

MEETING OF THE PARLIAMENT

Wednesday 23 January 2008

Session 3

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Scottish Parliament

Wednesday 23 January 2008

[THE PRESIDING OFFICER *opened the meeting at 14:00*]

Time for Reflection

The Presiding Officer (Alex Fergusson): Good afternoon. Our first item of business is time for reflection. Our time for reflection leader today is Margaret Peacock from the Religious Society of Friends.

Margaret Peacock (Religious Society of Friends): The Religious Society of Friends, also called Quakers, is one of the Scottish churches. Like several other Protestant churches, it originated in the 17th century in protest against the church of that time. A community whose members called themselves seekers used to meet in silent prayer, hoping that God would show them the way forward. They were visited not by a seeker, but by a finder, whose name was George Fox, who had discovered that, for him, churches and priests were unnecessary barriers between him and God. Jesus had been teaching him throughout his seeking; Jesus would teach anyone, anywhere, directly in their hearts.

Quakers today in Britain follow the seekers' silent tradition. Our Sunday meetings for worship are held in silence, but anyone may speak if they feel inspired by God to do so. We also have silence in preparation before we start our business meetings.

The poet Thomas Hood, who died in 1845, described us as

"the sedate, sober, silent, serious, sad-coloured sect".

I do not know whether you can see my shoes, but they are red, not sad coloured. All those adjectives may once have distinguished us, but the only one that does so today is "silent", and that is only in our meetings. Like all Quakers, I am addicted to silence. Jesus went into the wilderness to pray. I do that, too.

When I was little, this poem by Dorothy Frances Gurney used to be widely printed on gardening calendars and embroidered on cushions:

"With the kiss of the sun for pardon
And the song of the birds for mirth,
One is nearer God's heart in a garden
Than anywhere else on earth."

Sometimes you go into a park or garden and notice that suddenly the noise of traffic is muted—absorbed by the trees. Supposing that that does not make you uncomfortable enough to reach for your iPod or your mobile, you start to hear the tiny

sounds that were drowned out before, and you may tiptoe so that you do not disturb the quiet. You may savour the sensation of silence for the short time that the novelty lasts, and then your busy mind returns to business as usual and its memories and plans.

I suggest that the next time you notice a silence like that you preserve it and enjoy it. Make your busy mind rest from generating words. Take an interest in the small sounds—even the tinnitus that originates in your ears. Reach for the silence behind the sounds, and try to enter it. If you enjoy that, then perhaps you can take the next step: practise carrying a bubble of silence around with you, right into the noise—your personal garden of healing and delight.

Budget (Scotland) Bill: Stage 1

The Presiding Officer (Alex Fergusson): The next item of business is a debate on motion S3M-1176, in the name of John Swinney, on the Budget (Scotland) Bill.

The debate is considerably oversubscribed and the Presiding Officers have agreed that they will be extremely strict in ensuring that members finish their speeches in the allotted time. I give members fair warning of that.

14:06

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): I welcome the opportunity to respond to the Finance Committee's report on the Scottish budget and to move that the Parliament approve the general principles of the Budget (Scotland) Bill—the first time that a Scottish National Party finance minister has ever moved such a motion.

The Government has proposed a budget that addresses the needs of the people of Scotland. Our spending plans provide a clear statement of our priorities, based firmly on the social democratic contract that we offered the people during the election. That contract has as its central purpose increased sustainable growth, with the fruits of growth enjoyed by all parts of our society and nation—north and south, strong and disadvantaged.

Let me reiterate a clear point about the Government's programme. This Government's purpose is to deliver increasing and sustainable economic growth in Scotland. We take pride in being the first Government to bring sustainable economic growth to the heart of the national agenda and to make that the focal point of our spending plans. That represents a new, joined-up approach to public spending in Scotland and means that the money that we spend will work better, because it will work to deliver on clear national outcomes, across our strategic objectives and in support of our core purpose. Spending should not be seen in isolation but should be regarded as part of a coherent package that supports the Government's purpose.

The budget offers a co-ordinated programme to tackle the inequalities in Scottish society, to build up our communities and to ensure that all Scots live safe from crime, disorder and danger. Through our budget we are investing in new prisons and an improved prison estate and we are putting more police officers on Scotland's streets. We are providing £145 million each year to tackle poverty and support the regeneration of our most disadvantaged communities and we are providing

almost £1.5 billion over three years to meet Scotland's housing challenge.

We are spending record amounts to strengthen health care in the most deprived areas and we are funding health improvement to reduce alcohol misuse, smoking and obesity. We are investing £90 million a year to reduce waiting times and £30 million over three years to improve access to primary care services.

We are spending to improve the learning experience of children, through the development and delivery of the curriculum for excellence and the improvement of the fabric of our schools and nurseries. Through our budget, and in partnership with Scotland's local authorities, we will reduce class sizes for pupils in primary classes 1, 2 and 3. We will enable more school pupils to experience vocational learning. We will provide an increased share of total spending for our further and higher education sectors and new support for Scotland's hard-pressed students.

Our budget will protect hard-pressed local taxpayers from increases in council tax and give our small businesses the support that they need to grow and prosper.

We will invest in improving public transport through record investment, which is set out partly in the budget and partly in our plans with Network Rail, to improve the commute and reduce journey times between our major towns and cities. Our programme of investment in rail during the spending review will be £1.2 billion—£700 million more than in the previous spending review.

Our budget will deliver a greener Scotland, with investment in renewables generation, energy efficiency and measures to tackle climate change. We will work with local communities and parties across the chamber to find ways of using our sustainable development and climate change fund to promote policies to make it easier for people across Scotland to take practical action to tackle climate change. We are taking a joined-up approach to climate change and transport that reflects the needs of a growing economy and the challenge of reducing Scotland's carbon dioxide emissions.

Patrick Harvie (Glasgow) (Green): One area of spending on transport policy that has attracted criticism in the past is aviation subsidies. Since the announcement on the scrapping of the air route development fund, a number of ministers have said conflicting things on whether the fund will be replaced by other spending or another policy mechanism. Will the cabinet secretary tell the chamber whether the SNP Government supports aviation growth? Will it find other ways to support it in future?

John Swinney: The Government's view on aviation is clear: it is important for Scotland to have international connectivity, but we must concentrate on minimising short-haul flights in these islands. We want to maximise parliamentary and cross-party support for improving direct rail links to other parts of the United Kingdom—particularly a fast link to London. The Government has no proposals to introduce a new route development fund. I took that decision in light of the European Union's stance on the issue. The Government will not be bringing forward proposals to replace it.

Lewis Macdonald (Aberdeen Central) (Lab): Can we deduce from that that no marketing fund, in whatever guise, will be provided to support the introduction of new routes into Scotland?

John Swinney: I have made very clear where the Government stands on the route development fund.

I am proud to be able to preside over the emergence of new partnerships between the Government and other aspects of Scottish society, particularly our partnership with Scotland's local authorities. In the relationship with local government, we are entrusting authorities to develop approaches that are right for their local area. We have created a new opportunity to develop public services that fully and effectively meet the needs of people in our local communities.

Parliament knows how tight our settlement from Westminster has been. No other Government in Scotland has had to deliver a budget under such constraints. Moreover, as a minority Government, our budget proposals must be endorsed by Parliament. That means that we have had to identify, in a tight settlement, where our policy commitments will also command parliamentary support. I have welcomed each stage of the debate on our budget thus far—even the Labour Party debate in the chamber on 10 January, although I do not think that Labour members particularly enjoyed the experience.

As the Finance Committee report makes clear, some points in our budget require further engagement with other parties in the chamber. Given that the budget is a first for Scotland on many different levels, its passage through Parliament was never going to be a foregone conclusion. A very important process has to be followed, which is why we remain open to considering all the Finance Committee's recommendations.

First, we take on board what the committee had to say on the quality of the budget information that was made available to Parliament. As members are aware, we set out in enormous detail the

contents of the budget document. We set out at levels 1, 2 and 3 the volume of information that the Government would normally be expected to set out—and, owing to the lateness of the announcement on the comprehensive spending review, we did so in a hugely restricted timescale.

That said, it is clear that we must take account of what the Finance Committee had to say on improving the presentation of the budget. In setting out our view, I point out that the major change to the information that the Government presented is an extension of an existing characteristic of the budget under which we rolled up into the local government settlement a number of funding streams that would, in the past, have been set out individually.

In particular, we are sympathetic to the points that the committee made on improving the availability of information and the quality of information that is needed to address alternative spending proposals. We are keen to enter into discussion with other parties on the issue and to improve the information in future. We will work with the Finance Committee and other committees to that end.

I will give just one example. The Health and Sport Committee has corresponded with the First Minister, as Annabel Goldie has also done, to press him on the level of information around baseline spending on drugs treatment across portfolios. That is exactly the sort of area where more information will assist realistic assessment and debate. The Government has pledged to facilitate that in future.

Members will also be interested in a new initiative that I am working to have in place by 2009-10. It is a carbon assessment tool that can be applied across all Government spending in Scotland. Taking account of carbon impacts is already part of the best-value duty and it is an auditable requirement in the public sector, but the new carbon assessment tool will be applied to all Government spending in Scotland. Unfortunately, such an assessment was not available to us for the present budget but, in future, as a result of the move that we are making, the Government and committees of the Parliament will be in an even better position to judge the carbon impact of spending on transport, housing, health and enterprise. Let me be clear: the measure will put Scotland at the cutting edge. The shadow cost of carbon will be incorporated in the relevant impact assessments. The tool will capture in monetary terms the damage costs of the climate change that is caused by each additional tonne of greenhouse gas that is emitted and it will allow us to take decisions on that basis.

Ring fencing is another issue that the Finance Committee addressed. I am happy to provide the

committee with the further clarification that it asked for on ring fencing and I welcome the broad support that it has given for the Government's approach. As we heard in the debate on the spending review on 10 January, some members remain opposed to the relaxation of ring fencing that is implicit in the budget. Therefore, let me restate the facts once more. Local government has long campaigned for the removal of ring fencing. In December, the president of the Convention of Scottish Local Authorities described ring fencing as a "grossly inefficient system" and referred to the staggering level of bureaucracy that it involves, which wastes valuable resources. He is, as we are, clear that the removal of ring fencing means more funding for local people.

More recently, we have heard from council leaders throughout the country and across political parties who all support the removal of ring fencing and a move away from the micromanagement that it represented.

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Over the past seven years, the funding gap for Aberdeenshire Council has been reduced steadily but, this week, the finance director of Aberdeenshire Council informed me that, in the Scottish National Party's first budget, the first thing that it has done is set back, in one fell swoop, that fair share of the budget for Aberdeenshire Council to the situation that existed eight years ago.

John Swinney: If Mr Rumbles is complaining about the past seven years, he should address his comments to the folk who used to sit on the front benches for the Liberal Democrats. I gently point out to Mr Rumbles—not for the first time—that Aberdeenshire Council received an above-average increase in its funding arrangements in the local government settlement.

The previous Administration promised COSLA a year-on-year reduction in ring fencing, and the SNP Government has delivered that. We are giving councils more money and, with that, more freedom and flexibility on how to spend those resources.

The Finance Committee also said that single outcome agreements are a positive step forward—I welcome those remarks. As I have said, I have confidence that our local authority partners will deliver through the national outcomes. I believe that the mechanism that we have used to distribute resources to local government, which COSLA has agreed and endorsed, is fair and appropriate.

Let me make one further point on distribution issues. In my statement on local government finance, I announced that a study would be carried out with the City of Edinburgh Council to examine

the impact of capital city status on the council's spending. I am pleased to report that discussions have already taken place with the City of Edinburgh Council on the nature of that study, what it should cover in broad terms and when it should be completed. I look forward to receiving the results of the study later this year, in good time to inform next year's budget, in which I will make provision for a capital city supplement for the City of Edinburgh.

While considering all those points, we have of course considered carefully the alternative spending proposals that are outlined in the Finance Committee's report. We have examined the committee's recommendations to increase the level of police recruitment. Our commitment to making available 1,000 additional officers in our communities is about building police capacity and about seeing more police where people want them and where they are most effective—on Scotland's streets.

Margo MacDonald (Lothians) (Ind): Before the cabinet secretary develops his speech further, I would like to hear, just once more, those three little words that I have waited so long for. *[Interruption.]*

John Swinney: I hear a sedentary intervention that the three words would be, "I love you." I think that that would be a big step.

The Government's intention has always been to ensure that we have adequate and increased police capacity on our streets. That is why we have allocated an extra £54 million to build police capacity, why we are recruiting an additional 500 officers and why the first of those officers are currently being trained at the Scottish Police College in Tulliallan. We have heard the views that the Finance Committee expressed about increasing recruitment and we are considering the options that may be available to deliver on its recommendation. I give members the assurance that the Government is acting in the spirit of consensus and co-operation and that it is our intention to do what is right for our communities in addressing the Finance Committee's recommendations.

We have also given consideration to the committee's recommendation to accelerate the business rates reductions that are outlined in our budget. Business rates reductions are a cornerstone of our ambitions to make Scotland wealthier and fairer, and we, too, would like them to be accelerated—a point that was made in the spending review document. Again, I am currently considering the options that are available to us, and I will report back to Parliament as the budget bill continues its passage to address that recommendation.

However, I do not want to raise expectations on that point. Without the financial flexibility that is enjoyed by other Governments, and without the financial autonomy that I know has majority backing across the chamber, there is little that I can do to increase the size of the financial cake—any changes would have to be matched by changes elsewhere. I am addressing that issue with my Cabinet colleagues in relation to the Finance Committee's conclusions.

Of course, alternatives have been suggested by other parties. The Labour Party came forward with a range of propositions, none of which was successful in the Parliament's Finance Committee. Those included the bizarre proposition to reduce the winter maintenance budget just as Scotland was in the grip of some of the heaviest snow we had seen in many years—a short-sighted proposition if ever I saw one.

Some of the Labour Party's proposals involved taking money from budgets that no longer exist—something that no finance minister can conjure up. In addition, some of the Labour Party's proposals would have undermined the Government's purpose of increasing sustainable economic growth by undermining investment in our crucial water infrastructure. Every individual involved in the housing market in Scotland tells me that that is one of the biggest challenges on which the Government has to deliver—and we are determined to deliver on it.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): Will John Swinney give way?

John Swinney: I am afraid that I am very close to the time limit that has been placed on me.

In conclusion, there are major issues before Parliament today. It is essential that the budget is passed by Parliament, because without a budget we cannot put in place the mechanism to fund our public services to meet the needs of our people. Without the passage of the bill, the financial provisions to support our essential public services will not be in place. I encourage every member in the chamber to exercise their obligation to debate the issues constructively and, in the wider interests of Scotland, to ensure that we can put in place the funding mechanisms on which our private, public and third sectors depend in taking forward their own priorities in the period ahead.

I am encouraged by the progress that we have made. The Labour Party's proposals would have changed 1 per cent of the Government's budget. If 1 per cent of the budget is not okay, but 99 per cent is okay, we are making substantial progress on achieving consensus. That is why this Government is committed to continued engagement, through the passage of the bill, to building a broad consensus. It is an opportunity

that we should all relish—an opportunity to take Scotland forward and ensure growing Scottish success.

I move,

That the Parliament agrees to the general principles of the Budget (Scotland) Bill.

The Presiding Officer: I invite all members who wish to participate in the debate to press their request-to-speak buttons now, if they have not already done so. I call Andrew Welsh, on behalf of the Finance Committee, to speak to and move amendment S3M-1176.1. Mr Welsh has a very strict 15 minutes.

14:23

Andrew Welsh (Angus) (SNP): In speaking to the Finance Committee's report and the amendment, I thank all the members of the committee for the constructive way in which they approached the task in hand. I also thank our committee clerks, our Scottish Parliament information centre researchers and our budget adviser, Professor David Bell, for all their hard work. This was very much a team effort, and everyone's input has been greatly appreciated.

We also had a first this year: all the subject committees appointed specialist advisers who worked with our adviser to discuss common approaches to scrutiny and to seeking budget information. The Finance Committee adviser has been appointed for two years and the subject committee advisers were appointed for the duration of the subject committee's scrutiny. Different advisers might be appointed for finance budget scrutiny in the future because subject committees might now want to look at discrete areas of the budget on which different specialist advice is needed. Therefore, although we cannot have a standing group of advisers at the moment, having all the advisers working together has been successful and we would like to adopt and develop that in future years to put Parliament at the leading edge in financial and budget scrutiny.

To help us to get a sense of how the budget affects local areas, the committee held an external meeting at Discovery Point in Dundee. I thank all those who participated in the workshops that we held there before we took evidence from the Cabinet Secretary for Finance and Sustainable Growth. Such meetings are an important part of our outreach work, which I would like to be continued and further developed.

The backdrop to this year's budget is that the United Kingdom spending review has given us the lowest growth rate since Parliament was established. We have a new Government and a new budget, which proposes a new relationship with local government. We had to grapple with

those issues in our scrutiny of the budget. Apart from putting forward two proposals, which asked the Government to consider how police recruitment can be further increased and how reductions in business rates can be accelerated, the committee also made some important recommendations on budgetary information and on how the new relationship with local government will work and be monitored.

Although there were changes in how the information was presented in the new budget documents, it was not the case that vast swathes of information disappeared for no reason. Because of the new relationship with local authorities and the concordat that was signed with the Convention of Scottish Local Authorities, a number of budget lines were rolled up into the local government settlement as the money was no longer to be ring fenced and so was not shown separately in the draft budget.

However, the committee noticed that there seemed to be differences in the way that some level 3 information had been presented and wrote to the Cabinet Secretary for Finance and Sustainable Growth on the matter. The response that we received showed that more than 160 level 3 budget lines had, for various reasons, been merged, renamed or dropped. The committee welcomed the cabinet secretary's clarification, but thought that the changes made it difficult to read across to previous years. Although the information was made available to us, we believe that it would have been better if the changes had been footnoted or listed in a separate annex. Although we recognise that the budget documents had to be put together quickly this year, we have recommended that in the future the Scottish Government should agree any significant changes in presentation with the committee. Our common objective is accountability and openness.

The main concerns that were expressed by subject committees were about level 3 budget lines, which are now rolled up into the local government settlement, and about the absence of identifiable grant-aided expenditure totals, which I should point out are not budgets for local authorities; in fact, GAE is a basis for calculating the distribution of the Scottish Government's grant to local government.

We must recognise that we are dealing with a new system. Local authorities are now being given the freedom to spend their money according to their priorities, rather than according to central Government diktat. Although local authorities are now locally accountable for the money that they spend, the important point is that public expenditure is still monitored and tracked. As a committee, we tried to balance the concerns that were expressed by the subject committees with

the fact that we are in a new situation to which we must adapt.

Des McNulty (Clydebank and Milngavie) (Lab): Will the member give way?

Andrew Welsh: Forgive me—I have a lot to cover and the time limit is strict.

Calls for the level 3 lines that were rolled up into the local government settlement to be restored in next year's budget could imply that members are looking for ring fencing to be reintroduced and are ignoring the fact that there is a new relationship between central and local government. However, we recognise the concern that it could be difficult to track the levels of expenditure from year to year. In a spirit of consensus and co-operation, the committee has said that it will jointly review the presentation of information with the Cabinet Secretary for Finance and Sustainable Development and agree a way forward for future years. In particular, we will consider the presentation of level 3 budget lines, the identification of relevant GAE totals, the relationship between expenditure and single outcome agreements, transitional arrangements to allow comparison to be made between past and future years, and ensuring transparent tracking of expenditure patterns at all levels.

Parliament previously resolved that the current budget process should be reviewed. That matter was referred to the then Procedures Committee because, ultimately, it may require a change to standing orders. However, the Finance Committee wishes to take a lead role in the review. Such a review will obviously concentrate very much on the process itself and on the current written agreement between the Scottish Government and the Finance Committee.

However, we also intend to take forward the work that I outlined on how information is presented in the draft budget. We want to adhere to the principles in the written agreement between the Finance Committee and the Government and are inviting the cabinet secretary to look at the issues with us and to come to a joint agreement, which will assist Parliament in its financial scrutiny. Therefore, the comments today by the cabinet secretary are appreciated.

The new relationship with Government ushers in an era of less ring fencing and more discretion for local authorities to spend money on the priorities for their areas. The Scottish Government's aim is to

"set the direction of policy and the over-arching outcomes that the public sector in Scotland will be expected to achieve."

Where local authorities and their partners, including the third sector, show that they can deliver, the Scottish Government will stand back

from micromanaging that delivery, thus reducing bureaucracy and freeing up local authorities and their partners to get on with the job.

We on the Finance Committee made it clear in our report that it is not for us to enter the wider philosophical debate about whether funds should be ring fenced, and that our task was to focus on the current situation. Consequently, we have made a number of positive recommendations to ensure proper monitoring and tracking of expenditure.

We acknowledge the concerns that have been expressed about previously ring-fenced grants, which are now rolled up into the local government settlement. When we took evidence from COSLA, Rory Mair, its chief executive, said:

"We wanted to get rid of ring fencing not because we did not want to spend the money on the subjects for which it was ring fenced, but because we did not want the money to be separate from the rest of our budget".—[*Official Report, Finance Committee*, 4 December 2007; c188.]

However, the Finance Committee recognised that, even with such reassurances, there were concerns that there would be no guarantees of funding if councils decided to spend the money in other areas. The committee concluded that the key is the new system of single outcome agreements, which are to be agreed between individual local authorities and the Scottish Government. SOAs are not likely to be agreed until April this year; work will follow the delivery and reality of those agreements.

The Scottish Government has set out its primary purpose, strategic objectives and targets in its new performance framework. Local government has a crucial role in delivering necessary outcomes. The idea behind SOAs is that they will cover not only the national outcomes but the local outcomes that are necessary to help the Government achieve its aim while taking account of local priorities. As members will see from our report, the Finance Committee supports SOAs in principle, but we also believe that it is crucial that their format and monitoring arrangements are right and fit for purpose. In our report, we ask the cabinet secretary for clarification of the potential format of SOAs, what issues they will cover and what level of detail they are likely to have.

Des McNulty: Will the member take an intervention?

Andrew Welsh: Forgive me, but I am rather short of time. If I have time at the end of my speech I will be happy to take an intervention.

We want to see full details of the proposed reporting and review process for the SOAs, as well as clarification of what will happen if local authorities do not deliver on the targets to which they have signed up.

