonable levels, which remains our position.

**Mr Swinney:** Will George Lyon give way?

**George Lyon:** I am conscious that I do not have a lot of time. Otherwise I would be delighted to give way.

The most recent council tax charge in the average band D was £1,129, which is an increase of £35 or 3.2 per cent on last year's figure. That was the lowest increase since devolution. Councils in Scotland have benefited from unprecedented levels of funding in recent settlements. In the eight financial years from 1999-2000, funding for local government through the core settlement will have increased by more than £3 billion.

It is too early to say what next year's council tax increases will be, but I expect councils to continue to maintain downward pressure on council tax levels as they consider their budgets. The Minister for Finance and Public Service Reform has said on several occasions that he is prepared to reconsider local government funding for 2007-08 in light of the pressures that local authorities face and I am sure that everyone will welcome our decisions when the minister makes his statement to the Parliament on 13 December.

It is worth remembering that we asked the Burt committee to conduct a thorough examination of the full range of local taxation options and to make recommendations. All political parties that are represented in the Parliament made their proposals to the committee and set out their plans for making local government taxation fairer. I am sure that we can all agree on that objective.

**Mr Swinney:** Will George Lyon give way?

**The Deputy Presiding Officer:** You do have some time, minister.

**Mr Swinney:** That was a reckless statement, Presiding Officer.

Will Mr Lyon concede that, in the claimback process that it envisages for its local property tax proposals, the Burt committee has produced a system that is as unworkable as the council tax benefit system and that that represents a fundamental flaw in the Burt review's approach to pensioners?

**George Lyon:** I am aware that a number of parties have expressed that view on the point that Mr Swinney raises.

It is clear from the debate that there is still little agreement on the appropriate way forward to deliver a fairer system of local government taxation. In some ways, Burt gave us a starting point for debate when he stated that he was unable to recommend either continuation or reform of the current system. I have no doubt that this debate will continue in the coming months and that the Scottish Executive will consider carefully the contents of the committee's final report. I ask members to support the amendment in my name.

16:50

**Mr David Davidson (North East Scotland) (Con):** How long do I have, Presiding Officer?

**The Deputy Presiding Officer (Trish Godman):** Nine minutes, maybe.

**Mr Davidson:** I congratulate my colleagues on their excellent speeches. It is painfully obvious that people have woken up to the fact that we will do something for the pensioners of Scotland—and every family has got one. We can do something early. Our proposal is achievable and deliverable and it should not get kicked into the long grass.

It is shameful that no minister was prepared to come to the chamber today and talk on behalf of the Executive on this serious subject. We have had next to nothing of content from George Lyon. We recognise that he is here to represent the Executive, not one or other of the Executive parties. However, we have not heard where the Executive is going with Burt—we have been told only that it is not going to touch it until after the next election.

**George Lyon:** I have said consistently that we will examine the report in some detail and that, at some stage, we will respond to it.

**Mr Davidson:** Does that mean that the Executive will respond before the election, to enable the electorate to understand what the Executive's policy is?

**George Lyon:** I have said what I have said.

**Mr Davidson:** I thank the minister for that response, which means, in other words, no answer yet again.

A number of questions have been raised today about how we would pay for our proposals. We did not say that we would privatise Scottish Water; we said that we would mutualise it, which would give it an ability to go into the marketplace. I cannot quote the figure offhand, but I think that the Executive's figure—not one that we dragged out of nowhere—for revenue support for Scottish Water in 2007-08 is something like £190.8 million. On a yearly basis, that would more than cover the costs of our proposals, which are indicated in the figures that we have produced.

**Bristow Muldoon:** I am intrigued about how Scottish Water would plug the gap that would be created by the withdrawal of that revenue support.

**Mr Davidson:** If Mr Muldoon had listened to some of the debates that we have had in this Parliament in the past almost eight years, he would know that, if Scottish Water, with a different funding system, had been allowed to go into the marketplace, money would be flowing at a much faster rate—which would mean that water would not be being lost at the current rate. Labour might

be able to answer that point when it gets around to thinking about it.

The minister said that all will be well on 13 December. Santa will come early for councils because the local government settlement will be wonderful—that is more or less the phrase that he used. Could Mr Lyon tell us whether there will be recognition of the new burdens that his Executive has placed on local government, which are most certainly not funded? The fact that they are not funded has resulted in ever-higher council tax levels for the people of Scotland. There is no getting away from that.

Mr Lyon and Charlie Gordon also talked about public service reform. I found it quite amazing that, with a wee bit of an elbow from Tom McCabe, councils managed suddenly to find efficiencies that they had been unable to find for years, yet service seems to roll on. Perhaps people in local government have something to consider as well.

I take it that the new allowances for pensioners' water charges that Bristow Muldoon mentioned are part of a new Labour policy.

Mark Ballard has still not told us what the Greens' policy is. We still do not know—we know only that it is a land tax. Even Robin Harper admits that that is not very helpful or fair to anyone.

**Mark Ballard:** The Burt report goes into land value taxation in great detail and recognises its many advantages. Certainly, what it says about land value taxation is more promising than what it says about the Tories' non-existent policies in this area.

**Mr Davidson:** On another day, Mr Ballard might tell us how that tax relates to ability to pay. However, that is another story.

Everybody loves to condemn the Burt report and nobody wants to support it. The Executive says, "It wisnae us. It's not what we wanted." The First Minister was the first to have a go at the report and we have heard nothing positive about it from the Executive parties. It is obvious that the Burt report was a costly delaying tactic that allowed the Executive to say that it would look at the matter in due course. I have a feeling that the Executive has looked at it and that it is terrified to do anything and terrified to make an announcement.

The Liberal Democrats and the SNP had the opportunity to vote for their flagship policy of a local income tax when the Parliament considered the Council Tax Abolition and Service Tax Introduction (Scotland) Bill, but they ran away. Perhaps on another day the Liberal Democrats and the SNP might care to tell us publicly what the difference is between their schemes. If they are to go into coalition, which they seem to be rumbling on about, we and the pensioners need to know—

**Tommy Sheridan:** Will the member take an intervention?

**Mr Davidson:** I do not think that I have time.

**Tommy Sheridan:** You have enough time. You have four minutes.

**The Presiding Officer (Mr George Reid):** You have a bonus two or three minutes, Mr Davidson.

**Mr Davidson:** That is very kind of you, Presiding Officer. In that case, I will take Mr Sheridan's intervention.

**Tommy Sheridan:** I thank Mr Davidson for the reciprocal arrangement. Does he share my dismay that, after seven years of the Parliament, neither the Liberal Democrats nor the SNP have managed to produce a bill that tells us what they would replace the council tax with?

**Mr Davidson:** The reason is simple. They are terrified to do that because they know what the cost would be to the Scottish taxpayer.

The Burt report does not address all the issues. We are stuck with political parties having to decide what they are going to say to the Scottish electorate. I assure you that the Scottish Conservative party is proud to propose a 50 per cent reduction for pensioner households. We cannot offer that to everyone over 60 because of equality rules, but we are honest about our policy, which is fair and deliverable. We have laid it on the table, we can cost it, and we know how it will work. The people of Scotland are entitled to expect such clarity from all political parties. I am proud to support Annabel Goldie's motion.

16:57

*Meeting suspended.*

16:59

*On resuming—*

## Business Motions

**The Presiding Officer (Mr George Reid):** The next item of business is consideration of business motions S2M-5281, S2M-5282, S2M-5274 and S2M-5275, in the name of Margaret Curran, on behalf of the Parliamentary Bureau.

*Motions moved,*

That the Parliament agrees the following revision to the programme of business for Thursday 7 December 2006—

after,

2.55 pm Conclusion of Stage 3 Proceedings: Adoption and Children (Scotland) Bill

delete,

*followed by* Executive Debate: Fisheries.

