

MEETING OF THE PARLIAMENT

Thursday 11 December 2008

Session 3

£5.00

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CONTENTS

Thursday 11 December 2008

Debates

Col.

SCOTRAIL FRANCHISE	13279
<i>Motion moved—[Des McNulty].</i>	
<i>Amendment moved—[Stewart Stevenson].</i>	
<i>Amendment moved—[Alex Johnstone].</i>	
<i>Amendment moved—[Alison McInnes].</i>	
Des McNulty (Clydebank and Milngavie) (Lab)	13279
The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson)	13282
Alex Johnstone (North East Scotland) (Con)	13284
Alison McInnes (North East Scotland) (LD)	13286
Charlie Gordon (Glasgow Cathcart) (Lab)	13288
Christina McKelvie (Central Scotland) (SNP)	13289
Cathy Peattie (Falkirk East) (Lab)	13291
Sandra White (Glasgow) (SNP)	13292
James Kelly (Glasgow Rutherglen) (Lab)	13294
Jim Tolson (Dunfermline West) (LD)	13295
Gavin Brown (Lothians) (Con)	13297
The Cabinet Secretary for Finance and Sustainable Growth (John Swinney)	13299
John Park (Mid Scotland and Fife) (Lab)	13302
KINSHIP CARE	13305
<i>Motion moved—[Rhona Brankin].</i>	
<i>Amendment moved—[Adam Ingram].</i>	
Rhona Brankin (Midlothian) (Lab)	13305
The Minister for Children and Early Years (Adam Ingram)	13308
Elizabeth Smith (Mid Scotland and Fife) (Con)	13311
Hugh O'Donnell (Central Scotland) (LD)	13313
Rhoda Grant (Highlands and Islands) (Lab)	13314
Bob Doris (Glasgow) (SNP)	13316
Duncan McNeil (Greenock and Inverclyde) (Lab)	13317
Christina McKelvie (Central Scotland) (SNP)	13319
Claire Baker (Mid Scotland and Fife) (Lab)	13321
Margaret Smith (Edinburgh West) (LD)	13323
Murdo Fraser (Mid Scotland and Fife) (Con)	13324
Adam Ingram	13326
Karen Whitefield (Airdrie and Shotts) (Lab)	13328
QUESTION TIME	13332
FIRST MINISTER'S QUESTION TIME	13341
QUESTION TIME	13353
LOCAL GOVERNMENT FINANCE SETTLEMENT 2009-10	13370
<i>Statement—[John Swinney].</i>	
The Cabinet Secretary for Finance and Sustainable Growth (John Swinney)	13370
LOCAL GOVERNMENT FINANCE SETTLEMENT 2009-10	13376
Andy Kerr (East Kilbride) (Lab)	13376
Derek Brownlee (South of Scotland) (Con)	13379
Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)	13381
Keith Brown (Ochil) (SNP)	13384
Hugh Henry (Paisley South) (Lab)	13387
David McLetchie (Edinburgh Pentlands) (Con)	13389
Nicol Stephen (Aberdeen South) (LD)	13391
Brian Adam (Aberdeen North) (SNP)	13392
Jackie Baillie (Dumbarton) (Lab)	13394
John Wilson (Central Scotland) (SNP)	13397
Sarah Boyack (Edinburgh Central) (Lab)	13399
Mary Mulligan (Linlithgow) (Lab)	13401

Alison McInnes (North East Scotland) (LD).....	13403
Derek Brownlee	13405
David Whitton (Strathkelvin and Bearsden) (Lab)	13408
The Cabinet Secretary for Finance and Sustainable Growth (John Swinney)	13412
DECISION TIME	13417
CLIMATE CHANGE (COMMUNITIES)	13429
<i>Motion debated—[Patrick Harvie].</i>	
Patrick Harvie (Glasgow) (Green)	13429
Shirley-Anne Somerville (Lothians) (SNP)	13432
Alex Johnstone (North East Scotland) (Con)	13433
Robin Harper (Lothians) (Green).....	13434
Margaret Curran (Glasgow Baillieston) (Lab).....	13435
The Minister for Environment (Michael Russell).....	13437

Oral Answers

Col.

QUESTION TIME	
SCOTTISH EXECUTIVE	13332
GENERAL QUESTIONS	13332
Banks (Small Business Loans).....	13332
Money Advice and Advocacy Services	13339
Rural Schools	13336
Scots Language.....	13332
St Margaret of Scotland Hospice.....	13334
Teacher Numbers.....	13338
FIRST MINISTER'S QUESTION TIME	13341
Cabinet (Meetings)	13346
Drink Driving	13348
Engagements.....	13341
Police Agencies	13349
Pork Industry.....	13351
Prime Minister (Meetings).....	13344
QUESTION TIME	
SCOTTISH EXECUTIVE	13353
JUSTICE AND LAW OFFICERS	13353
Alcohol Sales (Under-18s).....	13358
Drugs Courts.....	13357
Fatal Accident Inquiry	13359
Fiscal Fines.....	13353
Grampian Police	13354
Liquor Licensing.....	13360
Property Registration	13356
Scottish Islamic Foundation (Meetings)	13359
RURAL AFFAIRS AND THE ENVIRONMENT	13361
Environmental Projects (Fife)	13367
Forestry Industry.....	13366
Raptors (Poisoning)	13361
Recycling Targets.....	13368
Scottish Environment Protection Agency (Meetings)	13365
Sustainable Development Commission Report.....	13363

Scottish Parliament

Thursday 11 December 2008

[THE PRESIDING OFFICER *opened the meeting at 09:15*]

ScotRail Franchise

The Presiding Officer (Alex Fergusson):

Good morning. The first item of business is a debate on motion S3M-3075, in the name of Des McNulty, on the ScotRail franchise.

09:15

Des McNulty (Clydebank and Milngavie) (Lab): There was widespread concern and disappointment in April, when the Scottish National Party announced that it had, without consultation with passenger bodies, trade unions or anyone else, agreed to extend First ScotRail's train contract to 2014. Ministers did not seek separate advice when First ScotRail claimed that the negotiations were sensitive, in that they could affect the company's share price. They put the company's interests before those of passengers and employee representatives, who were denied any input, even on a confidential basis.

Ministers could have waited until Audit Scotland had completed its programmed review of the operation of the franchise, which was deliberately timed to help Transport Scotland learn lessons that could be applied in developing the franchise in the event of a three-year extension being granted or a new franchise being tendered for, but the minister and Transport Scotland decided not to consult and not to wait.

They did a deal that they claimed would guarantee that £73.1 million would be made available to reinvest in the network. In the context of a £2.5 billion contract, that is not much of a dividend. Moreover, it turns out that the provision of that sum is not even guaranteed, as it depends on First ScotRail meeting revenue targets. The revised terms kick in only after First's profits exceed £27.247 million per year. The agreements were adjusted so that First will retain a greater proportion of income before anything is paid back to the Government. First is protected from any downturn in passenger revenue, as the Government is now contractually obliged to step in with additional financial support. That is not a bad deal from First's point of view. The company can coin it during the good times, when revenues are on the increase, and is protected from financial risk when times are harder.

As Iain Gray pointed out last week,

"lack of consultation created practical difficulties."—[*Official Report*, 4 December 2008; c 13095.]

Strathclyde partnership for transport had agreed to fund closed-circuit television on its stations for the full term of the contract, at a cost of almost £0.5 million a year, but the Minister for Transport, Infrastructure and Climate Change did not bother to ask where the money for that would be found, with the result that a hole was left, which Transport Scotland will have to fill using its £73.1 million piggy bank—if, indeed, it gets that money.

If the minister had asked his officials to supply him with a properly documented business case and had tracked the detail carefully, such omissions could and probably would have been identified but, according to Audit Scotland, the contract—which is huge—was let on the basis of presentations to the minister.

The minister must have been aware that his signature is worth a huge amount of money to FirstGroup. Parliament and the Scottish people have a right to expect a level of due diligence commensurate with the scale of the contract; they do not expect the approach that the minister adopted yesterday, when he announced a huge raft of vaguely costed and specified projects, for which there is no timetabled programme. He admitted that he had not based his plans on any projections of how much the Government would have to spend on transport projects in the 2014 or 2017 spending review periods.

In the Audit Scotland report, it was revealed that the finance director of Transport Scotland, the man whose job description presumably includes advising on financial issues, had a substantial shareholding in First. The handling of that conflict of interest does not seem to have satisfied Audit Scotland, and I feel sure that the Public Audit Committee will want to consider that as part of its investigation, the holding of which I understand was agreed to yesterday.

If the contract is price sensitive, surely someone must have recognised the sensitivities in relation to a financial conflict of interest. How on earth could a situation have been allowed to come about in which someone who had a financial interest was sitting at the table and had access to financial information? What judgments were made by those whose job it was to deal with such matters to protect the reputation of Transport Scotland?

Let me put the questions that the politicians must answer. When were ministers made aware of the conflict of interest involving the finance director? What view do they take of the handling of such staffing and governance matters by Transport Scotland? Have further investigations

been carried out? Is any action being taken as a consequence?

On Saturday, *The Sun* ran a story that suggested that Mr Houston had been under investigation in relation to a separate matter—the M80 extension—about which my colleague Cathie Craigie has been seeking a meeting with Transport Scotland, unsuccessfully, for weeks. I do not want to take that issue any further, as we might be getting into personnel matters, which it is inappropriate to air in the Parliament.

However, this week I received a faxed copy of a letter to Transport Scotland from the former operators of a bus company in Scotland, who complained that the finance director of Transport Scotland, Mr Houston, had treated their company unreasonably in relation to payments under the concessionary fares scheme, for which he had managerial responsibility, with the result that they were forced out of business. They claim that the only beneficiary of that is FirstGroup.

I do not know the full background to the issue or where the truth lies, but problems are stacking up on the issues of probity and governance. It is the job of both Transport Scotland and the minister to ensure that such matters are properly dealt with. The problems are not resolved by the departure of Mr Houston. We must find out why the conflict of interest arose, what its implications might have been, why it was not prevented, what steps should have been taken and why they were not, and whether the monitoring and scrutiny of Transport Scotland, which is ultimately the responsibility of the minister, has been properly carried out.

We should have had a proper consultation before the franchise extension was agreed to, not a sham consultation afterwards. There would have been far more point in discussing the options that could have been delivered before negotiations on the contract were completed rather than carrying out a consultation on priced options afterwards. Ministers claimed at the time that the agreement would lock in various benefits and would secure increased investment from ScotRail, but that is dependent on the revenue that is generated; it is not a cast-iron guarantee.

The whole process needs to be investigated properly, and the Public Audit Committee would be best placed to do that. It is only reasonable to ask the minister to answer the questions about what went wrong, why that happened and what he intends to do about it.

I move,

That the Parliament notes the Audit Scotland report on the extension of First ScotRail's contract to 2014; expresses serious concern regarding the lack of consultation over the extension of this franchise and the failure of ministers to require a fully documented business

case; notes the resignation of the former finance director of Transport Scotland; calls on the Scottish Government to cooperate with any Audit Committee investigation, and urges the Minister for Transport, Infrastructure and Climate Change to issue a statement to the Parliament should any investigation into the probity or governance within Transport Scotland make that necessary.

09:22

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): Good franchise management is critical to the success of Scotland's rail services. I very much welcome Audit Scotland's finding that Transport Scotland manages the core aspects of the franchise contract well. Audit Scotland also states that the franchise is performing well—there are more trains running on time, passenger numbers are well ahead of expectations and passenger satisfaction is up. That performance, together with Transport Scotland's comprehensive recommendations, helped us to make the informed decision to extend the contract.

The rigorous appraisal process, as described by Audit Scotland, delivered value for money—more than £70 million—and, for the first time, a cap on the profits that FirstGroup may take from the franchise. It has delivered for passengers, taxpayers and ScotRail staff.

In raising an issue about a bus company, Mr McNulty said that he did not know the details. In a debate of such seriousness, will he please not raise such matters when he does not know the details? I do know the details, and he would be wise to be careful.

The negotiated position, which external views from the experts Ernst & Young aided us in arriving at, followed consideration of the full range of options, from doing nothing through to granting the extension. We also tightened the contract, requiring more from First for the same subsidy and tying it into the delivery of new services, while creating, for the first time, a profit cap.

Much has been made of Audit Scotland's comments that governance of the extension could have been better. The fact that we do not agree with all of Audit Scotland's analysis could no doubt be explored in more detail by the Public Audit Committee, but Transport Scotland will act on the report's recommendations when that is appropriate.

I turn to the role of individual directors. The management commentary of Transport Scotland's annual accounts for 2007-08 notes, as it did in 2006-07, that it records board members' interests in a register that is publicly available. The interests that have been referred to were documented there in 2007.

Transport Scotland's directors gave assurances that no conflicts of interest arose in the exercise of their duties. I have received assurances that processes—which were signed off by Audit Scotland—were adhered to throughout the extension discussion. The agency's processes, established under the previous Administration, are not only rigorous, but ensure that no conflicts of interest impact on decision making.

This is not the first time that the extension of the franchise has been used to try to make political capital. When we announced it in April, some opposition MSPs suggested that it represented a policy shift without consultation. That is entirely wrong. The extension was always contemplated by the original contract, which was consulted upon and then let in 2004.

Patrick Harvie (Glasgow) (Green): The minister refers to an issue that is addressed in part by the Conservative amendment, which refers to the fact that

"the original contract, negotiated by the previous Labour-led Scottish administration, 'did not specify the conditions under which an extension should be considered'".