There is still some concern about a possible inability to track expenditure under the proposed new system. The Scottish Government has accepted the need for proper scrutiny and monitoring and the committee has made a number of recommendations that we hope will help that process. We recommend that as part of the annual process local authorities be required to produce statements explaining significant changes in expenditure patterns. That would apply to the entire budget, not just to the moneys that were previously ring fenced. Baseline information should be provided for the indicators and targets as they will be applied to local authorities, so that progress can be monitored. Local authorities should provide any other information that they see as being relevant to monitoring their SOA. Given that local authorities are currently subject to best-value reviews by the Accounts Commission, and that the new national performance framework and SOAs might change scrutiny arrangements, the Scottish Government should arrange urgent discussions with the Accounts Commission, the Auditor General for Scotland and COSLA to consider how monitoring and reporting of targets will be carried out under the new arrangements.

What is happening is that a new baseline is being created by the new financial system and local government agreements; success or failure will be measured against that baseline. Although there has been much comment about lack of clarity and comparability, the reality is that we require a suitable new approach that will enable us to clarify, analyse and compare properly this new and evolving system. As with budgetary information, this is an area in which it is essential that we undertake further work, so that is what we intend to do.

These are new arrangements and they need time to bed in. However, because they are new arrangements they also need to be reviewed to make sure that they are working as intended. I look forward to the cabinet secretary responding positively to the constructive suggestions that we have made and to his working with us to monitor the progress of the single outcome agreements.

I now come to the committee's proposals for the cabinet secretary to consider. The first proposal, which was unanimously agreed by the committee, is that it should be considered how police recruitment can be increased beyond what is currently planned. The Justice Committee and the Local Government and Communities Committee produced broadly similar ideas. However, neither of those committees had attempted to work out how much that would cost or had recommended where the additional resources should come from. Instead, they asked the Finance Committee to come up with proposals of its own. We appreciated the concerns that were raised by

those committees and note that the Justice Committee had taken evidence on police numbers and that one of its witnesses had attempted to put a figure on the cost of recruiting additional police officers. Costing the proposal is complex—it is not a case merely of looking at the additional salary costs. We must also take into account the cost of training, equipment, vehicles and, for example, pensions and national insurance costs. We recommend that the Government bring forward proposals setting out how, over the period that is covered by the spending review, the level of police recruitment can be increased beyond what is currently planned. We also recommend that it consider what changes will be required to the budget as a result of those deliberations.

Taking our lead from Parliament, we have also asked the Scottish Government to consider whether there is scope to accelerate the reductions in business rates and have suggested that increasing the reductions that will apply in 2008-09 should be a first stage in that acceleration process.

Malcolm Chisholm (Edinburgh North and Leith) (Lab): Andrew Welsh did not mention his budget adviser's view on acceleration of the rates reductions or, indeed, on any other aspect of the budget. Did he take any account of those views, especially given that the budget adviser was critical of the Government's claim to be promoting a fairer Scotland and stronger economic growth through the budget?

Andrew Welsh: I am sure that that is a matter that Malcolm Chisholm can and will raise with the appropriate minister.

In November last year, Parliament called on the Scottish Government to prioritise acceleration of full implementation of reductions in business rates for small businesses, if additional resources became available. Again, we look forward to a positive response to that proposal.

I believe that the Finance Committee has produced a thorough, analytical, thoughtful and measured report. It is all too easy to let politics get in the way of sound financial scrutiny—[*Laughter*]*—and it is worth pointing out that the vast majority of the report was unanimously agreed by the committee.*

Des McNulty: Will the member give way?

The Presiding Officer: I am afraid that the member does not have time to take an intervention.

Andrew Welsh: The Finance Committee has a duty to scrutinise financial matters properly. That is what we did.

The Presiding Officer: You must close, Mr Welsh.

Andrew Welsh: The Finance Committee has a hugely important role to play in parliamentary scrutiny. We have played that role in full this year and we will continue to build on our work in future years.

I move amendment S3M-1176.1, to insert at end:

“but, in so doing, recommends that the Scottish Government (a) brings forward proposals setting out how, over the period covered by the spending review, the level of police recruitment can be increased beyond that currently planned and (b) considers whether there is scope to increase the business rate reductions applying in 2008-09 beyond those stated in the Spending Review as the first stage of the acceleration of the reductions, setting out what changes will be required to the 2008-09 Budget as a result.”

14:39

Iain Gray (East Lothian) (Lab): We consider today the principles of the budget bill. That takes us to the heart of the debates that we have had in the chamber and in committees over recent weeks. We know what the express purpose of this budget is: we are told—the cabinet secretary repeated it today—that it is the single purpose of the Government to create a more successful country with opportunities for all Scotland to flourish through increasing sustainable growth. We accept that, we agree with it and we support it. In fact, the aim contains a fundamental truth to which we hold fast, which is that we cannot build prosperity—certainly not sustainable prosperity—without fairness and opportunity for all.

As we face the unprecedented challenges of climate change and globalisation, which we have seen in recent days, we ask ourselves where we will find the capacity to rise to those challenges and make Scotland's future better. The answer can only be by releasing, nurturing and investing in the potential of our people. That is the bridge between the need for economic growth and the desire for social justice.

Constant expansion of access to education, skills and training, and through that to work in enterprise of ever greater value, productivity and return; the promise of progress both individually and collectively for us all; a relentless refusal to accept the loss or leaving behind of any Scot through poverty, disability or disadvantage of any kind, because the diminution of the future for any one of us diminishes the future that we will all come to share: that principle should be at the heart of Scotland's budget, but it is not. We hear that it is—the cabinet secretary says so, but to will the end is not enough if the means do not follow.

The idea of investing in skills is in the budget document and in the Government's skills strategy, but the resource to back it up is not apparent in the budget. The enterprise lines in which funding

for skills is to be found are falling. I know that those lines contain other expenditure too, but at best that means that skills investment is static. Despite asking repeatedly, we have received no assurance, for example, that more apprenticeships will be created to match the expansion that is happening elsewhere in Britain.

The recent Organisation for Economic Co-operation and Development report that was debated in the chamber last week praises a great deal in our education system, but it also specifically suggests that vocational opportunities in schools should be widened. The cabinet secretary mentioned that today, but the budget targets not a single penny at that objective. It has been reduced to a single sentence in the local government concordat and is unsupported, so far, by local government sign-up or by any resource.

Meanwhile, the inadequacy of the allocation for higher education, especially in the year that is covered by the bill, has been well articulated and is now well known. The likely cost in loss of competitiveness in our universities is clear, and there will be no increase in places for Scottish school leavers in our universities.

We cannot look for comfort, either, in investment in infrastructure, which can also drive economic growth. We have already seen the Edinburgh airport rail link project go, and we hear that a Europe-compliant replacement for the air route development fund is apparently beyond the wit of the Government—although I note that the cabinet secretary declined to rule out absolutely a marketing-based alternative to the fund.

We might even have expected a Government that loves to brag of its vision and its aspiration to look for and find the resource to invest in an updated digital fibre-optic network. That would give us a competitive advantage for the future—the kind of competitive advantage that the cabinet secretary talked about today when he commented on the gross domestic product figures—as the previous Executive's investment in increasing broadband accessibility in Scotland to among the highest levels in Europe did.

The budget also falls short when it comes to social justice principles. We simply do not know the extent to which services for those whose potential will be lost without early intervention, extra respite, protection from violence or support through mental illness will be protected or improved. An assurance about that is promised to us when single outcome agreements with local authorities are agreed in April, but we are in January. Today, Parliament is being asked to agree to more than £11 billion of expenditure without knowing what the Government will agree to deliver come April. That is not good financial accountability.

We have been accused of not trusting local government. That is not true—it is the Scottish Government that we do not trust, and we have plenty of reasons not to trust it. The local government settlement might well have been the best on offer, but it is not enough to cover inflation, to compensate for there being no rise in local taxation or, for example, to reduce class sizes in primaries 1, 2 and 3 by 2011, as was promised in this chamber by the First Minister.

Labour-led Glasgow City Council demonstrated this week that it can be trusted on services. It introduced dramatic plans to improve care of the elderly. It is also pioneering skills academies, which will provide the vocational opportunity that we want for school students throughout Scotland. In Scottish National Party and Liberal-led Edinburgh, home care services are being reduced. In SNP-led Fife, home care charges are rocketing and people are stranded in hospital. In Grampian, there is the warning that front-line police budgets may be required to plug a gap in the pensions fund. In SNP-led East Lothian, schools have to contemplate not just efficiency savings but cuts in teacher numbers.

Tricia Marwick (Central Fife) (SNP): Does the member acknowledge that it was the previous Labour administration in Fife that put the home care charges in the previous budget? That is why they have risen.

Iain Gray: My examples are of preparations that are being made for next year's budget. That is why, in East Lothian, schools are looking at cutting teacher numbers. Those are early signs of how the SNP budget might play in SNP local government.

In mathematics, there is a curious object—the Möbius strip. It turns and twists back on itself, it seems to have a dimension missing, and its topology is such that, if we trace its contours, we always end up in the same place. The SNP budget is missing the dimension of investment in prosperity and social justice. It twists and turns in on itself, with hundreds of budget lines folding into each other and then magically reappearing when ministers come under pressure in the chamber or committee. We are constantly told that the resources exist but we just cannot see them. If we trace the contours of the budget, we always end up in the same place: the priority is always the tax cut.

The Government has broken promise after promise to achieve just two promises—the council tax freeze and the business rate cut. Promises on police numbers, class sizes, first-time buyer grants, support for special needs pupils and, of course, dumping student debt were all ditched. That is the principle at the heart of the budget; it is not a social democratic contract. That is the

priority that takes precedence every time, even at the cost of failing Scotland. That is why the principles of the budget, unamended, are unsupportable.

Alex Neil (Central Scotland) (SNP): If Iain Gray genuinely believes what he has just said, why did his colleagues on the Finance Committee not vote against the move to accelerate the cuts to business rates?

Iain Gray: If Mr Neil checks the record, he will find that Labour members abstained on that decision.

The Government will try to argue that the council tax freeze is fairness and the business rate cut is enough to drive economic growth, but they are not. Mr Chisholm was right—that was the evidence to the Finance Committee, not least from Professor Bell.

No one believes that a cut in small business rates is, in and of itself, sufficient to drive economic growth in a developed 21st century economy—especially if it is at the cost of driving forward on skills and education. No one, that is, except the Tories—or the Scottish Tories, I should say, because even David Cameron does not believe that one any more.

The Scottish Tories, however, have taken the SNP's hand and helped it through every stage of the budget process. They helped the SNP to avoid the need to debate its departmental budgets. They helped it to avoid providing proper detail on the budget. They ran interference for the SNP on every debate that we have had. They voted against skills and training, against help for pensioners and against specific higher police numbers. They even voted against the union on one occasion.

Today, the Tories will claim a great victory. They will get the SNP to promise that it might consider thinking about whether it could perhaps do something at some point in the future—something that it should have been doing in the first place, because it was in the SNP's manifesto.

Derek Brownlee (South of Scotland) (Con): I simply wonder whether, at the end of the budget process, Iain Gray will claim that the Labour Party's strategy throughout was his exclusively, joint with Wendy Alexander or all Ms Alexander's. I would like Parliament to be clear on who is responsible for the agenda that the Labour Party has pursued throughout the process.

Iain Gray: Now I know what the phrase

“a shiver looking for a spine to run up”

means.

In a previous debate, I called the Tories the “useful idiots” of separatism: I gave them too much

credit. This is a pyrrhic victory for them. If their deal is on police numbers, it had better be for 17,261 officers, because when we return to ask in 2011 whether the promise has been delivered, we will ask that of the SNP and of the Tories, too.

The budget can be improved by relatively small adjustments—the cabinet secretary agreed that they were—to invest properly in our young people, so that more of them can benefit from apprenticeships. With the will, we can reduce the number of school leavers who drift away and lose their chance of a future. A small amount of money in the route development fund kick-started more than 40 air routes to Scotland and money could be spent on promoting further new flights in different ways to build up clientele in the early years. To build their confidence, our universities could today be guaranteed the first call on future end-year flexibility. Instead of heaping scorn on the worries of organisations that work directly in the most difficult circumstances with vulnerable and disadvantaged people, the Government could find a way to provide the assurances that they seek.

We have proposed all that and more. We have suggested where resources could be redirected, by trimming growth in budgets that were increasing and by redirecting lines that are always underspent. None of that would cut baselines and the hysterical reaction is frankly juvenile, especially from a party that, in eight years in opposition, did not have the guts to construct a single costed budget amendment, with one exception.

Yes—we suggest that the Government invest a little less in Scotland's tarmac and a little more in Scotland's talent, because the budget compromises not only a long list of SNP promises, but the promise of Scotland's future. By all means find a better way of funding the measures, but the Government should not tell us that, in a budget of £30 billion, it cannot find the money to support the proposed changes.

If Parliament supported the Labour amendment, 15,000 more Scots would have apprenticeships; 300,000 secondary school students would have extra chances to learn a trade; 10,000 two-year-olds whose life chances are already in jeopardy would have extra, earlier support that might bring them through; and 20,000 women and their children might make the break from their abusers and rebuild their lives in peace. Today could be about whatever backroom dodgy deal the SNP can do with whichever parties to get its budget through, or we could support Labour's amendment and make today about the deal that Parliament should do with Scotland's people and the promise that we will do the best that we can for them. If we do that, how many times over will we all share in the return?

The Presiding Officer: You must close please, Mr Gray.

Iain Gray: The SNP's budget is for the SNP's own ambitions and interests. We can make it a budget—

The Presiding Officer: I am sorry; I gave fair warning at the start of the debate that I would keep members strictly to time.

Amendment S3M-1176.2 moved:

"insert at end 'and, in so doing, calls on the Scottish Government to bring forward proposals setting out how, over the spending review period: funding can be provided to increase the modern apprenticeship programme by 15,000 places per year; vocational training opportunities can be provided as an option for secondary school pupils throughout Scotland; new direct air services from Scotland can be supported through replacement of the existing route development fund with a scheme which complies with European competition law; additional funding for universities can be provided through end-year flexibility or otherwise; the level of police establishment will be increased to 17,261; vulnerable two-year-olds can be provided with nursery education, and services for disabled children, the homeless, victims of domestic abuse and those suffering from mental health problems can be expanded beyond existing levels in every part of Scotland, setting out what changes will be required to the 2008-09 Budget as a result of these proposals.'"—[Iain Gray.]

14:54

Tavish Scott (Shetland) (LD): On independent radio this morning, the budget did not rate a mention, whereas the death of the actor, Heath Ledger, in New York last night, speculation about George Burley as the Scotland manager, and the recovery in share prices, fuelled by the stimulus package that was announced in Washington yesterday, all made it. I felt a bit sorry for the Cabinet Secretary for Finance and Sustainable Growth. No doubt the Scottish National Party's spin machine was out last night and words such as "historic" and "history" were repeated, but the budget was not mentioned on that news bulletin.

The test of any Government is its budget—its allocation of moneys for the delivery of public services. The Parliament still lacks what Liberal Democrats want: real responsibility and accountability for income as well as for expenditure. We set that out in the Steel commission proposals and we will articulate the changes that we want and the positive case for reform in the commission that will consider and propose the strengthening of Scotland's Parliament.

It appears from the contents of that august journal *The Daily Telegraph* that Annabel Goldie is out of step with her party on the issue of having more powers for Scotland's Parliament. Let the Liberal Democrats extend a hand of support to her. She should take on the demons within and

not let the siren voices in the Conservative party—those who want not simply to stop any changes but to get rid of the Scottish Parliament altogether—win. The Liberal Democrats certainly hope that the lady is not for turning on that issue.

Gavin Brown (Lothians) (Con): Tavish Scott stated that the budget was not mentioned on the radio this morning. Will he mention it in his speech?

Tavish Scott: I certainly will, but I hope that Gavin Brown cares about the future constitutional settlement of our country. His intervention rather shows that that settlement is of only passing interest to some Conservative members. Annabel Goldie may need to deal with him before she deals with anyone else.

The Liberal Democrats have made clear their concerns throughout the short and tight budget process. This budget is the most opaque budget since devolution. It contains less detail than there previously was and it lacks clarity on key numbers, indicators and targets. It was designed for the Government by ministerial diktat, announcement and spin, and it fails to meet the tests of modern Scotland.

The Finance Committee recognised those concerns. The language that it used in its report on stage 2 of the 2008-09 budget process was soft, as one would expect, but members should read between the lines. The report stated:

"The Committee recognises the concerns expressed by all subject committees ... particularly:

- Level 3 budget lines now rolled up into the local government settlement;
- GAE totals;
- the distribution of capital grants;
- the splitting of Level 3 budget lines into capital and revenue."

Mr Welsh was at his diplomatic best, but really he was saying that no committee knows what is going on.

The SNP's budget has no details on efficiency savings, public-private partnership alternatives, single outcome agreements, the council tax freeze, national priorities, level 3 spending plans, or—crucially—the impact that those things will have on the delivery of public services throughout Scotland. How can a Parliament endorse a budget in the absence of such information?

The Liberal Democrats have raised substantive and significant issues in committee and have highlighted serious concerns about a number of spending commitments that are vital to Scotland. They have expressed concerns about police numbers, student debt, class sizes, health expenditure, enterprise, transport investment, waste management and flood measures. No answers have been given to our questions. I

assure members that we do not take it personally, but anyone who reads the Finance Committee's report will see that reasonable and constructive requirements on the Government to provide information have been rebuffed. We hope that things will change.

We remain concerned about the complete lack of detail on efficiency savings. That detail-free zone is genuinely puzzling.

"There must be clear proof that savings have been generated by service improvements not service cuts ... Unless Ministers tackle these issues we will be left in a position that the efficiency savings will be no more than what Ministers claim".

Quite. I am sure that Mr Swinney had a point when he made those remarks during last year's budget process. They are certainly accurate today.

The Government is changing the efficiency rules as it goes along. First of all, only councils were to keep their efficiency savings—that was the "special treatment" that there would be, according to the historic concordat. Then the Cabinet Secretary for Health and Wellbeing announced to the Health and Sport Committee that health boards could also keep their savings; they were now special, too. The Cabinet Secretary for Finance and Sustainable Growth then told the Finance Committee that all departments were significantly special, as they

"will be able to retain a significant proportion of their efficiency savings".—[*Official Report, Finance Committee*, 10 December 2007; c 230.]

There has been a whole new definition of the word "special". We are all special now, although some are more special than others.

COSLA said that meeting the 2 per cent efficiency savings would mean job cuts. The Finance Committee has said that it is

"difficult to come to a judgement on whether the target is realistic or not".

Everyone believes that the target is challenging, but the Government has produced a budget with next to no detail on how £1.6 billion of savings are to be made. Then, it has published a technical note of just 281 words, containing no detail about where the savings will be made. We are not content to sign up to a budget that is so contingent on £1.6 billion of savings when the Government cannot tell us and Parliament how and when those savings will be made. That is what our amendment is driving at, and we look to the Government to answer those points during this debate.

I am puzzled by the Tories in Parliament. First, they were so against back-door deals being stitched up in smoke-filled rooms—well, they were against them for eight years; I guess that they are okay now. Therefore, it is curious that although they oppose the abolition of the graduate

endowment, they will vote for the spending allocations that will allow it to happen.

Secondly, the Tories are a party of conviction. They say what they mean and mean what they say; they do not do consensus. I enjoy finding a quote from Mr McLetchie, and I have found two. The first is:

"consensus is invoked to frustrate opposition to the government of the day and stifle proper debate of crucial political issues."

Tut, tut, tut. However, there is an even better one—a real McLetchieism.

David McLetchie (Edinburgh Pentlands) (Con): The false god of consensus.

Tavish Scott: He knows it. It is:

"worshipping the false god of consensus too often leads to adopting the lowest common denominator".

I assume that, in this case, the lowest common denominator is failing to achieve either what the SNP or the Tories said about police numbers during the election. We are seeing from David McLetchie and the Tories the "I say these things because they are only words" approach to politics.

I am puzzled by the Tories for a final reason. During this budget process, we have heard one consistent lecture from my friend Alex Neil. We will call it the Neil dictum. It says that no alternative spend shall be proposed unless it can be shown from where the spend is taken. The Neil dictum—

Alex Neil: Will the member take an intervention?

Tavish Scott: Of course I will, but I will finish the point. The Neil dictum applies to all parties in the Parliament, except the Tories and the Greens. It might even apply to Margo MacDonald, but when it comes to Alex Neil and Margo MacDonald I am entering a world of nationalist politics that is too complex for this foot soldier.

Alex Neil: On alternative proposals, I remind the member of the guarantee that Nicol Stephen gave on "The Politics Show" two months ago that the Liberal Democrats would lodge an amendment to restore some of the additional budget to the universities in Scotland. No such amendment has ever been lodged. Is that not a broken promise by the Liberal Democrats?

Tavish Scott: It is always good to see someone enjoying his job as the most loyal back bench on the Government side.

Members: Answer the question!

Tavish Scott: People say that Mr Neil is highly effective. I always thought that he was highly effective in the previous session, but no one paid any attention to him then either.

Alex Neil: Answer the question!

The Presiding Officer: Order.

Tavish Scott: The most charitable observation that I can make about the Conservatives—*[Interruption.]*

I will repeat the point. The most charitable observation that I can make about the Conservatives is that they have simply dumped everything that they said in the past eight years about consensus, coalition, deals and even being in opposition. The one thing that they are not in the Parliament is an Opposition.

I will deal with Mr Neil's point because it is important. Throughout the budget process—not at the last minute—the Liberal Democrats have raised the issue of the funding that is available to Scotland's universities. Scotland's universities are world class, and we do not agree with the SNP's budget—and I hope that Mr Neil will bear this in mind—because it cuts real-terms spending on universities next year. That is wrong, and this is why: Scotland's higher education system has a global reputation for excellence. It is a world-renowned educational system, with a certain ratio of graduates to capita. Scotland surpasses most countries of comparable size in Europe.

Alex Neil: Where is the amendment then?

Tavish Scott: SNP members do not like what I am saying but they should listen, because universities are important to Scotland. They have a key role to play in fulfilling Scotland's economic potential, especially in areas such as financial services, energy and life sciences. The key to the future competitiveness of the Scottish economy is the competitiveness of the university sector. Unless the Government addresses the funding deficit that it is helping to create, Scotland will sleepwalk into having an uncompetitive higher education sector, with disastrous long-term implications for the Scottish economy. The Government will have to find a solution to that issue and find it quickly.