That the Parliament agrees the following programme of business—

Wednesday 13 December 2006

2.00 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Ministerial Statement: Local Government Finance Settlement 2007-08

*followed by* Executive Debate: Fisheries

*followed by* Business Motion

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Thursday 14 December 2006

9.15 am Parliamentary Bureau Motions

*followed by* Stage 3 Proceedings: Legal Profession and Legal Aid (Scotland) Bill

11.40 am General Question Time

12 noon First Minister's Question Time

2.15 pm Themed Question Time—  
Enterprise, Transport and Lifelong Learning;  
Justice and Law Officers

2.55 pm Conclusion of Stage 3 Proceedings: Legal Profession and Legal Aid (Scotland) Bill

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Wednesday 20 December 2006

10.00 am Time for Reflection

*followed by*

*followed by*

2.00 pm

*followed by*

*followed by*

*followed by*

*followed by*

*followed by*

*followed by*

5.30 pm

*followed by*

Thursday 21 December 2006

9.15 am

*followed by*

11.40 am

12 noon

2.15 pm

2.55 pm

*followed by*

*followed by*

5.00 pm

*followed by*

That the Parliament agrees that the timetable for completion of consideration of the Prostitution (Public Places) (Scotland) Bill at Stage 1 be extended to 19 January 2007.

That the Parliament agrees that the timetable for completion of consideration of the Aquaculture and Fisheries (Scotland) Bill at Stage 1 be extended to 22 December 2006.—[*Ms Margaret Curran.*]

*Motions agreed to.*

Parliamentary Bureau Motions

Equal Opportunities Committee Debate: 2nd Report 2006, Removing Barriers and Creating Opportunities

Parliamentary Bureau Motions

Finance Committee Debate: 7th Report 2006, Inquiry into Accountability and Governance

Stage 1 Debate: Aquaculture and Fisheries (Scotland) Bill

Financial Resolution: Aquaculture and Fisheries (Scotland) Bill

Justice 2 Committee Motion – Civil Appeals (Scotland) Bill

Business Motion

Parliamentary Bureau Motions

Decision Time

Members' Business

Parliamentary Bureau Motions

Scottish National Party Business

General Question Time

First Minister's Question Time

Themed Question Time  
Education and Young People,  
Tourism, Culture and Sport;  
Finance and Public Service and  
Communities

Finance Committee Debate: Stage 2 of the 2007-08 Budget Process

Procedures Committee Debate: 6th Report 2006, Public Bills and Substitution; 7th Report 2006, Members' Interests (Parliamentary Determinations and Resolutions); 8th Report 2006, Consolidation Bill Procedure; 9th Report 2006, Rule 10.3.2 (the "20-day rule")

Parliamentary Bureau Motions

Decision Time

Members' Business.



## Parliamentary Bureau Motions

17:00

**The Presiding Officer (Mr George Reid):** The next item of business is consideration of five Parliamentary Bureau motions. I ask Margaret Curran to move motion S2M-5283 on decision time, motions S2M-5276 and S2M-5277 on approval of Scottish statutory instruments, and motions S2M-5278 and S2M-5279 on substitutions on committees.

*Motions moved,*

That the Parliament agrees under Rule 11.2.4 of Standing Orders that Decision Time on Wednesday 20 December 2006 shall begin at 5.30 pm.

That the Parliament agrees that the draft Civic Government (Scotland) Act 1982 (Licensing of Skin Piercing and Tattooing) Amendment Order 2006 be approved.

That the Parliament agrees that the draft Registration Services (Consequential Provisions) (Scotland) Order 2006 be approved.

That the Parliament agrees that Mr Alasdair Morrison be appointed to replace Janis Hughes as the Labour Party substitute on the Finance Committee.

That the Parliament agrees that Marilyn Livingstone be appointed to replace Ms Wendy Alexander as the Labour Party substitute on the European and External Relations Committee.—[*Ms Margaret Curran.*]

**The Presiding Officer:** The questions on those motions will be put at decision time.

## Decision Time

17:01

**The Presiding Officer (Mr George Reid):** There are eight questions to be put as a result of today's business. In relation to the debate on council tax, if the amendment in the name of George Lyon is agreed to, the amendment in the name of John Swinney falls.

The first question is, that amendment S2M-5269.1, in the name of Bill Aitken, which seeks to amend motion S2M-5269, in the name of Margaret Curran, on civil participation and trade union engagement with Scotland's civic society, be agreed to. Are we agreed?

**Members:** No.

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

### For

Aitken, Bill (Glasgow) (Con)  
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)  
 Brownlee, Derek (South of Scotland) (Con)  
 Davidson, Mr David (North East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Johnstone, Alex (North East Scotland) (Con)  
 McGrigor, Mr Jamie (Highlands and Islands) (Con)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 Milne, Mrs Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Petrie, Dave (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Tosh, Murray (West of Scotland) (Con)

### AGAINST

Alexander, Ms Wendy (Paisley North) (Lab)  
 Arbuckle, Mr Andrew (Mid Scotland and Fife) (LD)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baird, Shiona (North East Scotland) (Green)  
 Baker, Richard (North East Scotland) (Lab)  
 Ballance, Chris (South of Scotland) (Green)  
 Ballard, Mark (Lothians) (Green)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Robert (Glasgow) (LD)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 Fox, Colin (Lothians) (SSP)  
 Gillon, Karen (Clydesdale) (Lab)  
 Glen, Marlyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gordon, Mr Charlie (Glasgow Cathcart) (Lab)  
 Gorrie, Donald (Central Scotland) (LD)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Patrick (Glasgow) (Green)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, John (East Lothian) (Lab)  
 Hughes, Janis (Glasgow Rutherglen) (Lab)

Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)  
 Kerr, Mr Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Lyon, George (Argyll and Bute) (LD)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 Maclean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 May, Christine (Central Fife) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 McMahon, Michael (Hamilton North and Bellshill) (Lab)  
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Pringle, Mike (Edinburgh South) (LD)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Radcliffe, Nora (Gordon) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)  
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)  
 Scott, Eleanor (Highlands and Islands) (Green)  
 Scott, Tavish (Shetland) (LD)  
 Sheridan, Tommy (Glasgow) (Sol)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Swinburne, John (Central Scotland) (SSCUP)  
 Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)  
 Wallace, Mr Jim (Orkney) (LD)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

#### ABSTENTIONS

Adam, Brian (Aberdeen North) (SNP)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Grahame, Christine (South of Scotland) (SNP)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 MacAskill, Mr Kenny (Lothians) (SNP)  
 Marwick, Tricia (Mid Scotland and Fife) (SNP)  
 Mather, Jim (Highlands and Islands) (SNP)  
 Matheson, Michael (Central Scotland) (SNP)  
 Maxwell, Mr Stewart (West of Scotland) (SNP)  
 Morgan, Alasdair (South of Scotland) (SNP)  
 Neil, Alex (Central Scotland) (SNP)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Swinney, Mr John (North Tayside) (SNP)

Watt, Ms Maureen (North East Scotland) (SNP)  
 Welsh, Mr Andrew (Angus) (SNP)

**The Presiding Officer:** The result of the division is: For 14, Against 77, Abstentions 22.

*Amendment disagreed to.*

**The Presiding Officer:** The second question is, that motion S2M-5269, in the name of Margaret Curran, on civic participation—trade union engagement with Scotland's civic society, be agreed to. Are we agreed?

**Members:** No.

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

#### FOR

Adam, Brian (Aberdeen North) (SNP)  
 Alexander, Ms Wendy (Paisley North) (Lab)  
 Arbuckle, Mr Andrew (Mid Scotland and Fife) (LD)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baird, Shiona (North East Scotland) (Green)  
 Baker, Richard (North East Scotland) (Lab)  
 Ballance, Chris (South of Scotland) (Green)  
 Ballard, Mark (Lothians) (Green)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Robert (Glasgow) (LD)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Gillon, Karen (Clydesdale) (Lab)  
 Glen, Marlyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gordon, Mr Charlie (Glasgow Cathcart) (Lab)  
 Gorrie, Donald (Central Scotland) (LD)  
 Grahame, Christine (South of Scotland) (SNP)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Patrick (Glasgow) (Green)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, John (East Lothian) (Lab)  
 Hughes, Janis (Glasgow Rutherglen) (Lab)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)  
 Kerr, Mr Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Lochhead, Richard (Moray) (SNP)  
 Lyon, George (Argyll and Bute) (LD)  
 MacAskill, Mr Kenny (Lothians) (SNP)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 Maclean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)