In other parts of the United Kingdom, if the original contract did not specify the conditions, extensions have been consulted on. Did the minister make the decision not to consult, or was it some other part of the Government?

Stewart Stevenson: Ministers, in considering this option, were aware of the provisions that were described in a letter from the then transport minister, Iain Gray, to the Transport and the Environment Committee on 2 December 2002, that the franchise would be a seven-year contract with a possible three-year extension. We exercise the powers and the ability given to us by the contract that Iain Gray put in place when he was the minister.

The Executive of the day said that it favoured a 15-year franchise, but upheavals in the industry at the time, such as the replacement of Railtrack with Network Rail, meant that that was not advisable. Instead, when a Strategic Rail Authority review in 2003 moved to shorter franchises, ministers followed suit, but with the extension there to provide for the necessary flexibility.

That move fitted the assumptions at the time about the implementation of major investment projects. The Government of the day effectively put in place a contract that envisaged that those services would be in place by the 2011 termination date, as it was then. The extension that we secured delivers what could not be guaranteed in 2004—a contract that will see the major projects and now the Commonwealth games services delivered reliably and safely.

The extension also grants us an opportunity that a rebrand in 2011 would not: to explore the option of moving the next franchise to a not-for-profit model. I have had encouraging discussions with the Scottish Trades Union Congress and union representatives, who are pleased to explore the opportunities that we have created. We will carry out a full consultation and give all stakeholders the chance to comment and input during 2009. This is an exciting development—one that would not have been possible without the extension.

We are committed to delivering real improvements to our rail network, in recognition of the important role that it plays in supporting sustainable economic growth. This is the right deal at the right time. It benefits passengers and businesses and supports sustainable economic growth. I welcome members' support for that commitment.

I move amendment S3M-3075.3, to leave out from "expresses" to first "Transport Scotland".

09:29

Alex Johnstone (North East Scotland) (Con): The quality of train services in Scotland is often far lower than passengers and taxpayers have a right to expect. It is generally accepted that FirstGroup has presided over an improvement in service levels over the past four years. First ScotRail's managing director, Mary Grant, is widely credited with having overseen improved performance of the company and deserves credit for that success. We are therefore confident that rewarding First with an additional three years is the correct decision.

While the recent Audit Scotland report contained some criticism of Transport Scotland's handling of the franchise and the extension process, its overall assessment of the franchise was generally positive. It is therefore strange that the Labour Party places so much emphasis on the report's findings. Much of the criticism contained in the report refers to Transport Scotland's oversight of the franchise since 2004. As the Labour Party—together with the Liberal Democrats—was responsible for Transport Scotland during most of that period, it is they who are being criticised, at least as much as the present Government.

It should also be borne in mind that it was the previous Labour-led Executive that established Transport Scotland, awarded the current franchise to FirstGroup and provided the three-year extension period as an option. It is therefore at best disingenuous and at worst outright hypocrisy for the Labour Party to seek to blame others for failings for which it is at least partially responsible. While there is no doubt that mistakes were made in the way in which the franchise extension was

conducted, and that civil servants at Transport Scotland and the ministers concerned must ensure that lessons are learned, it is hard to escape the conclusion that this debate has as much to do with the Labour Party playing politics as with any serious concerns about the handling of what remains an overall success for ScotRail.

John Park (Mid Scotland and Fife) (Lab): Will the member give way?

Alex Johnstone: No. I have only four minutes.

On the future of rail services in Scotland, we are encouraged by some of the concessions that the Government has secured from FirstGroup as part of the franchise extension. The list of priced options that the Government may require First to implement during the term of the franchise includes a number of interesting proposals. I particularly welcome the opportunity that it has given to reopen the station at Laurencekirk. Improvements to Edinburgh to Glasgow services, among others, are important opportunities that have been taken up.

We would like the Government to use today's debate to outline any further improvements that it intends to implement over the coming years, including further improvements to the Edinburgh to Glasgow service, the potential for additional rolling stock to be brought in from other parts of the country and possible improvements to the Caledonian sleeper service.

Ultimately, we would like effort to be focused on ways of rebalancing the present ratio of public-private funding for the franchise in favour of reducing the enormous public subsidy, while simultaneously increasing commercial freedom for the operator. The present irony is that while the railways are officially privatised, micromanagement by the state—through civil servants at Transport Scotland—is arguably far greater than it was even in the days of British Rail. Increased commercial freedom in return for an increased share of private sector funding would therefore be a worthy aim for the Government to pursue.

Des McNulty introduced additional issues to the debate. I will not take a position on the information that he presented to us and will wait to hear more about that.

I move amendment S3M-3075.1, to leave out from “expresses” to end and insert:

“notes from the report that the original contract, negotiated by the previous Labour-led Scottish administration, “did not specify the conditions under which an extension should be considered or the criteria to be used to decide whether an extension might be appropriate”; believes that practice and procedures for future contract management can be improved and notes the report's recommendations for Transport Scotland; considers that, in

light of the finding that “First ScotRail was performing above its punctuality and capacity improvements targets within its first year of operating” and “key aspects of the original franchise contract were no longer fit for purpose”, the decision to extend the contract, inserted into the original contract under the previous Labour-led Scottish administration, was on balance justifiable.”

09:33

Alison McInnes (North East Scotland) (LD): I welcome the chance to debate the extension of the First ScotRail passenger franchise. Although I welcome the debate, I cannot help but feel that it is a debate that we should have had a long time ago, perhaps before the Government committed an extra £800 million of taxpayers' money. Back in the spring, before the Government made its decision, we might have been able to hold a constructive debate on the case for the extension. Instead, we are left with an inquest. How could Transport Scotland make its recommendation without a formal consultation process? How could the minister make such a huge decision—the largest contract that the Government has handed out—without ever seeing a documented business case? I do not have the answer.

Any member here, with the possible exception of those on the Government's benches, might easily fill the whole morning going over the shortcomings—no, the downright failures—of the process. As tempting as that may be, however, our time is brief and I will have to settle for the highlights, if that is not a contradiction in terms. What we get from them is a damning indictment of the decision-making process of this Government. Although the problems started before the minister got in on the act, we do not need to look much further than him for the root cause. If someone knows that the boss will say yes to whatever they present him with, why bother following what the rest of us would consider to be a proper process?

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): Will Alison McInnes enlighten Parliament about what her last remark meant? I do not understand her point about the boss saying yes.

Alison McInnes: Mr Stevenson is less than thorough in some of his decision-making processes. Yesterday, he brought us an enormous document with absolutely no details in it. He seems to be less than interested in some of the details.

Audit Scotland's report is, as we well know, highly enlightening on the subject. It said that Transport Scotland established criteria

“to determine whether the extension should be awarded”

and that it

“considered risks during meetings”.

But Transport Scotland did not think it necessary, or even sensible, to make any formal records of that.

Although a—now former—senior director holds shares in FirstGroup, we are assured that he had no vote on any decision and was not involved in the review. However, yet again, we have no record of any declaration of interests—other than those in the formal register—or of whether he absented himself from discussions.

There was no external consultation on the extension—although Transport Scotland had “concerns”. Was it not even a little worried about the appearance that would be given by keeping things hidden from view? Multimillion pound decisions should not be taken—cannot be taken—in such a way. A lack of proper consultation leaves passengers and stakeholders disconnected from the process and can all too easily lead to unintended consequences, as has already been pointed out by Des McNulty.

I think that we are all agreed that Transport Scotland should know better. It should understand the need for proper procedure and for openness and transparency throughout. Perhaps the problem is that it also knows that this Government is not as concerned with those things as the rest of us. As we know, the minister blithely backed the extension, never asking to see a proper business case. Indeed, as far as we know, he never even considered the need for a consultation, and never saw a problem with the nature of Transport Scotland’s work. In fact, if we consider his amendment, perhaps we can say that he was proud of it. The sad thing is that none of this surprises me.

Still, even after the catalogue of errors, the extension itself brings an opportunity in the form of £73.1 million to reinvest in transport projects—investment that the whole of Scotland could benefit from. That is, of course, if the minister does not have his way. It worries me that he may already have committed much of the money to improvements in the central belt. No doubt work needs to be done there—but not there alone. The franchise return funds must be used in a way that will benefit every region. Investing some of the money in improving services between Aberdeen and Inverness, Perth and Edinburgh, and Glasgow and the south of Scotland could play a huge role in making the railway an attractive alternative to the car for people across the country.

Almost as important as the decision on how to spend the funds is the manner in which it is made. The minister must make a commitment—here, today—to come back to Parliament following the current consultation. How to spend money in a way that will best benefit Scotland is a matter for

this chamber, not for secret meetings behind closed doors.

I move amendment S3M-3075.2, to insert at end:

“requires the Scottish Government to conduct the next steps of the franchise extension process with the greatest possible transparency, and therefore calls on the Minister for Transport, Infrastructure and Climate Change to bring before Parliament the draft proposals on how the £73.1 million accrued through the franchise extension will be reinvested to allow close scrutiny of the plans before any further funds are committed.”

The Presiding Officer: We now come to open debate. We have a little flexibility, so if members are minded to accept interventions, I will be able to add on time for that luxury.

09:37

Charlie Gordon (Glasgow Cathcart) (Lab): I was one of the MSPs who, in April in this chamber, expressed surprise at the timing of the extension of the ScotRail franchise. I thought that it was unnecessarily abrupt, and not at all transparent.

As a co-signatory, in a previous capacity, to the first franchise for ScotRail, I know for sure that it is perfectly possible to balance public accountability with commercial confidentiality in such circumstances. I do not at all accept that it was necessary for things to be done in secret and with no public consultation—which was bemoaned by, among others, the body that represents the interests of rail passengers.

Rushing ahead with the extension to the ScotRail franchise before a study—a scheduled study—by Audit Scotland, was risky; but it has now emerged, through Audit Scotland’s work, that rushing ahead may well have been reckless.

The extension delivers a win-win deal for First ScotRail. To be fair, it is true that the management team at ScotRail have done a competent job of running the franchise. However, that does not necessarily make them men and women of vision. For example, the team operates the Scotland to London sleeper services, but as far as I am aware they have not asked to give oral evidence to the Parliament’s Transport, Infrastructure and Climate Change Committee on its current inquiry into high-speed rail services. High-speed rail may well have implications for ScotRail’s services.

I will repeat a concern that I expressed to the chamber in April: hastily extending the current franchise kills off the possibility of reintegrating train operation in Scotland with track management—what I call vertical reintegration in the railways. That would bring enormous benefits, but it has, in effect, been kicked into touch.

Stewart Stevenson: I am interested in the member's point. Does he believe that this is the right time to transfer more responsibilities to the Scottish Parliament—including responsibility for the metal, so that the wheel-metal conjoining that he advocates can actually be delivered?

Charlie Gordon: Indeed, yes. I have advocated that on more than one occasion in this chamber—and I have reminded the Scottish Government that it is not using its current powers to the full. For example, the First Minister never seems to use his legal power to give instructions—instructions—to Network Rail. It seems to me that we have been sold short by a lack of vision, not only among the rail operators in the industry, but within the Scottish Government itself.

Des McNulty started this debate in a measured way. However, if one considers press concerns about a certain individual and the M80 contract, and if one considers new concerns expressed about the same individual vis-à-vis financial relationships with bus companies, I have to ask: what are the press and the public supposed to think when ministers insist on behaving in a secretive fashion? With great glee, the minister rejoined to Des McNulty, saying, in effect, "I know the truth about that bus business and no one else does."

Presiding Officer, one of the things that I dislike most about the Scottish Parliament is when ministers, from any party, stand at the front bench and say to MSPs, "I know something you don't know, but I'm not gonnae tell you what it is." Not only does that not happen in local government, where I spent 18 years, it is actually illegal in local government not to tell elected members the full truth about the issues before them.

I will close on a point about Alex Johnstone. It made me sick to hear him bemoaning the huge subsidy to the ScotRail franchise. Does Mr Johnstone not realise that, on the day that the railways were privatised, by a Tory Government, the public subsidy that had been going into the nationalised British Rail doubled overnight? It was the Tories what did it.

09:42

Christina McKelvie (Central Scotland) (SNP): One thing we can never accuse the Labour Party of is having a good sense of timing. Calling a debate on the ScotRail franchise for the day after the Scottish Government announced investment of £3 billion over 10 years in the maintenance and safe operation of Scotland's railways—yes, that was £3 billion—was a stroke of genius, and I congratulate Des McNulty on it.

Of course, there was also other investment in our railways: up to £2.5 billion for the electrification

of our rail network, and about time as well; millions on reducing journey times and on park-and-ride schemes and integrated ticketing; and up to £250 million on rail enhancements. That was excellent news for rail users, from a Government that cares about making Scotland better.

The other excellent news for rail users is that the extension of the franchise gives everyone a chance to have a proper look at what is going on in Scotland's railways today—and it will allow some organisations the time that they need to prepare a bid to run Scotland's railways.

Patrick Harvie: I can entirely understand that the member is very excited about yesterday's announcement. However, does she not understand the point that passengers, members of the public, MSPs and others wanted the chance to have their say before the decisions on the strategic transport projects review or the extension of the franchise were made? Offering such a chance would not have set a precedent; other Administrations elsewhere in the UK consult on decisions before they announce them.

Christina McKelvie: Yes, the member obviously has a point. However, the contract was set in place in 2002—by Iain Gray.