I move amendment S3M-1176.3, to insert at end:

"but, in so doing, believes that this is a budget of SNP broken promises; believes that the budget document is the most opaque seen since devolution; regrets the failure of the SNP government to provide adequate information on its detailed spending proposals, efficiency savings programme and alternatives to PPP; is further concerned that the budget choices made by the SNP government will lead to cuts in vital public services across Scotland, and therefore calls on the SNP government to address these issues as a matter of urgency."

15:05

Derek Brownlee (South of Scotland) (Con): It is a pleasure to follow Andrew Welsh's speech on

the Finance Committee's reasoned amendment and Iain Gray's and Tavish Scott's speeches on their not-so-reasoned amendments.

Today's debate is important, but let us not get carried away. It might be our first stage 1 debate on a budget bill under a minority Government and with the SNP in power, but, as Iain Gray said, the debate is on the general principles of the bill. The question that we need to consider today is not whether the budget before us is perfect—I am sure that even Alex Neil would not suggest that—nor whether it should be passed as it is, but whether it is so fatally flawed that it must be killed off in tonight's vote. In effect, the question is whether the Parliament is so incapable of improving the budget by amendment that we would be better to vote down the bill tonight and ask the Government to think again.

I remind members that if Parliament does not agree to the general principles of the bill tonight, the bill will fall and the Government will need to introduce a new—not necessarily different—budget bill. We could just about avoid the emergency provisions in the Public Finance and Accountability (Scotland) Act 2000 but, given the time limits in standing orders, the timing would be tight, particularly if a different budget bill had to be considered. The question that every MSP and every party must consider today is simple: is the budget before us today so poor that we should vote it down without giving the Government the opportunity to lodge amendments to improve it?

Mike Rumbles: As the member has just pointed out, only the Government can lodge amendments to the budget bill. Neither the Labour Party nor the Liberal Democrats nor the Tory party can lodge such amendments. Today is our only opportunity, right at the beginning, to say no to the Government and to demand that it bring back a fresh budget.

Derek Brownlee: There was nothing to stop the Liberal Democrats proposing alternatives to the Finance Committee. It will come as no surprise to members to hear that having achieved the support of the Finance Committee for two Conservative suggestions that ask the Government to think again, we do not believe that Parliament should today reject the general principles of the bill. We think that it is right that the Government be given the opportunity to respond to the points that the Finance Committee and the subject committees that have scrutinised the draft budget have raised since its publication. We support the reasoned amendment in the name of Andrew Welsh.

Jeremy Purvis: Will the member give way?

Derek Brownlee: I will not, as I want to make progress.

Let me make it clear that our vote today to allow parliamentary consideration of the budget bill to continue does not necessarily mean that we will support the bill later in the process. As I outlined before the draft budget was published in November, the Conservatives will not take a decision on how we will vote at stage 3 until it is clear what we will vote on. [*Interruption.*]

I hear Mike Rumbles shouting from a sedentary position. I believe that ours is a sensible and pragmatic approach. It was also the approach of Tavish Scott, who told the *Daily Record* on 15 January:

"We believe the budget is flawed but won't decide whether to support it until we see its final shape."

His position seems to have changed. Which venerable Scottish institution is wrong—the *Daily Record* or Tavish Scott?

If others choose to adopt a scorched earth policy by voting down the budget before the Government can even consider lodging amendments, that is for them to explain. We set out our approach before the budget was published and we have been consistent. We have scrutinised, asked questions, proposed alternatives and focused on what we consider to be the key issues. Today, we will focus on three key issues: police recruitment, business rates and drugs policy.

As there has been no prior debate on the Finance Committee's report on the draft budget, let me pay tribute to the work that was undertaken by those who were involved in this year's budget scrutiny. A remarkable degree of consensus was achieved on much of the Finance Committee's report—although that might not be evident from today's debate. However, once we have concluded this year's budget process, we ought to reflect on how the process can be improved. We will be able to do that because Parliament has already agreed to an objective review of the process, thanks to the parliamentary vote on my amendment in November—a decision that was taken in the long-term interests of Parliament rather than the short-term interests of one political party.

Let me turn to the issue of policing. During the election, we were clear that we wanted 1,500 extra police officers; the Government was clear that it wanted 1,000 extra officers, although that policy was swiftly abandoned. Labour, too, has changed its policy on police. The proposal in Labour members' reasoned amendment today was not supported by Labour last May, but that is hardly surprising, given that what they propose today is what they opposed in the Justice Committee in December, that what they proposed in the Finance Committee last week they have abandoned today, and that what they supported in the Finance

Committee last week they will oppose today. They have changed their minds at every opportunity during the budget process, and there are a further two stages to go. It is no wonder that they get on so well with the Liberal Democrats.

Iain Gray: Throughout the budget process, we have tried consistently to find ways of holding the Government to producing the number of additional officers that we all know it promised in May—1,000. On how many police officers have the Conservatives done a deal with the Government?

Derek Brownlee: The difference between the Labour Party's approach to the budget and ours is that we have been focused from the outset. That is why we have a hope of achieving something, in stark contrast to the Labour Party. In the Justice Committee and the Local Government and Communities Committee, Conservatives pushed for the Government to think again on police numbers, and those committees agreed. They did not agree on the means of delivering that objective, which is why my recommendation in the Finance Committee's amendment generously gives the Government the widest possible opportunity to act on Parliament's will on the issue.

On business rates, we made it clear that we believe that the welcome cuts for small businesses that have been proposed should take effect as soon as possible. I welcome the decision that Parliament took on 21 November to accelerate business rate cuts—I would do, given that the amendment in question was in my name. I am disappointed, although not surprised, that today the Labour Party has again completely rejected the concept of reducing business rates. That is not surprising because, as we speak, the UK Labour Government at Westminster is heaping new taxes on small businesses. In Scotland we can and should take a different route. At a time of increasing uncertainty, we in Scotland should send the signal that we want to help our smallest businesses, even if the Chancellor of the Exchequer does not.

In his opening speech, John Swinney indicated that Annabel Goldie has rightly taken the issue of drugs policy to the top of the political agenda in Scotland. The status quo is simply not acceptable.

Elaine Murray (Dumfries) (Lab): Will the member give way?

Derek Brownlee: No—I want to develop this point.

During committee scrutiny of the budget, the Health and Sport Committee held a valuable joint evidence-taking session that shed real light on the current situation in drugs policy in Scotland. We cannot expect to make progress on tackling drug addiction if we do not know what is being spent and how effective that spending is; the situation

cannot continue. Mary Scanlon will set out some of our concerns on the issue. I urge the Government to give serious consideration to the points that she makes, as well as to the points that the Health and Sport Committee made in its report.

Christine Grahame (South of Scotland) (SNP): Does the member share the concerns of the Health and Sport Committee that the most recent review of the effectiveness of expenditure on drugs misuse was in 2000? The information has not been updated in seven years. The committee simply did not have the facts before it to consider the expenditure properly.

Derek Brownlee: That is a serious problem that needs to be addressed.

As Iain Gray mentioned, the Labour Party has made its own proposals. They did not find favour in committee—even the Liberal Democrats did not support them, which is a rare achievement for Labour Party proposals these days. I was interested to read the following comments on the budget process in *The Herald*:

“In contrast with the Conservatives, Labour is showing how not to make an impact as the opposition. They put forward amendments, but failed to put in the groundwork that would draw in support from other parties. All the amendments were thus doomed to failure.”

Why were Labour’s amendments doomed to failure, apart from the fact that the basic policies behind most of them were not supportable? How could that have happened? Two days before the crucial votes in the Finance Committee, Wendy Alexander chose to relaunch her political career on “The Politics Show”. As a former convener of the Finance Committee, she must have known how critical that time was—now was the time to seek consensus, to work across parties and to try to achieve changes to the budget. It was time to hone those soft skills, to turn on the charm and to apply a little influence.

This is what she said on the vexed issue of ring fencing, as she turned up the charm to the max:

“I have no doubt that Labour councillors, indeed Labour councils, have spent their life looking after the homeless, women’s aid, all of these poor, weak, vulnerable groups that we came into politics for”.

She continued:

“But I frankly can’t have the same confidence that a Conservative-controlled council, or perhaps even an SNP-controlled council or an independent council will, for example, meet our obligation to women suffering domestic violence.”

If slurring councillors of all parties and none is what passes for persuasion in Wendy Alexander’s Labour Party, does that not say it all? If this is how Labour handles a budget in opposition, thank goodness that it is not in government.

The sensible approach today is to reject the Labour and Lib Dem amendments as the lame attempts they are to derail the budget process. Members should support Andrew Welsh’s amendment, allow the budget process to continue and allow the views of the Parliament’s committees to be given the consideration that they deserve.

The Presiding Officer: We now move to open debate. As I have already made very clear, this debate is oversubscribed and speaking times will be kept to a tight maximum of six minutes.

15:15

Alex Neil (Central Scotland) (SNP): I lived in America when Congress vetoed the President’s budget. The consequences were horrendous: hundreds of thousands of people were laid off and tens of thousands of small businesses went to the wall. We should consider the consequences of voting down the budget today. Those who are thinking of doing so would vote down: the abolition of prescription charges; the first extra money in years for free personal care; reduced waiting times; capital investment in hospitals; new homes and regeneration; investment in the prevention of illness; the new Aberdeen dental school, as I would tell Mike Rumbles if he were in the chamber—

Ross Finnie (West of Scotland) (LD) rose—

Alex Neil: They would vote down extra teachers and investment in nursery education and in schools.

Ross Finnie: Will the member give way?

Iain Gray: Will the member give way?

Alex Neil: I will later.

If the Liberal Democrats and the Labour Party are irresponsible enough to vote down the budget, they will deserve the electoral consequences. I will deal first with Labour.

Iain Gray: I appreciate Mr Neil’s point. According to the same logic, does he therefore agree that those who vote against the Labour amendment will be voting against 15,000 apprenticeships; 20,000 nursery places for vulnerable two-year-olds; support for 40,000 homeless people; and vocational opportunities for 300,000 secondary school pupils?

Alex Neil: The key point is where the money would come from to fund all that. It would come from reducing the budget for counter-terrorism, from the budget for the Scottish Crime and Drug Enforcement Agency and from the budget for capital works.

Labour talks about the Government doing deals with the Tories. Will it deny that it tried to do a deal with the Tories? Labour's complaint is that the Tories didnae do a deal with it. The Labour Party has done a deal on the proposed constitutional commission, so it might as well do a deal on the budget as well.

In his speech, Iain Gray made a lot of social justice. The Labour Party would have more credibility on social justice if last week the Labour Government had not passed a measure to rob Scottish charities of £184 million to pay for the London Olympics. We will not take any lessons about social justice from new Labour. I thought that one of the Labour members was going to intervene, but none of them wants to. To defend the £184 million—

Ross Finnie: Will the member take an intervention?

Alex Neil: Ross Finnie has intervened for Labour. *[Laughter.]*

Ross Finnie: I am glad that the member has replaced his hearing aid. Does he care to concede that his hyperbolic description of his living in America and the American budget bill have no relevance to this Parliament and its legal process? We do not have the same system. Will he also concede that if a budget bill falls in this Parliament, another bill must be introduced, because the emergency procedures kick into place?

Alex Neil: No, I do not concede that. Voting down the budget would have horrendous consequences here in the same way as there were horrendous consequences in America. The two main criticisms in the Lib Dem amendment are that not enough information has been published. Ross Finnie and Tavish Scott were two of the guilty men who suppressed the Howat report for month upon month, and they have the cheek to call other people to account for not releasing enough information.

Tavish Scott: Will the member give way?

Alex Neil: I have given way enough.

Then they talk about broken promises. When he was on "Newsnight Scotland" one night, along with Iain Gray and Derek Brownlee, macho Tavish Scott said, "I am going to move an amendment to direct more money into renewable energy."

The Deputy Presiding Officer (Alasdair Morgan): You have one minute left.

Alex Neil: Where was macho Tavish's amendment? We have not seen it—although, to be fair, as Zsa Zsa Gabor said, men who claim to be macho usually haven't mucho. I will let Mr Scott intervene.

Tavish Scott: This is all good knockabout stuff, but I will try to bring us back to the real debate. How many of the Howat recommendations will Mr Neil's Government implement?

The Deputy Presiding Officer: You are in your final 15 seconds, Mr Neil.

Alex Neil: I have not counted them lately but one thing is absolutely clear: the Liberals say that our budget proposals are opaque, but if we look at the votes in the Finance Committee, we find that all the Liberals did was abstain. That is not opaque; it is just fake.

15:21

Tom McCabe (Hamilton South) (Lab): It is with some regret that, at this point, I cannot support the general principles of the Budget (Scotland) Bill. I say that in the sincere hope that the Government will demonstrate the constructive and consensual approach that Mr Swinney quite properly advocated in his speech. In that spirit, I ask the Government to pay heed to the Labour Party amendment in the interests of social justice and the consensual government that not only the cabinet secretary but all parties in the Parliament seek when we discuss matters of such importance as the Scottish budget.

It would be in no one's interest to find ourselves in a position in which the Scottish budget was not, ultimately, approved. The Government of the day has a right to pursue its objectives through the Budget (Scotland) Bill, but in a minority Government situation it also has an obligation to take account of the concerns that have been expressed by other parties in the Parliament.

As has been said, the Labour Party tried to express its concerns by moving several amendments at the Finance Committee, which the First Minister sadly misrepresented at question time last week. Robust exchanges will always be part and parcel of parliamentary debate, but the Government of the day needs to temper how it handles those exchanges, especially when it cannot command a majority in the Parliament.

There is nothing inherently wrong with wanting to increase the number of modern apprenticeships in our country—I know of no non-partisan commentator who disagrees. Indeed, meeting the economic growth aspirations that the Scottish Government has set out will require something of a skills revolution. It will also require a substantial increase in the number of people who are equipped with the relevant skills for the world of work. The competitors whom we face in a new world economic order do not hesitate to invest heavily in those areas. What we once called the emerging markets have now well and truly emerged, and they are growing stronger by the

day. It is time that Scotland's budget reflected some of those harsh realities, not just with rhetoric but with solid action.

Surely there is nothing inherently wrong with pursuing the desire to ensure that our pensioners do not experience an increase in the council tax bills that will drop through their doors shortly, especially when they have been given the impression that those bills will be frozen this year. However, each and every member knows that those bills will go up because the water and sewerage element will increase.

In May of last year, the First Minister spoke about having the moral authority to govern. With no parliamentary majority and only a one-seat advantage over the largest Opposition party, an integral part of having that authority is the obligation to reach out to other viewpoints in the Parliament. In that regard, I suggest that the Government need not reach far. I have no doubt that there are SNP members who concur with the objectives of increased protection for our pensioners and more apprenticeships for the young in our society. I do not want to mention Mr Neil after the performance that we have just witnessed, but I know that in his heart he would find it difficult to disagree with those objectives. I hope that now that he is such an influential part of Government thinking he will try to convince the Government that those objectives are laudable.

Labour's amendment contains not a demand for immediate change to the budget but a request for an indication from the Government that over the course of the spending review period it will give serious consideration to the issues and, in doing so, recognise not only the constraints but the opportunities of minority government.

The first budget process to take place under a minority Government in the short history of the Scottish Parliament presents us with a unique opportunity to demonstrate to the Scottish people that the Parliament is capable of rising above party political differences. The truth is that more unites us than divides us when it comes to apprenticeships and pensioners. With a lead from the Government of the day, we can act collectively on matters that are in our citizens' interests, and thereby demonstrate to the people of Scotland that we can and do put them first when we deal with issues of such importance.

15:26

Bill Aitken (Glasgow) (Con): Alex Neil is always entertaining, but he has one major failing. There is no better way of destroying a good case than by overstating it, and he overstated the impact of failing to agree the budget today. Nevertheless, all members must accept that to do

as some members suggest would cause the most profound difficulties. Accordingly, we require to take a measured approach.

The cabinet secretary made his usual comments about tight financial constraints. There are tight financial constraints, although the situation is not quite as bad as he consistently makes out that it is. He has undertaken to come forward with improved financial information in the years ahead, which is right, and I hope that he does so. Although I do not accuse anyone of concealing anything—I listened with interest to Tom McCabe, principal concealer of the Howat report—there appears to have been a degree of institutional obfuscation in respect of the budget process.

I was interested to hear that consideration is being given to a capital city supplement for Edinburgh. What about recognition of Glasgow's metropolitan status? Members have heard me speak about that.

Margo MacDonald: Will the member give way?

Bill Aitken: I want to get on with talking about the issue that faces us today.

We require to fix a budget, although we will not fix the specifics today, as Derek Brownlee accurately and clearly explained. Lest there be any doubt about the Conservatives' attitude, I underline that although we will vote for the amendment in the name of Mr Welsh, we have made no decision about our final position on the budget. The onus is entirely on the Scottish Government to lodge the amendments that it knows we want. At that stage, we will consider our position and vote accordingly.

I hope that we will vote on the basis that we will be able to see policies in our election manifesto bearing fruit. Our manifesto was regarded as the best among all parties' manifestos. Arthur Midwinter, who is now a Labour Party apparatchik, but who nonetheless remains a fairly distinguished economist, said that our manifesto contained

"quite simply the most transparent and realistic set of policy and financial proposals I have read in the lead-up to the current Election".

Jeremy Purvis: Will the member give way?

Bill Aitken: I am sorry, but I have too much to get through in the time available. Normally, I would give way, but our time is restricted today.

The fact of the matter is that we seek to implement a number of our proposals. Throughout the budget process we have attempted to bring forward constructive amendments. Our approach contrasts starkly with that of the Liberal Democrats, who, despite the protestations of Tavish Scott and Nicol Stephen on television, did not lodge one amendment. I looked back over

what Liberal Democrat members did at committee and found that it was abstain, abstain, abstain—even on the Justice Committee report. The party's justice spokesperson, Margaret Smith, obviously heard the arguments and assessed the evidence that it would be disastrous for the Government to take a substantial sum of money out of the Scottish Crime and Drug Enforcement Agency's funding. However, despite Ms Smith's best counsel, Liberal Democrat members attempted to abstain on that element of the debate.

Margaret Smith (Edinburgh West) (LD): At the Justice Committee, I was happy to support the same premise that I have supported all the way through the process, which is that the budget fails to deliver on police numbers. The Justice Committee made a proposal to the Finance Committee to deliver more police numbers. I did not abstain on anything that involved police numbers. Mr Aitken may be shaking his head, but he referred to the Justice Committee. I did not abstain; I supported the amendment.

Bill Aitken: That was not what I said. In fact, I was damning Ms Smith with not faint but considerable praise. She has been in step and totally consistent all the way through the process. It is her party that has shown a lack of consistency. That is the issue.

We have decisions to make on the bill and, as with all budget bills, some decisions are hard decisions. However, the hypocrisy that we have heard from Labour members has been hard to stomach. I have no doubt that they are sincere in their aspirations, and that they care for the needy and vulnerable in our society. I also have no doubt that, in a perfect world, some of the proposals in the Labour amendment would be acceptable. However, what were Labour members doing for the previous 10 years when they, along with their Liberal party allies, had the opportunity to bring forward measures?

The issues before us are simple and straightforward. A lot more work remains to be done. However, it would be irresponsible not to let the bill be passed today.

15:33

Margaret Smith (Edinburgh West) (LD): The debate is an important one on an important budget. I welcome some of what the cabinet secretary said, particularly on capital city status for Edinburgh, about which I disagree with Bill Aitken. Indeed, as I progress my speech, it will be clear that it is not the only measure on which I disagree with him.

The budget is disappointing. It is stuffed full of broken promises. I will not list all of them; members have heard about them on a number of

occasions. It is therefore no wonder that the Government has done its best to hide the truth that lies behind the veils of the most opaque budget that the Parliament has ever seen—or not seen.

The Justice Committee had a real problem in reading across from the current budget documents to the budgets of previous years. There were a number of reasons for that, for example funding has been taken from the justice heading and re-allocated to the local government budget, and other portfolios and ring-fenced moneys have been rolled up. Arthur Midwinter told the committee that not only did that remove transparency, it took away the committee's ability to propose alternatives. For example, I felt unable to support the Labour Party amendments, because the Justice Committee did not have information on their impact. Given that we have a minority Government, it is particularly important that it gives all the Opposition parties the information that their members need to scrutinise properly the budget. We need to ensure that that is remedied for next year.

I welcome Andrew Welsh's comments on the review. We are dealing with a new set of circumstances. We have to improve on the position in which all committees found themselves this year. We must consider seriously the introduction of proper monitoring and tracking of expenditure, because we are responsible for the use of public funding. Members do not oppose the changes in relation to ring fencing just because they want to have a go at councils throughout the country; they have genuine concerns on issues such as funding to tackle domestic abuse. Recent reports state that one reason why we are doing comparatively well on such issues is that we ring fenced their budgets. We do not want some of that progress to be taken away because of the changes.

As the justice spokesperson for our party, I will focus mostly on that issue. The SNP manifesto was clear. It stated:

"we will set out plans in our first Budget for Scotland for 1000 more police".

However, by October, the First Minister changed that to

"the equivalent of 1,000 extra officers".—[*Official Report*, 4 October 2007; c 2468.]

He then changed it again to

"an additional 1,000 police officers ... through increased recruitment, improved retention and redeployment."—[*Official Report*, 25 October 2007; c 2719.]

By November, the Cabinet Secretary for Justice was set to face the Justice Committee, having announced that 500 new officers would be recruited, but that still means that, in 2007-08, the

number of recruits entering training will be the smallest since devolution. Week after week, the Justice Committee scrutinised that manifesto promise and, week after week, expert witnesses questioned whether retention and redeployment would work. Despite the SNP's reliance on the three Rs, it is clear that only recruitment will deliver the new officers that the country was promised.

The Scottish Police Federation stated that any further redeployment would be "at the margins". David Strang, the chief constable of Lothian and Borders Police, told us:

"Retention will not increase police numbers. If we retain someone, the funds will not be available for recruitment."—[*Official Report, Justice Committee*, 20 November; c 356.]

He said that the cost of keeping on an experienced officer is much more than that of taking on a new recruit. The existing retention scheme is failing to deliver large numbers of officers and, despite a great deal of questioning from me in the committee, the cabinet secretary could not give us a timetable for the scrapping of that scheme and the introduction of another one. Therefore, we have no guarantees that retention will help to deliver the promised officers.