Martin, Paul (Glasgow Springburn) (Lab)  
 Marwick, Tricia (Mid Scotland and Fife) (SNP)  
 Mather, Jim (Highlands and Islands) (SNP)  
 Matheson, Michael (Central Scotland) (SNP)  
 Maxwell, Mr Stewart (West of Scotland) (SNP)  
 May, Christine (Central Fife) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 McMahon, Michael (Hamilton North and Bellshill) (Lab)  
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Morgan, Alasdair (South of Scotland) (SNP)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Neil, Alex (Central Scotland) (SNP)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Pringle, Mike (Edinburgh South) (LD)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Radcliffe, Nora (Gordon) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)  
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)  
 Scott, Eleanor (Highlands and Islands) (Green)  
 Scott, Tavish (Shetland) (LD)  
 Sheridan, Tommy (Glasgow) (Sol)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Swinburne, John (Central Scotland) (SSCUP)  
 Swinney, Mr John (North Tayside) (SNP)  
 Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)  
 Wallace, Mr Jim (Orkney) (LD)  
 Watt, Ms Maureen (North East Scotland) (SNP)  
 Welsh, Mr Andrew (Angus) (SNP)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

#### ABSTENTIONS

Aitken, Bill (Glasgow) (Con)  
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)  
 Brownlee, Derek (South of Scotland) (Con)  
 Davidson, Mr David (North East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Fox, Colin (Lothians) (SSP)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Johnstone, Alex (North East Scotland) (Con)  
 McGrigor, Mr Jamie (Highlands and Islands) (Con)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 Milne, Mrs Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Petrie, Dave (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Tosh, Murray (West of Scotland) (Con)

**The Presiding Officer:** The result of the division is: For 98, Against 0, Abstentions 15.

*Motion agreed to.*

**The Presiding Officer:** The third question is, that amendment S2M-5258.3, in the name of George Lyon, which seeks to amend motion S2M-5258, in the name of Annabel Goldie, on council tax, be agreed to. Are we agreed?

**Members:** No.

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

#### FOR

Alexander, Ms Wendy (Paisley North) (Lab)  
 Arbuckle, Mr Andrew (Mid Scotland and Fife) (LD)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baird, Shiona (North East Scotland) (Green)  
 Baker, Richard (North East Scotland) (Lab)  
 Ballance, Chris (South of Scotland) (Green)  
 Ballard, Mark (Lothians) (Green)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Robert (Glasgow) (LD)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 Gillon, Karen (Clydesdale) (Lab)  
 Glen, Marlyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gordon, Mr Charlie (Glasgow Cathcart) (Lab)  
 Gorrie, Donald (Central Scotland) (LD)  
 Harvie, Patrick (Glasgow) (Green)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, John (East Lothian) (Lab)  
 Hughes, Janis (Glasgow Rutherglen) (Lab)  
 Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)  
 Kerr, Mr Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Lyon, George (Argyll and Bute) (LD)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 Maclean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 May, Christine (Central Fife) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 McMahon, Michael (Hamilton North and Bellshill) (Lab)  
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Pringle, Mike (Edinburgh South) (LD)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Radcliffe, Nora (Gordon) (LD)

Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)  
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)  
 Scott, Eleanor (Highlands and Islands) (Green)  
 Scott, Tavish (Shetland) (LD)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Wallace, Mr Jim (Orkney) (LD)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

#### AGAINST

Adam, Brian (Aberdeen North) (SNP)  
 Aitken, Bill (Glasgow) (Con)  
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)  
 Brownlee, Derek (South of Scotland) (Con)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Davidson, Mr David (North East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Fox, Colin (Lothians) (SSP)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Grahame, Christine (South of Scotland) (SNP)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Johnstone, Alex (North East Scotland) (Con)  
 Lochhead, Richard (Moray) (SNP)  
 MacAskill, Mr Kenny (Lothians) (SNP)  
 Marwick, Tricia (Mid Scotland and Fife) (SNP)  
 Mather, Jim (Highlands and Islands) (SNP)  
 Matheson, Michael (Central Scotland) (SNP)  
 Maxwell, Mr Stewart (West of Scotland) (SNP)  
 McGrigor, Mr Jamie (Highlands and Islands) (Con)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 Milne, Mrs Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Morgan, Alasdair (South of Scotland) (SNP)  
 Neil, Alex (Central Scotland) (SNP)  
 Petrie, Dave (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Sheridan, Tommy (Glasgow) (Sol)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Swinburne, John (Central Scotland) (SSCUP)  
 Swinney, Mr John (North Tayside) (SNP)  
 Tosh, Murray (West of Scotland) (Con)  
 Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)  
 Watt, Ms Maureen (North East Scotland) (SNP)  
 Welsh, Mr Andrew (Angus) (SNP)

**The Presiding Officer:** The result of the division is: For 72, Against 40, Abstentions 0.

*Amendment agreed to.*

**The Presiding Officer:** The amendment in the name of John Swinney falls.

The fourth question is, that motion S2M-5258, in the name of Annabel Goldie, on council tax, as amended, be agreed to. Are we agreed?

**Members:** No.

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

#### FOR

Alexander, Ms Wendy (Paisley North) (Lab)  
 Arbuckle, Mr Andrew (Mid Scotland and Fife) (LD)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baird, Shiona (North East Scotland) (Green)  
 Baker, Richard (North East Scotland) (Lab)  
 Ballance, Chris (South of Scotland) (Green)  
 Ballard, Mark (Lothians) (Green)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Robert (Glasgow) (LD)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 Gillon, Karen (Clydesdale) (Lab)  
 Glen, Marlyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gordon, Mr Charlie (Glasgow Cathcart) (Lab)  
 Gorrie, Donald (Central Scotland) (LD)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Patrick (Glasgow) (Green)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, John (East Lothian) (Lab)  
 Hughes, Janis (Glasgow Rutherglen) (Lab)  
 Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)  
 Kerr, Mr Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Lyon, George (Argyll and Bute) (LD)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 Maclean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 May, Christine (Central Fife) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 McMahon, Michael (Hamilton North and Bellshill) (Lab)  
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Pringle, Mike (Edinburgh South) (LD)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Radcliffe, Nora (Gordon) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)  
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)  
 Scott, Eleanor (Highlands and Islands) (Green)  
 Scott, Tavish (Shetland) (LD)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)

Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Wallace, Mr Jim (Orkney) (LD)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

#### AGAINST

Adam, Brian (Aberdeen North) (SNP)  
 Aitken, Bill (Glasgow) (Con)  
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)  
 Brownlee, Derek (South of Scotland) (Con)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Davidson, Mr David (North East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Fox, Colin (Lothians) (SSP)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Grahame, Christine (South of Scotland) (SNP)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Johnstone, Alex (North East Scotland) (Con)  
 Lochhead, Richard (Moray) (SNP)  
 MacAskill, Mr Kenny (Lothians) (SNP)  
 Marwick, Tricia (Mid Scotland and Fife) (SNP)  
 Mather, Jim (Highlands and Islands) (SNP)  
 Matheson, Michael (Central Scotland) (SNP)  
 Maxwell, Mr Stewart (West of Scotland) (SNP)  
 McGrigor, Mr Jamie (Highlands and Islands) (Con)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 Milne, Mrs Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Morgan, Alasdair (South of Scotland) (SNP)  
 Neil, Alex (Central Scotland) (SNP)  
 Petrie, Dave (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Sheridan, Tommy (Glasgow) (Sol)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Swinburne, John (Central Scotland) (SSCUP)  
 Swinney, Mr John (North Tayside) (SNP)  
 Tosh, Murray (West of Scotland) (Con)  
 Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)  
 Watt, Ms Maureen (North East Scotland) (SNP)  
 Welsh, Mr Andrew (Angus) (SNP)

**The Presiding Officer:** The result of the division is: For 73, Against 40, Abstentions 0.

*Motion, as amended, agreed to.*

*Resolved,*

That the Parliament notes that the Scottish Executive established the independent inquiry into local government finance consistent with the Partnership Agreement of May 2003; notes that individuals and political parties made representations to this inquiry which published its findings in November 2006, and notes that the Executive will consider the report in its entirety and will respond to the committee's findings in due course.

**The Presiding Officer:** The fifth question is, that motion S2M-5283, in the name of Margaret Curran, on decision time, be agreed to.