As I was saying, I understand that one of those bids is now likely to come from the railway unions—and I take it that Des McNulty and his Labour colleagues will be keen to welcome that interest from the unions and will welcome the contract extension that gives them the time to prepare a bid. Or perhaps not—because Labour members do not appear to remember much.

In a Labour Party news release from 28 November, Des McNulty is quoted as claiming that the SNP negotiated a deal in private to extend the ScotRail franchise. The truth is, of course, that the previous Labour and Liberal Democrat Administration negotiated the contract. In fact, I am sure that Labour members will be delighted to be reminded that the transport minister who negotiated that contract with the extension option was a fellow by the name of Iain Gray. I wonder what he is up to these days—he is not reading Labour motions, that is for sure. I am glad that the motion

"notes the Audit Scotland report".

On page 17, that report states:

"Transport Scotland reviewed the contract using a rigorous appraisal process".

Well said, Audit Scotland. The report also noted the £73 million investment that will come from First ScotRail as a result of the franchise extension. I am sure that even the Labour Party will welcome some of the fruits of that investment—it is certainly a better dividend than the one that we get from the

union. There will be additional rolling stock to help improve services, even if they carry the saltire livery that Lord Foulkes insists is nationalism by stealth. There will be extra services down the west coast to Ayrshire; extra services between Glasgow and Edinburgh; extra services up the east coast; some long-awaited improvements in the Highlands; wireless internet access on trains between Glasgow and Edinburgh, which I am sure will help some MSPs when they are working while they are on the train; extra customer service staff; improvements in stations across the country; a profit cap mechanism to pump more money into improvements in our railway; and fare protection, which was completely missed from the original contract, which I believe is a travesty.

The Scottish Government is delivering so well that George Foulkes will soon be accusing us of making things better on purpose. I am delighted to be able to contrast the record of improving our railways with the atrocious record of the Labour Party. As one Labour councillor was heard to remark:

"God bless the SNP government."

While Gordon Brown thinks that he is saving the world, the SNP will just carry on making Scotland better.

09:46

Cathy Peattie (Falkirk East) (Lab): There is something to be said for people in positions of power avoiding conflicts of interest, particularly where they might be open to accusations of putting personal gain before the public interest. If they cannot, or do not want to divest themselves of any private financial interest that might have a bearing on decisions that are supposedly being made in the public interest, the very least that they should do is declare their interests and exclude themselves from deliberations. How was it that the finance director of Transport Scotland participated in key meetings to discuss the extension of the ScotRail franchise without declaring his financial interests in First ScotRail's parent company, FirstGroup? He was then exposed by Audit Scotland, which led to his resignation. Why was he allowed to participate in the first place?

When the extension was announced, I, and many others, had misgivings. There was no consultation with the public, the workforce or the trade unions. The extension was agreed without assessment or a business case. Those of us with doubts had real difficulty obtaining adequate information about the extension. That was because a lot of the information that we wanted simply was not available. Meanwhile, First ScotRail was on the fast inside track, with signals locked on green and all the barriers raised.

There was no proper assessment of whether the extension was in the interest of the travelling public—the same people who are about to be hit by further price inflation in the coming year. Many already pay over the odds for their journey. Rail travel often offers little incentive for people to get out of their car and use public transport. I am sure that many members of the public will have their doubts about the extension.

What was the Scottish Government's role in all this? The Scottish Government is responsible for the £2.5 billion public subsidy to First ScotRail—and a further £900 million during the three-year extension. That is the largest contract awarded by the Scottish ministers.

Was the minister flattered by the suggestion that a presentation to him was somehow more appropriate than public scrutiny? Did he really believe that by allowing the extension in advance of the Audit Scotland report, any criticism contained in it would somehow be made irrelevant? The simple fact is that the Audit Scotland report will be made irrelevant if the ScotRail franchise extension is allowed to proceed without proper scrutiny of not only the contract itself, but the circumstances that allowed it to be extended without such scrutiny. I would call a halt to the franchise extension and instigate an inquiry by the Scottish Parliament. The very least that we should do is insist that the Scottish Government co-operate with any Public Audit Committee investigation and that the minister issues a statement to the Parliament in response to any such investigation.

09:50

Sandra White (Glasgow) (SNP): I echo the comments of my colleague Christina McKelvie, who set out the detailed improvements that have been seen and will be seen throughout Scotland as a result of the strategic transport projects review, the conclusions of which were announced yesterday.

Alex Johnstone sets out in his amendment the history of the original contract—it will do no harm to remind ourselves of exactly what that contract was. In 2004, the Labour Executive awarded the contract for another seven years to 2011, with the opportunity for a further three-year extension. I say to Mr McNulty that it included no specified conditions, no criteria were laid down for future management, and there was no mention of consultation. That happened on the watch of the Labour Executive, so Labour should spare us its hypocrisy.

Patrick Harvie: Will the member give way?

Sandra White: I am sorry, but I want to get through all my speech.

I remind Cathy Peattie that Transport Scotland was set up in 2006 and its membership would have been known to the Labour Executive, so she should spare us her crocodile tears.

John Park: Will the member give way?

Sandra White: No—sorry.

If I may be so bold, I will answer Des McNulty's calls directly in a few sentences. "Yes" and "yes" would be the answers to the calls that he makes in his motion. This Government has co-operated and will always co-operate with the committee structures of this Parliament—something that, sadly, cannot be said for the previous Executive. Furthermore, this Government—unlike Des McNulty—values the integrity and impartiality of the committee structure and will not seek to pre-empt the conclusions of any investigations by lodging spurious motions for debate in the chamber before the committee in question has had an opportunity to investigate the matter fully.

Cathy Peattie: Surely Sandra White is avoiding the issue. It is all very well to talk about the committees, but the debate is about the ScotRail franchise; it is about the lack of consultation and failure to declare an interest.

Sandra White: I believe that Audit Scotland said that the gentleman in question did declare an interest, so Cathy Peattie's remarks are spurious. The issue is about the strategic transport projects review as well as various things that are happening in Parliament. Cathy Peattie cannot dictate to the minister or to Parliament what a committee will do. She cannot see into the future—that is the point that I am trying to make. We should not be dictating to the minister or to the committee. The minister has already said that he would not dictate to the committee. Cathy Peattie's accusations are pretty spurious to say the least.

If it is deemed appropriate for the minister to make a statement to Parliament, I am sure that he will make one. I put that point strongly.

I hope that those points answer in a nutshell the concerns of Des McNulty and others.

Des McNulty's motion seems to misrepresent the findings of Audit Scotland's report. Indeed, everyone has accepted that the report was generally positive. It stated that

"Transport Scotland's management arrangements are generally effective ... Transport Scotland used the Network Modelling Framework and drew on the Department for Transport's templates and guidance on franchise continuation."

Despite that, Des McNulty expressed "serious concern"—there is possibly even a conspiracy involving unscrupulous ministers and shadowy figures within Transport Scotland. To make unfounded accusations about the integrity and

impartiality of Transport Scotland and individuals in a sad attempt to make a political point is lamentable; it does the Labour Party and the Parliament no service.

09:54

James Kelly (Glasgow Rutherglen) (Lab): I welcome the opportunity to take part in this morning's debate and rise to speak in support of the Labour Party motion. The motion is specific, not "spurious", and it deals with important issues of scrutiny and accountability.

The railways have an important part to play in this country in relation to economic growth. If we boost the rail network and improve connectivity, we can also boost the economy and retain and grow the number of jobs in Scotland. Increasing the number of passengers who use the rail network is also important to reducing carbon emissions and helping the environment.

There are serious concerns about the process. The contract's value is £2.5 billion over its lifetime and the three-year extension is worth £900 million. The fact that no formal business plan was produced for the extension is astonishing. The minister chides Des McNulty about detail, but the minister did not examine the detail of a business plan. The extension seems to have been granted on the basis of a PowerPoint presentation. Rather than signing up to a contract extension, the approach seems to have been, "Click on the contract extension button and off you go boys, that's your extension."

It is clear that several members are concerned that the extension was awarded before Audit Scotland's investigation was completed. In addition, trade unions and passenger groups were not consulted.

I draw members' attention to a case that my constituent Scott Bowie from Rutherglen raised with me recently. He and his partner were stuck on a train from Glasgow Central station to Rutherglen for two hours, during which communication about the problem was lacking and the train's toilet facilities did not work. He described other train delays in the area and said that three-carriage trains were being operated at peak times. That is clearly unacceptable against the backdrop that he and his partner spend £1,500 on rail fares each year. I have taken up those matters with ScotRail, because they are for it and not for the minister. However, when passengers have such concerns about ScotRail's service and the lack of facilities on trains, surely when the contract extension was being considered pressure should have been put on ScotRail to seek improvements. Passengers were not given the opportunity to be involved.

Another concern is that the extension agreement raised the revenue-sharing threshold by 8 percentage points. That says clearly to ScotRail that although the Government made great play yesterday of putting in place transport infrastructure, improving infrastructure and boosting the economy, ScotRail can continue earning money and can do so up to a higher limit before the taxpayer shares those higher income levels.

Questions must be answered by the PowerPoint wizard—the minister. Why did no consultation take place? Why was no business plan produced? Why was the income-retention threshold raised? It is time for answers to those questions.

09:58

Jim Tolson (Dunfermline West) (LD): The key point about the contract extension is that no formal business plan was presented to, or taken on board by, the minister before he confirmed the extension.

By April 2006, First ScotRail was outstripping contractual performance requirements, and 80 per cent of its additional revenue was being returned to the Scottish Government. Transport Scotland was concerned that that could discourage further service growth and improvements. As has been said, the previous Administration put in place the contract and the intention was that an extension would be done openly, but the minister simply set probity aside. The Government did not seem to negotiate prices. Under its extended franchise, First ScotRail has recently raised prices by well above the inflation rate, with no recourse to the Parliament, individual MSPs or the public.

Last week, the First Minister said:

“the report also highlights issues of governance for Transport Scotland, which will be considered for future improvement.”—[*Official Report*, 4 December 2008; c 13104.]

Transport Scotland's former director of finance and corporate services, Guy Houston, resigned following the publication of Audit Scotland's report, which criticised his participation in key meetings to discuss the extension of First ScotRail's franchise without having declared his financial interest in First ScotRail's parent company, FirstGroup. As the First Minister conceded last week, governance needs to be improved.

Consultation on how to spend the £73 million dividend has closed before the Minister for Transport, Infrastructure and Climate Change has made a commitment to come to Parliament and allow his plans to be scrutinised before any final decision is made. Have ministers already allocated that money? If so, what projects has the minister committed to funding with the dividend? The consultation on how best the £73 million could be

spent on further services did not begin until after the contract was extended, and it closed just two days after the Auditor General's report condemning governance practices was issued on 28 November.

Des McNulty was right to say that not enough consultation happened before extension of the ScotRail franchise was announced in April. That lack of consultation created practical difficulties and showed another funding black hole in the Government's programme. The fact that the contract was let on the basis of representations to the minister is in some ways bizarre. When were ministers made aware of the conflict of interest of Transport Scotland's finance director? What are the implications and what steps should have been taken? The minister is ultimately responsible, so I hope that he will give Parliament more clarity in summing up.

The minister said that

“Good franchise management is critical to ... success”.

That may be true, but the process has certainly not been open or above board on the minister's watch.

Alex Johnstone said that First ScotRail had overseen improvements in the past few years but that there is more to do. I agree. Anything that First ScotRail does or that is done through the minister must be much more open and transparent.

Alex Johnstone might be happy with some franchise improvements, such as Laurencekirk station, but he might not know that that was on the way before the franchise was extended. Perhaps he should examine some of the details.

My colleague Alison McInnes touched on key points. As she said, the debate should have been held a long time ago and certainly before the Government handed out the largest contract without so much as a business case.

Stewart Stevenson: Is the member aware that the costed options deliver £7.8 million of benefits to north-east Scotland? That is a substantial addition to Laurencekirk station.

Jim Tolson: I am aware that not only the north-east, but many areas throughout Scotland will be helped. However, the minister must be aware that much more openness is required and that many such measures were in place before he extended the contract. That is a key point to bear in mind.

Government procedures have received a damning indictment. Audit Scotland's report was enlightening. No external consultation took place and the minister did not heed the appearance that actions were being kept hidden. Huge concerns

remain not just in Parliament, but among many people outwith it.

In his amendment, the minister tries to remove reference to controversial concerns. I hope that the Liberal Democrats' amendment, in conjunction with Labour's motion, wins the day.

10:03

Gavin Brown (Lothians) (Con): It is clear that the Labour Party has found a stick with which to beat the Government, but it is equally clear that it is a pretty small stick. It is also clear that the previous Administration must accept a fairly high degree of culpability for some of the criticisms in Audit Scotland's report.

First, as we have heard, the initial contract contained a clause for a three-year extension. It is staggering that the transport minister who completed that contract did not include a single term about how the extension process should work or a single criterion for operating an extension. The transport minister of that time must therefore accept some culpability.

There is another reason why the previous Administration has to accept that it is to a degree culpable, but which has not been raised in the debate thus far. We heard criticism that the franchise was extended by means of a PowerPoint presentation and that it was done at the click of a mouse, but if one reads the Audit Scotland report—I question how many members have done so—one finds that the first moves for reviewing the contract were taken by the previous Administration.