The cabinet secretary could not tell us how many of the overall total of 1,000 new officers would be delivered through retention and how many would come through redeployment. He could not tell us how many officers were currently in the community. So even if Mr MacAskill found a way to fund the promised officers, we would again have a problem with on-going scrutiny. The only point that is clear is that, despite the SNP's manifesto pledge, the budget will not deliver 1,000 more police in the community or anywhere else.

The Justice Committee was not convinced, and suggested that an amendment be made to ensure

"that the number of serving officers in 2011 is at least 1,000 above the 2007 establishment".

That is why I supported the suggestion to the Finance Committee that it should consider the diversion of additional resources to fund more police officers.

The Deputy Presiding Officer: The member has one minute.

Margaret Smith: I am disappointed that the Finance Committee amendment today does not ask the Government to deliver the further 500 officers, but simply asks the Government to introduce proposals to increase the recruitment level, which could mean an extra couple of squad cars' worth. That is not good enough. I acknowledge the Cabinet Secretary for Finance and Sustainable Growth's comments on the issue, but he knows what the mood of the Parliament is.

It is absolutely fundamental that he makes progress and comes back with more police officers.

On efficiency savings, the Government's commitment to increase police numbers means that those savings will have to be made while preserving police numbers, pay and pensions. As the Association of Chief Police Officers in Scotland pointed out, that means that

"a 2 per cent efficiency gain from the balance will in reality equate to nearer 7 per cent."—[*Official Report, Justice Committee*, 20 November 2007; c 345.]

The Scottish Police Federation and others told us that that would mean compromising service at a time when all members want more police on our streets and more service from our police, not less.

I am disappointed today by—

The Deputy Presiding Officer: I am sorry, but the member's time is up.

15:39

Roseanna Cunningham (Perth) (SNP): I congratulate John Swinney on being at the centre of yet another historic occasion. I cannot think of anybody whom I would rather see in that situation.

As anticipated, the Government's first budget is controversial—it was unlikely to be otherwise. In response to Tom McCabe, I say that, in my experience, there is never enough money and nobody ever feels that they have been given everything that they need. That has never changed and I suspect that it never will, so we need to understand and accept it. After listening carefully to Tavish Scott's speech, I suspect strongly that the Liberal Democrats are going to pluck up every single ounce of their courage and abstain in the vote on the motion.

I strongly welcome many items in the budget, and they must not be put in jeopardy, because the budget delivers a lot. It delivers a reduction in prescription charges, moving towards their abolition, which the Health Committee voted in favour of in respect of a member's bill in the previous session of Parliament. That will make a big difference to some very low-paid people who struggle massively with health issues as a result of the current regime. The budget will also increase free personal care funding for the first time since the policy was introduced, bringing an end to the standstill funding that the Health Committee in the previous session also identified as an issue, because people who receive free personal care comprise some of the most vulnerable, weak and needy.

The budget will put more money into housing, which is particularly important for the whole of Scotland. There will be another dental school in

Aberdeen—we have all been talking about that for years, but now, for the first time, it is actually going to happen. We are abolishing the graduate endowment fee—and frankly, I do not get people writing to me saying what an outrage it is that we are going to abolish it; I get people writing to me wanting to know if we can backdate the abolition by a number of years. I am sure that the cabinet secretary would want to consider that, although I suspect that it will not happen, because the reality is that decisions have to be made, and they are not always easy.

We have talked this afternoon about the cuts in business rates as if we were talking about big business, but we are not. The businesses that are affected are the little one and two-person jobs in the high street and the local towns and streets throughout Scotland—the very people who are struggling to keep their heads above water and who, if they go under, will cost the state far more than they will through this small reduction in business rates.

The council tax freeze is probably the single most popular policy that we have talked about over the past year, and it will be even more popular when we move from it to a local income tax.

We can argue about police numbers, but more police are more police, regardless of how many more we are talking about, and in any case, it is more than the Labour Party was offering.

I have a particular interest in rural affairs and the environment, as convener of the Rural Affairs and Environment Committee. It is not one of the big-spending areas, and a considerable percentage of the rural affairs and environment spend is pre-committed, so there is little flexibility. However, within that there is money for flood defences and investment in forestry, with a pretty ambitious commitment to increase the area of Scotland that is forested.

Iain Gray: Will the member give way?

Roseanna Cunningham: I am going to allow interventions, but I want to ensure that I will be able to get through what I have to say.

I know that the waste issue has created some concern. There is money in the budget for recycling initiatives and moves towards zero-waste growth, and there is a change in terms of the strategic waste fund. It is interesting to note that the Howat report identified waste as one of the major areas within the rural affairs and environment budget that has potential for savings. I find it fascinating that, although that was identified in the Howat report, which was commissioned all those years ago by the previous Government, when this Government considers it the Labour Party objects strongly. The truth of the

matter is that if we do what the Labour Party wants us to do, it will cost local government a good deal more.

I will come back to the flood money later, but there is a big problem with voting down the budget. Alex Neil is quite right about the impact of that—as it happens, I was in Australia when the budget was denied there. The impact was serious, and it is absolutely ridiculous not to take that on board.

The big argument that has bedevilled the budget is ring fencing. Maybe the argument is more substantive because at issue is a big principle, but the whole debate has led to rather extravagant complaints, particularly by Labour MSPs, about the effect of the lack of ring fencing. In a number of cases they have grossly exaggerated situations to make a point, to the extent that the comments of the MSPs concerned could lead to serious and unnecessary alarm on the part of ordinary people. If we are to believe some of those claims, local councillors—including Labour councillors—must be among the most callous, indifferent and capricious individuals on the planet who, with no regard to their own future election prospects, will blow the budget on flower baskets instead of flood defences. What nonsense. It is little wonder that Wendy Alexander's leadership is leading to internal divisions within her party. I do not know about Labour MSPs, but I trust SNP councillors.

15:45

Elaine Murray (Dumfries) (Lab): The Scottish Government's purpose, according to its economic strategy, is to "achieve sustainable economic growth." That aspiration is shared by many of us in the Parliament. The cabinet secretary maintained on "Good Morning Scotland" this morning that the budget was

"focused on delivering the Government's purpose".

However, the budget fails to demonstrate support for that purpose. That is not just my view. The centre for public policy for regions states in its briefing of 27 November:

"The Budget allocations do not appear to back up the Government's commitment to growth".

According to page 23 of "The Government Economic Strategy":

"The importance of learning and skills as a fundamental driver of growth is firmly established",

but, as my colleague Iain Gray has demonstrated, there is no evidence in the budget of investment in the nation's skills.

Liz Cameron, the chief executive of Scottish Chambers of Commerce, stated on "Good Morning Scotland" this morning that investment in

infrastructure and in upskilling the current workforce was essential to keep Scottish businesses competitive in the current global economic climate. Where is that investment in the budget? Instead, the budget proposes cuts in the budgets of Scottish Enterprise and Highlands and Islands Enterprise, even before the funding for the responsibilities that will be transferred to local government and to Skills Development Scotland has been removed. In real terms, the Scottish Enterprise budget will reduce by £66 million and the Highlands and Islands Enterprise budget will reduce by £21 million by the last year of the spending review. There is also no clarity about how much local authorities will receive and whether it will be sufficient for their new local economic growth and regeneration responsibilities.

In many meetings with representatives of business, the importance of the loss of the route development fund to the Scottish economy has been raised with me. I lodged an amendment to fund a European Union-compliant successor to the fund, which was also recommended by the Transport, Infrastructure and Climate Change Committee. Despite the policy on page 33 of the economic strategy

"To focus investment on making connections across and with Scotland better,"

the Scottish Government has not been prepared to agree that encouraging direct flights in and out of Scotland merits any investment. I am afraid that the cabinet secretary's obfuscation this afternoon has not made the situation any simpler.

The budget offers only one solution for local economic development: cutting business rates for small businesses. Although tax cuts are always popular, there is no guarantee that the money will be reinvested in businesses or local communities.

On the other hand, there is widespread agreement regarding the importance to local economies of infrastructure improvements. That is why I put forward for the Finance Committee's consideration an amendment for a £20 million town centre turnaround fund, which I expected to get some cross-party support. John Lamont was quoted in the *Berwickshire News* of 10 January 2008 calling for the Scottish Government to establish a £20 million town centre regeneration fund. His Westminster colleague, David Mundell, Scotland's sole Conservative member of Parliament, stated in his column, "Commons Chat for Clydesdale", of the same date:

"The Scottish Conservatives have stepped up their calls for the Scottish Government to establish a £20m Town Centre Turnaround Fund".

The Tory member of the Finance Committee, Derek Brownlee, was calling very quietly indeed,

as not only did he fail to support my amendment to introduce the proposal, but he did not bring forth any alternative proposals. All that the Tories could come forward with were two wee cowering, timorous amendments—so meek that people could not object to them. They asked the cabinet secretary, if he happened to find some more money in his sporran, to perhaps recruit some more police officers and maybe accelerate the small business rates relief scheme.

Mr Swinney, who is not in the chamber at the moment, and his colleagues did not need much to buy the Tories' support. They did not need 30 pieces of silver—two pieces of fudge were enough.

I am not exercising my right to speak as deputy convener of the Finance Committee, because I do not agree that further tax cuts, in the form of accelerating the small business rates relief scheme, are the priority for stimulating the Scottish economy, and I wished to make that point in the chamber. However, had I realised how partisan the Finance Committee convener's speech was going to be with regard to the committee's report, I might have reconsidered my position.

The purpose of the budget is not to promote sustainable economic growth; it is to try to ensure that the Government manages to deliver at least one of its manifesto commitments—freezing council tax. Despite all the fine words about the historic agreement with local authorities and allowing councils to make local decisions on the expenditure of funds that formerly were ring fenced, the Government seeks to force councils to deliver on that one pledge. The cabinet secretary could award each council its share of the £70 million with the expectation that they ought to be able to freeze council tax—those that did not would have to explain themselves to the electorate. However, the Government does not trust councils in that regard; it seeks to penalise any council that does not sign up to that one election pledge.

This is not a budget for economic growth. I support the amendment in the name of Iain Gray.

15:51

Mary Scanlon (Highlands and Islands) (Con):

I am sure that David Mundell will be pleased to know that he can still get Elaine Murray excited. I offer the finance secretary this piece of advice: the next time that he is in his ministerial Mondeo and sweeps past poor Tavish Scott waiting at the bus stop in the rain with his pack-a-mack and wellies, instead of driving through the nearest puddle, he should offer him a lift—that would do us all a favour.

I want to raise the issue of drugs abuse, which is of huge concern in Scotland. The cabinet secretary will be aware of my party's views on that and of the interest of my colleague Annabel Goldie in particular. The Scottish Conservatives' manifesto was clear that political leadership on this issue was needed and pledged additional resource to expand detox and rehabilitation.

In the context of this budget debate, it is right to acknowledge that it is impossible to get a baseline figure for expenditure on drugs abuse. In fairness, I accept that that is not a fault of this Government exclusively, but an aspect of inherited financial process, which means that we can neither track expenditure on drugs abuse nor measure the effectiveness of that expenditure. Having said that, the SNP election promise was for an extra £24 million over the next three years and it appears that it is now offering only a third of that.

I acknowledge and welcome the £85 million over the next three years to tackle alcohol addiction. There is £95 million over the spending review period in the justice portfolio for drugs, but there is an overall lack of clarity about what is spent on tackling addiction, which cannot be right. We note the expansion of drug treatment and testing orders to the district courts—my party welcomes that acceptance of our policy.

However, we are concerned about four aspects of the Scottish Government's approach to drugs abuse as identified in the budget. First, there is a lack of clarity as to the overall strategy. Secondly, there is no transparency in the funding channels. There is no ability to measure outcomes. Estimated expenditure on methadone is set to continue at £12.5 million per annum and rising. The promised SNP increase in funding does not appear to be there. That combination of circumstances is not acceptable to the Scottish Conservatives and it should not be acceptable to the Government.

I echo what Bill Aitken said: we have still not decided how we will vote in this process. The Conservative party requires a pledge to produce detailed information on expenditure on drugs abuse across the budget before the end of the calendar year and a statement of political intent by stage 3 of the budget process.

As Annabel Goldie has said often, we need to make a start in switching resource to a wider range of options including abstinence-based approaches. We need a commitment to a longer-term strategy based on reducing overall levels of addiction to both illegal and prescribed drugs—rather than just having people parked on methadone—and to providing the necessary resource to see that through.

The second issue that I want to raise is single outcome agreements, which many other members have raised. I listened carefully to what the convener of the Finance Committee said. The point is that the single outcome agreements are based on the Government's objectives and priorities. Let me spell out the mental health priorities: reducing the prescription of antidepressants; reducing the rates of readmission to acute mental health facilities; ensuring the general well-being of all the population; and ensuring the early diagnosis and management of dementia.

There is nothing in the targets or objectives to say that mental health is a priority. For example, there is nothing to say that early diagnosis and treatment of depression will be addressed and nothing to address the issue of people with serious mental health problems who are cared for in the community.

John Swinney: The Government is making a genuine attempt to change the focus of policy to the achievement of outcomes. In that regard, I absolutely agree with the point that Mary Scanlon is making. On page 47 of the spending review document, she will see two particular national outcomes—on mental health and drug abuse—that, I think, represent what the Government is trying to achieve. I hope that she can see that that is an indication of our direction of travel.

Mary Scanlon: I will certainly have another look at the document.

The point is that, if the Government does not make mental health a priority, a target or an objective, it is unlikely to feature in any of the 32 single outcome agreements. That concern is shared by the Health and Sport Committee.

I support the emphasis on outcomes, which John Swinney has just mentioned, rather than on measuring success by the amount of money that has been spent. However, unless we get the agreements and the scrutiny right, we could be in danger of losing any transparency and accountability around those local government responsibilities that affect many of our most vulnerable people—such as care of the elderly and mental health care—and the funding of organisations such as the Crossroads Association and the Princess Royal Trust for Carers, which do great work supporting carers. Carers are concerned about the possibility that the Government's pledge of 10,000 additional respite hours will not be met. I await the Government's response.

15:57

Christine Grahame (South of Scotland) (SNP): I promise not to use any metaphors. If I

may parody Shakespeare, the quality of metaphors in this chamber is greatly strained.

I want to address the serious point about the review of the budget process. I have spent eight years in the Parliament, three of them as a convener—that seems to be my destiny—and I agree with the points that were made in the previous budget debate that committees are not well served by the current budget process. The difficulties that subject committees in particular experience in considering the budget hinder their attempts to assist not only the Finance Committee but ministers, as some ex-ministers have said to me. We all know that. It has nothing to do with who is in government now or, indeed, who was in government previously. A review should be conducted as soon as possible. The process must be addressed.

Some of the difficulties that the Health and Sport Committee has encountered relate to where we get evidence about whether the money is being spent properly. I note what Mary Scanlon said about tackling drug and alcohol abuse. I do not want to cast blame, as I want us to make progress, but, as I said during an earlier intervention, the last report on expenditure on tackling drug misuse was published in 2000. How could the Health and Sport Committee possibly know, in all fairness, whether the money was going in the right direction, even given the fact that there are now cross-cutting responsibilities between cabinet secretaries?

That was not the first time that the committee came across problems with the issue of whether we had enough evidence to examine expenditure. At one point, the Health and Sport Committee received evidence that there was not enough research into whether money is making any difference whatsoever. The committee has recommended that there be evidence-based spending. I recommend that other committees do likewise.

The main Opposition party is talking a great deal about vulnerable children. I quite agree with the points that have been made in that regard, but there is a huge issue involved. I refer to the part of the Health and Sport Committee's report that deals with unmet needs and harm. Catriona Renfrew, from NHS Greater Glasgow and Clyde, gave the committee striking evidence on the current expenditure. She said that, although £50 million is being spent on drug and alcohol services, only 10 per cent of drug and alcohol misusers are being reached. The fact that 90 per cent of drug and alcohol misusers are receiving absolutely nothing from those services gives us a sense of the scale of the problem that faces whoever is in Government. On the hidden harm that is caused to children in such families—

Duncan McNeil and others have taken up that serious issue—she said that about 20,000 children live with either a serious alcohol misuser or a serious drug misuser. That is only in her area. She said that only half of those children get any social care or additional family support services. In her area alone, therefore, 10,000 children are vulnerable and at risk. Day to day, they live on the edge in a way that none of us will ever appreciate or experience for ourselves. Catriona Renfrew even suggested that the figure for Scotland as a whole could be 70,000 to 80,000 children. We simply do not know the number. We need more evidence if we are to be sure that the Government is directing its money to the right places. The sooner we rescue those children from the situation, the more likely we are to break the chain of drug and alcohol misuse that, in some cases, has gone down through three or four generations. If we were hard-hearted, we could say that long-term spending on the matter would be money well spent because money would be saved to the public purse in justice, education, health and other things, never mind the reduction in human misery.

I welcome the Cabinet's collective approach. In a previous debate, we said that tackling drug and alcohol misuse is not easy. If it was easy, we would just pinch the road map from somebody else and use it. We must try to get to grips with the problem. It is possible to do so. Because we are a small country, we have a small number of health boards and there is much more collective action. It is easier to tackle the problem in a country of 5 million people—I certainly hope that it is.

I welcome the linking of health and well-being. Too often, we have seen that the health service is simply firefighting, so I welcome the fact that we are now looking to align the sport budget with the health budget to increase people's health, which also crosses over to education and healthy eating. However, that approach creates difficulties for committees in considering the budget.

Elaine Smith (Coatbridge and Chryston) (Lab): The important point is not what is in the budget, but what is not in the budget and how the budget was arrived at. The member alluded to that earlier. Does she have an opinion on the lack of evidence that equality impact assessment was applied in the budget process? I refer to what she said at the beginning of her speech.

The Deputy Presiding Officer: You have one minute left, Ms Grahame.

Christine Grahame: I have not addressed that issue, but I am discussing one of the biggest budget spends by the Government, which is the health budget. I am pointing out that, even though we have been here for years, we lack evidence not just on outcomes, but on where we should spend.

In my final point, I touch on the amendment that was proposed by the Labour members of the Health and Sport Committee. The amendment that they suggested was not put forward at any other stage. It was not put to the ministers who gave evidence. It was to move money out of the health information budget for the health boards. We could not possibly support the proposal to take £12.5 million from that particular budget and put it somewhere else, because we did not know where the money would be taken from. We know what the effect would be. We know, for example, that screening programmes, general practice information technology programmes and all of that would have gone, because that was stated in a parliamentary answer.

I suggest to members that, if they are on a committee—

The Deputy Presiding Officer: I am afraid that the member's time is up.

Christine Grahame:—they should get some evidence to convince—

The Deputy Presiding Officer: The member's time is up.

16:03

John Park (Mid Scotland and Fife) (Lab): I welcome the level of debate. The Cabinet Secretary for Finance and Sustainable Growth and Tom McCabe set a constructive tone. However, it is legitimate that we on the Labour benches raise the many concerns that we have. My colleague Iain Gray outlined the many aspects of the budget that concern us.

One of the main concerns is the lack of clear, direct investment in our people, particularly those of working age and those who are reaching that age. I do not think that many members, if any, would disagree that our people are our biggest asset and that they are vital to our continued economic success. I strongly support making Scotland a wealthier and fairer place. The question for me is whether the budget meets those objectives, and I am not convinced that it does.

I turn to our amendment on vocational development. In earlier debates, I highlighted my disappointment with the skills strategy, which was launched in September, as did all the Opposition parties in votes at that time. The failure to put skills at the centre of the economic strategy in November was another missed opportunity. For me, however, the lack of substantial, meaningful and direct investment in vocational training—modern apprenticeships in particular—is the most concerning aspect of the budget. We need a step change in attitudes to skills and training from everyone—individuals, employers and learning

providers. The proposals in our amendment, which aim to boost vocational training opportunities for secondary school pupils and provide 15,000 extra modern apprentices a year, would move us in that direction.

I do not doubt that the Government understands the argument for developing our people to ensure that Scotland is best placed as the pace of economic change increases. I do not doubt either the conviction of the Cabinet Secretary for Education and Lifelong Learning, in particular, in wanting to meet that challenge. I would say to her today—and I am pleased that she is in the chamber to hear this—that conviction is not always enough and that the agenda needs real and direct investment.

Let us consider where we are today. We have a skills strategy that has few targets, an economic strategy that worryingly talks more about taxation and regulation than it does about skills and development, and a budget that is short on cash for the economic challenges of the future.

Only in recent weeks, we have seen both skilled and semi-skilled jobs lost at businesses such as Simclar in Dunfermline, Carlsberg and Barbour. The support that the Government can give in such situations is welcome, but it is always reactive. The speed of change will only quicken and in 20 years there will be only a fraction of the unskilled jobs in Scotland that it has now. Reactive solutions will be far less effective than they are now, and the key to succeeding globally will be to increase the number of high-value jobs and fill them with more, higher-skilled people.

In the not-too-distant future, it will be the skills of our people that drive our economic performance, alongside investment in technology and innovation. That challenge cannot be left to the markets in the hope that Scotland gets on board, embraces the knowledge economy and becomes a world leader in high-performing workplaces. To meet the challenge we need first-rate Government intervention.

We want investment in the budget to extend vocational opportunities for children of secondary school age. The OECD report into Scottish education that we debated last week recommended that vocational courses be made available to all young people from secondary 3, spanning the ages 14 to 18. A properly financed option for vocational training would give Scotland a head start in the race to the top. An option for vocational training would provide a vital link in the transition from compulsory education into higher or further education and, crucially, into the workplace.

The United Kingdom Government has recognised the importance of investing in such

high-quality training opportunities. As well as record levels of funding, and to ensure that the money is spent appropriately, the apprenticeship reform bill includes a right to a modern apprenticeship by 2013 for all those who meet the entry requirements. It proposes placing a duty on both public and enterprise bodies to provide modern apprenticeships. For the avoidance of doubt, I would describe that as a properly funded, targeted and significant Government intervention.

One thing that we should recognise from the Leitch report is that Scotland's skills profile is a little better than other areas of the UK. However, that should not be a signal for complacency, neither among members nor in the offices of the Government. Not to have the future employability of our people at the heart of the budget is a serious error.

In Scotland, we have a history of building on our comparative advantages and sometimes we need to give our people a helping hand. A social democratic contract is not about neglecting the emancipation of workers in favour of tax cuts. Our amendment today makes the case for more investment in our people. It is only modest, but it is an important step in the right direction because, frankly, we need to see much more from the Government on workforce development. If we do not, the consequences do not bear thinking about. I am happy to support the Labour Party amendment.