*Motion agreed to.*

That the Parliament agrees under Rule 11.2.4 of Standing Orders that Decision Time on Wednesday 20 December 2006 shall begin at 5.30 pm.

**The Presiding Officer:** I propose to put a single question on motions S2M-5276 and S2M-5277, on the approval of Scottish statutory instruments. If any member objects to that, they should shout "Object" now.

The next question is, that motions S2M-5276 and S2M-5277, in the name of Margaret Curran, on the approval of SSIs, be agreed to.

*Motions agreed to.*

That the Parliament agrees that the draft Civic Government (Scotland) Act 1982 (Licensing of Skin Piercing and Tattooing) Amendment Order 2006 be approved.

That the Parliament agrees that the draft Registration Services (Consequential Provisions) (Scotland) Order 2006 be approved.

**The Presiding Officer:** I propose to put a single question on motions S2M-5278 and S2M-5279, on substitutions on committees. If any member objects to that, please say so now.

The next question is, that motions S2M-5278 and S2M-5279, in the name of Margaret Curran, on substitutions on committees, be agreed to.

*Motions agreed to.*

That the Parliament agrees that Mr Alasdair Morrison be appointed to replace Janis Hughes as the Labour Party substitute on the Finance Committee.

That the Parliament agrees that Marilyn Livingstone be appointed to replace Ms Wendy Alexander as the Labour Party substitute on the European and External Relations Committee.

## Rural Post Offices

### **The Deputy Presiding Officer (Murray Tosh):**

The final item of business is a members' business debate on motion S2M-4876, in the name of John Swinney, on a threat to the rural post office network in Scotland. The debate will be concluded without any question being put.

### *Motion debated,*

That the Parliament notes the public concern over the future of the rural post office network in Perthshire, Angus and other parts of rural Scotland; notes that the UK Department of Trade and Industry (DTI) provides a subsidy to the rural post office network in Scotland that is scheduled to be removed in 18 months' time; notes that, while the DTI provides this subsidy, other UK government departments such as the Department for Work and Pensions, the Department for Transport and the Department for Culture, Media and Sport are taking decisions that reduce the volume and value of transactions that can be undertaken at post offices, thereby damaging the profitability of these post offices; recognises that if the rural post office network is not supported there will be severe economic loss and loss of amenity in countless communities in Perthshire, Angus and rural Scotland, and considers that the Scottish Executive should make representations to the UK Government to provide a stable level of support that guarantees the viability of the rural post office network.

17:08

**Mr John Swinney (North Tayside) (SNP):** I thank the many members who signed my motion and the Parliamentary Bureau for facilitating an important debate about the future of services in rural Scotland.

Rural post offices are a vital backbone of our local communities and they are the last shop that is open in many small villages throughout Scotland—that is certainly the case in my constituency. Those post offices provide a range of services that is far beyond what could reasonably be expected of small stores and contribute hugely to communities' economic and social health. Throughout my constituency, rural post offices play an important part in the community.

For example, the post office in Kinloch Rannoch operates from the premises of a local community enterprise that is owned and run by the community and which provides an extensive range of services such as the supply of fuel and cafe facilities. The post office provides a valuable and important source of income in a remote area. That venture is well supported by local people and visitors alike.

The post office at Kirkmichael in east Perthshire has been incorporated into a village store, which has led to the return of fuel services to that rural part of east Perthshire. In small Angus villages such as Glamis and Edzell, the post offices provide essential services. Those are just a few

examples of the significant role of rural post offices and the focus that they provide for business activity in a locality.

My motion notes the public concern over the future of rural post offices, especially in the light of the proposed removal in 18 months' time of the rural subsidy that is paid to our post offices by the United Kingdom Department of Trade and Industry. That is one of the most significant issues that currently affects rural Scotland. Unless the matter is handled in an appropriate and acceptable way, there is a real danger of damage being done to the fabric of rural Scotland and the sustainability of many rural communities.

To inform the debate around the DTI's decision, Postwatch Scotland undertook some research into the significance of rural post offices. Its survey—which, unsurprisingly, received an enormous response—conveyed clearly the great value that members of the public attach to the work of rural post offices and the services that they provide. The survey found that, if a rural post office was to close, people would have to travel further for the service; there would be an inevitable increase in cost for the individuals who needed to use the service; and many of the individuals who are already surviving on low incomes in such situations would face increased costs.

### **John Swinburne (Central Scotland) (SSCUP):**

Does the member agree that it is not only rural post offices that are at risk, but the whole network of post offices across the country, which is under intense pressure from the Government? Does he agree that we cannot afford to lose any post offices?

**Mr Swinney:** Mr Swinburne makes a fair point. I will say something about the business viability of post offices being jeopardised.

Due to the limitations of transport in rural Scotland, there would also be an inevitable increase in vehicle use and a negative impact on the environment. So, the argument for maintaining a strong network of rural post offices is that it is good for the environment and good for access to important public services.

Royal Mail has an obligation to ensure that, throughout the United Kingdom, no more than 5 per cent of users' premises are further than 5km away from an access point that is capable of receiving registered mail—normally defined as a post office. Royal Mail says that, across the UK, that figure is 0.3 per cent, but in Scotland it is already 19 per cent. If the post offices that are nearest to the people who completed the Postwatch questionnaire—which, admittedly, was targeted towards rural communities—closed, that figure would rise to 79 per cent.

There can be no statistical proof of my next point, but the Postwatch survey also identified that individuals would be likely to make decisions about where they lived on the basis of whether they were able to access important services such as those that we are discussing, and that they may choose to leave an area if the post office closed. That raises the possibility of a negative impact on population numbers in rural Scotland, which could have a consequent impact on the viability of rural communities.

When we look for a decision from the DTI, we are looking for an example of joined-up government. It is of great concern that, although the DTI provides that subsidy at present, other UK Government departments, such as the Department for Work and Pensions, the Department for Transport and the Department for Culture, Media and Sport, are making decisions that reduce the volume and value of the transactions that can be undertaken at post offices, thereby damaging their profitability. I think that that is the point that Mr Swinburne was making in his intervention.

As an example of that, I cite the Post Office card account. The Department for Work and Pensions has announced that it will not renew its contract to fund the Post Office card account in 2010, despite encouraging people to take up the account as a means of continuing to receive income through post office facilities. The introduction of the card helped to reduce the impact on the post office network of the change to the direct payment of pensions and benefits. It is estimated that 3.4 million people throughout the UK use the cards, resulting in more than £400 million of revenue being retained within the post office network.

Since the Government made that announcement about its lack of commitment to the Post Office card account beyond 2010, there have been signs of a dip in the revenue for post offices as a result. A further reduction of footfall into rural post offices will, without doubt, jeopardise the future of those ventures. That reduction would be directly due to a lack of joined-up thinking within the UK Government. Coupled with the long-standing impact of encouraging members of the public to have their benefits paid directly rather than access them over the counter at post offices, there is a real danger of a significant loss of business activity in rural post offices.

If our rural post office network is not supported, there will be severe economic loss and loss of amenity in countless communities in Perthshire, Angus and elsewhere in rural Scotland. I make the case for the Scottish Executive to make the strongest possible representations to the UK Government to provide a stable level of support

that guarantees the viability of the rural post office network.

I hope that the Deputy Minister for Environment and Rural Development will agree today to make those representations to the Government. We cannot tolerate a situation in which the Government reduces its level of support and, as a consequence, access by members of the public to vital local services is reduced. This is an opportunity for us to have joined-up government with an effort across departments of the UK Government and Scottish Executive to protect rural services. I encourage members to put that point clearly to ministers in the debate.

Ministers will take decisions very shortly on the future of the subsidy to rural post offices; some say that announcements could be made as early as next week. I hope that, in the period that remains, there will be discussions and dialogue. There is an opportunity for the voice of the Parliament to be heard and for it to be expressed in a clear way, demanding that the Government provide a secure future for rural post offices. Unless we do that, and unless ministers at Westminster listen, the UK Government will, in my view, be responsible for delivering a body blow to economic and social activity in rural Scotland. We cannot allow that to happen, and I encourage Parliament to make that point clear to ministers today.