In October 2006, external consultants were engaged to provide advice and to review the Transport Scotland analysis. In November 2006, Transport Scotland acknowledged the need to review the contract. In December 2006, the Liberal Democrat Minister for Transport of the time agreed to a formal review of the existing agreement. The previous Administration is on quite shaky ground on this.

As my colleague Alex Johnstone said, we are pretty supportive of the franchise extension, albeit that we are not 100 per cent happy with the means by which it was done. The Government needs to take away some lessons from all this. As Audit Scotland said:

"Overall, First ScotRail's performance to date has been good, and continues to improve."

The reason why it was critical for the Government to examine the issue—in this respect, the Liberal Democrat former Minister for Transport was right to put the process in train in December 2006—was the bizarre situation in which we found ourselves at that time. If First ScotRail had

reached over 100 per cent of its target revenue, 80 per cent was to flow back to the public purse, so there was a real disincentive for First ScotRail to invest or to improve performance. For every pound that it invested, it would have had to make £5 just to break even, which had not been anticipated at the outset of the contract. I do not criticise the former Administration for that; indeed, I applaud it for moving on the review in December 2006 once it appreciated the bizarre situation in which it found itself. A review of the contract absolutely had to take place at that time.

Alison McInnes rose—

Gavin Brown: No—not at this time.

Coupled with that was the need to reset performance targets in line with performance at the time. As Jim Tolson said, First ScotRail was outstripping most of its performance targets. For as long as performance remained above target, First ScotRail would have incurred no penalty for reducing performance, so there was a clear need to reset performance targets. We were absolutely behind the Government decision to do that.

My criticism of the Government is on the means by which the extension was made—the process could have been more open and transparent. I take seriously the comments that Bruce Crawford made only this week that the Scottish Government is "more open than ever" and that it is "leading the way" in promoting openness and transparency. Mr Crawford also made the point that one has to "go beyond" what is in contract and statute. I hope that the Government will in the future be more open and transparent when it is considering franchises.

Although the review is a good thing in itself, there have been one or two missed opportunities. The chamber has heard about the £73 million of additional moneys but, as Audit Scotland pointed out, at least £1.5 million of that will have to go over three years on CCTV in Strathclyde. Although that was the only cost that Audit Scotland mentioned in its report, it would be useful to know whether the minister will agree to look quickly at the matter. It is important for Parliament to know that the £73 million figure stands up, or whether it will be eaten into even more than Audit Scotland has suggested.

Another missed opportunity is that some performance measures in the contract were not made subject to review. For example, toilet facilities, which are extremely important in passengers' minds, are low on the list of penalties against First ScotRail. There is also no requirement for a routine or reliable assessment of overcrowding—one that could establish the extent of the problem.

We could have taken other opportunities and some of those that were taken could have been

better done. We could also have looked at how transport could be better integrated. In saying that, I think back to what was said in the chamber in the ferries debate only a couple of months ago.

The Scottish Conservatives are supportive of the end—it is the right one. We think that it is critical to have had the review and for the terms of the contract to be changed. As I said, although we have some criticism of the way in which the extension was handled, on balance we support it. I also support the amendment in the name of my colleague Alex Johnstone.

10:09

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): Mr Brown made a very constructive and thoughtful speech, so it is a pleasure to follow him. He made the crucial point about why it was necessary for us to act, and why it was necessary for our predecessors by their actions to open up the possibility of extending the contract in 2006. As Mr Brown properly set out, we were in the perverse situation whereby, because of the arrangements that were in place at the time, First ScotRail was financially incentivised to reduce costs—something that would inevitably have resulted in poorer services to passengers and loss of employment in the rail industry.

If we had not as a Government acted to extend the contract, the Labour Party would have called for us to come before Parliament—and, no doubt, before its committees—to say why services were declining in parts of the country or why people in the rail industry were losing their jobs. That would have been its criticism if we had not acted, so I am glad that we did.

John Park: Obviously, the Government had to take a decision on whether to consult. Did it take the decision that it would be right not to consult after the event, before the event or at the time? If not, was a conscious decision taken not to consult?

John Swinney: The conscious decision that ministers took was to act within the terms of the contract that our predecessors had negotiated—a contract about which I have no complaint. The consultation on the nature of the contract had been undertaken in the period before the contract was signed in 2004. The contract that resulted was for a given period but made provision for the franchise to be extended. If a contract is in place between the two parties, the proposition that ministers should act to utilise its functions and terms is not unreasonable.

Des McNulty: There is a clear contradiction between the two points. The cabinet secretary is saying that a substantial change had to be made

and that it was not necessary to consult because the extension was a continuation of an existing contract. Those two things are poles apart.

John Swinney: With the greatest of respect to Mr McNulty, his point is ridiculous. I said that we inherited from our predecessors a contract that included the facility to extend it—

Alison McInnes: Will the minister give way?

John Swinney: Allow me first to deal with Mr McNulty, after which I will deal with Mrs McInnes.

The contract provided the Government with the opportunity to extend the terms and duration of the contract—a provision of the contract on which Mr Gray had consulted before 2004. One of the imperatives to our acting as we did—which, I assume, was also an imperative in Mr Scott's in-tray in 2006—was, as Mr Brown correctly said, that the contract had reached a point where there was incentivisation for poorer services and job reductions and not for passenger growth, the last of which is the interest of this Administration.

Alison McInnes: No one disputes the need to consider the franchise extension. I am happy to concede that the previous Minister for Transport instigated a formal review. However, the debate is substantially about a move from a formal review to one that was taken by an informal, un-minuted, secretive decision-making process. Such a process was not included in any contract that was laid in the first place.

John Swinney: It is lovely how Alison McInnes can get herself worked into a lather of indignation on the issue. She should instead read the Audit Scotland report, which states:

"Transport Scotland's appraisal process was rigorous and has resulted in a guaranteed £73.1 million investment by First ScotRail".

That was not some sort of secretive process, but a "rigorous" appraisal process that was undertaken by the people whom Government employs to manage the franchise.

Audit Scotland goes on to say that

"Transport Scotland is generally managing the franchise contract effectively, but there is some scope to improve".

We unreservedly accept that there will be a need for improvement and we accept that issues of governance need to be considered, so we will consider them. Of course, ministers will deal with and co-operate with any parliamentary inquiry that the Audit Committee brings forward, as was, I am aware, agreed yesterday. Parliament would expect us to do nothing less. Much of the hot air that we have heard from the Labour Party today is rather out of context when we look at what Iain Gray wanted to do back in 2002. He told the Transport

and the Environment Committee that the then Government's aim was

"refranchising at the end of the existing franchise in April 2004 ... on the basis of a longer franchise period—the committee will know that we hope it will be 15 years".—
[*Official Report, Transport and the Environment Committee*, 12 June 2002; c 3267.]

The Labour Party's aspiration was to put in place a contract for 15 years, but now it complains because we have acted within the contract that it negotiated—which includes the facility to extend the contract—and have delivered £73.1 million of investment in the rail network. Members must ask themselves how much good news the Labour Party is prepared to turn its back on.

The key point is that we must have a sustained programme of committed investment in the rail industry to ensure that the franchise delivers the aspirations that we all share. I do not question anyone's motivation—we all want passenger numbers to increase and more people to get out of their cars and to use trains and other forms of public transport, which is the purpose for which we have extended the contract. We want to ensure that we have sufficient resources and the flexibilities and incentives that are required to add to services. My colleague Mr Stevenson referred to the consultation that is under way on the range of options for utilising the extra investment money. I do not have time to go through them, even in this undersubscribed debate—which I suspect tells us that we are flogging a dead horse—but there are many options for investment to be considered in every part of the country.

On that issue, we had another example of beautiful consistency between the two front-bench spokespeople of the Liberal Democrats: Alison McInnes complained that there are no measures for the north-east of Scotland, but Jim Tolson told us that there is investment in every part of the country. There we have it—the Liberal Democrats facing both ways in a debate. Mr Tolson also questioned fare increases. He is absolutely right that fares have increased, but First ScotRail's fare increases are, in my opinion, at the correct end of the performance league table—they are at the bottom, thank goodness. First ScotRail is not at the very bottom of the table, as London Midland and Merseyrail are below it, but it is among the lowest and it has certainly not made the 11 per cent fare increase of CrossCountry in England and Wales or the 7.2 per cent increase of South West Trains.

Members should accept that effective activity is taking place to ensure that we have in Scotland an effective rail service that increases passenger numbers and delivers the modal shift that the Government seeks. That is supported by the negotiation of the contract extension that we have

undertaken. The Government will respond constructively to the report from Audit Scotland, which is a thorough examination, if ever I saw one.

10:17

John Park (Mid Scotland and Fife) (Lab): The debate has been important because it is important for members from throughout Parliament to have put on the record their concerns about how the Government arrived at its decision on the ScotRail franchise. My colleague Des McNulty laid out several of our concerns, but I will refer to a comment that he made in April this year, when we heard the initial statement from the minister on the contract extension. It was mentioned at that time, although it has not been mentioned today, that the Government was dragged kicking and screaming to Parliament to answer questions about why it extended the contract without consultation. We must remind ourselves of that. I remember that the tone of the statement that day was rather conciliatory—the tone has been different this morning as the debate has developed.

Mr McNulty pointed out some other important issues that we must consider. One is about when the Government became aware of Mr Houston's conflict of interest and what it did about that. I am sure that that will be followed through in Parliament in the coming months. Des McNulty and my colleague Charlie Gordon also mentioned Mr Houston's involvement in a bus issue, of which the minister said he is aware. It will be interesting to find out what the minister knows and what he says about that in the future. Charlie Gordon stressed that point far better than I could.

The semantics that the Government has used on the issue are breathtaking. The key issue is that there was no consultation of the workforce or commuters. The cabinet secretary and the minister know that they should have consulted, regardless of what the contract says. They should have consulted properly on the issue and they know that there is no excuse for not having done so. My colleagues Cathy Peattie and James Kelly laid that out well.

Alison McInnes made several key comments that I support. The Labour Party will support the Liberal Democrat amendment at decision time this evening. I particularly support her points about how the £73 million will be reinvested to improve services for passengers, as that is a key issue. I agree with Mr Swinney that we need to improve services. The issue is about the services that we deliver in Scotland and the services that passengers expect. It is only right that we should have much more detail on that and that we should have an opportunity to ensure that services improve.

On Sandra White's and Christina McKelvie's points, I must say that they would be the first to cry foul if a Labour, Liberal or Conservative Government acted in a similar way. Those members should have the courage of our convictions on the issue. I would love to be a fly on the wall at the next SNP meeting when they have to defend what they will do at decision time today. It is absolutely unbelievable that they stood there defending the Government's decision not to consult commuters or trade unions on the contract extension.

Alex Johnstone did a good impression of a bullet train as he went through his speech rather quickly. I know that the Tories are energetic supporters of private sector solutions, but they must recognise the need for effective and meaningful consultation. I sometimes agree with the Tories—although not often—particularly with their arguments about good governance. They know that good governance is about meaningful consultation and engagement with commuters and trade unions.

Gavin Brown: Should Iain Gray accept some responsibility for there not being a clause in the contract regarding consultation on extension?

John Park: It may seem as if we have rehearsed this, as I was coming on to that very point.

I have private sector experience and have dealt with contracts between the private sector and the public sector and the relationships between organisations. When a contract is agreed, consultation is carried out beforehand and if a contract is extended, consultation is carried out before that, too. In all my time of dealing with such issues, I have never come across a contract that has involved no consultation before a contract extension.

The role of the trade unions, in particular the STUC, has not been mentioned. I am talking not only about the contract extension, but about the Government's general relationship with trade unions. The STUC has a memorandum of understanding with the Scottish Government that is well documented and which has been lauded in Parliament by many SNP members. The memorandum was signed by the previous Executive and I am sure that there is support for it throughout the Parliament. The Government's memorandum of understanding identifies trade unions as an important social partner and one key element of that partnership is

"openness and transparency in communications".

However, there was no openness or transparency in the communications on the contract extension, which causes me grave concern about the future of the trade unions' relationship with the SNP Government.

The decision on the contract defines the SNP's relationship with the trade union movement: the SNP is the fair-weather friend of trade unions. I knew and understood that relationship before I became a member of Parliament, but I now see it at first hand day in, day out. The SNP is happy to quote the unions when it suits its political agenda on issues such as the private finance initiative or public-private partnerships, but it is much less enthusiastic about supporting the trade unions' role as social partners, particularly on issues such as the ScotRail franchise. The SNP's hidden agenda is to split Labour and the trade union movement because the SNP would, when it comes to the crunch, prefer to stand shoulder to shoulder with millionaire bankers or give a nudge and a wink to the private sector, than support the collective views of trade union members. The Government should apologise to those members and to commuters. I am pleased to support Des McNulty's motion.

Kinship Care

The Deputy Presiding Officer (Trish Godman): The next item of business is a debate on motion S3M-3078, in the name of Rhona Brankin, on kinship care. I invite those members who wish to speak in the debate to press their request-to-speak buttons now.

10:25

Rhona Brankin (Midlothian) (Lab): I am delighted to have the opportunity to bring a very important issue to the Parliament today. Kinship carers deserve our sincere thanks for the work that they do for children who, for a variety of reasons, are no longer able to live with their parents and for whom living with members of their extended family is often the best option.