16:08

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): Both Alex Neil and Roseanna Cunningham, who are regrettably no longer in the chamber, read loyally from the "Budget Essentials from the SNP" document, which was issued last night. It covers the lines of attack that back benchers may want to adopt in today's debate, and it helpfully explains what happens if the budget is not passed:

"If the Budget Act is not in place by the end of the financial year, the Public Finance and Accountability (Scotland) Act 2000 allows for expenditure to continue at the same rate as the previous year."

The heavens will not collapse.

Roseanna Cunningham read thoroughly from the bulleted list of attacks that were suggested to her, although there were two that she missed out:

"No improvements at Aberdeen Royal Infirmary, Raigmore, Borders General of Dumfries and Galloway R. I."

and

"No investment in Sport Scotland".

It is a bit odd that the SNP would attack us for reducing investment in a hospital that does not

exist and a body that it fought tooth and nail to abolish.

For the Conservatives, Derek Brownlee appealed for the committees to be given the consideration that they deserve. The Education, Lifelong Learning and Culture Committee made eight recommendations, three of which had been unanimous but all of which were opposed by the Conservatives and the SNP on further consideration. I am slightly disappointed that the Finance Committee's convener did not address that serious point. Subject committees made many recommendations that did not pass the Finance Committee. If further consideration is to take place, it would be useful to examine that issue.

In the stage 3 debate on the 2007-08 budget, John Swinney said:

"In this budget, there has been a material change in the financial settlement to local authorities ... We further welcome the fact that additional resources—beyond what were planned by the minister—have been found and have been allocated to local authorities."

He also referred to

"The fruits of that productive dialogue".—[*Official Report*, 14 February 2007; c 32031.]

That was historic, but it is nothing to match the historic concordat since then.

On education, is the budget appropriate to reduce class sizes? On 5 September, the First Minister was keen to confirm that the pledge to reduce class sizes in primary 1 to primary 3 would be met in this parliamentary session, before 2011. That was unequivocal—there were no ifs or buts. However, on 27 June, the Cabinet Secretary for Education and Lifelong Learning had said:

"We deliberately never state timeframes and say, 'This will be delivered by a certain date,' ... I do not want to give an end date".—[*Official Report, Education, Lifelong Learning and Culture Committee*, 27 June 2007; c 46.]

However, the Minister for Schools and Skills, Walter Mitty, otherwise known as Maureen Watt, whom I like and who is a pleasant minister—

Christine Grahame: Is that how you make a declaration of love?

Jeremy Purvis: Christine Grahame is giving me lessons on parliamentary courtesy. [*Interruption.*]

The Deputy Presiding Officer: Order.

Jeremy Purvis: The Cabinet Secretary for Finance and Sustainable Growth might listen, because I hope that I will quote him accurately.

The Minister for Schools and Skills confirmed to my colleague Robert Brown on 13 September that the Government knew exactly what was needed to deliver the class sizes promise in full, because

"Of course we have made a bid to meet those commitments"—[*Official Report*, 13 September 2007; c 1757.]

to the cabinet secretary. However, we have never seen those funding commitments. On 5 December, I asked COSLA what element of the local government settlement was for education. The answer from Robert Nicol of COSLA was:

"No element of the local government settlement was allocated specifically for education".—[*Official Report, Education, Lifelong Learning and Culture Committee*, 5 December 2007; c 433.]

On 14 November, in response to a question that I asked him on education funding, the Cabinet Secretary for Finance and Sustainable Growth said that a substantial amount of the education and lifelong learning budget had been transferred to the local authority block—I see him nodding. I asked COSLA how much that amount was. The response from Jon Harris of COSLA was:

"I was not aware of that. I do not know how the money was reallocated within the Scottish Government."—[*Official Report, Education, Lifelong Learning and Culture Committee*, 5 December 2007; c 433.]

If neither the Minister for Schools and Skills nor COSLA knows, it is fair for teachers and local authorities to ask questions.

The Government now says that its policy is to reduce class sizes by using demographic change so, under the SNP, people who want lower class sizes in primaries 1 to 3 are better off living in Renfrewshire, Falkirk, Angus or Inverclyde, where the demographic trends are downwards, than in the Borders, Edinburgh, Fife or Stirling, where they are going up. The SNP has promised repeatedly to eliminate postcode prescribing, but it is introducing postcode primary education.

The policy has no delivery target or reporting mechanisms on how it will be delivered. The budget for the policy has been identified, but it will never see the light of day. Those who must deliver the policy will do so solely by the accident of birth.

As for school building, not long after an SNP back bencher described PPP in education as pimping out the public sector, the Scottish futures trust document gave nine reasons why the Government will keep PPP and why the Scottish futures trust cannot work.

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): Bizarre.

Jeremy Purvis: It is bizarre indeed—that is the minister's own document.

Investment in determined to succeed and in vocational education will be frozen, which is a real-terms cut of 8.1 per cent. University funding will have a real-terms cut next year. Serious concerns are felt about all aspects. On nursery provision, we

still do not have a definition of access to a nursery teacher or a clear commitment to implement the promise in full.

This is a budget of broken promises that makes no real investment in our education system, although that is fundamental to the future of our economy and our country.

16:14

Nigel Don (North East Scotland) (SNP): I want briefly to address issues relating to the justice portfolio and to cover some areas that have not yet been covered.

There is additional funding in the budget for community penalties. I encourage the Government to consider going further down that line as time goes by. Community penalties are an important part of the strategy to keep out of prison, where they incur considerable costs for the state, those who are unfortunate enough to find themselves in the criminal system but who are not really criminals. The additional funding for community penalties is therefore welcome, but it should be increased as time goes by.

There is also additional funding to tackle the backlog in the appeal court. We are all aware of the old maxim that justice delayed is justice denied. The civil litigation timescales are simply daft. The position has, of course, been inherited, and I welcome the additional funding to speed things up. I also welcome Lord Gill's review, and hope that the publication of his report on how we can improve the criminal system will not be far away and that the Government will make the best of that report.

I have no desire to raise police issues that have already been raised. The Justice Committee has been conducting an inquiry into policing in which, it would be fair to say, we have heard a wide range of views. I have no intention of pre-empting the report that will be published tomorrow, but anybody who has taken any notice of the evidence that we have received will know that a general view exists that our police are stretched. Therefore, I understand why the Labour Party might have wanted to lodge an amendment that would have simply increased police numbers, but it is incomprehensible that it came up with the sums—quite arbitrarily, it would appear—of £10 million from the police support services line in 2009-10 and £5 million from the police information and communications line in 2010-11. It came up with those sums without the slightest notion of the implications of its proposals—Labour members knew that at the time. Police support services are not about bureaucracy—they involve the Scottish Police College, which trains our policemen, and the forensic science service, without which many

of our criminals, including our serious criminals, would not be convicted. They include the Scottish Crime and Drug Enforcement Agency and positive interventions to eliminate the risks of terrorism. The information and communications budget includes funding for all manner of communications that are essential for police officers to do their jobs.

My point, which I think Christine Grahame has made before, is that in the future we must find a mechanism that interrogates the damage that is done to a budget when money is moved from it to another budget, however commendable moving that money might be. We had the opportunity to do that in our police inquiry, and committee support might have been found to address those issues if they had been raised soon enough. I am not impressed that they were not.

Prisons account for another large section of the justice budget. We have not yet seriously investigated prisons, but it is clear to us that we have inherited problems from the previous Administration that will take large sums of money to address. Stopping out—although perhaps not much of it—still takes place, and there is a large prison population. The budget is fundamentally about money and addressing problems over the next year or two, but we must recognise that the money that is available to address the prison population problem will represent a significant aspect of the future budget.

I welcome Fergus Ewing's decision to accept the current situation with our fire service control rooms. His decision was an important step after many years of indecision. Additional funding will be made available to provide the firelink communications system, which will be welcome and will bring general communications within our services up to date.

I want to mention a couple of issues that are not covered by the figures. It is clear that if we can prevent folk from getting anywhere near a court, we will not only do them some good but save money in the budget. I therefore think that, one way or another, we must encourage widespread consideration of alternative dispute resolution. I had a meeting this morning on an issue of family law; the break-up of families happens but, by and large, such folk should be nowhere near a court. I encourage the Government to do what it can—perhaps even outside the budget debate—to keep people out of court.

Of course, we would all like to have more money. Every budget line could productively be increased—that is certainly true in the area of justice. I commend the budget, as the compromise that it inevitably is, to the chamber.

16:20

James Kelly (Glasgow Rutherglen) (Lab): I welcome the opportunity to take part in the debate and I support the Labour amendment.

The debate is very important because we are looking at the biggest budget since devolution. It represents real growth of 1.6 per cent, and has the added bonus of drawing down £300 million from end-year flexibility balances. The debate should focus on the SNP Administration's spending priorities, which should be to grow the Scottish economy, to promote safety in our communities, to ensure a healthy Scotland, and to protect vulnerable groups. However, the overall theme must be economic growth underpinned by social justice.

On economic growth, the SNP has set a target to match that of the UK by 2011. However, some of its policies suggest that that will be a real challenge. For example, it is an undeniable fact that, in cash terms, the big winners from the council tax freeze will be the upper band council tax payers. They will be dancing in the streets of Morningside to celebrate that policy, because it means more cash—

David McLetchie: One of the persons who will be dancing in the streets of Morningside is the Chancellor of the Exchequer, who lives there.

James Kelly: I thank the member for his intervention and point out that the result of the policy will be to divert more cash into the bank accounts of retired stockbrokers in Morningside than into the pockets of national health service nurses in Cambuslang. That is a strange way in which to promote economic growth.

The business rates scheme, as it is proposed, will give compensation to local authorities that do not reach their current levels of business rate income. That is a strange incentive scheme.

The transfer of powers from the enterprise networks and of ring-fenced funds to councils will result in economic levers being taken away from the centre and moved to the councils. There are some excellent examples throughout Scotland of councils that have good business development schemes, but the Administration's policies do not seem to sit cohesively with its target of achieving the same level of economic growth as the UK by 2011.

One of the budget's priorities must be health. In driving towards a healthy Scotland, the areas of social deprivation need to be tackled. The life expectancy of people who live in the north of Glasgow is nine years less than that of those who live in East Dunbartonshire. We need increased investment in primary care services, so I was disappointed that the SNP-Tory alliance united in

the Finance Committee to defeat that proposal, which would have delivered an additional £12.5 million investment to primary care services.

The proposals to transfer ring-fenced funds to local government without any guarantees pose a threat to funding that protects vulnerable groups. For example, the violence against women fund distributes money to many groups throughout the country that support people who have been victims of domestic violence. Similarly, the supporting people fund tackles homelessness by supporting vulnerable people in housing and by trying to reinforce their confidence. Those funds and those groups need to be protected in the budget.

At this time, the Scottish people are looking for positive policies that build up Scotland. Labour is promoting economic growth and social justice; the Tories and the tartan Tories are introducing a tax-cutting budget at the expense of vulnerable groups in our society. Presiding Officer, it's time—time to think again.

16:26

Christina McKelvie (Central Scotland) (SNP):

It is a privilege to stand in Parliament today and to speak to a motion recommending the budget of our minority Government. I know the effort that the Government, operating from a position of minority, has had to put in, with John Swinney having to argue the case line by line. I hope that I can comfort him with the observation that, as soon as this budget clears Parliament, he will be able to start working on the next one, so he will not get bored waiting for something to do. However, let me address this year's budget before we move on to next year's.

The budget is an indication of what can be achieved by a Government that is committed to advancing the country's cause. I am delighted that the budget addresses social justice issues and seeks to grow Scotland's economy. It is about time that Parliament started aiming at equality of opportunity while expanding the range of opportunities in this country. I am also delighted that this Scottish budget will make provision for extra nursery provision, introduce payments for kinship carers, increase the number of teacher training places and introduce bursaries for students in the wake of the abolition of the graduate endowment. All that comes on top of the excellent work that is being done by Scotland's new SNP Government. I might add that I am delighted that the Government has trusted local communities by ending ring fencing. That move will be welcomed by everyone who believes in local democracy.

I am surprised that anyone would not support the fine aims that are embedded in the budget and I assume that Iain Gray and Tavish Scott lodged their amendments merely to ensure that they would have something to say in the debate. I note that the subjects that their amendments cover were either not presented to or not supported by the Finance Committee. I had thought that the Parliament's committees—which make this Parliament a prime example of excellent law-making procedure—were the appropriate place in which to pursue such amendments. However, as this is the first time that I have taken part in the proceedings on a budget bill, I am of course prepared to be corrected by those who were ministers in the previous Scottish Executive if they can show why it is better to have a grandstanding finale than to do the work in committee.

Having compared the information that was provided for this year's budget with that which was provided in previous years, I am at a loss to understand why Tavish Scott thinks that this year's budget is any less clear than those of previous years. Perhaps he previously had access to information that he lacks this year, but he cannot possibly refer to the level 3 budget lines, which were just ripped apart in each year's autumn budget revision. Can he? I hope not. Regrettably, his amendment does not lay out the principles on which he thinks the budget should have been based if he disagrees with those that have been, and will be, mentioned by myself and my colleagues. It smells of vacuity.

At least Iain Gray came with a shopping list—he no doubt has his dividend book as well. He asked for 15,000 new apprenticeships, although no such proposal appears in any of the subject committee reports. He wants support for vocational training opportunities but, if he had read paragraph 37 of the Education, Lifelong Learning and Culture Committee's report to the Finance Committee, he would have seen that the committee welcomes the provision in the budget for vocational education.

Iain Gray wants additional funding for universities through end-year flexibility, but he ignores the simple fact that the SNP Government is giving Scottish universities more money than any Labour Administration ever did. In addition, the Cabinet Secretary for Education and Lifelong Learning has already met university principals. She is more interested in levering in more money for them this year than in waiting and hoping for end-year flexibility. Of course, that provision comes on top of the £100 million extra in capital spending that universities have been given to allow them to start to address the massive backlog of infrastructure works that accumulated during the years in which they had to suffer Labour finance ministers.

Iain Gray seeks additional nursery education provision, but he ignores the fact that the Education, Lifelong Learning and Culture Committee never made such a call because the budget already contains support to extend nursery provision in Scotland.

To put it simply, the SNP is delivering education, education, education. The budget will deliver more nursery provision, better student funding, extra money for universities, vocational education, more teachers and support for kinship carers. Some people talk the talk, and some people walk the walk.

This is a well-considered, excellent and rounded budget from a Government that cares about our country and is delivering in the face of the tightest spending round that has been delivered in Scotland since devolution. It does not deliver everything that the SNP wanted, but it will make a huge and positive impact. The budget is an excellent piece of work. I compliment Mr Swinney on it and recommend it to Parliament.

16:30

Mary Mulligan (Linlithgow) (Lab): I welcome the opportunity to speak in today's budget debate. The main reasons for our being here, as parliamentarians, are to pass legislation and to make decisions on how the money that is available to us should be spent. Decisions on spending show most clearly what political parties' and individuals' priorities are. It does not matter how many warm words the SNP Government utters—its spending priorities show what it really thinks. The SNP budget will be disappointing for many.

The priorities that I will support—those of the Labour Party—promote a strong economy, not just for the benefit of some, but because all our citizens can benefit from such an economy. A strong economy offers opportunities for everyone and provides protection for the most vulnerable. Let us not forget that, if the economy is unstable, the poor and vulnerable in our communities suffer most, as we saw during the economic turmoil of the 1980s and 1990s. Clearly, that was never a priority for the Tories, which should remind us why they are supporting the budget today.

I will focus my comments on the impact that the budget will have on children and young people. Labour's amendment calls for nursery places to be provided for vulnerable two-year-olds. To look at the practical implications of providing such places, pilots have been running in Glasgow, North Ayrshire and Dundee, but no one is in any doubt about the benefits of the policy. Why is the SNP Government unwilling to continue funding for the pilots or to extend them across Scotland?

During the many discussions that we have had in the chamber and in parliamentary committees, we have recognised that the biggest challenge in child protection is sharing information. The only way of having information to share is to have regular contact with children and their families. The first contact that is made with a new baby and his or her family is through health visitor services. In its 2007 manifesto, Labour promised to expand those services, along the lines of the starting well scheme. I do not see a similar commitment from the SNP Government. In fact, its actions in rolling up budgets make it difficult to identify whether health visitor services—the successful follow-ons, through sure start Scotland—will be funded. Can the minister indicate how they will be funded?

Despite the actions of health visitor services, vulnerable children often become lost from view around the age of two. Providing nursery places is important as it ensures that there is regular contact with such children. If that contact is broken, alarm bells can be set ringing and protection procedures can be initiated.

The other benefit for vulnerable two-year-olds of having nursery places is clear. Generally, such children come from more economically deprived backgrounds. Giving them routine and helping them to develop their skills through play will clearly benefit their social development and future educational prospects. I hope that the Cabinet Secretary for Finance and Sustainable Growth will recognise why Labour has included provision of nursery places for vulnerable two-year-olds in its amendment, see the benefits of the proposal for vulnerable children and accept it into his budget package.

My colleague Johann Lamont will address the issue of disabled children. However, the £34 million that we have been debating over the past few weeks is not just for respite care—important as that is—as the First Minister seemed to indicate in one of his answers on the subject. Parents of disabled children or young people know that everything that they do needs to be organised, in a way that those of us who have children who are not disabled probably cannot understand. Eating, sleeping, playing—almost anything that they do can bring additional challenges. Parents have told the Government, here and at Westminster, that they need additional support. Why is the SNP Government turning its back on those families, rather than offering them that support?

Other members have picked up on the issue of the flat-lining of funding for universities. At the Education, Lifelong Learning and Culture Committee, I tried to substitute the sum of £10 million to ensure that universities could carry on the duties that we have tasked them with, to address such issues as paying staff without the

need for compulsory redundancies, to increase the number of students to meet our economic needs and to ensure sufficient funding to avoid threatening some of the more costly courses, particularly in the sciences and technology.

The Deputy Presiding Officer (Trish Godman): You have one minute left.

Mary Mulligan: I hope that the cabinet secretary will give the commitment that the Labour amendment asks for to use end-year flexibility to support the universities.

Let me end as I began. Spending plans say much about political parties' priorities. Labour's priorities are clear, and our top priority is social justice. To deliver that, we need a successful economy. As was reported to the Finance Committee, the growth that took place in education spending from 1999 to 2006 is

"contributing to a successful economic environment."

It is disappointing that the education and lifelong learning section has received the smallest rise in spending in this year's budget. I have never thought of the Cabinet Secretary for Education and Lifelong Learning as shy and retiring—I know that she is not. However, she seems to have had difficulty defending her budget.

Given today's thoughtful speeches, I hope that the Cabinet Secretary for Finance and Sustainable Growth will listen to my colleagues, who—

The Deputy Presiding Officer: You must finish now, Ms Mulligan.

Mary Mulligan: I ask members to support the Labour Party amendment.

The Deputy Presiding Officer: I call Patrick Harvie. You have three minutes, Mr Harvie.

16:37

Patrick Harvie (Glasgow) (Green): Understood, Presiding Officer.

Some members have accused others of either overstating or underestimating the consequences should Parliament vote down the budget. I do not seek to do either of those things. The consequences of voting down the budget would be serious but not apocalyptic. All of us who take part in the vote have a responsibility to bear those consequences in mind, but that is not our only responsibility. We also have a responsibility to vote in good conscience and in line with the values, as well as the policies, with which we went to the electorate. Even those of us who secured fewer votes than the rest have that responsibility. A further responsibility exists for a minority Government: to produce a budget that genuinely

addresses the concerns of others and that can achieve a genuine, sincerely meant majority.

We have mentioned several of the concerns that we brought to the table. A few months ago, I debated several of them with my own party. Could we support a budget that continued aviation subsidies? Could we support a budget that failed to address the need for more spending on social rented housing? Candidates of all parties stood at hustings less than a year ago and supported that. Could we support a budget that did not fulfil that need? Could we support a budget that continued not just the appalling transport policies of the previous Government but the ever greater support over the past 30 years for road traffic growth, with public transport being seen as second best? In that regard, I could not help laughing to myself about the call from Labour in the debate for less spending on tarmac. It is a shame that that did not occur to Labour several years ago.

Have those concerns been addressed in the budget? Direct subsidies in the air route development fund have been scrapped—

The Deputy Presiding Officer: You have one minute left.

Patrick Harvie:—but Lewis Macdonald's intervention on that matter was not properly answered. We do not yet know whether the Government intends to achieve the same policy objective through another mechanism. Is that a score of one out of three? I do not honestly know yet.

On the second point, the cabinet secretary has a better assessment of the Government's spending on housing than I do but, in my view, we are nowhere near two out of three.

On the third point, I recognise that transport policy is difficult. I recognise the serious problems in trying to achieve consensus on issues such as the M74 extension, with all the other parties in the Parliament supporting such projects. I need to know whether there is room to continue discussing the possibility for change in the budget. If there is, I would be wrong to close down that opportunity and not to continue the discussion. That is the decision that faces us this evening.

One final point that the cabinet secretary—

The Deputy Presiding Officer: No—you now have three seconds.

Patrick Harvie: In that case, I will sit down.

16:40

Margo MacDonald (Lothians) (Ind): The Cabinet Secretary for Finance and Sustainable Growth and his predecessor—both of whom are the kind of men with whom I can do business—

know that, since the Parliament's first session, I have pursued the matter of the additional funding that City of Edinburgh Council requires to allow it to discharge the city's unique duties as Scotland's capital. I have not sought to raid the financial settlements that have been made with other local authorities but have urged finance ministers to create a budget heading that would make clear the reason for and the function of a funding stream that was unique to the capital. I hope that that reassures Bill Aitken, who was a bit of a narrow nationalist, the way I interpreted his remarks on the subject.

It should not seem that I am asking for a perk for living in what is arguably the most attractive city in northern Europe. Instead, a capital city supplement is the means whereby Scotland will be able to build on Edinburgh's success in generating nearly 13 per cent of Scotland's GDP from only 9 per cent of the nation's population. Edinburgh brings jobs and investment that would not otherwise come to Scotland; it is the main engine for economic growth and wealth creation. The capital generates 33 per cent of spend by overseas tourists in Scotland and is the UK's second most visited city. It acts as the gateway to Scotland, with tourists spending two days elsewhere in the country in addition to three days in the capital.