**The Deputy Presiding Officer:** There is a very long list of members who wish to speak in the debate. I will discuss with the minister whether we might have a brief extension. However, there are constraints on my timetable this evening, too. In the interests of accommodating everybody, I would be grateful if members could speak for just three minutes each.

17:17

**Nora Radcliffe (Gordon) (LD):** I congratulate John Swinney on instigating this timely debate. At a presentation on 30 November, Tom Begg, the chairman of Postwatch Scotland, said that rural post offices needed "long-term clarity" from the Government, together with "short-term certainty" and

"A change programme based on clear criteria of customers' needs".

He also said:

"Change should not be a top-down approach ... Government's consultation should be based on evidence and recognition of customer needs."

He argued for

"Local consultation on individual changes"

because

"One size does not fit all ... Local needs and capabilities differ".

My colleague at Westminster, Malcolm Bruce, together with nine Liberal Democrat colleagues from Scotland, had a meeting yesterday with Jim Fitzpatrick MP, at which the minister was pressed on a number of key points. When would the Government's statement be made? Would it be on 18 or 19 December, as suggested by Postwatch? Would the Government specify the predicted number of closures? Would it specify the general timing and phasing of any expected closures? What criteria would be used to assess closures? What provisions would be made to take into account the remoteness and social dependence of branches?

Did the minister have any information on the projected costs of the restructuring, and on who will pay for it? What of the future of the Post Office card account—would there be an alternative or successor to POCA if it were to be scrapped? What about access to banking services and automated teller machines through the post office network? What Government provisions would be in place to ensure adequate time and support for a consultation of the whole restructuring process?

I am afraid that, at the end of an hour-long meeting, Malcolm Bruce's comment was that

"it was clear that a war is still under way between the Department of Trade and Industry (DTI), the Department of Work and Pensions (DWP) – which funds the Post Office Card Account (POCA) used to pay some benefits and pensions over the counter and due to be withdrawn in 2010 – and the Treasury over who is to pay to keep open uneconomic sub-post offices."

There is a lot of pressure at Westminster to get some sense into the debate. On the Post Office card account, the House of Commons Trade and Industry Committee pointed out that most people

"assumed that the contract would be renegotiated after 2010."

A lot of commercial decisions were made on that basis and there has been a real "sense of betrayal".

The select committee's report on the Royal Mail Group goes on to say that

"the reduction in income ... from the termination of the POCA"

has real implications for the

"future of the Post Office network as it stands today."

The report says that we have had

"a comprehensive network of sub-Post Offices, often in very remote, rural locations, because of the wide range of services the Government chose to deliver through those Post Offices."

**Tricia Marwick (Mid Scotland and Fife) (SNP):** Will the member give way?

**The Deputy Presiding Officer:** The member is almost at the end of her time.

**Nora Radcliffe:** The report continues:

"If the country wants a comprehensive network of Post Offices to continue, a more explicit funding mechanism must be put in place, together with product diversification and a replacement for the Post Office Card Account."

The take-up of the card account has been far greater than the Government expected. That reflects the difficulties that people face in opening basic bank accounts and the advantages that people see of using the post office.

**The Deputy Presiding Officer:** Can you wind up please?

**Nora Radcliffe:** There are many things that could and should be done to maintain a unique network that is a valuable asset. If we do not use it, we will lose it and, if we lose it, that will be a tragedy.

17:20

**Roseanna Cunningham (Perth) (SNP):** I congratulate my colleague John Swinney on securing tonight's debate. On 22 September in Birnam, he and I sat at a packed meeting with sub-postmasters from across Perthshire and further afield, at which a number of these issues were discussed. I apologise to him and to other members, because I will need to leave the chamber early, as I have two other diary engagements to attend tonight.

As those of us who represent parts of rural Scotland know, there are already huge pressures on rural Scotland, where the rural post office is often at the heart of the community. Rural post offices are an invaluable way of disseminating public information and all local news—some might say that they are the best way of catching up with the local gossip—and they enable Government services to be delivered locally. They do that the length and breadth of the country.

Rural post offices become involved in some weird and wonderful combinations in order to survive. Some of them double up as tourist information centres—I have one of those in my constituency—but they are more usually combined with a general store. The footfall that is created by the need to access the post office's services can generate that little bit of extra business that makes the shop viable. If folk no longer visit the post office or have no post office that they can visit, they are less likely to use the shop and the shop becomes one more amenity that the community loses. It is not as if rural Scotland is so well served by public transport options that getting to the next available shop and post office is easy. If the post office closes, the community's heartbeat stops.



The Government should do everything possible to ensure that rural post offices continue to thrive, but instead it seems to be doing all that it can to pull the rug out from under their feet. As John Swinney's motion makes clear, the withdrawal of the DTI's rural post office subsidy in a year and a half's time means that there is a real danger that up to 1,000 post offices could be lost to rural Scotland. That means that 1,000 communities across the country will have the heart ripped out of them. The hardest hit in those communities will be the most vulnerable and those who depend on their local post office the most—old folk, people on benefits and families on low incomes.

The people who run our rural post offices are utterly disillusioned and very angry, and rightly so. They feel that the Government does not want anything to do with post offices. Although the Government has said that it supports them, its actions have had precisely the opposite effect. Every change that has been introduced has made it harder for people to use their post office and made it more difficult for the post office to make money. That depressing downward spiral must be stopped.

17:23

**Murdo Fraser (Mid Scotland and Fife) (Con):** I congratulate John Swinney on securing a debate on what is an important matter for the whole of rural Scotland.

I appreciate that support for sub-post offices is reserved to Westminster but, given its impact on the economy of rural Scotland, I believe that the Scottish Executive must take an interest in the issue. I raised the matter with the Deputy Minister for Communities at question time last week, and I am sure that it will be a live issue over the coming months.

Only yesterday, the DTI indicated that there will be a phased reduction of post offices, which means that hundreds of rural post offices in Scotland are likely to close. Recently, the chief executive of Royal Mail, Adam Crozier, stated that he can meet his legal obligations with a network of just 4,000 post offices in the UK. These are worrying times for sub-postmasters and those who depend on sub-post offices.

The DTI also announced yesterday that the consultation period will run until March, and any decisions will be taken after the Scottish Parliament elections in May. Even by the standards of this Labour Government, that appears to be a deeply cynical approach and an attempt to kick the issue into the long grass until after the election. The Government can be assured that it will not get away with trying to cover up the issue.

I will outline what is happening in some areas of my parliamentary region of Mid Scotland and Fife. In 1999, the parliamentary constituency of North Tayside had 50 post offices. Under the proposed plans, the number would be reduced to 27—a cut of almost half. In Perth constituency, the number would fall from 31 in 1999 to 20. In Stirling constituency, it would fall from 37 to 27. Those are depressing figures that do not give much hope to the post office network or the customers who use it.

My Conservative colleagues at Westminster have already pledged to rewrite sub-postmasters' contracts to allow them to provide a much greater range of products and services, including private mail services. They have also called on the Government to review its decision to abolish the Post Office card account, which is hugely important to people who do not have bank accounts. Around 1 million of our most vulnerable people cannot or do not have bank accounts. The Post Office card account is a vital source of revenue for post offices.

Part of the solution is to encourage new sources of income for post offices. We could encourage local councils to examine what services could be provided through the post office network. A council counter could be set up to offer advice on local services. The local post office could be used as a kind of Government general practitioner, with trained staff advising on a range of matters, including pension entitlements, benefits and how to apply for disabled parking badges. The problem is that those and other schemes that have been piloted, such as links between post offices and the police, will only ever be part of the solution; they will never replace in its entirety the existing post office support.

I echo the calls that others have made for the Executive to make serious representations to the DTI about the detrimental impact that closures would have on Scotland's rural economy.

17:26

**Cathy Peattie (Falkirk East) (Lab):** I thank John Swinney for bringing this important debate to the Parliament this evening.

Post office closures have a significant knock-on impact on local communities, hitting firms, community groups and schools. That goes for all post offices. It is easy to see how important rural post offices are to local communities, but we have research that quantifies the importance of urban post offices, too. A study undertaken by the New Economics Foundation in Manchester found that a post office saved small business £275,000 a year, compared with the extra cost of visiting sites further away. For every £10 earned in income,

post offices generated £16.20 for the local economy. Each one contributed around £310,000 to the local economy every year. The study also noted that many sub-postmasters in disadvantaged areas perform a social services role by keeping an eye on dozens of vulnerable customers. I know that sub-postmasters in Falkirk East perform that role. I have no doubt that the findings for urban and rural post offices in Scotland would be similar.