Indeed, Parliament agreed unanimously with that sentiment last December. As a grandparent, I can testify to the work that is involved in looking after my grandson for an evening, let alone 24/7. The kinship carers network estimates that kinship carers save taxpayers in Scotland more than £1 million a year compared with the cost of accommodating children in local authority care. We believe that the whole nation owes kinship carers a big debt. I welcome to the public gallery today the many kinship carers who have travelled from all over Scotland to listen to our debate. *[Applause.]* We believe that they are unsung heroes and I am pleased that they are able to be with us as we discuss kinship care. However, I am disappointed that the cabinet secretary is once again posted missing when there are serious issues to discuss.

As the motion reminds members, last September the First Minister backed Labour's plans to fast-track £10 million to deliver better support for kinship carers. When Mr Salmond was asked to fast-track £10 million for kinship care allowances to enable kinship carers to be supported immediately, he said:

"Wendy Alexander should take 'Yes' for an answer."—*[Official Report, 27 September 2007; c 2222.]*

I am sorry that that "yes" appears to be a "no". *[Interruption.]* I hear the Minister for Children and Early Years saying, "No, he didn't," but if he cares to check the *Official Report*, he will find that I quoted Mr Salmond word for word.

Almost exactly a year ago, the minister told Parliament that kinship care allowances of at least £119 a week would start to be paid in April 2008.

The Minister for Children and Early Years (Adam Ingram) *indicated disagreement.*

Rhona Brankin: Oh my goodness me—well, it will be very interesting to hear what the minister

thinks that he said, because I have checked my facts carefully.

More than a year on from Alex Salmond's warm words and Adam Ingram's commitment, all we have is a litany of broken promises, backtracking and buck-passing. As the kinship carers who are here today will tell us, the promised payments simply have not materialised in many cases.

Bob Doris (Glasgow) (SNP): Will the Labour front-bench spokesperson please tell me what promises and commitments Labour made to kinship carers before May 2007?

Rhona Brankin: We made a commitment to kinship carers in our manifesto, exactly as the Scottish National Party did. The difference is that if Labour had been in power, we would have delivered on that commitment.

I submitted freedom of information requests to Scotland's local authorities to get a detailed breakdown of the support that is being provided around the country for kinship carers, as Adam Ingram has repeatedly stated in written answers that the information is not available centrally. I will be helpful to the minister and provide him and the Parliament with the information that the entire machinery of the Scottish Government apparently does not have. The results expose the hollowness of the commitments that he and the First Minister gave in the chamber. Of the 24 local authorities that have responded so far, 14—a clear majority—are not paying kinship care allowance and, of the other 10, only two are paying it at the recommended rate to which the Scottish Government committed itself a year ago.

Ever keen to rally round beleaguered ministers, Bob Doris lodged a motion the other week seeking to apportion blame to Westminster for the SNP's unfunded and broken promise. Mr Doris's motion is a red herring as, in his area, Glasgow City Council has made it clear that it will make payments to kinship carers in a way that will not prejudice other benefits. I congratulate Glasgow City Council on that.

From recent ministerial replies from Adam Ingram, it seems that he and the Government are still backsliding on their commitment. The press release of 4 December 2007 was quite unequivocal. If Mr Ingram would like to listen, I will read it to him:

"The Scottish Government and COSLA are working to deliver allowances based on The Fostering Network's recommended rate of between £119 and £198 per week for all foster carers and approved kinship carers of looked after young people."

Recent replies from Mr Ingram make it clear that the commitment is now to pay kinship carers the same as is paid to foster carers, which in virtually every council in the land is far below £119. Will he

come clean today and admit that the commitment of his Government and his party to doing the right thing for kinship carers gets watered down with every passing month?

The FOI responses highlight a postcode lottery of support for looked-after children in Scotland. The motion that the Parliament passed last year committed the Government to

“the provision of equitable and appropriate support for all carers of looked-after children”.

That is not happening. A kinship carer of a looked-after child in Clackmannanshire receives £121 per week, but a kinship carer in neighbouring Stirling receives no allowance whatsoever. Such massive local variations make a mockery of any claims that Mr Ingram might make about “equitable and appropriate support”.

I ask the minister to outline in his opening speech how he plans to address such widespread discrepancies. Is his message to those kinship carers in Stirling and elsewhere who are not in receipt of the allowance that they are beneficiaries of the historic concordat with the Convention of Scottish Local Authorities? That is simply not good enough and it is simply not good enough to blame Westminster.

The minister promised that kinship care allowance would be paid from April 2008, yet he now hides behind the concordat, which is a fig leaf for his broken promises. A commitment to pay the allowance starting in April is now an open-ended aspiration on working towards paying kinship carers at some point in the next three years at the discretion of local authorities. I say to the minister that that is not a coherent strategy for kinship carers; it is a shameful abdication of responsibility.

I make it clear that Labour is not blaming local councils. We believe that the concordat is simply not working. I have here a confidential document that makes it clear that only £4 million has been made available to councils instead of the £10 million that was promised by the First Minister. The minister might shake his head, but I will be very interested to hear what is happening.

Adam Ingram: I have made it perfectly plain in the public domain to kinship carers and others that the funding for that commitment was to be phased in over three years: £4 million this year; £8 million next year; and £12 million—not £10 million, as Rhona Brankin said—to fully fund the commitment. I would like Rhona Brankin to acknowledge that and the fact that her figures severely underfund the commitment to kinship carers.

Rhona Brankin: That is all very interesting, but the minister should get out more. I suggest that he talk to more kinship carers because what he

described is not what they believe. I have in my hand the document that was used to reach the agreement on the concordat. It says:

“Kinship care was not initially discussed but has now been added.”

It speaks of £4 million each year. Alex Salmond promised that £10 million would be made available immediately. That has simply not happened and it is not good enough. The £12 million is to be phased in over three years, but £10 million was promised immediately. It has not been delivered and the kinship carers know that.

We on this side of the chamber give our support to the kinship carers in the public gallery and the thousands of others throughout the country. We believe that they are unsung heroes. I hope that colleagues in other parties will join us today in supporting kinship carers by backing the motion in my name and rejecting the SNP amendment, which is merely an apology for broken promises.

I move,

That the Parliament notes the commitment given by the First Minister on 27 September 2007 to provide allowances for kinship carers and ensure that funding would be brought forward to ensure that all kinship carers of looked-after children in Scotland were paid the recommended allowance for foster carers; further notes the commitment contained in the Scottish Government's strategy, Getting it right for every child in kinship and foster care, to introduce a minimum national allowance of between £119 and £198 per week for kinship carers and the comments of the Minister for Children and Early Years in the subsequent debate on 5 December 2007 that he anticipated that payment of this allowance would begin in April 2008; is concerned that this has not materialised and that the vast majority of kinship carers are not in receipt of an allowance consistent with the promises made by both the Minister for Children and Early Years and the First Minister, and therefore calls on the Scottish Government to honour in full its pledge to Scotland's kinship carers and to properly recognise the vital role that kinship carers play in looking after some of Scotland's most vulnerable children.

10:34

The Minister for Children and Early Years (Adam Ingram): In speaking to our amendment, I acknowledge at the start that it is right that we debate the support that kinship carers and the children who live with them should receive in Scotland. I know from my constituency cases and from having met many kinship carers that they and the children in their care are often marginalised. Too often, they believe that agencies consider the needs of children to be dealt with as soon as a kinship carer has agreed to care for a child—they feel abandoned. It is therefore no surprise that many kinship carers feel frustrated that their needs and concerns have been overlooked for so long.

When I became the Minister for Children and Early Years, I was determined to achieve improvements for kinship carers, but I inherited a

situation that was, frankly, disgraceful. I asked for statistics on the number of kinship carers in Scotland, but few were available. I also asked for information on the approaches that local authorities had taken to ensure that children were placed appropriately with kinship carers; apart from a few areas demonstrating good practice, the situation was patchy. I wanted to know what support was available to kinship carers; again, although there were pockets of good practice, I found that planned and co-ordinated support was not available to many kinship carers who needed it. For those kinship carers who were in financial hardship, I found that financial support was ad hoc, with little advice and support available to help people to understand benefits entitlements. That was the Labour legacy—bitter, gutless neglect.

Rhona Brankin: Will the minister give way?

Adam Ingram: I ask the member to sit down.

From a position in which no central Government support was available, the Scottish Government has initiated a thorough and co-ordinated programme of action to deliver improvements for all kinship carers.

Rhona Brankin: Can the minister say that the Government's approach is co-ordinated when the results of my FOI requests show that there are huge differences across the country? It is simply inaccurate to say that there is a co-ordinated approach.

Adam Ingram: I am afraid that the member's FOI exercise is a bit out of date. I will provide the chamber with more detailed figures on that front.

The improvements that we are delivering include the production of interim guidance by our external reference group, which is made up of kinship and foster carers and local authority and third sector representatives, to ensure that every child and carer receives a co-ordinated assessment that sets out the range of support that they may need.

The Scottish Government has been consistent in its proposals for financial support for kinship carers. Given the financial limitations, I have had to prioritise looked-after children. On 31 March 2008, there were 2,398 such children—16 per cent of all looked-after children. The number has more than doubled since 2000. That increase shows the vital and important role that kinship carers play in protecting the needs of our most vulnerable children, who would otherwise be placed in foster or residential care. It makes sense to ensure that there is equity between the support that kinship carers receive and that which is provided to foster carers. We think that an amount equivalent to the weekly allowance that is paid to foster carers, minus benefit entitlements, is fair. Members need not take our word for that. Professor Jane Aldgate, who is chair of Kinsfolk Carers Edinburgh and

author of the most recent research into kinship carers in Scotland, says:

"Payment of allowances to approved kinship carers of looked after children is a fantastic step forward by the Scottish Government in strengthening the range of support which kinship carers require".

We recognise the challenges that local authorities face. The progress that they have reported is that 20 authorities—the majority—are paying allowances. A further six have plans well under way, and the remainder have agreed in the concordat to implement the policy. More progress is required, but local authorities face a significant hurdle. If any sum of money, however small, is paid by an authority to a looked-after child, the carer loses entitlement to benefits, with the exception of child benefit. The reasons for that are complex, but the straightforward explanation is that United Kingdom benefits law does not support the needs of looked-after children living with kinship carers. That is why we have made a start with the kinship carers about whom we know—carers of looked-after children and those against whom UK benefits rules discriminate.

I am not at all happy with the situation. My goal is to use existing resources to support all kinship carers who are in financial need.

Karen Whitefield (Airdrie and Shotts) (Lab): Will the minister take an intervention?

Adam Ingram: Not at the moment.

We should supplement the UK benefits system when kinship carers are in financial need—the Scottish Government should not have to subsidise it. However, until we have achieved the necessary changes to UK benefits laws, it is right that our focus should be on supporting those kinship carers who are disadvantaged by the system.

We need the Parliament, local authorities, third sector groups such as Children 1st and kinship care groups to work together to raise the profile of kinship care in Whitehall and to build a coalition of support for change for kinship carers. It is a pity that Labour in the Parliament is undermining that coalition with its cheap political posturing.

I move amendment S3M-3078.1, to leave out from "to provide" to end and insert:

"to kinship carers; notes the increase of over 100% of looked-after children since 2000 who live with a kinship carer; recognises the crucial role that these carers play in supporting our most vulnerable children and that they should be supported financially at an equivalent level to foster carers; welcomes work by local authorities towards providing financial support to approved kinship carers of looked-after children using resources provided by central government and further welcomes the work of COSLA and the Association of Directors of Social Work to support the efforts of all local authorities to achieve this; calls on the Scottish Government to work constructively with the UK Government to resolve issues arising out of the interface

with United Kingdom benefits legislation, and in this context notes the willingness of United Kingdom ministers to address anomalies in benefits entitlement for kinship carers."

10:41

Elizabeth Smith (Mid Scotland and Fife)

(Con): This time last year, the Scottish Conservatives welcomed the Government's statement on fostering and kinship care and the publication of "Getting it right for every child in kinship and foster care". We welcome this opportunity to review the position one year on.

During last year's debate, the minister said that we must do better and assured us of the Government's commitment to providing much better-quality care for the most vulnerable children in Scotland. I believe that that was a genuine commitment, but I cannot find evidence to support the view that the Government has managed to move things forward since December last year. In her opening speech, Rhona Brankin provided evidence that she believes shows that there are serious discrepancies between what was promised in December 2007 and what is being delivered in December 2008—namely, 14 councils are not delivering the policy. It is also true that many people who find themselves in kinship care circumstances perceive that they have been badly let down by the Government; I am sure that members have been on the receiving end of complaints in that respect.

The current state of affairs is particularly unfortunate given the belief of all parties represented in the chamber that kinship care often offers the best option when children are unable to live with their parents, and our desire to see foster care and kinship care allowances placed on a much more equitable basis. Last year, we agreed that kinship care placements usually give children the best chance of overcoming the disruption and stressful circumstances that they have faced and of developing new confidence and self-esteem. Surely it is important that policy commitments reflect that objective.

I share the concerns of Labour and the Liberals when they criticise the minister and the First Minister for the language that they used in December 2007. It was easy to read into that language that the Government believed that it could address the discrepancies in support for kinship care in April 2008. In particular, the language that was used implied that there would be parity between kinship carers and foster carers, because the minister said clearly that the cash settlement within the concordat covered the payments due to kinship carers

"as it covers payments for foster carers."—[*Official Report*, 5 December 2007; c 4085-6.]

That was an unfortunate statement. The fact of the matter is that it was slightly disingenuous because it was perfectly clear then—as it is now—that there were other obstacles in the way. What the minister meant to say was that payments to kinship carers would be phased in over the period 2008 to 2011.