The role that Edinburgh's festivals play in stimulating interest in Scotland is well known. Perhaps less well known is the fact that they benefit Scotland to the tune of £184 million per annum. Members should note that organisers of those national money-spinning events are warning that a lack of money in Edinburgh's budget is endangering the city's position as the market leader, given the competition from cities in England and continental Europe, whose local authorities know a good thing when they see Edinburgh's festivals.

It was right and fair to acknowledge the additional resources that Lothian and Borders Police requires through the allocation of a capital policing supplement, and I thank the previous Executive for doing so. I hope that John Swinney will allocate funding to the three little words that I have longed to hear a Cabinet minister use—capital city supplement—by agreeing that there should be such a budget heading in next year's budget. I would have liked that heading to appear in this year's budget, but if the cabinet secretary promises me that it will appear in next year's, who knows what might happen in the vote at decision time.

The Deputy Presiding Officer: Johann Lamont will have six minutes and the six members after her will have five minutes.

16:42

Johann Lamont (Glasgow Pollok) (Lab): In his opening speech, John Swinney claimed that his budget was about achieving sustainable economic growth, but it cannot be just about that; no budget can be. It must show proper regard for the other side of the equation—the right of all our citizens to share society's increasing prosperity. Despite Mr Swinney's assertions to the contrary, the budget simply does not pass that test. It is a matter of significant regret that a proper equality impact assessment was not carried out and that a gender impact assessment was not undertaken. I seek the cabinet secretary's reassurance that that approach will be reinstated.

The SNP Administration and its back benchers repeat over and over the highly debatable assertion that the budget settlement is exceptionally tight and that all the difficulties can be explained on that basis. Even if that were the case, the SNP—which, during the eight years for which it sat on the shoulders of the Labour-led Executive, constantly condemning us for not being radical enough, never once made wise comments about budgets being limited—needs to explain why it is now obsessed with focusing above all else on tax cuts, of which it has proposed not just one but two. In a tight budget settlement, that speaks volumes for the SNP's priorities.

I can understand why the Tories rally behind such an approach, especially given that, at a UK level, their leader has had to constrain any talk of tax cuts, lest people fear for public services. It is remarkable how emboldened they are by their SNP allies. The SNP must understand that asserting something does not make it true. The budget contains only a few lines that support social justice, and the moneys that it allocates to primary care in deprived areas, which I welcome, are far smaller than the sum that it identifies for freezing the council tax.

The Government has cut regeneration funding to local government. We know that council tax cuts do not benefit the poorest households and have a disproportionate benefit to local authorities that are under less pressure and a disproportionate disbenefit to local authorities in which the population is declining.

The Cabinet Secretary for Health and Wellbeing told the Local Government and Communities Committee today that, because she was dealing with a fixed budget, the level of support to housing associations must be reduced. Although there is little evidence of inefficiency among housing associations, the cabinet secretary said that the current situation is unsustainable. That is arguable, but the cabinet secretary and others say that we need a bigger bang for our buck. However, no conditions will be attached to business rates

cuts. There will be no conditions on supporting training, on local jobs or even on recycling targets. When John Swinney was asked about that, he simply said that he expected the cuts to make a difference. On one hand, we want a bigger bang for our buck; on the other, we cross our fingers and hope for the best. I never thought that John Swinney would be an advocate for trickle-down economics.

John Swinney talks about the concordat with local government. He has argued that it is important as an end in itself and he has drawn on the English example to reinforce his position. It might have been better if the concordat's position on ring fencing had not been agreed in the context of a financial settlement that required a council tax freeze. If John Swinney had wanted to draw on the English example as he developed the concordat, he could have put in the time and thinking that have gone into the approach locally in England. There have been anxieties about the concordat's implications locally. If the concordat had been developed in a measured way, the groups who are anxious could have been involved and engaged—it is impossible for that to happen before March. Those groups could have talked about how they can monitor and support the development of relevant outcome agreements. However, that did not happen, which has contributed to concern.

The SNP's defence is that I and others have been scaremongering and have used organisations such as Scottish Women's Aid as a political football. If I was not as big and ugly as I am, I might have been offended by such comments, given the previous Executive's record on violence against women. For the SNP to imply that organisations such as Scottish Women's Aid are raising serious concerns simply because they have been duped by someone like me shows an appalling lack of understanding of the role of such organisations, which have forced issues on to the political agenda to ensure that they are addressed by government at every level, whoever is in power. Scottish Women's Aid's long record on challenging us all on violence against women deserves a better response.

I am particularly concerned about the £34 million in consequential that has been secured to the Scottish budget as a direct result of effective campaigning by families of children with disabilities. The Government has the right—technically—to use that money as it chooses, but its judgment must be questioned in that regard. When I asked Fergus Ewing about the issue, he gave a measured response and said that Fiona Hyslop was considering the matter carefully. However, when the First Minister was asked, he took a less measured approach and simply said that the issue was dealt with in the local government concordat, although there is no

mention of it in the concordat. Our concern is that the Executive's default position whenever it comes under pressure will be simply to say that an issue is dealt with in the local government budget. We are also concerned that the Government has ignored the fundamental point about engaging with parents to ensure that work is taken forward properly—

The Deputy Presiding Officer: You must finish now, Ms Lamont.

Johann Lamont: I hope that the points that I have made are taken in the spirit in which they were made.

The Deputy Presiding Officer: We move to five-minute speeches.

16:49

Kenneth Gibson (Cunninghame North) (SNP): We have heard again about the poor, weak and dispossessed from Mr Gray, Johann Lamont and co. The now legendary Labour president of the Convention of Scottish Local Authorities, Pat Watters, said:

"It is ironic that we have heard more from some opposition parties about these groups as part of an attack on the government's Budget than we have ever heard over the last eight years."

Johann Lamont and James Kelly talked about tax cuts. No doubt they condemn Gordon Brown's plans to reduce capital gains tax for the rich from 40 per cent to 18 per cent.

Labour members have tried to resurrect the dead parrot of ring fencing, which puts them at odds with local government councillors of all political persuasions and none.

When one reviews the amendments that Labour members put forward in the Finance Committee, one sees little more than tinkering around the edges. There is no vision and no key alternatives, only a few back-of-a-fag-packet, we-need-to-say-something amendments. The best that Labour members could come up with was a reshuffling of 1 per cent or less of the Scottish budget. Probably they are embarrassed by the fact that, before the election, they had decided to put any additional moneys into education, which means that they cannot defend some of their current proposals.

In the Local Government and Communities Committee, Labour members put forward proposals that were not notified to the committee in advance but which were telegraphed by party leader Wendy Alexander. No evidence to support those proposals was presented prior to their being moved in private session. The proposal that springs to mind is the top slicing of £70 million for disabled children and their families, kinship care and additional support for learning. Other

proposals were so badly formulated that they merit no mention whatever.

Labour spin doctors have told Labour members to seize the political initiative by grabbing the social justice agenda. It was therefore embarrassing to see them being badly let down last week by their colleagues in London who, as Alex Neil pointed out, have decided to rob Scotland of £184 million in lottery funding for good causes. That announcement holed Labour in Scotland below the waterline. The party's lack of interest in real social justice in opposition is exposed, as is the threadbare commitment to Scotland of the Labour Government in London. All we see in Scotland is a slavish devotion to London.

James Kelly, who is not in the chamber to hear the point, described the SNP as "tartan Tories". I say to him that at least we are tartan. The cut in lottery funding will impact on organisations in my constituency such as the building bridges project, which provides advocacy services for drug users; the North Ayrshire forum on disability; and the Garnock playgroup. In recent years, those organisations have gained lottery funding of more than half a million pounds. Labour members should be ashamed of their Westminster colleagues.

I turn to the Liberals. On the BBC earlier this afternoon, I pointed out to Ross Gibson—I am sorry, Ross Gibson is my son; I meant to say Ross Finnie—that his party voted with Labour at Westminster to rob Scotland. His reply was that that was nonsense. Perhaps he wants to review that comment, given the way that Jo Swinson, Lord John Thurso and co voted.

Our budget is a positive one. It will deliver a council tax freeze that will be warmly welcomed across Scotland. I contrast it with the decision of the Labour Government in London to abolish the 10 per cent tax threshold, which will deprive all those with an income of less than £17,000 a year of £130 a year. Our budget will deliver more police on our streets, abolish prescription charges and establish—for the first time—a new £30 million sustainable development and climate change fund.

Earlier in the debate, Tavish Scott touched on efficiency savings in local government and suggested that they would lead to redundancies. Perhaps that might happen in terms of the jobs that are removed from the bureaucratic end of government when ring fencing is removed. However, Mr Scott failed to acknowledge that, although we are implementing 2 per cent efficiency savings as opposed to the 1.5 per cent savings that his regime implemented, we will ensure that those savings are made available to be reinvested in front-line services. COSLA has

said that its members can make those efficiency savings over the next three years and enhance local government services.

Perhaps I missed something in the amendments that the Finance Committee considered, but I could find nothing on the Liberal Democrats' much-vaunted education amendment. It failed to appear. I hope that the Liberal Democrat speaker will address that point in summing up.

Labour members alluded to the way in which they would reallocate budgets. Let us first look at what they want to cut. Despite everyone knowing that we have to make lifestyle changes if we are to increase life expectancy, Labour has proposed a £12.5 million cut in health information. It also proposes to cut £20 million from the road improvement budget; £60 million from the money that goes to build and maintain our schools; £10 million from police support services; £75 million from the budget that ensures clean water supplies; and—laughably—£30 million from the routine winter maintenance budget.

I support the Government budget.

16:54

Gavin Brown (Lothians) (Con): Given the timings that the Presiding Officers have set and my comment earlier in the debate, I had better get straight to the point. I will focus on one key area of the budget: the abolition of business rates for many small businesses and the reduction in business rates for many others. I will also say why, for Scottish Conservatives, it is so important that the reductions are accelerated as quickly as possible.

We welcome the reductions that are detailed in the spending review. In addition, we welcome the decision of the Parliament on 21 November to prioritise the acceleration of the implementation of the rates cuts and the Finance Committee amendment that states that

"an acceleration in the implementation of the cuts in business rates for small businesses"

is critical and should happen as soon as possible. The Conservative and SNP members on the Finance Committee voted in favour of that amendment, whereas the Labour and Liberal Democrat members, whose parties claim to be keen on competitiveness, abstained. From what we have heard today from the Labour Party, it seems to be against business rate cuts and not to understand how they can possibly help to stimulate our economy. Elaine Murray made the curious comment that if we give rate cuts to businesses, there is no guarantee that the money will be reinvested back into the businesses. The question that I throw out to any Labour member is what on earth they think small business owners

and directors will do with the money other than put it back into their businesses. The simple fact is that a director or business owner knows far better than any politician of any stripe what to do with their business and how the money ought to be invested.

I will focus on the benefits of accelerating the business rate cuts. We appeal to the cabinet secretary to take the issue seriously. Several businesses in Scotland are on the cusp at the moment because of the financial climate. For some businesses, the business rate cuts that they get this year—if they get them—will be the difference between profit and loss; for others, they will be the difference between trading and not trading next year. The plans could help about 116,000 businesses throughout Scotland by abolishing their rates and another 37,000 medium-sized enterprises would benefit from having their rates reduced.

Members should listen to the comments that Scottish business organisations have made. Scottish Chambers of Commerce has pointed out the rising cost pressures that are eating into margins and profits and has said that smaller firms are feeling the pinch most acutely. For the first time in several years, Scottish Chambers of Commerce has found negative trends in its business survey, which must be worrying for all of us. The cabinet secretary should listen to the Confederation of British Industry Scotland, which yesterday pointed out that activity in manufacturing has been stagnant for the past few months. It stated:

“if Ministers want to provide an effective shot in the arm to our smaller companies then they should accelerate the implementation of the tax cut, so that it is introduced as quickly as possible and not phased in over three years as currently envisaged.”

The Federation of Small Businesses and the Institute of Directors have made similar comments.

From the GDP figures that were published just this week, we see that, in quarter 3 last year, Scotland still lagged behind, for that quarter and for the year as a whole. Therefore, it is important that action on rate cuts is taken now, rather than over three years. That is also important because of the message that it would send out to the business community—it would show that the Parliament is listening to the problems that we face and taking swift action to try to help. Instead of just talking about being a business-friendly Parliament, we can actually be one.

It is also important to take action now because of the way in which the policy was promoted prior to the election. It was never mentioned that the rate cuts would be introduced over three years. There was an understanding in the business community that the cuts would be introduced in

April when the first budget was implemented. The SNP clearly had the policy, not just in its manifesto but in its “A new approach: Our first steps” document, which contained the absolute priorities on which it intended to make progress as a Government. It is critical that we get the rate cuts as quickly as possible, and certainly far faster than has been envisaged so far. If sustainable economic growth is priority number 1, we must have the cuts quickly. The cabinet secretary asked whether we can afford to accelerate the cuts. The question on the Scottish Conservative benches is whether we can afford not to implement the cuts quickly.

16:59

Jack McConnell (Motherwell and Wishaw (Lab)): In 1999, I had the privilege, as the Parliament's first Minister for Finance, to bring to Parliament the bill that established the rules that govern the budget process. That was an early example of Parliament acting in a way that is transparent and based on the principle of consent, so that all members could become involved. As Parliament has developed in the past eight years, those initial principles that underpinned the budget process have become the principles that underpin much of our work.

It is clear throughout the budget process that it is the Government that drives, leads and takes responsibility for the budget of the current Scottish Government, but it is also clear that there is a principle of consent at the heart of the process that allows Parliament to express opinions on and to agree individual budget lines. There is, however, a gap in that, which I will comment on today. Decisions beneath budget lines that are made by individual ministers or by the minister with responsibility for the budget—and that are not covered by debates such as this—should, particularly when there is a minority Government, also have at their heart the consent of Parliament.

I congratulate Mr Swinney on bringing the process this far—it cannot be easy to develop a budget in a minority Government at the speed at which he has had to do so. I am sure that a lot of hard work by officials has gone into achieving that end, and I am sure that Mr Swinney is enjoying it. The fact that ministers have the right to exercise power, however, does not necessarily mean that they should always, or at any time, exercise it arbitrarily. There are issues about decisions within budgets, as well as issues about decisions about budgets.

I do not believe that individual national programmes that have cross-party support in the chamber should be removed from the budget without the consent of Parliament. It is incumbent

on ministers to listen to evidence, to engage in a dialogue and to act on the outcome of that.

The example that I will give might not surprise members—it is, of course, ProjectScotland. In this case—a debate about the principles of the budget—I use it as an illustration, as well as an example of some substance. Prior to Christmas, a parliamentary motion was lodged by Sandra White backing ProjectScotland, which had support from members throughout the chamber, including many nationalists, and a debate was led by my colleague Bill Butler, which revealed support among most parties for continued funding of ProjectScotland. There is absolutely no doubt that the work of ProjectScotland meets the strategic objectives that have been outlined by the minister and by the Government, and that it would contribute to several of the national outcomes as outlined in the Government's documents. There is also no doubt, from studies that have been undertaken, that ProjectScotland contributes three times the amount to the Scottish economy that it takes from Government, and that it is 10 times more effective at securing long-term, sustainable employment for young unemployed people than jobseekers allowance. It is a success that might be replicated elsewhere using the expertise that has been created here in Scotland.

Despite majority support for ProjectScotland, it is now under threat. That is wrong. Somewhere in the budget process there has to be an opportunity for members to raise concerns about individual budget decisions that are not covered by the big budget lines, and there has to be an opportunity to give Parliament a role in consenting to the decisions of ministers. Scotland has benefited from a national directly funded programme of full-time youth volunteering, in addition to the benefits for individuals.

I ask the minister to think today and in the weeks that follow, in the spirit of the Budget (Scotland) Act 2000, about how the decisions of ministers below the budget lines can be exercised with the consent of Parliament. I ask the other front-bench spokespersons today to consider the matter, and to address specifically ProjectScotland. I also ask the minister to keep an open mind in advance of the cross-party meeting he will attend on Monday, in which those issues will be explored in more detail. It is surely the case that if cross-party support in other countries can be secured for full-time volunteering for young people, we can do it in Scotland, too. I hope that, as part of this debate, we can take forward that discussion in the weeks ahead.

17:04

Joe FitzPatrick (Dundee West) (SNP): This debate has highlighted the contrasts between an

SNP Government that is determined to deliver its positive vision for Scotland and a Labour Opposition that is confining itself to negative carping from the sidelines and is bereft of ideas. We have heard from members about the impact of some of the cuts that Labour would have made throughout Scotland had it gained support for its budget amendments. Having failed to gain the support of any other party in the Finance Committee for its package of cuts, Labour has now brought forward an uncosted amendment, which asks the cabinet secretary, John Swinney, to do the sums for it. However, in lodging its uncosted amendment—which, without saying how, seeks to change, as we have heard, about 1 per cent of the budget—the Labour Party has eaten humble pie and accepted 99 per cent of the SNP Government's proposals. That dramatic turnaround is to be welcomed.

It is also welcome that the Labour Party in the Scottish Parliament appears to have come some way and has finally caught up with Pat Watters and other Labour council leaders across Scotland. Its amendment does not seek to challenge the historic concordat between the Scottish Government and Scotland's local authorities. The concordat will reduce bureaucratic reporting and will allow more resources to be directed to front-line services, to be used to protect Scotland's most vulnerable citizens instead of time and money being wasted on ticking boxes and form filling.

I am delighted that Iain Gray listened to the comments that Tom McCabe made at the meeting of Parliament on 13 December in support of the Government's move to single outcome agreements, which will ensure that we are delivering for Scotland and not just spending Scotland's money. The concordat represents a seismic change in how Scotland is governed. To give credit where it is due, I congratulate the Labour Party and, in particular, Tom McCabe, who has gone some way in persuading the Labour Party to listen to the debate and not to oppose that important change in its amendment.

I am pleased that many important measures in the first SNP budget—the abolition of prescription charges, the removal of tolls from the Tay and Forth bridges, the provision of the funds to allow Scotland's local authorities to freeze the council tax, the restoration of free education with abolition of the graduate endowment fee and the transition from loans to grants, and the removal or reduction of business rates for about 150,000 small businesses throughout Scotland—are not being challenged by any of the amendments, despite Labour having opposed them in the past. Even today, we have heard arguments against some of those measures, but it is welcome that Labour's amendment does not challenge any of them.

Those are some of the matters on which Labour's public opposition to the SNP's proposals has disappeared as it has listened to and been persuaded by argument, to the extent that today, as has been said, the Labour amendment contests only 1 per cent while supporting 99 per cent of the Scottish Government's budget.

Most of what I have covered so far are issues on which there was once disagreement, but there now appears to be some form of consensus—or at least a lack of opposition. I will move on to a matter on which there has always been a considerable degree of cross-party agreement: the environment. There is no doubt that this is the greenest budget Scotland has ever seen, with £154 million being invested to take Scotland closer to becoming a zero-waste society, £127 million for flood defences, £45 million for new woodland, £30 million for a new sustainable development and climate change fund, £2.8 billion for public transport, a £2 million saltire prize to inspire innovation in renewable energy and the tripling of funding for community and microrenewables. The degree of consensus on those issues is highly significant and places Parliament in a position to be a world leader in tackling global warming.

Although the consensus on those important issues is to be welcomed, it means that much of the debate on green matters goes unreported. One such debate came about as a result of the Finance Committee's decision to focus part of its budget scrutiny on sustainability—a highly significant decision, which I think went unreported outwith Parliament. The committee had an interesting and informative question-and-answer session with some eminent experts, including Dr Dan Barlow, who is in the public gallery. That was a positive step. Although the experts recognised that the budget goes some of the way, concern was expressed that it was difficult to determine how each budget line would help sustainability. I am sure that Dr Barlow will have been delighted to hear the cabinet secretary's commitment to bring in carbon accounting by 2009-10. It is imperative that we take that step forward if we are going to make a difference.

17:09

Ross Finnie (West of Scotland) (LD): I rise to support the Liberal Democrat amendment, particularly in relation to the opaqueness of the budget document and the lack of adequate information, which I think has greatly inhibited the ability of any member of the Opposition to form sensible amendments to it. I will refer to five key areas in the health budget, which are of real concern to Liberal Democrats but on which it has been difficult to formulate a serious amendment.

As Christine Grahame pointed out, we on the Health and Sport Committee tried to examine expenditure across portfolios on the critical issue of drugs and alcohol. Most of the parties agree that it is a critical issue. Examination of expenditure on that could have been a valuable exercise, but in fact it served only to underline the absence of adequate financial information in the budget document that would have allowed us to reach meaningful conclusions. Indeed, the committee's conclusion was that the lack of information was a serious impediment to budget scrutiny.

I turn to the national health service and special boards. I found it almost impossible to scrutinise or come to any conclusion on the adequacy of the financial settlement in the absence of the assumed inflation rates that have been used by the boards, which have historically been above average. NHS and special boards spend is projected to decline as a proportion of the health budget. Consequently, in cash terms, the increase will be less than the increase in the overall health budget. That, the fact that the territorial health boards still do not know their allocations—as happens—and the change in how those moneys might be allocated through the NHS Scotland resource allocation committee makes it impossible to assess the impact of the budget on this critical area of NHS delivery.

Almost all the Government's statements on health have been welcome in the sense that they have referred to shifting the balance of care from the acute sector to the primary sector. However, notwithstanding the investment in anticipatory care and care of people in deprived areas, it is simply not possible to track within the budget document whether the resources that have been allocated to primary care represent a meaningful shift from acute to primary care. If one is unable to identify whether there is such movement, how can one possibly make a constructive amendment that would satisfy or pursue that objective?

The budget shows zero increases in general medical, dental, pharmaceutical and ophthalmic services, pending pay negotiations. I appreciate that the Government cannot reveal its hand before negotiations, but when I pressed it on the general provision, I was directed to the miscellaneous other services in the general services budget; there, I was told, provision had been made. The difficulty with that is that the Scottish Parliament information centre briefing identified that many of the additional specific commitments in the budget spending review were to be funded from the miscellaneous other services budget. Those additional commitments amount to more than the budget increase from 2007-08 to 2010-11. If the additional commitments are to be delivered, it would follow that any pay uplifts for general

medical, dental, pharmaceutical and ophthalmic services would have to be funded from reductions in other elements of the budget. That is clearly of great concern, but once again, the absence of serious supporting detail has made it impossible to pursue the matter further.