However, post offices are under attack. Their economic viability is being undermined by the transfer of services to other organisations. Post buses—the only public transport for many rural communities—are threatened. I have heard of cases of post bus services being stopped without notice to or consultation with the local community, which is not good enough. The loss of television licence revenue has had a major impact. Now the Post Office card account is threatened. The success of the card has shown that there is a high demand for the post office network to provide an alternative to local banks. There is no local bank in many of the communities that I represent and in other communities. The Post Office card account is currently used by 3.5 million people. We should allow the Post Office to be the sole supplier of a replacement for the account with far greater accessibility for all, which would increase access to banking services.

The post office network should be supported as an important business, as an institution that is important to other businesses and as a means of tackling social exclusion. Post offices and sub-post offices are vital and are at the heart of many communities. This is an important debate. I echo calls for the Scottish ministers to lobby Westminster ministers on behalf of sub-post offices and post offices throughout the network.

17:29

**Mr Andrew Arbuckle (Mid Scotland and Fife) (LD):** I thank John Swinney for securing this debate. It is significant that a large number of MSPs from across the political divide are attending and want to speak. In recognition of that, I will keep my comments to a minimum.

At the weekend, I spoke to Lewis Simpson, who runs the post office in Scone in Perthshire. He told me that, in retail terms, the post office network throughout the United Kingdom carries out more business than the much-vaunted supermarket Tesco.

John Swinney rightly pointed out the present UK Government's lack of commitment to the post office network and highlighted the need for continued financial support and, more important, indirect support through the provision of

Government work. As Murdo Fraser said, local authorities could do more to work with post office services in their areas. Some councils channel more of their work into the network than others. That is one area in which more co-operation could bring greater security to services in rural parts of the country.

Postwatch's research has already been mentioned. It found that the closure of a rural post office affects the less able or mobile in our country areas, which is a major worry, and showed that a third of all the people who use their local post office do so to make a cash transaction. Given that the major banks are closing many of their branches in rural areas, it is easy to appreciate how crucial it is for a financial facility to continue to be based in rural towns. Unfortunately, a few of the major banks that operate in Scotland do not believe in linking up with the post office network to help customers.

I support both the motion and my local post office.

17:31

**Rob Gibson (Highlands and Islands) (SNP):** I thank John Swinney for securing the debate.

It is clear to me that we need to have joined-up thinking in our own back yard before we make a case for it to London. The issues that come to mind are to do with equal opportunities, which the Parliament and the Government claim to support. I am talking about equal opportunities for older people and those who live in remoter communities. It is not simply a question of the town-country divide.

Post offices are about social inclusion. Communities that are deprived of the services that post offices provide will not get their fair share. Post offices are also about future community confidence. We hope that more people will live in remoter areas. We do not want there to be managed decline of the areas that I am talking about; we want the population to increase.

If we want to stop the people of Durness having to drive 14 miles to the nearest post office and 35 miles to the nearest bank—which is what they would have to do if their post office closed down—and to cut the use of fuel, we must ensure that post offices in such areas, where fuel is extremely expensive, remain open. People in Durness are forced to have a car because public transport is so poor. The threat to the rural post office network opens up the debate about the need for our Government to have a rural multiple deprivation index that we can use to demonstrate which services in rural areas we should provide with public support.

The worst areas for the provision of services are those that are identified as rural service priority areas, which include Sanday, North Ronaldsay and Stronsay in Orkney, Tongue and Farr, Brora, Uig, Harris West, Harris East, Eriskay, Barra, Vatersay, Skye West, Islay North, Jura, Colonsay and East Lochfyne, all of which are in the Highlands and Islands region that I represent. Such communities already have the fewest services and are given special funding to back up those that they have. As rural post offices close, access to post office services and retail shops will become more difficult.

People can be innovative, but they need the backing of a Government that has a joined-up approach. Obviously, I would like a Scottish Government to be able to adopt such an approach. At present, we have to ask the minister to go to London to ask about the means by which we can support such communities. If we want to get joined-up thinking, we must tell the ministers in London that the communities that we represent have a future, but that they are threatening it because of their attitude to the post office network.

17:34

**Mr Mark Ruskell (Mid Scotland and Fife) (Green):** I thank John Swinney—the man who has had more members' business debates than the entire Scottish Green Party in the second session of the Parliament—for securing yet another timely debate on an important topic.

If Westminster dictates that we should not prevent avoidable closures of post offices, we could be on the brink of a disaster in rural Scotland. It is very important that we stop potential degeneration, rather than regeneration, of our rural communities. It was clear from Postwatch Scotland's survey that the situation in Scotland is different from that in England. More people in our rural communities in Scotland are reliant on a local post office. If those post offices close, we will see the most disadvantaged in our society suffering: the elderly, people on low incomes, people with disabilities and people who do not own a car. We can add to that list home workers and people with small businesses in rural communities. Many respondents to the Postwatch Scotland survey who own and run small businesses said that they would be unable to do so if they were living in communities without a post office service.

As John Swinney said, closure of the post offices would create unsustainable communities. They would be environmentally unsustainable because people would have to travel huge distances to access post office services. They would be socially unsustainable because closures would impact most on disadvantaged groups. They would be economically unsustainable

because they would lose local businesses that create wealth and enable wealth to circulate within our local communities.

A couple of things must come out of the debate. First, the clear message to the minister is that she must lobby Westminster to ensure that a funding formula that does not penalise rural Scotland is adopted to support rural local post offices. The formula must recognise the social value that post offices deliver. Government departments must continue to allow their services to be delivered through our rural post office network.

Secondly, we must act within the powers that we have. I remain concerned that city regions will peripheralise our rural hinterland and that many settlements will turn into faceless dormitory towns, rather than vibrant communities, without services. The Executive must take a lead and ensure that there is dialogue with local authorities, Scottish Enterprise and community councils to examine how we support and develop action plans for rural services.

Of course, our rural post offices do not only deliver a public service—they also deliver private services. An excellent example of that is in Blackford in my region. The importance of the post office in Blackford is that it also keeps the local shop running. I will finish with some quotations from people in Blackford that reflect the importance of the post office. One person stated that it is

"A hub for the village. A place for taking names for OAP meals and competitions etc. Medical prescriptions can be collected."

Another said:

"My bank is 18 miles away. I do all my banking locally."

People in rural areas need the post office network. We must see action to regenerate our rural communities, not degenerate them.

17:37

**Richard Lochhead (Moray) (SNP):** My last members' business debate earlier in the year was on the subject of the future of Post Office card accounts and the future of our post office network, so I welcome the debate secured by John Swinney, which keeps the subject firmly on the Scottish Parliament's agenda.

The minister's response at the end of the debate will be an indication of the current coalition Government's commitment to rural Scotland. I hope that she has many positive things to say, because since the Parliament was established we have seen throughout rural Scotland the closure of bank branches, shops, petrol stations and, in some cases, rural post offices. We must stem that trend and ensure that, as Mark Ruskell said, we

start to regenerate our rural communities by ensuring that no more viable rural post offices in our rural communities close.

Recently, when I could not get to sleep one evening, I read the Scottish Executive Environment and Rural Affairs Department's business plan. We must remember that the post office network is a reserved issue, and tucked away in the business plan was a commitment to have input into UK Government policy on the future of our rural post office network. When the minister sums up at the end of the debate, I would like her to explain to the Parliament exactly what the department's input—not just lobbying but input, as laid out in the business plan—has been into UK Government policy on our rural post office network. Of course, in the business plan the minister also recognises the importance of the network.

John Swinney's motion recognises the strength of public concern throughout Scotland over the future of our rural post offices. There are 32 sub-post offices in the rural communities in my constituency of Moray. I know from my rural surgeries over the past couple of months the extent of the concern expressed by people who have come to see me to discuss the future of their local sub-post office.