Just as important, the minister should have been much more up front about the issue of UK benefits. That is a genuine problem that has nothing to do with the terms of the concordat—which is not a legally binding document and, frankly, is not worth the paper it is written on. The Government should know by now that it was very dangerous to place any flagship commitment in the concordat at the same time as allowing councils to have discretion about which priorities they chose—class sizes, school meals, school buildings and teacher numbers all tell that story.

Ironically, the Government's main failing on the issue has been to put far too much emphasis on a concordat deal that becomes shakier each day. It would have been much better if the focus had been on addressing the anomalies that result from the fact that kinship carers can claim child benefit, which means that, technically, they lose that amount when they are compared with foster carers, who are unable to claim child benefit. Those are the issues that will determine whether real progress is made in the area and help to eliminate the substantial discrepancies between different local authorities in Scotland, which are one of the main reasons for complaint among kinship carers. We should not forget that the overall growth in demand for these vital services means that the problem could get worse, rather than better, if we do not address the inconsistencies in the child benefit system.

What matters most are the best interests of children and their carers and the need to achieve a workable and effective balance between family and state support. By definition, that means that we must establish greater consistency between Westminster and Holyrood legislation, especially on where the final responsibility should lie. We should tighten up the definition of "looked-after child" and the legal status that is accorded to the various categories.

No one doubts that the area is complex and that it has suffered from a lack of clarity on the part of the Scottish Government, which is acknowledged—albeit too late in the day—in the Government's amendment. Labour's motion has forced the Government's hand. The Government has had to acknowledge the extent of concern among Scotland's kinship carers, who expected more progress to have been made by now. However, it is not reasonable to put all the blame on the concordat, because even if it worked better, many issues would remain that leave kinship

carers at a disadvantage. The Parliament must address those issues.

10:46

Hugh O'Donnell (Central Scotland) (LD): The debate is undoubtedly important. In light of statements that were made in the Parliament last year, everyone who is committed and dedicated enough to take on the role of kinship carer is right to feel let down by the Government's lack of action. A couple of weeks ago, the Parliament united to acknowledge the challenges that are faced when the state takes on the role of carer and the state's relative failures in that regard. I will not rehearse the arguments that were made during that debate, but if we can acknowledge those challenges, we should be able to recognise fully the people who willingly take on the role of kinship carer.

The lack of consistent information is a challenge. Legal definitions are used as a means of avoiding costs to the state. Our overarching ambition must be to address that issue soon, because there are many casual kinship carers who, for a variety of reasons, are not in the system and who are suffering the consequences of Government indecision.

Most members who are taking part in the debate know full well that the SNP Government has let down kinship carers throughout Scotland. Notwithstanding the complicated issue of benefit clawback, the Government is failing to deliver on its promise, and is again passing the buck but not the bucks to local authorities, under the increasingly hysterical concordat. Perhaps if the SNP had been less focused on populist measures such as giving middle-class children free school meals, it would have had the money to help hard-pressed carers with more than warm words and advice that they speak to their local councillors.

Kinship care allowances were supposed to be paid on the same basis as fostering allowances are paid, but the Scottish Government has left it to local councils to decide whether, how and when to pay allowances. Now we discover that the deadline for delivery is 2011. Where does that leave the grandparents, cousins, aunts and uncles who are waiting for a decision now?

Adam Ingram: What mechanisms did the former Administration, of which the member's party was part, put in place to support kinship carers?

Hugh O'Donnell: An initiative of the previous Administration was the strategy consultation document that was published in 2005, which, in fairness to the current—

Adam Ingram: A strategy consultation document?

Hugh O'Donnell: Does the minister want to hear my answer or would he rather comment from a sedentary position? I was about to say that the current Government has begun to implement the strategy. There has been progress, which was initiated by the previous Administration.

Despite the promises that were made in Parliament and to kinship carers, the situation remains unclear. The wish to pick a fight with Westminster over clawback might meet the SNP's narrow agenda, but it will not address the issue. Funding for the Citizens Advice Scotland carers support service is welcome, but it is no substitute for clarity on delivering the promises that the First Minister made in Parliament.

My big worry is about how we define "looked-after children". I hope that the minister will clarify the situation. There are between 12,000 and 14,000 looked-after children in Scotland. How many more children are being looked after on an informal and casual basis and are not being supported by the state?

The Liberal Democrats will support the Labour motion. The SNP Government has given us warm words and strategies that have no—or, at best, opaque—financial underpinning. Its approach is little more than a wish list and could be characterised as a letter to Santa: "Dear Santa Swinney, We know we've not been that good this year. We've not done things we promised to do, we've wasted lots of money, we've ignored the advice of our betters and we've picked too many fights with our neighbours, but please could you give us the money that kinship carers are entitled to? Yours faithfully, The Minister for Children and Early Years".

10:51

Rhoda Grant (Highlands and Islands) (Lab): The Parliament debated kinship care about a year ago, when the minister announced the introduction of kinship care allowance for looked-after children who are placed within their families. At the time, I welcomed the announcement but said that the Government needed to go further. I have not changed my mind. Indeed, if anything, my concerns are greater.

For a start, despite kinship care allowances being mentioned in the historic concordat, councils have been given until 2011 to introduce them. Families who qualify under the current narrow criteria are still not receiving a penny. Each year that goes by means that more children do without, and I ask the minister to have urgent discussions with COSLA to ensure that allowances are paid now.

Another concern is that kinship carers who take out guardianship or residency orders are excluded and lose their entitlement to the allowance. I have noticed that councils are encouraging carers to take out such orders. In some cases, councils that have not been paying kinship care allowances have paid for legal assistance to enable people to take out orders.

My greatest concern is that the carers of children who are not defined as looked after are excluded. When a family member or friend steps in immediately after a crisis to offer a young person a home, councils do not apply for looked-after status for the child, so the carers are not entitled to the allowance, despite their plight. Every story is different. There are children who have lost their parents through drug abuse or whose parents' addiction problems meant that they could not look after them properly. There are children whose parents are seriously ill and there are children who have been orphaned. Such children are already facing a catastrophic loss in their young lives. Their friends or families step in immediately because they refuse to cast vulnerable children to the mercy of local authorities and the uncertainty that that would bring.

It is unfortunate that such carers are penalised for stepping in. Many are grandparents who have retired and are living on a fixed income. One grandmother told me that she was afraid to have her grandchildren defined as looked after by the council, in case they would not be placed with her. She and her husband had chronic illnesses and were unable to work. Their income was meagre and she feared that, as the children got older, they would realise that they did not have things that other children have. The children were already different, because their parents were dead; she did not want them to feel more different because of things that they did not have.

If families and friends do not step in, councils must pay for foster care. There must surely be a way of helping such people. Could an allowance be paid that would cover the additional expense of bringing up a child but would not include the element of payment that is made to foster families? Such an approach would ease child poverty and be much cheaper than foster care.

Children 1st and other organisations have provided members with briefings in which they say that it is vital that options for placement within the family should be exhausted before a child is placed with strangers. In a pioneering approach, children's organisations have developed family group conferences as a means of identifying family support and involving young people in important decisions about their future.

10:55

Bob Doris (Glasgow) (SNP): With kinship care, we are debating an issue that is close to my heart. A couple of years ago, the kinship care group in north Glasgow hosted a Scotland-wide election hustings on kinship care. From that moment, I was determined to help kinship carers and their families when I could. Their commitment, hard work, dignity and passion made a real and lasting impact on me. I knew that my party—the Scottish National Party—had given commitments on kinship care, and I was keen to be elected to deliver on them. That is the context for the debate. Labour did not even send a speaker to those hustings two years ago. What is more, the Labour Party manifesto for the May 2007 elections did not mention kinship care payments at all—I hope that Rhona Brankin did not mislead the chamber earlier.

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): Will the member take an intervention?

Bob Doris: No, thank you. I have only four minutes and a lot of good news to tell.

We have before us a Labour Party motion on kinship care. For that I am truly grateful, and I genuinely congratulate the Labour Party. I welcome all politicians who are converts to the cause of supporting kinship carers; the issue does not have to involve party politics. However, I will take no lessons from the Labour Party, which in eight years of running the Scottish Executive did nothing for kinship carers. It is an SNP Government in Scotland—not the Labour Party—that is giving additional funds to councils to provide kinship care payments.

Kinship carers are rightly impatient for their money. I said in this chamber a few months ago that, until kinship carers see additional hard cash, they will not believe any commitment from any political party. However, they should not be taken in by other political parties, none of which promised to give kinship carers allowances equivalent to those for foster carers. They promised absolutely nothing, and it is clear that, if the Labour Party had been returned to power, not one additional penny would have been forthcoming.

Elizabeth Smith: Will the member take an intervention?

Bob Doris: I apologise—I do not have time.

I acknowledge the frustration that must be felt by kinship carers who care for children who were previously designated as looked after. Because of stability issues, they have sought residency orders, and they fear that they may lose out. I understand those fears, and I give a special mention to Jessie Harvey from the north Glasgow

kinship care group, who is in the public gallery today and who has campaigned relentlessly for all kinship carers. My colleague Christina McKelvie will say more about residency orders later.

Some councils are starting to deliver payments to kinship carers, building up to the equivalent amount that is paid to foster carers. My local authority—Glasgow City Council—is about to pay £40 per week for looked-after children in the new year. I wanted the council to work more quickly, and I wanted the sum to be larger. I met the leader of the council—a Labour council—and agreed that a working group should be set up to prepare for payments. That £40 is the first step in the SNP and Labour in Glasgow working together positively. Labour MSPs should stop whingeing and get with the kinship care agenda.

I have heard comments about the Department for Work and Pensions potentially clawing back money from kinship carers. I have lodged a parliamentary motion to say that that should not happen under any circumstances. Many SNP members have signed it, but not one member from the Opposition benches has done so. I have written to James Purnell at the DWP to ask for clarity to be given to kinship carers and for local authorities and Scottish taxpayers not to subsidise the UK Government when all that we want to do is help the most vulnerable groups in our society. I phoned yesterday and again today to ask for that clarity, but none has been given yet.

Significant amounts of money are being delivered. Kinship carers rightly want the money to be delivered as quickly as possible, and they want to see hard cash. I welcome Opposition parties now getting with the SNP agenda and converting to the cause of supporting kinship carers.

The Deputy Presiding Officer (Alasdair Morgan): I call Duncan McNeil. [*Interruption.*] Mr McNeil?

11:00

Duncan McNeil (Greenock and Inverclyde) (Lab): Sorry, Presiding Officer. It is not that I dropped off during that last contribution.

The Parliament welcomed the minister's announcement last December, in that at least the statement recognised, in a small way, that too many of our children in this small country can no longer safely stay at home with their parents. It recognised that they need to be rescued from dire circumstances, which are driven in the majority of cases by parental drug misuse. It recognised that we need to increase the number of places of safety for those children—places that do not exist in sufficient numbers.

The Parliament also welcomed the proposals that sought to recognise properly the work of foster carers and, for the first time, the important role of kinship carers. We gave that support not without question. The minister will recall that I shared the concerns of NCH—now called Action for Children—that, if adequate resources were not provided, we would not be able to deliver.

Like others, I asked some specific questions. How much money would be available? How many carers would benefit? Would the allowance be available in all local authorities? I suggested that those questions needed to be answered if we were to avoid a cruel deception being played out on kinship carers. We regrettably have our answer today.

The minister is in some difficulty, which was reflected in his speech. He has to ask himself whether he has done everything possible to ensure that those children stay within the wider family, as he said he would in his press release on the day of the announcement last year.

As stated in *The Herald*, the announcement was of a Scottish first—a national allowance scheme for kinship carers, costing the Scottish Government up to £20 million a year. The story went on to say that kinship carers who took on the parent/guardian role would be given the same status as foster carers across Scotland, and the minister proudly stated that the new programme was a joint commitment by the Scottish Government and COSLA. I presume that the media were briefed by the Scottish Government's spin doctors—spin that is now described as myth in the COSLA briefing that was sent to all MSPs yesterday.

COSLA can now—a year later—answer the questions that we asked on the day of the announcement. Its briefing helpfully outlines a number of questions and answers. First,

“Does the commitment apply to all children who are looked after by friends and family?”

The answer is no.

Secondly:

“How much will kinship carers get?”

The answer is:

“This will vary across Local Authorities”.

In response to the third question, which is “What is the timescale?” the answer is, “over the period 2008-11”, and not—the minister will note—April 2008.

Finally,

“Is there an issue with benefits?”

The answer is yes. Is that a surprise? Despite all the ministers, all the officials at the back of the

chamber and all the brains in COSLA, we are told that not one of them was aware last year that there may be a problem. I think not—the spin needs to stop. The facts are that the First Minister said that the money was available and that the Minister for Children and Early Years said that he would deliver. The Parliament supported the minister in that goal, and it is time to deliver—no ifs, no buts.

There is a wider point. If the Scottish Government cannot deliver on its stated policy of increasing the number of places for children at risk, how can we have any confidence in its programme of action to improve the identification of children at risk? How can we believe that the Government will be able to build on the capacity of services for children at risk, strengthen the management of immediate risk and develop an evidence base if it cannot deliver for the minority of children—the tip of the iceberg—who have been identified as being at risk? How can we be confident that the Government can or will do any better for the 60,000 children under 16 who have a parent with a drug problem or the estimated—the Government does not even know the exact figure—10,000 to 20,000 children who live with a drug-using parent? Who knows where the remaining 40,000 are?