Alex Neil: Will the member give way?

Ross Finnie: Briefly, if that is—

The Deputy Presiding Officer: I do not think so. You are entering your last minute, so be careful.

Ross Finnie: I apologise.

My last point is on outcome agreements. There might be an argument for them, but that is not what we are discussing today. We are discussing budget scrutiny. I will make two points on that. First, the 45 national indicators were published after the budget document was published, which made it impossible for committees or others to scrutinise them. Secondly, the budget lines for spending on mental well-being and mental health show reductions in real terms of 8.1 per cent. In addition, the £14 million mental health grant now forms part of the local government settlement. That might be all right, but the problem is that we have not been able to scrutinise the local government outcome agreement or the indicators. The cabinet secretary assured us that there would be further indicators, but let us be clear that we are talking about a general mental health measure, which does not deal with people who might have serious mental problems.

There are five areas in which Liberal Democrats have real concerns, but we have been unable to pursue them, which has made it impossible for us to lodge the kind of amendment that we would have wished.

17:14

Des McNulty (Clydebank and Milngavie) (Lab): Despite the best efforts of Alex Neil and Tavish Scott in particular, I think that the biggest laugh of the debate came when Andrew Welsh told us that we should keep politics out of the budget process. Budgets, by their very nature, are political; they are the point at which choices are made between spending options. In this case, those choices will have significant consequences—some that can be anticipated and others that will become apparent only some way down the line. Of course, choices are something for which Governments and political parties can be held accountable. I know that Mr Swinney is fully aware of that.

The reality is that, in this year's budget process, there has been inadequate information and inadequate scrutiny and we have not had a

thorough process of analysing the budget. In the past, the Finance Committee has been in a position to do three things: to consider and track consistency between policy objectives and spending allocations; to explore what evidence there is that the programmes that are being funded will achieve the objectives that are set; and to examine whether public funds are being managed effectively.

I know that, early in his new role, John Swinney said that he was going to have to eat some of the words that he had said in opposition, but I think they have caused him indigestion. Previously, John Swinney—along with Jim Mather—was one of the people who banged on about the requirement for efficiency savings to be clearly set out and specified. What do we see today, though? We see notional efficiency savings across the board, which I suspect will in effect balance elements in the budget. There will be programmes of cuts proposed by local government, health boards and other agencies and we will be told, post hoc, that they are efficiency savings.

That is only one way in which the consequences of the budget proposals will unravel, maybe not immediately, but over the coming months. Looking at the settlement for local government, we can see that Mr Swinney has been successful in securing support from COSLA for allocations, beefed up by the removal of ring fencing from a variety of budget heads, most notably those that are linked to measures for tackling deprivation.

The COSLA document contains a shopping list of indicators and targets. However, we do not know what performance measures will be used and we do not have a draft single outcome agreement. Mr Swinney knows perfectly well that the complications in establishing meaningful agreements are such that it is unlikely that we will get a meaningful agreement in place by March or April. The reality, therefore, is that the Finance Committee—to put it bluntly—has no idea whether the choices that have been made by the Government in relation to local government can be adhered to or enforced. If vulnerable children are not looked after, and if there are inadequate services for victims of domestic abuse and people who suffer from health problems, what will John Swinney do? He will shrug his shoulders and say, "It's the people in local government who have made the wrong choices." However, he has not identified what choices they need to make or what resources they need to deliver the services. His approach is simply a matter of holding his finger up in the air and hoping that everything will be all right on the night.

That is the case, except in one area. The only area in which Mr Swinney has an effective sanction is that of the lever of £70 million that will

ensure compliance with the council tax freeze. The cabinet secretary, therefore, is trying to sell us something that cannot hold water. He cannot tell us how his policies—especially the vital policies that are aimed at delivering social justice—can be delivered. That is a real problem for us.

However, the problem is not confined to local government; it applies in other areas. In infrastructure, we do not know what is being said in terms of strategic transport. The Government has said that its key objective is to produce business growth. Business tells us that transport investment is absolutely crucial, but under the Government, we have the lowest increase in transport investment for eight years. That money will increase in future years, which I welcome, but the comment that Mr Swinney made about tarmac must be thrown back at him. This Government is putting more money into roads and diverting money away from rail and other public transport. I hope that the Greens are listening, because that is how the numbers stack up.

All the rhetoric about climate change is completely undermined if one looks at the allocations for flooding, waste and so on. Across the board, money is being taken away from those areas.

The Deputy Presiding Officer: Mr McNulty, you must wind up now.

Des McNulty: The budget is a bit of a sham: that will show itself to be true over time.

17:20

Andrew Welsh: I am told that Disraeli spent four and a half hours on a budget speech and that, the year before, Gladstone took five hours. In 2008, thankfully, John Swinney was considerably more succinct.

This has rightly been one of the Parliament's longer debates. It is good that a large number of members have been involved today, but the corollary is that, regrettably, due to the time constraints, I cannot mention them all. Another problem is that it is difficult to sum up the debate because members' speeches have covered the spectrum of Scottish life and political opinion. That is as it should be. We even managed to have an east-west dispute. Bill Aitken's "What about Glasgow?" was an inevitable response to funding being given to Edinburgh, but he was followed by Margaret Smith, who generously welcomed the odd thing, including something for Edinburgh—the very thing that Bill Aitken did not like for the opposite reason. I note and pay tribute to the serious contributions that members made on the basis of experience, expertise and heartfelt support for constituency and national causes.

The debate is difficult to sum up because members' speeches ranged from the serious to the knockabout, from party-political point scoring to pleas for consensus and from points of attack to points of information. We also heard heartfelt representations on behalf of individuals and communities. In some ways, the bill was irrelevant to the set-piece attacks. That is a pity, because financial scrutiny deserves better. If there was nothing in the budget to complain about, some decided to complain about what is not in it.

With some honourable exceptions, members have sadly neglected to give due credit to the work that the Parliament's committees did, working with the Finance Committee, and the proposals that they made. For Mr McNulty's information, I stress that I am speaking as convener of the Finance Committee. I tried to represent to the Parliament the serious work that took place to try to improve scrutiny, which helped the Opposition parties as well as the Government and the people of Scotland to understand the process better and to judge the decisions that have been made.

The budget is historic because it is the SNP's first budget. John Swinney delivered it with accuracy, efficiency and strong conviction. I congratulate him and wish him well in his work.

We are at both the conclusion and the start of a process that is at the heart of our national Parliament's work and that will affect every individual and family in Scotland. It is as well that we all remember that. In between the party-political to-ing and fro-ing, the reality is that we are deciding on the economy, health and a range of activities that affect every individual and family in the country. I thank everyone who attended and contributed to the debate and I wish us all wisdom and success in delivery and future scrutiny.

17:23

Liam McArthur (Orkney) (LD): Ross Finnie has been called many things, but he has never been called Kenny Gibson's son. Alex Neil quoted Zsa Zsa Gabor. His new-found, craven, adoration of the Government—and of the cabinet secretary in particular—reminds me of something else Zsa Zsa Gabor said:

"We were both in love with him. I fell out of love with him, but he didn't."

Mr Swinney, be warned.

I am grateful to my colleagues on the Finance Committee. Even Mr Neil. The process has not always been easy—I will return to that point shortly—but we succeeded in carrying out our responsibilities in a measured fashion. We were happy to air our political differences, but we recognised the need to reach agreement where possible.

However, the process of scrutinising the budget was made needlessly difficult by the minority SNP Government. Someone once observed that

“A truly accessible budget with clear cross-references and reconciled cross-additions would have given people a simple way of drilling down through the schedules and understanding the sums being spent at a local level or in their own areas of interest. That would have made a real difference”.—[*Official Report*, 12 February 2004; c 5882.]

The mention of “reconciled cross-additions” probably betrays the identity of the source: Jim Mather, who is to be commended for his clarion call for transparency. It is a shame that in government he has succeeded in reducing the transparency that he and other MSPs at the time sought and subsequently secured.

As Tavish Scott and others have said, that view is shared by all the Parliament’s committees. They all found that their scrutiny work was hampered by a lack of detail in key policy areas. It was echoed by the Finance Committee, which criticised Mr Swinney’s unilateral rewriting of the agreement—the historic concordat—between the Finance Committee and the Government on the budget process. Councillor Pat Watters may wish to note the respect that the Government has shown for that historic concordat.

The centre for public policy for regions takes the same view, so it is no surprise that Parliament has agreed that there needs to be a thoroughgoing review of the budget process. Liberal Democrats believe that the review should consult widely and, if possible, make recommendations ahead of the next budget process. The cabinet secretary’s earlier commitment to co-operate with the review was helpful.

The lack of detail on the cash-releasing efficiency savings is alarming—Des McNulty made some interesting points about that. They account for £1.6 billion, which is critical to enabling the Government to meet its spending commitments but, as Tavish Scott mentioned, we still have next to no detail on how, where and when the efficiencies will be made. All we have is 281 words in a technical note. Should the Government and the rest of the public sector fall short of the challenging savings targets, it is not at all clear what the consequences will be, where the cuts will fall, and how more of the SNP Government’s promises will start to unravel.

We heard a great deal in the aftermath of the election last May about the SNP’s plan to work consensually with other parties. The First Minister was at pains to point out that, as a minority Government in a Parliament of minorities, he was committed to a new style of collaborative working. As he has found that highly problematic even in his own party at times, Mr Salmond’s claim perhaps stretched credibility, but he has been as

good as his word: he has found a new way of working. It has required an amendment to his party’s constitution, but the barrier to backroom deals with the Tories has been overcome.

Overcome is also an accurate description of Annabel Goldie and Derek Brownlee, who have been making a nuisance of themselves in the garden lobby, proclaiming themselves the real winners in the budget process. Those are bold claims and, like the budget itself, they do not stand up to much scrutiny.

Alex Neil: Why, despite the promises, have there been no amendments from the Liberal Democrats on university funding or renewable energy?

Liam McArthur: SNP back benchers have been banging on about that as a result of the SNP briefing note. We have put those arguments forward in committee, and every time they have been put down by the SNP and the Tories.

Members will recall that, back in November, the Tories first set out their seven tests for the budget: the seven red lines Mr Swinney dare not cross; the seven veils that would preserve Tory dignity from the perils of an eager, nationalist suitor. They were on taxes, NHS dentistry, affordable housing, justice, rehabilitation, efficiency and improving infrastructure. They were all non-negotiable—the cost of buying off the misgivings of many of Miss Goldie’s colleagues.

Less than three months later, what remains of those seven red lines? We at least have one thin blue line left, but some of Miss Goldie’s more sceptical colleagues—I note the presence of Mr McLetchie—will be wondering whether that is a price worth paying for their support on the budget since September.

Ministers have made their choices. In a number of cases, as Professor Bell highlighted in his report to the Finance Committee, the connection between the choices and the Government’s overarching purpose is not clear. Liberal Democrats are not alone in recognising the crucial importance of a vibrant, well-funded and competitive higher education sector in securing sustainable economic growth and a range of other social, cultural and environmental benefits. A budget that proposes a real-terms cut and falls so far short of what the sector says it requires to remain competitive should not command the support of the chamber.

This has been a truncated and difficult process. I accept entirely that much of the reason for that has been beyond the Government’s control. Nevertheless, what has been produced has too often lacked clarity. Too many questions remain unanswered, and the choices made by the Government hold out the prospect of cuts in key

services. For those reasons, I have pleasure in supporting the amendment in the name of Tavish Scott.

17:29

David McLetchie (Edinburgh Pentlands) (Con): In its construction, the budget marks a significant break from the past, particularly on the local government settlement. Many groups and organisations are genuinely and naturally concerned about the consequences of that break for their funding but, equally, others who are fully paid-up members of the aye-been tendency, simply lack the imagination to cope with change. It is no surprise that into that category fall many members of the Labour and Liberal Democrat parties, who constitute the disgruntled and dispossessed of Scottish politics. They have been well in evidence today.

I acknowledge the legitimate debate that is to be had about the merits of ring fencing as opposed to the new approach that the Government has taken. We heard passionate advocacy on that from Johann Lamont and Des McNulty—the words “Des McNulty” and “passion” are not normally uttered together, but he made excellent points. We also heard a most excellent speech from the former First Minister, Jack McConnell, who spoke eloquently about ProjectScotland and its funding.

The reduction in ring fencing is a welcome move away from the mentality that obsessed much of the previous Administration, which was concerned far too often with how much we spend rather than what we achieve. What we achieve is the true test of value for money. If we are to have the efficient and effective delivery of public services, we must learn that results are measured not by expenditure levels but by outcome levels.

In that context, I repeat a point that I have made several times about the comprehensive spending review: the SNP Government has at its disposal more money in absolute and real terms than any Government in the history of Scotland, before or since the establishment of the Parliament, to spend on the public services for which it is responsible. That is an incontrovertible fact that no amount of whinging about relative rates of expenditure growth or sombre words from Mr Swinney can disguise.

The overall budget total is generous, but it is worth noting the consequences of Parliament's rejecting the Budget (Scotland) Bill for 2008-09. It would not mean the financial meltdown that was experienced in the United States some years ago. As many members have said, Alex Neil substantially overegged the pudding in that regard—not for the first time. No, it would mean that, in the coming financial year of 2008-09, we

would be required to sustain our public services at the 2007-08 expenditure level. That would mean a cut of at least £1 billion, which would remain in Alistair Darling's Northern Rock Treasury account and be unavailable to improve the lives and welfare of the people who live in his constituency—most of whom happen to live in mine, too—never mind the rest of Scotland. Since not one penny of that surplus money would be returned to Scottish taxpayers—or to any taxpayer in the UK—I venture to suggest that taxpayers would have a very low opinion of any Parliament that was unable to allocate the money that was at its disposal.

We must also bear it in mind that, as experts such as Professor Mincewinter—I mean Midwinter—constantly tell us, in framing budgets that are of the order of £32 billion, there is generally no room to manoeuvre by more than 2 to 3 per cent. That is perfectly understandable, because doctors, nurses, police officers and public sector workers must be paid. No Government of any political persuasion will fundamentally alter all that in one go in an apocalyptic, year-zero approach. As with a supertanker, it is possible to set a new course and change direction, but it must be done gradually and not by making sharp turns left or right.

The Conservatives' goal is to act within those parameters and to approve a budget that reflects the priorities that are identified in the manifesto on which we were elected to the Parliament. The said Professor Midwinter has recently been recruited as a special adviser to one Wendy Alexander and comes to his new role with what is known in policing circles as previous.

Unfortunately for the Labour Party, Professor Midwinter's previous includes a commentary on the budget proposals that the various parties made during the May election campaign. His praise of the Conservatives was so fulsome that I have to battle with my natural modesty and reticence in order to share his opinions with members. However, I shall do so. I can inform members that Professor Midwinter described our manifesto as containing

“quite simply the most transparent and realistic set of policy and financial proposals I have read in the lead-up to the current election”.

He described our programme as

“impressive because of its fiscal realism”

and agreed that our plans were “costed, affordable and sustainable”. Those are the impressive, independently attested credentials that we bring to the budget debate.

We welcome the Finance Committee's report on the budget because its recommendations are in line with our manifesto pledges. That is why we

shall vote for the reasoned amendment that was lodged by the convener of the Finance Committee, Andrew Welsh.

17:36

Andy Kerr (East Kilbride) (Lab): The Tories have some previous, too, particularly given the new-found local government freedom. They introduced compulsory competitive tendering. Local government was told when to advertise tenders in local and national papers and trade journals. Such microcontrol of local government emanates from the Tories.

The SNP kindly supported a motion in my name in a previous debate. My consensual and measured tone appealed to SNP members then and I trust that the same tone will appeal to them today, although I am not sure whether my luck will hold out.

In his opening speech, John Swinney said that this is his first budget. He had the audacity to say that the budget fulfils the contract that was offered during the election campaign. He should appear on "Watchdog" or the *Sunday Mail* judge's page, because the budget represents one of the most outrageous sell-outs in Scottish political history. It leaves the SNP's manifesto in tatters. *[Interruption.]* I know that SNP members do not like to hear that, but it is true. The 1,000 extra police officers and the promises to stand in the shoes of students when it came to considering student debt have gone. First-time buyers, who were promised £2,000, have been betrayed and the promise to reduce class sizes has been ditched. Those things have been torn up in the budget.

The image of handmaidens is an image to conjure with. This is the SNP's first budget, and the Conservatives will be the handmaidens who will go down the voting aisle with SNP members. There will be a right-wing alliance.

Alex Neil: Will the member take an intervention?

Andy Kerr: No, although I will perhaps do so in a minute.

Kenny Gibson admitted that SNP members are Tories. He said that he was happy to be called a Tory as long as he was called a tartan Tory. I say to him that the truth is out.

Kenneth Gibson *rose—*

The Deputy Presiding Officer: Sit down, Mr Gibson.

Andy Kerr: I welcome Mr Swinney's open-mindedness about a marketing alternative to the route development fund, but he has not expressed any views in his budget proposals on political

points that have been made about his Government's duty to tackle social injustice. Many members have mentioned that and I will talk about it later.

I am genuinely disappointed and concerned by Mr Welsh's partisan approach. He quoted selectively from the Finance Committee's report. I am disappointed that he did not repeat the serious questions that the committees' advisers asked. He also provided an interesting proposition on monitoring and tracking what happens in local government. The single outcome agreements will get rid of bureaucracy and remove all the local government barriers that previously existed. Central Government may believe in single outcome agreements, but time will tell whether monitoring and tracking them will lead to the development of an extensive bureaucracy.

Mr Welsh referred to GAE, budget lines going missing because of the change in the process and new relationships. Level 3 numbers and analysis in the budget are simply not restricted to GAE. Ross Finnie made eloquent points about the health budget, which it is almost impossible to interrogate. The budget process in the Scottish Parliament has gone backwards. The information that is available to the Parliament has regressed. If I, Tom McCabe or other ministers with responsibility for finance in previous Governments had come to the Parliament and its committees with such a dearth of information, we would rightly have been condemned. Liam McArthur and other members made relevant points about that. The budget process has been changed and the ability to track and compare budgets has been removed behind closed doors without consultation with the Scottish parliamentary committees, including the Finance Committee.

Alex Neil: Andy Kerr is like the Liberal members in that he wants more information and transparency, but was he not one of the Cabinet ministers who suppressed the Howat report for six months?

Andy Kerr: Mr Neil's party is suppressing the response to the Howat report, and I am very interested in seeing that.

Iain Gray tried to establish the budget's central purpose, which is sustainable economic growth combined with social justice. I repeat that we do not believe that that is contained within the budget or within the information that is before the Parliament.

I thought that the first three or four minutes of Derek Brownlee's speech were John Swinney's speech, given the way in which he protected the Government as he saw fit. Reference was made to our amendments and how they were voted down. We acknowledge that, but the Tories made that

possible by voting down our social justice amendments.

Alex Neil did not say much. His speech was a good laugh but it had no content, no justification and no attempt to analyse his party's approach.

Tom McCabe made some important comments about reaching out across the Parliament on some key issues, in particular modern apprenticeships and pensions. I look forward to hearing what the cabinet secretary has to say on those issues.

Bill Aitken talked about the police and the settlement that the Conservatives would accept to continue to support the budget. I would be happy to take an intervention from the Tories if they would say whether they are making their support for the budget conditional on the provision of 17,261 police officers in Scotland by the end of the financial process.

Margaret Smith reflected on that point and raised the issues of the budget's opacity and police numbers in quite a heartfelt way.

Many members, including Johann Lamont, addressed the issues of social justice and domestic violence that are missing from the budget.

Tricia Marwick spoke about Fife. I have tried to clarify matters for her and respond to her on previous occasions, but she is wrong this time. She accused Labour of leaving no reserves and an underfunded social work budget; that is not true. On 31 March 2007, Labour left a general budget surplus of close to £3 million in Fife. Furthermore, the SNP's proposed alternative budget for Fife will give less money to the social work budget than we would have put in. Tricia Marwick misrepresented the Labour position on that matter.

Roseanna Cunningham went on at length about the big principles of local government and the new relationship. I wonder where she was when the SNP was writing the part of its manifesto that says:

"An SNP government will restore ring-fenced funding for drugs education"

and that mental health services would be

"backed with ring-fenced funding to health boards and local authorities."

That was the view of the principled SNP as it sat down to write its manifesto.

Fiona Hyslop has made comments about education leaders getting "first dibs" on money for the school building programme. Stewart Maxwell said:

"If we find a local authority who decide to use the money for something else entirely, we can always re-introduce ring fencing."

So much for trust, the new relationship and the new way of working with local government.

Ministers talk about having absolute trust in local government, and I respect them for that, but it does not fit with the party's manifesto, comments made in the chamber or responses at First Minister's question time. For example, I understand that COSLA is arguing for additional funding for the police to ensure the recruitment of officers, but has that money been put into local government or is it to be retained within the justice budget? I hope that the cabinet secretary can deal with that point when he sums up.

We need to look at the local government settlement more closely. Many quotes from Councillor Pat Watters have been used today. He said that the concordat is probably the

"best position that we could manage to achieve from negotiation"—[*Official Report, Finance Committee*, 4 December 2007; c 174.]

He also said:

"We told the Government that we would be able to cope if we got closer to £11.5 billion"—

of course, they only got £11.1 billion—and went on to say:

"we do not think that it is the best financial settlement, but in the circumstances of a tight settlement we believe that it is the best that we could have negotiated."—[*Official Report, Local Government and Communities Committee*, 5 December 2007; c 330, 334.]

Those quotes are hardly a ringing endorsement of the Government's approach.

Of course, the actual money that is available for local government services has increased by only 0.5 per cent. Martin Booth, COSLA's head of finance, agreed with the view that was expressed at the Local Government and Communities Committee that the settlement is below average and said that it compares poorly with increases under previous Governments.

The police have also figured in this afternoon's debate. What exactly is happening? Where does the Government's responsibility for police pensions start and finish? We have seen difficulties in Grampian and we will see them across the rest of Scotland because the Government has said, "It's up to you. The concordat exists. There's loads of money there; you sort it out." Money will come out of police and local authority budgets to fund the police pensions deficit.

Elaine Murray quite rightly mentioned respect for local government but also asked how that fits with the council tax freeze bribe. Local authorities will not get their money if they do not freeze council tax. That is hardly parity of esteem, working with local government or a new relationship.