Many members have mentioned the Postwatch Scotland survey, but I point out—no one else has done so yet—that a few months ago the Scottish Executive commissioned its own research into the value attached by our local communities to the rural post office network. The report came to several extremely positive conclusions about the value of rural post offices, covering the role of our rural post offices in protecting the community, providing jobs for people, promoting financial inclusion and helping vulnerable groups such as the disabled and the elderly to access post office services. Those findings are from the research of the Government in Scotland—they are not from another organisation's research. The people of Scotland expect our ministers to stand up for the rural post office network in the face of the onslaught from the UK Government in London and ensure that we protect that valuable service.

I recently got a letter from a 15-year-old pupil at Lossiemouth high school, who lives in the village of Duffus, which is not far from Elgin. He explained the importance of the post office to the community:

"Without Duffus Post Office & Shop, our village would not be a community. Just a block of houses on a map".

That is how important the issue is. I hope that at the end of the debate the minister will detail exactly what she is doing to stand up for the rural post office network.

17:40

**Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD):** I offer John Swinney my warmest congratulations on securing the debate. I am sure that it will worry him that I agree with every word he said.

If we were to conduct a survey of the most and least popular professions, we would probably find that sub-postmasters and sub-postmistresses were at the opposite end of the spectrum from tax inspectors and, dare I say it, politicians.

I draw members' attention to the most remote parts of the British mainland, which are in my constituency. Early yesterday morning I had occasion to visit Lairg post office and sorting office. As members of all parties have said, the local knowledge in such post offices in remote and sparsely populated areas is crucial. Sub-postmasters and sub-postmistresses in such areas know that Mr and Mrs Mackay have not been in for their pension, and the people who deliver the letters know when something is wrong. They act as an early-warning radar and are part of our social structure and fabric. Sub-postmasters and sub-postmistresses are loved and respected in the Highlands, as I am sure they are in other parts of Scotland.

Much has been said about the services provided by post offices. I will try Mr Swinney's patience by straying into the Royal Mail aspect of the debate. The delivery service for the whole of north-west Sutherland, from Tongue right round the corner past Cape Wrath and down to Lochinver, is provided by six people: Julian Martin, Stewart Rushworth, Malcolm Ross, Walter McKenzie, Susan Wood and Patrick Grey. The service that they deliver is vital; it is about delivering not just letters and parcels but newspapers, and it allows people to get to the shops. Walter McKenzie even delivers flowers to a flower shop in the north. It is all about the timing and meeting the trains.

We have a superb service, which was founded in the 19<sup>th</sup> century and is part of the weave of the fabric of our society in the Highlands.

In winter, Rob Gibson and I have to drive through the most filthy weather in the north-west, from Altnaharra to Tongue, but we always see the red vans and post buses driving along. There is a lady living in Laide called Joyce Morrison—Rob Gibson will know her—who depends on that service to get to the dentist and doctor. We cannot say that anything is more valuable than that.

Some things are beyond price. Our forefathers in the 19<sup>th</sup> century put together something that is very special about this country. We were streets ahead of the rest of the world and we have been copied the world over. The test for us and the rest of the UK is how we protect our vital service. What

John Swinney said was right. We wish the minister the very best in her endeavours with London. I see the matter from a unionist perspective, as opposed to how Rob Gibson sees it, but I agree that it is a test for us.

17:43

**Mr Jamie McGrigor (Highlands and Islands) (Con):** I congratulate John Swinney on securing the debate and, like Jamie Stone, agree with every word that he said.

As another MSP for the Highlands and Islands, I am aware of the importance of rural post offices—from Southend in Argyll to Unst in Shetland, and especially in the remoter areas of Caithness, Sutherland and on the north-west coast of Ross-shire. The more rural the area, the more important the post office is as a focal point. The post office in Dalmally in Argyll, which is near where I live, has joined the new pharmacy in a new building, which has brought enormous benefit to the community. I ask the minister to consider that model, because it is good. It is, in fact, the only pharmacy for 70 miles in one direction and its linkage with the post office has been a great success. Moreover, it has also forged links with a major bank to provide the only cash machine in what is a huge area.

However, only last week, the postmistress told me that her clients are not being advised that they can still pay for many services at the post office. That is death by a thousand cuts to rural post offices. Frankly, it is dishonest, cynical and wholly incorrect of any Government not to let people know that they can still use the post office to pay for those services. It is trying to save money at the expense of people who live in remote and rural areas.

The attitude at the centre of Government is incorrect—although it knows the cost of everything, it does not seem to know the value of keeping rural post offices in place. They are crucial to the well-being of so many people, particularly the elderly. I absolutely agree with Murdo Fraser's assessment of the situation and with Roseanna Cunningham's comment that the heart will be ripped out of a thousand communities. It is simply shameful. The Government must think again and, in order to regenerate rural communities, encourage more business opportunities and partnerships in rural post offices.

**The Deputy Presiding Officer:** Before I call the next speaker, I am minded to accept a motion without notice to extend the debate by 10 minutes.

*Motion moved,*

That, under Rule 8.14.3, the debate be extended until 6.04 pm.—[*Mr John Swinney.*]

*Motion agreed to.*

17:46

**Alasdair Morgan (South of Scotland) (SNP):** I congratulate John Swinney on securing this debate, but the problem with debates on post offices is that we have to revisit the issue so often. If, as Jamie Stone said, the post office is an early-warning system, the Government appears to slip missiles underneath it every few years.

Back in 1999, when the Government launched a white paper on the matter, Stephen Byers said that the Government was committed to supporting post offices that were of "special value" to the community. I asked him at the time to define the term "special value" but, of course, answer came there none. However, he said that the Government would put in place

"a mechanism that will allow local people and local communities to express their view on the value of the post office in their own area."—[*Official Report, House of Commons, 15 July 1999; Vol 335, c 642.*]

Although people have expressed very successfully their views over the years since then, they seem to have made no difference at all to Government policy.

Through e-commerce, small businesses that set up in rural areas can compete on a level playing field with businesses in urban areas. Many of those businesses produce goods that are ordered on the internet and are then sent out to their customers—by post, 90 per cent of the time. That playing field is no longer level if the small businesses in rural areas have no access to a post office or if the post office is many miles away. It beats me how we can encourage that kind of e-commerce if we do not give people the facilities to carry on their business.

Government support has been removed in many areas. For example, as far as TV licences are concerned, a totally unnecessary switch has been made by a Government department that does not seem to know what another department is doing. Moreover, the Government is now talking about taking away the Post Office card account, which was only dragged out of it kicking and screaming in the midst of much clamour to keep post offices alive.

One of the biggest single factors in the closure of post offices is the lack of sub-postmasters who want to run these businesses. However, would anyone want to run a new business if they had no certainty about their career prospects; if they did not know whether the Government was committed

to their network; or if the Government would not confirm whether it was threatening to take away the welcome subsidies that have been put into the network over the past few years? It is no wonder that sub-postmasters are not coming forward.

Even the regulator, the Postal Services Commission, which has only an advisory role with respect to Post Office Counters, said in its last report that the Government had to get a move on and make a decision about the network's future. That decision must be made, but when the Government makes it, it must also set out how its decision will help to sustain rural communities instead of being—as such decisions so often have been—another nail in their coffin.

17:49

**Euan Robson (Roxburgh and Berwickshire) (LD):** I, too, congratulate John Swinney on securing this debate.

The pre-1997 UK Government had the unhappy record of overseeing the closure of 3,500 local post offices. The fact that the present UK Government has now matched that feat is nothing to be particularly proud of.

Two essential points must be made about the local post office network. Of course, local post offices deliver many services, which cannot be replaced if there is no post office. If we are to keep post offices open it is essential that sub-postmasters have income. Income sustains local post offices and no one will invest in a sub-post office if there is no reasonable prospect of income, as Alasdair Morgan eloquently said. If Post Office card accounts are taken away, as well as TV licensing, who will step forward?

In recent months many sub-post offices in my constituency have closed, such as the sub-post offices at Swinton, in Berwickshire, and Longformacus, to name just a couple. My Liberal Democrat colleagues Michael Moore MP and Jeremy Purvis MSP and I collected figures on the Post Office card account and found that 3,500 people in the Scottish Borders collect pensions and 3,500 collect benefits via the account. If that business is taken away from the local post office network, not only services but income will be threatened. The south of Scotland branch of the National Federation of SubPostmasters believes that the closure of the card account in 2010 would have a huge impact on the viability of many rural post offices in the Borders.