Finally, we need to establish who is in charge. To my knowledge, at least four cabinet secretaries—none of whom is present in the chamber—and three ministers have responsibility for kinship care. An important point is that not one of them is accountable to the Parliament for the issue—safety in numbers, indeed. Only when one of those cabinet secretaries with influence in the Government and over the budget is prepared to step forward to accept that responsibility and accountability will we know that the Scottish Government is serious about the protection of children. Until then, we will continue to be disappointed, just as we are today.

11:06

Christina McKelvie (Central Scotland) (SNP):

Anyone who takes an interest in what the Labour Party has to say about kinship care will not take long to get through it. A wee search of Scottish Labour's website reveals only two references to kinship care.

In its manifesto for older people for last year's election, "Active Ageing—Labour's Vision for Older Scots", Labour said that it would

"consider the future of grand-parenting in fostering and kinship care".

There was no mention of any other type of parenting—involving aunts, uncles, brothers or sisters—and certainly no mention of money.

Marvellous. What a commitment—or is it a non-commitment?

The policy was further developed after the election, right enough. During her excellent period of leadership, Wendy Alexander published a paper titled, "Scottish Labour: new directions—Change is what we do". In that truly visionary document, she laid out a future for the Labour Party in Scotland. She mentioned kinship care in that document. She asked:

"Why have we not resolved the funding of kinship care?"

Why not, indeed? At that point, Labour had been in power in Westminster for 10 years and had been in government for eight years in Edinburgh. True to form, Labour failed to take action on the issue, just as it failed to take action on any of the issues that were pressing hard in Scotland. Unfortunately, like so many other Labour members, Wendy Alexander offered no solutions to the questions that she posed. It is easier just to wail that things are not right than to put them right.

It is just as well that an SNP Government was elected to start to develop the structures around kinship care. Through the concordat, we are working with and trusting local authorities to start providing delivery on the ground and around the country.

In his own passionate style, my colleague Bob Doris has laid out the shameful position of the London Government, which wants to claw back any payment made to kinship carers in Scotland who are in receipt of benefits. That will be a matter for the consciences of Labour Party members.

Rhona Brankin: Will the member give way?

Christina McKelvie: Sorry, I have only four minutes.

Labour members will need to decide for themselves whether they are content to remain members of a party that would do such a thing.

The SNP Government, on the other hand, is delivering. In response to a parliamentary question in April from Elaine Murray, the Minister for Children and Early Years, Adam Ingram, made it clear that children who are subject to section 11 orders are not excluded from support from local authorities, as Elaine Murray had alleged in her usual scaremongering style.

Local authorities have discretion to provide payments to children in families in need. Dumfries and Galloway Council, which Elaine Murray asked about in another parliamentary question, has had to take steps to reassure kinship carers since then—it is shocking that it had to do so. At a coffee morning meeting at the Ruddicot Hotel on 3 June, a council officer assured carers that the discretionary payments would commence on 1

October. It is a scandal that kinship carers had to seek section 11 orders just to ensure security of income, but that is an issue that Labour ignored.

The Labour motion alleges that the payments for kinship carers have not materialised. The minister made the money available in October. The money was welcomed by groups such as Children 1st, which stated:

"today's announcement is good news for foster and kinship carers in Scotland and good news for the thousands of vulnerable children currently being looked after away from home."

Good work is being done by councils across the country in support of kinship carers. Labour members should have the decency to recognise that, especially as some of those councils are Labour controlled. There will be problems that need to be addressed, but those will not be addressed by turning the issue into a party-political football for the sake of scoring petty, party-political points.

I trust in the good will and hard work of the Minister for Children and Early Years, and I support the amendment in his name.

11:10

Claire Baker (Mid Scotland and Fife) (Lab): It is only a few weeks since I took part in the debate on looked-after children. That morning, we were all in agreement on the pressing need to do more to support this group of children and young people to ensure that they have better life chances and opportunities. Often, the best chance for such children or young people is to stay with a member of their extended family—a kinship carer. Such carers are often grandparents, who take on the responsibility of looking after their grandchildren in difficult circumstances because the safety and care of their grandchildren is their prime concern.

It is regrettable that we return to the issue of looked-after children today in much more adversarial circumstances, but I am afraid that that is unavoidable, given the treatment of kinship carers by the Scottish Government. In the debate almost a year ago, we welcomed the Government's promise to deliver on a kinship carers allowance. We have initiated today's debate because, regrettably, the Government has failed to deliver on that promise.

Some complex issues need to be resolved, as Liz Smith explored. The measures that the Government has suggested are limited. Children 1st has identified 7,000 kinship carers who do not receive additional financial help because of the status of the child. Although today's debate is focused on the 2,000 kinship carers who should qualify for the suggested additional support, more must be done—including having discussions with

the UK Government—to deliver better levels of support.

Last year, the Scottish Government gave false hope to carers. That was unfair. The First Minister, the Minister for Children and Early Years and the concordat all gave a commitment that is not being delivered. Once again, the ability of the concordat to deliver Government priorities has been called into question.

Within Fife, 80 carers of looked-after children, and 148 carers of non-looked-after children, currently receive a kinship carers allowance that is paid at the same rate as the foster care allowance, which ranges from £80 to more than £140 a week, depending on the child's age. Fife Council's arrangements have been in place for a number of years so they pre date the Scottish Government, the concordat and Fife Council's current SNP-Lib Dem administration. In response to Bob Doris and Christina McKelvie, I point out that the policy was originally delivered by a Labour administration in Fife. It is nonsense to suggest that Labour took no action on the issue. On 1 April 2008, Fife Council had no delays in payments, no broken promises and no carers waiting for funding that they had been promised.

However, I have spoken to officials at Fife Council, and I am very concerned to learn that the allowance is under review. Fife Council is considering whether it can afford the current rates, whether it needs to extend means testing and whether it can continue to provide an allowance to kinship carers of non-looked-after children. The historic concordat is forcing Fife Council to look again at its kinship care arrangements. We are told that the historic concordat provides money to pay for the kinship carers allowance, but the review in Fife could lead to a cut in provision in the region.

In many ways, families in Fife are fortunate, given the continuing postcode lottery in kinship care support. The Government's commitment to

"the provision of equitable and appropriate support for all carers of looked-after children"—[*Official Report*, 5 December 2007; c 4089.]

is not being realised. Worryingly, kinship care is referred to in the single outcome agreements of only 11 local authorities. That is a serious omission, given that kinship care is a concordat commitment.

Kinship care is another example of the concordat not working because it is unable to deliver national priorities that were promised by a Government that is not providing enough money to enable delivery. There is a yawning gap between the promises that were made by the Government in the Parliament and local government's ability to deliver them. In its defence, COSLA has produced

a briefing that sets out the reality of the implementation of the policy. The fact that it needs to deal with the

“myths that have built up around the policy on kinship care”

payments is a direct result of misrepresentation by the Government. Today’s debate will, I hope, push the Government towards making good on the promises that it made a year ago.

The Deputy Presiding Officer: We now move to wind-up speeches.

11:14

Margaret Smith (Edinburgh West) (LD): Usually at this point in a debate, I stand up and say what an interesting debate we have had. In many education debates over recent weeks, we have found a degree of consensus during the debate. However, this debate has been very acrimonious, with more heat than light. Therefore, I will try to be helpful to the minister and to colleagues by trying to get back to the basic issue.

Rhoda Grant made a good speech that brought us all back to what the debate is meant to be about—kinship carers and the children who are being cared for. The consensus is that we all want to make improvements, and we need to get back to that.

The minister and others commented on the previous Government’s record. Not a single member of the Liberal Democrats or the Labour Party here today would say that we got it all right. We started a journey that we are still on. As the minister said, that journey requires a coalition of support for kinship carers, which must be built in this chamber and through our relationships with councils, with Westminster over the benefits system, and with kinship carers themselves. I am talking not just about the minority of kinship carers who are to be supported by the minister’s proposals, but about the wider range of kinship carers who Duncan McNeil talked about. Those carers care for children, day in and day out, week in and week out, and we all rely on them for many things. Not least, they save us a great deal of money: if we paid for the services that they provide for us, we would have to find a great deal more money than the minister or anyone else has mentioned this morning.

I agree that we have to build a coalition of support. It is fair to say that, last December, the Government received cross-party support for a better deal for kinship carers. The First Minister and the minister made promises last year, and I do not doubt for a single second the minister’s absolute commitment to dealing with the issue.

Elizabeth Smith and others commented on the complexity of the issue. It involves all sorts of

different definitions, and there is a lack of information—it is difficult to build the right kind of service if we do not have the right information as our starting point.

The language that ministers used suggested that certain payments would be made, equivalent to those made to foster parents. Those comments and commitments have raised expectations among kinship carers. Those expectations do not have to be managed or spun, but they must be dealt with. Instead of spin and myth, we need delivery.

In recent debates, we have discussed the stark differences between the life chances and experiences of looked-after children and those of children who live at home with their parents. We have talked about looked-after children in relation to health, education, housing and crime. We have all said that improving the situation is vital and that the interests of Scotland’s children must be put first in policy making and decision making. The Government has said that it is committed to getting it right for every child and to supporting families that need to be supported in caring for their children. They are the most vulnerable and they need our support.

However, the reality is very different from what the minister said last year it would be. As Rhona Brankin told us, the reality is that people in one council might be paid nothing, whereas those in a neighbouring council area receive a reasonable amount of money for the care that they give. However, their need is the same—the costs of bringing up the children are the same. The reality on the ground is not what the minister said it would be, and it is not what we all hoped it would be.

Instead of squabbling, it is time for us to address the major issue of the care that is being given to children who we all want to protect and care for. The people who are in the middle and doing the job for us are the kinship carers. Instead of squabbling, we must ensure that we address the issue afresh and put in the required money. We must ensure that what Scotland’s councils need to do is being done, irrespective of which council or part of the country a child lives in.

11:19

Murdo Fraser (Mid Scotland and Fife) (Con): I congratulate Margaret Smith on an excellent speech. I will start, as she did, with the basic point on which we agree—the importance of kinship carers. Rhona Brankin made that point well in her opening speech.

Sadly, we live in a society in which family breakdown is a serious issue, and its consequences are most damaging for the children. The sad fact of life today is that families break

down and children need care. We also have parents who, for reasons of ill health, mental illness or drug and alcohol addiction, are unable to bring up their children. We all owe a huge debt to the army of grandads, grannies, uncles and aunts who are prepared to step in to look after children in such situations. That is good news for the children, because it is so much better for them to be cared for by their blood relatives than to be taken into care. It is also good news for the taxpayer, because in the end it saves the taxpayer a huge amount of money when children are looked after in a kinship care setting and not a formal looked-after setting. It is all good news, and we can all agree that we want to support kinship carers.

We have to move on to look at the detail of the debate. As my colleague Elizabeth Smith said, the Labour position and the criticism that Rhona Brankin set out effectively this morning go to the heart of the contradiction and confusion at the core of the SNP's approach to local government. We see that in relation to kinship care, free school meals and smaller class sizes in primary 1 to 3. The SNP Government says that it wants to deliver those things to the Scottish people, but that it is up to local councils to decide how and in what manner those policies should be delivered.

The increasingly tattered historic concordat is the delivery mechanism, and as we have heard today, delivery is patchy. It cannot be denied that we do not have uniform delivery across Scotland, which is a consequence of allowing local decision making. Let me be clear: the Conservatives support the removal of ring fencing and the empowering and trusting of local authorities, but the lesson for SNP ministers is that they should not make promises that they cannot keep, because they have given up their power to implement policies.

In the case of kinship carers, the SNP Government made a promise, so it is not surprising that people feel let down. This morning, I listened to Radio Scotland's phone-in, which other members will have heard, too. Carers from across Scotland said that when the SNP came to power, it led them to believe that it was going to give them kinship carer payments, but those payments have not been delivered and there is no sign of them being delivered. It is not surprising that people feel let down: they are entirely justified in feeling so.

The COSLA briefing that we received in advance of this debate provides little comfort. In response to the question

"Have Councils been funded to deliver kinship care payments?"

it says:

"Local Government budgets are currently under pressure due to a range of factors – some of which stem from the economic downturn. Full implementation will need to be discussed in this changed context."

There is little comfort that councils believe that they have the money to fully deliver the policy.

I will talk briefly about the Westminster angle. I have some sympathy for the minister's position. There have been difficulties with the implementation of the kinship care policy that are not of the Government's making. There are difficulties around the interaction between what the Government is trying to do, which we agree with, and the benefits situation in Westminster, particularly with regard to child benefit. I know that the minister has been working proactively and constructively with the Westminster Government to deal with those problems, and I welcome the SNP amendment's wording on that point.

It is therefore a pity that all the minister's good efforts were so undermined by the contributions from the SNP back benches. Bob Doris's rant and the lesser one from Christina McKelvie let the cat out of the bag: despite the fine words in the SNP amendment and Mr Ingram's constructive approach, we see the real SNP approach, which is to blame it all on Westminster. That is deeply depressing. The minister has been very constructive and I welcome his contribution.

We all support the kinship carer policy, but it is not being properly delivered. Let us work together constructively so that Scotland's kinship carers are not left out in the cold.

11:24

Adam Ingram: I thank Murdo Fraser and Margaret Smith for bringing some reason to the debate. I agree with Margaret Smith that this debate has generated more heat than light. I find the Labour Party's fears-and-smears approach to this serious issue profoundly distasteful, not least because of its own track record. The Labour motion creates a narrative to justify its claim that the Government has broken its promise to provide kinship care allowances. That is a deception, and I caution members against taking it at face value. Let me take the motion apart.