Mary Scanlon, Christine Grahame and others rightly mentioned drugs. I believe that the Parliament must consider how we monitor and combine that spend to make a real difference in our communities. I believe that we have a consensus on some of those issues.

However, as John Park, Iain Gray and others said, the Government is not meeting its objectives for sustainable economic growth or for training and workforce development. John Park put those points extremely eloquently indeed.

Jeremy Purvis got his hands on a very interesting briefing document containing the SNP's pre-rehearsed lines. That showed the confusion that exists within the Government. He also raised an interesting point about the SNP's Scottish futures trust document, which has not been debated much in the chamber. The document met with derision from the trade unions—who see the proposal simply as PPP—and the business community alike because of the lack of thought that has gone into the policy. [*Interruption.*]

There is no way—

The Deputy Presiding Officer: Excuse me, Mr Kerr. Will members ensure that their mobile phones are switched off? They should not be on stand-by but should be switched off.

Andy Kerr: Mine is off. [*Interruption.*]

Members: It is Wendy's.

Andy Kerr: My leader is checking my BlackBerry, but I can assure members that she will find that it is switched off.

The Deputy Presiding Officer: Mr Kerr, you are in your last minute.

Andy Kerr: So where do we find ourselves at the end of this debate? Members have put across many principled positions, but we should all respect the views of the former First Minister, Jack McConnell, who talked about ProjectScotland, which is another issue on which the Parliament can unite.

A fundamental point is that the amendments that Labour proposed to the Finance Committee would have reallocated growth moneys. No service would have suffered in comparison with previous years' budgets. The transfer of moneys from other budgets was designed in such a way as to ensure that we would not debilitate any other services.

If the Labour amendment is supported today, 15,000 more young Scots will be able to look forward to an apprenticeship; 300,000 secondary school students will have an extra chance to start to learn a trade; 10,000 two-year-olds will have their life chances transformed; 40,000 homeless people will have a bit more chance of a settled and secure tenancy; and 20,000 women with children

might make that break from their abuser and rebuild their lives. In addition, tens of thousands of Scots could release their potential through work to tackle mental health issues.

I urge the Parliament to support our amendment.

17:47

John Swinney: It is appropriate that I begin my closing remarks by referring to the speech of Mr McConnell, who was the author of the Scottish Parliament's first budget back in 1999. He made what was without dispute a fine speech setting out what he holds to be serious arguments about ProjectScotland. I take the opportunity to tell him directly that I will take those arguments seriously when I discuss issues with ProjectScotland on Monday.

The other argument that Mr McConnell advanced is much more difficult, as I think he will appreciate from his time as a finance minister, education minister and First Minister. It is difficult to conceive of a mechanism that could provide the type of scrutiny that he seeks to allow members to make judgments on budget headings below the line of information that currently is presented to Parliament. I will reflect on that but, from my short time as finance secretary, I do not underestimate the difficulty of trying to put such a mechanism in place. However, I will seriously consider his point.

A further eloquent speech—finance ministers must be able to give eloquent speeches—was made by Mr McCabe. Let me say, in the most charitable fashion possible, that Mr McCabe's strategy would have had more prospect of success if the Labour front bench had adopted it instead of the strategy that it deployed in the course of the budget process. Mr McCabe marshalled an argument about how the Government should be able to adjust its budget at the margins to address particular circumstances. That would have been a more profitable line of argument for the Labour Party than the tactics it has adopted so far.

On the argument that Mr McCabe advanced about modern apprenticeships, I say to Parliament that the Government's objective over the next three years is to increase the number of people in appropriate training to 50,000, which is an increase on the current number of modern apprenticeships. The Government is determined to work in that direction to deliver on its commitments.

Iain Gray: We have had this discussion before. Our amendment calls for an additional 15,000 modern apprenticeships, which would take the number of modern apprenticeships, not training places—that number is greater—to 50,000. Is the

cabinet secretary guaranteeing that he will do that at some point in the future and, if so, when?

John Swinney: I said that over the next three years we will increase the number of people in appropriate training to 50,000. A higher proportion of those than at present will be in modern apprenticeships.

Mr McCabe advanced the argument for a reduction in water charges for pensioner households. That is an important issue about which pensioners are concerned. The problem with the Labour Party's proposal is that, to deliver a reduction in water charges for pensioners, the Government would have to allocate money from its revenue budget. Mr McCabe and his colleagues tried to get the Finance Committee to agree to transfer resources from a capital budget. However, as a result of a change that Her Majesty's Treasury made to the statement of funding policy during the spending review, we have had to accept that we no longer have any ability to transfer budgets from capital to revenue accounts. I might have been delighted to oblige the Labour Party on the issue, but the Labour Party in London has stopped me doing so.

Mary Scanlon made a substantial contribution on the issue of mental health. I make to her the point that the Deputy First Minister, the Cabinet Secretary for Justice and I made when we appeared jointly—an excellent innovation—before the Health and Sport Committee, which members of other committees also attended. Services to tackle mental health, drugs and alcoholism issues are not neatly compartmentalised into services delivered by the health service, services delivered by local authorities and services delivered by other bodies.

There is a compelling argument for us to examine how we can provide information that addresses such cross-cutting themes more effectively than we have managed so far. Our ability to do that will be enhanced greatly by the way in which the First Minister has structured ministers' portfolios, to make their responsibilities broader. In particular, the fact that the Deputy First Minister has responsibility for both health and well-being ensures a more rounded approach to those issues. I hope that Mary Scanlon will take some comfort from those remarks and from my intervention during her speech on the outcomes that the Government has identified, which show that the Government is serious about addressing the issues that she has raised.

Mary Scanlon: Does the cabinet secretary share my concern that progress on and outcomes for mental health issues are difficult to measure?

John Swinney: The challenge is not restricted to mental health issues, but that does not mean

that we should not try to ensure that the Government addresses seriously the issues that Mary Scanlon has raised.

Patrick Harvie made a number of points, one of which related to the affordable housing budget. I say to him that the spending review provides £131 million for affordable housing over the period, compared on a like-for-like basis with the spending review that we inherited. In real terms, the affordable housing budget will increase by 3 per cent on the 2007-08 figure.

The member also raised the issue of the air route development fund. I will correct a misinterpretation by Mr Kerr—the Government has no proposals to replace the fund with marketing schemes or a replacement route development fund. I hope that that clarifies the situation, if I did not set it out clearly enough in my earlier comments.

On transportation, the Government is increasing investment in rail at a faster rate than spending on road developments, if we take the 2007-08 figures as the basis for comparison.

Jeremy Purvis: On 18 December, officials of the Scottish Government asked representatives of Waverley partnership what the reaction would be if the Borders railway were constructed only to Gorebridge and not to the Borders. Will the cabinet secretary confirm that the budget contains all the funding that will be needed to construct the Borders railway—not just to Gorebridge but to Tweedbank, which is in the heart of the Borders and my constituency?

John Swinney: I say to Patrick Harvie that this Government has absolutely no intention—*[Laughter.]* My apologies. It has been a long day, Presiding Officer. I say to Mr Purvis that the Government absolutely does not intend the Borders rail link to go only to Gorebridge. It will go to Tweedbank. On what basis the approach to which Mr Purvis refers was made I have no idea, but it was certainly not made with the sanction of ministers. I put that on the record for Mr Purvis.

To reinforce what I have said, rail spending will increase at a faster rate than road spending. When one puts together all the funding streams that the Government is putting into public transport infrastructure and investment, it amounts—if my rough calculation in the course of the debate is anything to go by—to well in excess of £1.2 billion, compared with about £900 million in the next financial year in relation to roads. The Government is investing formidably in public transport.

Margo MacDonald tried to tempt me to say three little words to her. Liberal Democrat members inadvertently misled me as to what I was being encouraged to say to her—it was not "I love you", but "capital city supplement". There is a subtle

difference between the two concepts, I understand.

Jeremy Purvis: Which one will he pick?

John Swinney: It is a tough choice to decide which one I should say, but let me reiterate this to Margo MacDonald: I said in my earlier comments that I look forward to receiving the results of the study on the matter later this year, in good time to inform next year's budget, when I will make provision for a capital city supplement for the city of Edinburgh. I hope that that clarifies the matter beyond peradventure.

Mr Finnie said that we published our indicators after the budget, but I am afraid to tell him that the information is all in the one document—it was all published at the same time. I think that he got the wrong end of the stick.

The choice that is before us today is whether the budget proceeds any further. It is quite strange for anyone to—

The Presiding Officer (Alex Fergusson): Order. There is too much background noise.

John Swinney: There are amendments to the motion, but the question in principle is whether the budget moves forward and whether the Opposition parties take seriously the Government's willingness to engage in constructive discussion. The Labour Party advanced amendments in the course of the Finance Committee's considerations that accounted for 1 per cent of the budget. I would find it absolutely unbelievable if the Labour Party, for the sake of a 1 per cent disagreement on the budget, was prepared to vote against the budget bill at stage 1, given how that would jeopardise investment in our public services. This is the moment for everybody to act responsibly in the interests of the Scottish economy and our public services. I encourage members to support the Budget (Scotland) Bill at stage 1.

The Presiding Officer: That brings us to the end of the debate. I thank all members for making the Presiding Officers' job easier in managing it. I am genuinely grateful.

Business Motions

17:58

The Presiding Officer (Alex Fergusson): The next item of business is consideration of business motion S3M-1197, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a revised business programme.

Motion moved,

That the Parliament agrees the following revision to the programme of business for Thursday 24 January 2008—

after

9.15 am Parliamentary Bureau Motions

insert

followed by Legislative Consent Motion: Dormant Bank and Building Society Accounts Bill – UK Legislation—[Bruce Crawford].

Motion agreed to.

The Presiding Officer: The next item of business is consideration of business motion S3M-1198, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a business programme.

Motion moved,

That the Parliament agrees the following programme of business—

Wednesday 30 January 2008

2.00 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Ministerial Statement: Delivering More Effective Government

followed by Scottish Government Debate: Importance of Scottish History in the School Curriculum

followed by Legislative Consent Motion: Criminal Justice and Immigration Bill – UK Legislation

followed by Business Motion

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 31 January 2008

9.15 am Parliamentary Bureau Motions

followed by Scottish Labour Party Business

11.40 am General Question Time

12 noon First Minister's Question Time

2.15 pm Themed Question Time—Finance and Sustainable Growth

2.55 pm Scottish Government Debate: Poverty

followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business
 Wednesday 6 February 2008
 2.00 pm Time for Reflection
followed by Parliamentary Bureau Motions
followed by Stage 3 Debate: Budget (Scotland) Bill
followed by Business Motion
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business
 Thursday 7 February 2008
 9.15 am Parliamentary Bureau Motions
followed by Scottish Government Business
 11.40 am General Question Time
 12 noon First Minister's Question Time
 2.15 pm Themed Question Time—
 Europe, External Affairs and Culture;
 Education and Lifelong Learning
 2.55 pm Scottish Government Business
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business.—[Bruce Crawford.]

Motion agreed to.

Parliamentary Bureau Motion

17:59

The Presiding Officer (Alex Fergusson): The next item of business is consideration of one Parliamentary Bureau motion, motion S3M-1199, on the approval of a Scottish statutory instrument.

Motion moved,

That the Parliament agrees that the draft Emergency Workers (Scotland) Act 2005 (Modification) Order 2008 be approved.—[Bruce Crawford.]

The Presiding Officer: The question on the motion will be put at decision time, to which we now come.

Decision Time

18:00

The Presiding Officer (Alex Fergusson):

There are five questions to be put as a result of today's business.

The first question is, that amendment S3M-1176.1, in the name of Andrew Welsh, which seeks to amend motion S3M-1176, in the name of John Swinney, on the Budget (Scotland) Bill, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Adam, Brian (Aberdeen North) (SNP)
 Ahmad, Bashir (Glasgow) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Allan, Alasdair (Western Isles) (SNP)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brown, Keith (Ochil) (SNP)
 Brownlee, Derek (South of Scotland) (Con)
 Campbell, Aileen (South of Scotland) (SNP)
 Carlaw, Jackson (West of Scotland) (Con)
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)
 Constance, Angela (Livingston) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Don, Nigel (North East Scotland) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 FitzPatrick, Joe (Dundee West) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 Goldie, Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Harper, Robin (Lothians) (Green)
 Harvie, Christopher (Mid Scotland and Fife) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Central Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Adam (South of Scotland) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Kidd, Bill (Glasgow) (SNP)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 Lochhead, Richard (Moray) (SNP)
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLetchie, David (Edinburgh Pentlands) (Con)
 McMillan, Stuart (West of Scotland) (SNP)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Morgan, Alasdair (South of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Gil (West of Scotland) (SNP)
 Robison, Shona (Dundee East) (SNP)
 Russell, Michael (South of Scotland) (SNP)

Salmond, Alex (Gordon) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Somerville, Shirley-Anne (Lothians) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow Govan) (SNP)
 Swinney, John (North Tayside) (SNP)
 Thompson, Dave (Highlands and Islands) (SNP)
 Watt, Maureen (North East Scotland) (SNP)
 Welsh, Andrew (Angus) (SNP)
 White, Sandra (Glasgow) (SNP)
 Wilson, Bill (West of Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)

AGAINST

MacDonald, Margo (Lothians) (Ind)

ABSTENTIONS

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (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, Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Foulkes, George (Lothians) (Lab)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Hume, Jim (South of Scotland) (LD)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McArthur, Liam (Orkney) (LD)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Tom (Hamilton South) (Lab)
 McConnell, Jack (Motherwell and Wishaw) (Lab)
 McInnes, Alison (North East Scotland) (LD)
 McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Mulligan, Mary (Linlithgow) (Lab)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Murray, Elaine (Dumfries) (Lab)
 O'Donnell, Hugh (Central Scotland) (LD)
 Oldfather, Irene (Cunninghame South) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)

Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stewart, David (Highlands and Islands) (Lab)
 Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Tolson, Jim (Dunfermline West) (LD)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Whitton, David (Strathkelvin and Bearsden) (Lab)

The Presiding Officer: The result of the division is: For 65, Against 1, Abstentions 62.

Amendment agreed to.

The Presiding Officer: The next question is, that amendment S3M-1176.2, in the name of Iain Gray, which seeks to amend motion S3M-1176, in the name of John Swinney, on the Budget (Scotland) Bill, 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)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Foulkes, George (Lothians) (Lab)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Tom (Hamilton South) (Lab)
 McConnell, Jack (Motherwell and Wishaw) (Lab)
 McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Mulligan, Mary (Linlithgow) (Lab)
 Murray, Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)

Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stewart, David (Highlands and Islands) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Whitton, David (Strathkelvin and Bearsden) (Lab)

AGAINST

Adam, Brian (Aberdeen North) (SNP)
 Ahmad, Bashir (Glasgow) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Allan, Alasdair (Western Isles) (SNP)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brown, Keith (Ochil) (SNP)
 Brown, Robert (Glasgow) (LD)
 Brownlee, Derek (South of Scotland) (Con)
 Campbell, Aileen (South of Scotland) (SNP)
 Carlaw, Jackson (West of Scotland) (Con)
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)
 Constance, Angela (Livingston) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Don, Nigel (North East Scotland) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Finnie, Ross (West of Scotland) (LD)
 FitzPatrick, Joe (Dundee West) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 Goldie, Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Harper, Robin (Lothians) (Green)
 Harvie, Christopher (Mid Scotland and Fife) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Central Scotland) (SNP)
 Hume, Jim (South of Scotland) (LD)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Adam (South of Scotland) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Kidd, Bill (Glasgow) (SNP)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 Lochhead, Richard (Moray) (SNP)
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)
 MacDonald, Margo (Lothians) (Ind)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McArthur, Liam (Orkney) (LD)
 McGregor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLetchie, David (Edinburgh Pentlands) (Con)
 McMillan, Stuart (West of Scotland) (SNP)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Morgan, Alasdair (South of Scotland) (SNP)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Neil, Alex (Central Scotland) (SNP)
 O'Donnell, Hugh (Central Scotland) (LD)
 Paterson, Gil (West of Scotland) (SNP)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Robison, Shona (Dundee East) (SNP)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Alex (Gordon) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)

Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Somerville, Shirley-Anne (Lothians) (SNP)
 Stephen, Nicol (Aberdeen South) (LD)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Sturgeon, Nicola (Glasgow Govan) (SNP)
 Swinney, John (North Tayside) (SNP)
 Thompson, Dave (Highlands and Islands) (SNP)
 Tolson, Jim (Dunfermline West) (LD)
 Watt, Maureen (North East Scotland) (SNP)
 Welsh, Andrew (Angus) (SNP)
 White, Sandra (Glasgow) (SNP)
 Wilson, Bill (West of Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)

The Presiding Officer: The result of the division is: For 46, Against 82, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S3M-1176.3, in the name of Tavish Scott, which seeks to amend motion S3M-1176, in the name of John Swinney, on the Budget (Scotland) Bill, 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)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (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, Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Foulkes, George (Lothians) (Lab)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marilyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Hume, Jim (South of Scotland) (LD)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McArthur, Liam (Orkney) (LD)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Tom (Hamilton South) (Lab)

McConnell, Jack (Motherwell and Wishaw) (Lab)
 McInnes, Alison (North East Scotland) (LD)
 McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Mulligan, Mary (Linlithgow) (Lab)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Murray, Elaine (Dumfries) (Lab)
 O'Donnell, Hugh (Central Scotland) (LD)
 Oldfather, Irene (Cunninghame South) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stewart, David (Highlands and Islands) (Lab)
 Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Tolson, Jim (Dunfermline West) (LD)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Whitton, David (Strathkelvin and Bearsden) (Lab)

AGAINST

Adam, Brian (Aberdeen North) (SNP)
 Ahmad, Bashir (Glasgow) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Allan, Alasdair (Western Isles) (SNP)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brown, Keith (Ochil) (SNP)
 Brownlee, Derek (South of Scotland) (Con)
 Campbell, Aileen (South of Scotland) (SNP)
 Carlaw, Jackson (West of Scotland) (Con)
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)
 Constance, Angela (Livingston) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Don, Nigel (North East Scotland) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 FitzPatrick, Joe (Dundee West) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 Goldie, Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Harper, Robin (Lothians) (Green)
 Harvie, Christopher (Mid Scotland and Fife) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Central Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Adam (South of Scotland) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Kidd, Bill (Glasgow) (SNP)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 Lochhead, Richard (Moray) (SNP)
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)
 MacDonald, Margo (Lothians) (Ind)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)

McGrigor, Jamie (Highlands and Islands) (Con)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLetchie, David (Edinburgh Pentlands) (Con)
 McMillan, Stuart (West of Scotland) (SNP)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Morgan, Alasdair (South of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Gil (West of Scotland) (SNP)
 Robison, Shona (Dundee East) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Alex (Gordon) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Somerville, Shirley-Anne (Lothians) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow Govan) (SNP)
 Swinney, John (North Tayside) (SNP)
 Thompson, Dave (Highlands and Islands) (SNP)
 Watt, Maureen (North East Scotland) (SNP)
 Welsh, Andrew (Angus) (SNP)
 White, Sandra (Glasgow) (SNP)
 Wilson, Bill (West of Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)

The Presiding Officer: The result of the division is: For 62, Against 66, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The fourth question is, that motion S3M-1176, in the name of John Swinney, on the Budget (Scotland) Bill, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Adam, Brian (Aberdeen North) (SNP)
 Ahmad, Bashir (Glasgow) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Allan, Alasdair (Western Isles) (SNP)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brown, Keith (Ochil) (SNP)
 Brownlee, Derek (South of Scotland) (Con)
 Campbell, Aileen (South of Scotland) (SNP)
 Carlaw, Jackson (West of Scotland) (Con)
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)
 Constance, Angela (Livingston) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Don, Nigel (North East Scotland) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 FitzPatrick, Joe (Dundee West) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 Goldie, Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Harvie, Christopher (Mid Scotland and Fife) (SNP)
 Hepburn, Jamie (Central Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Adam (South of Scotland) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Kidd, Bill (Glasgow) (SNP)
 Lamont, John (Roxburgh and Berwickshire) (Con)

Lochhead, Richard (Moray) (SNP)
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)
 MacDonald, Margo (Lothians) (Ind)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLetchie, David (Edinburgh Pentlands) (Con)
 McMillan, Stuart (West of Scotland) (SNP)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Morgan, Alasdair (South of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Gil (West of Scotland) (SNP)
 Robison, Shona (Dundee East) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Alex (Gordon) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Somerville, Shirley-Anne (Lothians) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow Govan) (SNP)
 Swinney, John (North Tayside) (SNP)
 Thompson, Dave (Highlands and Islands) (SNP)
 Watt, Maureen (North East Scotland) (SNP)
 Welsh, Andrew (Angus) (SNP)
 White, Sandra (Glasgow) (SNP)
 Wilson, Bill (West of Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)

AGAINST

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (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, Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Foulkes, George (Lothians) (Lab)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Hume, Jim (South of Scotland) (LD)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McArthur, Liam (Orkney) (LD)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Tom (Hamilton South) (Lab)
 McConnell, Jack (Motherwell and Wishaw) (Lab)
 McInnes, Alison (North East Scotland) (LD)

McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Mulligan, Mary (Linlithgow) (Lab)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Murray, Elaine (Dumfries) (Lab)
 O'Donnell, Hugh (Central Scotland) (LD)
 Oldfather, Irene (Cunninghame South) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stewart, David (Highlands and Islands) (Lab)
 Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Tolson, Jim (Dunfermline West) (LD)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Whitton, David (Strathkelvin and Bearsden) (Lab)

ABSTENTIONS

Harper, Robin (Lothians) (Green)
 Harvie, Patrick (Glasgow) (Green)

The Presiding Officer: The result of the division is: For 64, Against 62, Abstentions 2.

Motion, as amended, agreed to.

Resolved,

That the Parliament agrees to the general principles of the Budget (Scotland) Bill but, in so doing, recommends that the Scottish Government (a) brings forward proposals setting out how, over the period covered by the spending review, the level of police recruitment can be increased beyond that currently planned and (b) considers whether there is scope to increase the business rate reductions applying in 2008-09 beyond those stated in the Spending Review as the first stage of the acceleration of the reductions, setting out what changes will be required to the 2008-09 Budget as a result.

The Presiding Officer: The next question is, that motion S3M-1199, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, on approval of a Scottish statutory instrument, be agreed to.

Motion agreed to.

That the Parliament agrees that the draft Emergency Workers (Scotland) Act 2005 (Modification) Order 2008 be approved.

Meeting closed at 18:04.

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