The Post Office could help by reducing bureaucracy. Before the sub-post office in Longformacus closed, I vividly recall the postmaster showing me a bundle of 100 leaflets that he had been asked to display, which equated to slightly more than one per person in the

community. There is no doubt that efficiency savings could assist.

There is no doubt that the Royal Mail's delivery systems are important throughout the rural part of Scotland that I represent, as well as in other areas, as other members have said. However, I fear that enforced competition and the loss of the monopoly in certain areas will lead in due course not just to the closure of sub-post offices but to letterboxes at road ends. Thus, in a few years' time we will have a much worse service than we enjoyed in the past.

17:52

**Stewart Stevenson (Banff and Buchan) (SNP):** Rural communities are at the heart of the debate. I have the privilege of representing one of the three parliamentary constituencies in Aberdeenshire, where some 57 per cent of people live in a rural setting, which is the highest rate of any mainland council area in Scotland. My constituency is not as remote as Jamie Stone's, but it is more rural than the Highland Council area, by 2 per cent. The debate therefore reflects absolutely the concerns of my constituents.

We have vibrant local communities. There are 32 community council areas in my constituency and communities in my constituency have won the Calor Scottish community of the year award twice in the past five years. There is a huge sense of community in the area. The first place to win the award was Whitehills. During my annual summer tour, I dropped in on the local post office at Whitehills to talk to Annette Addison, who is the postmistress there—I am sure that members know her well. In a community of 1,000, she gathered 900 signatures in an attempt to save the Post Office card account, which graphically indicates the value that the community of Whitehills places on the post office and the services that it delivers.

That happened when post offices had just lost the business of TV Licensing. It is worth putting that in context: in my constituency there are 42 local post offices, but Paypoint plc has only 28 terminals—a significant numerical difference. The situation is worse than members might think: only 10 of the Paypoint terminals are located outside towns that have a population of more than 10,000. The loss of TV Licensing has led to a dramatic drop in the service that is provided to our communities.

In New Deer—a community of just 500 people, which won the Calor Scottish community of the year award this year—an energetic local businessman, Mark Kindness, employs 60 people in a bakery. He has bought and invested in the post office in the adjacent village of Maud. He has done that because he thinks he can just about

break even and because he sees the value of community, which is vital throughout Scotland. My constituency is a net contributor to the economy and the post offices are part of the infrastructure that makes our economy and sense of community work. To deprive communities of their post offices is like shutting down the railways in London, which are supported by the public purse as part of community infrastructure—a role which our equally vital post offices also have.

17:55

**The Deputy Minister for Environment and Rural Development (Rhona Brankin):** I, too, am pleased that John Swinney has given us the opportunity to discuss further the important subject of rural postal services. I have rural postal services in my constituency and I relied on rural post offices for many years when I lived in the Highlands.

We all await with great interest the outcome of the UK Government's deliberations and the DTI's proposals on the future of the network. I am clear that we all want the same thing—good postal and other services that are accessible by all. We want a sustainable network of rural post offices that contributes to the economic and social framework of rural communities in Scotland.

However, achieving that is not straightforward and Whitehall colleagues have faced difficult issues. Despite the social network payment of £150 million per annum through the DTI, the post office network throughout the UK lost £2 million every week in 2005-06. This year, the loss is expected to rise to about £200 million, which is about £4 million every week. The losses are increasing.

The situation is influenced by a number of factors. People now have greater choice in how they access services and in how they conduct their business, with options such as direct debit and online and telephone banking. Our success in extending broadband services throughout the country has opened up such possibilities for businesses and people in Scotland; for example, well over 3 million people in the UK have chosen to renew their car tax disc online this year, compared with 860,000 in 2005.

**Alasdair Morgan:** None of us objects to people taking advantage of new technology, but does the minister accept that the Government has often made it difficult for people who want to use post offices to do so?

**Rhona Brankin:** The key point is that people who want to continue using post offices should have that choice. Many members have referred to the Post Office card account. We have consistently made clear our view on the need to continue to provide good, accessible services

including access to cash under future arrangements. The UK Government is considering that issue and we await the detailed proposals, but I understand that the full range of accounts that will be available beyond 2010 is not yet settled and that discussions between the UK Government and Post Office Ltd are continuing.

The bottom line is that service delivery and the post office network need to evolve to meet changing business and customer demands and to be more sustainable. The problem of sustainability of the current network is acknowledged, including by the National Federation of SubPostmasters. The status quo is not a realistic option and we must think about long-term sustainability. However, the issue is not simply about economics. As every member has said, post offices, particularly in remote rural areas and in disadvantaged areas generally, comprise a key part of the community infrastructure. I agree absolutely with that. Post offices provide social benefits as well as direct and indirect economic benefits, so it is essential that we get the balance right between ensuring value for taxpayers' money and the important issue of achieving a stable footing for the post office network and the benefits that it provides.

Within our devolved responsibilities, we are taking action to improve the viability of the retail side of the business. Working with Scottish Enterprise and Highlands and Islands Enterprise, we have allocated £250,000 to support specialist business improvement training for sub-postmasters and sub-postmistresses in deprived urban and rural areas. More general advice and support is also available to private post office businesses, as for other small businesses, through the business gateway. Through recent training seminars that were funded by the Scottish Executive, we have helped to build specialist knowledge of the post office sector among Scottish Enterprise business advisers.

This summer I visited Uig, where I saw for myself the beginnings of the revitalisation of the local post office shop, assisted by Executive support. That is an exciting community project. A recent pilot initiative in Fife provides, from rural sub-post offices, certain services that are normally associated with the front desks of police stations, such as lost property. Evaluation shows that that initiative appears to have been well received, so it is being considered by other constabularies. Although they are not necessarily suitable or doable in every case, we should consider such initiatives imaginatively—they can be useful in some instances.

We accept the need for changes in the network and service delivery arrangements, but we have made absolutely clear to United Kingdom

Government colleagues the need for future arrangements for post offices to acknowledge the wider economic and social dimension to the post office network. We have engaged regularly with the Whitehall departments to stress the importance to Scotland of the network and the decisions to be taken, under the reserved powers, on future funding and other arrangements. We have worked to ensure that there is good evidence and understanding of the wider role and impacts of post offices including, in particular, in remote rural areas of Scotland, to inform discussion and decisions by the UK Government.

We have built on previous work and analysis to ensure that the range of benefits the network provides are recognised. We commissioned a study to find out what aspects of their local post offices people value most. The study considered rural post offices in West Linton in the Borders, Kirkconnel in Dumfries and Galloway, and Rogart in Highland. The report is available on the Executive's website. I am delighted that Richard Lochhead has taken the time to read it.

**Mr Swinney:** In the Scottish Executive's discussions with the UK Government, has it expressed its frustration with the fact that UK Government departments do not appear to be working in unison to support the rural post office network, and that in fact some offices are removing services while the DTI is trying to support them?

**Rhona Brankin:** We accept that Scotland needs to operate in a joined-up way, especially in rural areas, and we have expressed that opinion to the UK Government. We have been working with the Post Office, Highlands and Islands Enterprise, Scottish Enterprise, the police and local government.

On being able to specify Scottish needs, we co-sponsored research that was commissioned by Postwatch Scotland to assess the economic and social importance of five very remote post offices, including three on islands. That has developed evidence on the particular role of post offices in the most remote communities, bringing out considerations that are not necessarily mirrored in other parts of the UK. That evidence and more has been used in discussions with the Whitehall departments to reinforce the wider role and benefits of post offices and our view on the need to find appropriate and acceptable solutions for the future of the network. We understand the commercial and funding pressures, but wider considerations have to bear on decisions about the future of the post office network including, as members have pointed out, the well-being of people and communities in rural Scotland.

I am pleased that UK Government colleagues have acknowledged the force of those arguments

and have accepted that there is a continuing need for a post office network and for continued public subsidy. Like everyone here, I look forward to seeing their detailed proposals. We will also be pressing to ensure that any changes are carefully managed and take account of local views and circumstances. There will be consultation on the DTI's proposals. We all want a sustainable post office network for Scotland for the future.

*Meeting closed at 18:04.*



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