First, the First Minister made no commitment on 27 September 2007. In fact, it was Wendy Alexander who called on the First Minister to make a statement. He expressed sympathy for the proposal, but no more. Secondly, although we support minimum payments of £119 to £198—the Fostering Network rates—those are not specified in the Government's strategy documents, as the motion alleges. I refer members to the COSLA briefing for the debate. Furthermore, although last December I expected that kinship care allowances

would start to be paid from April, I did not stipulate that they would be paid at those rates immediately.

As the chamber knows, all 32 local authorities are committed, through the concordat, to the introduction of kinship care allowances. Of those, 20 councils have schemes in place and are currently paying allowances. I explained earlier that, given the phasing of the funding, a lot of councils are paying interim rates at the moment, which will climb over the next two years. Five councils are currently paying the full fostering rates: Aberdeen City Council, Clackmannanshire Council, Angus Council, Western Isles Council and Orkney Islands Council. I commend those councils for that. Moreover, a further six local authorities have schemes that are scheduled to start.

Cathie Craigie: I am listening with interest to the minister's analysis of how the councils are delivering. SNP ministers, the First Minister and SNP members have said that there will be a national kinship care scheme, not a postcode lottery scheme. When can we expect to see a national scheme?

Adam Ingram: The mechanism for delivering the policy, as for delivering other policies, is our concordat with local authorities. I accept that we are working in a new way that has not been tried and tested. We are working in partnership with local authorities to deliver our policies and they are being delivered. That might be happening more slowly than if there had been a diktat from central Government, as there was under previous regimes, but I point to the fact that many of those diktats did not work either, so, at the very least, the chamber should allow us to work through our policy with our local government partners.

Margaret Smith: Does the minister accept that the people who are paying the price for his sticking to that worthy principle of not issuing a diktat from central Government are the most vulnerable children in Scotland and some of the poorest families in Scotland?

Adam Ingram: I point out to Margaret Smith that this is the first Government that has taken the initiative to introduce kinship care allowances. We should, therefore, be allowed a little leeway in ensuring that the policy is rolled out properly throughout the country.

Of course, I would like all local authorities to pay kinship care allowances that are equivalent to foster care rates sooner rather than later. However, as I have made clear to the kinship carer network, different local authorities will move at a different pace because of the way in which we are phasing in the funding over the three years to

2011 and the fact that each local authority is starting from a different base.

The Government has been open and above board about the way in which we are implementing the policy, despite the difficulties that we face in doing so. Let me spell out what we are doing. We will review jointly with COSLA and the Association of Directors of Social Work the interim guidance on the assessment, approval and payment of allowances to kinship carers. We have funded Citizens Advice Scotland to advise individual kinship carers and local authorities on how to maximise benefit entitlement and the payment of the allowance. COSLA is establishing a member/officer group to discuss the detail of the policy's implementation by local authorities. Finally, Scottish ministers are seeking with our UK counterparts solutions to the problems that we have with UK benefits legislation.

We are making good progress in fulfilling our commitments to kinship carers. I realise that some people remain sceptical, even cynical. Given our predecessors' track record, that is entirely understandable. However, this Government is determined to prove its doubters wrong.

11:31

Karen Whitefield (Airdrie and Shotts) (Lab):

This has been a lively debate, which is to be welcomed, as this is an important issue for many families throughout Scotland. However, the comments from SNP members in suggesting that they are the only party that cares about the issue and the only party that is ever going to act on the issue are disingenuous at best and dishonest at worst. They do a great disservice to the many kinship carers of all political persuasions throughout Scotland who want to know what is going to be done to support them and to help the children whom they look after.

Dave Thompson (Highlands and Islands) (SNP): Will the member take an intervention?

Karen Whitefield: I will not, as SNP members would not take interventions from any of the Opposition parties.

Everyone recognises that if a child must be removed from their parents, finding them a home with another family member who is capable of looking after them should be the first preference. Children need love if they are to thrive and develop, and families are always best placed to provide them with that love. However, placing vulnerable children with relatives must not be seen as a cheap option for the state.

It is vital that we provide support, advice and respite to relatives who care for children who might otherwise end up in state residential

accommodation. Indeed, the kinship carers who are in the public gallery today thought that that was what they were getting when, in December 2007, the Minister for Children and Early Years announced with COSLA a joint strategy for carers. I am sure that they believed that that was what was going to be delivered. The reality is very different.

Notwithstanding that, I welcome the investment that the Government has made in the citizens advice bureau services for kinship care. Hugh O'Donnell was right to highlight the lack of consistency in the information that is provided to kinship carers in Scotland. I recognise the value of providing proper support, information and advice to kinship carers, and firmly believe that citizens advice bureaux are in an ideal position to offer that service. I am, therefore, particularly pleased that my local CAB in Airdrie will be responsible for providing the regional support for North Lanarkshire, South Lanarkshire, Argyll and Bute, West Dunbartonshire, Renfrewshire and East Renfrewshire.

Bob Doris: I, too, endorse CABx and the giving of £4 million to them for the provision of better-off calculations for kinship carers.

Karen Whitefield: This is meant to be an intervention.

Bob Doris: Do you appreciate the difficulties that CABx are having in making those better-off calculations because it is unclear what the Department for Work and Pensions will take off kinship carers' benefits?

Karen Whitefield: Mr Doris, I will come on to your smokescreen about Westminster—

The Deputy Presiding Officer: I remind all members not to use the second person.

Karen Whitefield: As you rightly say, Mr Doris, front-line staff and volunteers at CABx will help carers to understand the legal status of the child whom they care for and point out any assistance that might be available from local authorities. However, we need a scheme that operates throughout Scotland and to which every kinship carer is entitled. Although I welcome the provision of advice, we must ensure that kinship care is properly funded.

The overriding problems that kinship carers throughout Scotland face centre on how much money is available, how much has been delivered through the hysterical concordat, and whether or not the scheme is national. The Minister for Children and Early Years suggested that he was going to fund the concordat to the tune of £4 million, £8 million and £12 million over three years. However, as Rhona Brankin pointed out with reference to COSLA's own internal documents,

local government will receive only £4 million in each of the next three years.

I am afraid that the Scottish Government has to face up to the fact that although Scottish local authorities want to deliver for kinship carers—indeed, we heard this morning that that has happened in Fife—the reality is that they simply do not have sufficient funding to provide the kinship care allowance at the recommended level. Many councils simply cannot afford it.

The SNP Government might think that it has played a very clever game with Westminster and Scottish local government but, as the Scottish people and kinship carers know, it is not good enough simply to blame Westminster and local councils. If Mr Doris's claims are correct, he should explain to the chamber how Glasgow City Council has been able to introduce a scheme that does not affect benefits entitlement.

Bob Doris rose—

Karen Whitefield: Sit down, Mr Doris. *[Interruption.]*

The Deputy Presiding Officer: Order.

Karen Whitefield: I do not believe that kinship carers will be persuaded by the Government's claim that the lack of funding or support for the kinship care allowance has nothing to do with it and everything to do with Westminster and local councils. That is simply disingenuous.

We should examine exactly what commitments the First Minister has made to the chamber. This morning, the Minister for Children and Early Years suggested that Mr Salmond had made no commitments on money, but, according to the *Official Report* of 27 September 2007, the First Minister, in response to Wendy Alexander's question about whether he would "consider fast-tracking" a

"proposal to provide £10 million for kinship care allowances"

said:

"Wendy Alexander should take 'Yes' for an answer." — *[Official Report, 27 September 2007; c 2222.]*

Ten million pounds—*[Interruption.]* Ten million pounds—*[Interruption.]* Kinship carers were promised £10 million and had expected to receive the money by now, but they have not. Scotland's Government is letting down Scotland's kinship carers. That is unacceptable. The issue is not new, but it is one that the Government has failed to address. *[Interruption.]*

I am pleased that this Parliament recognises the tremendous work that grandparents, aunts, uncles and other relatives carry out in caring for vulnerable young people. The state can neither afford to pay for that level of care nor provide the

love that is offered in such relationships. Every one of us in the chamber has a responsibility to support carers and recognise how difficult it can be for them to provide care. We all welcome the steps that have been taken to provide information and advice, but the Government must accept its responsibility in this matter and provide our local authorities with the required funding to ensure that kinship carers enjoy the same benefits as foster carers.

I urge members who care about kinship care to support Rhona Brankin's motion.

Duncan McNeil: On a point of order, Presiding Officer. Given that this morning there was no ministerial support for the nonsense that was spoken in defence of the kinship care policy, is it in order for ministers to enter the chamber at the end of the debate and make sedentary comments when they have not taken part in the debate?

The Presiding Officer (Alex Fergusson): That is not a point of order. However, I point out that, in the brief time that I have been in the chair, I have noticed sedentary comments coming from all parts of the chamber, not just one.

Question Time

SCOTTISH EXECUTIVE

General Questions

11:41

Scots Language

1. Bill Wilson (West of Scotland) (SNP): To ask the Scottish Government whether it will make representations at European level in favour of extending to the Scots language the provisions of part III of the European Charter for Regional or Minority Languages that apply to the Welsh, Gaelic and Irish languages. (S3O-5229)

The Minister for Europe, External Affairs and Culture (Linda Fabiani): I should first clarify a point of procedure. The Scottish Government would in the first instance be required to satisfy the United Kingdom Government of its ability to implement specified additional undertakings with regard to extending part III coverage to Scots before the UK Government made any referral in that respect to the Council of Europe. Any additional measures of support for the Scots language to be ratified by the UK Government would likely have to be in place at the time of ratification. I think, therefore, that the right thing to do just now is to ensure that, as a minimum, the undertakings that have already been ratified in respect of Scots in part II of the charter are being fulfilled in the best possible manner.

Bill Wilson: In light of that response, I highlight a complaint that I recently received from a constituent about the Department for Work and Pensions providing material in Welsh, but not in Scots and Gaelic. The DWP has informed me that it provides material in Welsh because of obligations under the Welsh Language Act 1993 and that no similar provision exists for Scots or Gaelic. Will the minister consider making representations to the UK Government on ensuring that Scots and Gaelic have equal status with Welsh and English?

Linda Fabiani: I am concerned by the case that Mr Wilson has highlighted, given that all those who sign up to the charter have a responsibility for ensuring that these matters are progressed. I am happy to meet Mr Wilson to find out more about the case so that we can indeed make representations to the UK Government.

Banks (Small Business Loans)

2. Bill Kidd (Glasgow) (SNP): To ask the Scottish Government what discussions it has had with banks over any reluctance to co-operate with

small innovative companies that are in receipt of Government funding but are unable to gain match funding, despite the Scottish Government guaranteeing 75 per cent of any loan via the small firms loan guarantee scheme. (S3O-5218)

The Minister for Enterprise, Energy and Tourism (Jim Mather): The Cabinet Secretary for Finance and Sustainable Growth has written to the Scottish clearing banks to encourage them to utilise all available sources of funding, including, where appropriate, participation in the United Kingdom-wide small firms loan guarantee scheme, which is the UK Government's principal intervention in the debt market via approved lenders, mainly banks. The cabinet secretary plans to meet the Scottish clearing banks to explore how the Scottish Government and the banking sector can work together more closely in this period. We also welcome the positive moves made by some Scottish banks to access the substantial additional resources available from the European Investment Bank to support business customers.

Bill Kidd: What further actions will the Scottish Government take to support small and medium-sized enterprises in what are, regardless of Gordon Brown's arrogant assertions, undoubtedly difficult times for all?

Jim Mather: We are already doing a number of things. For example, Government is managing with more flexibility regional selective assistance for proposals with good business prospects to increase the banks' propensity to lend. In addition, not only has there been strong progress on the early payments programme with a higher and higher proportion of invoices being paid within 10 days, but there has been sound progress on public sector procurement with 14,000 businesses registering on the recently opened public contracts Scotland portal. The procurement data that are being published are giving SMEs and innovative companies a clear indication of the buying patterns of public sector entities, the SME—and Scottish SME—share of that activity and so on. Finally, I point out that the full 100 per cent small business bonus will come on stream in April.

Patrick Harvie (Glasgow) (Green): Given that a number of small businesses are finding it hard to access the support that the Scottish Government and the United Kingdom Government offer because of the difficulty in securing even very small loans from the commercial banks, and given that we are seeing another wave of mergers so that there will be a small number of megabanks instead of a diverse range of more traditional financial institutions, is it not time for the Scottish Government to lead discussions on the creation of new financial institutions for Scotland that can exist on a more sustainable basis, provide small

loans and allow small businesses to support one another in the same way that communities support one another through institutions such as credit unions?

Jim Mather: Essentially, the Bank of Scotland was formed in the coffee shops of Edinburgh in 1695. I welcome the recent visit here by Muhammad Yunus of Grameen Bank and the conversations that he has had in Scotland about what might be done particularly to support further social enterprise activity, to which the Government is committed. We are having open conversations with all the sectors in Scotland and with Scottish Financial Enterprise to encourage as much innovative activity here as possible.

St Margaret of Scotland Hospice

3. Des McNulty (Clydebank and Milngavie)

(Lab): To ask the Scottish Executive what assistance it will give to St Margaret of Scotland hospice to allow it to continue to provide services to palliative and continuing care patients. (S3O-5193)

The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon): NHS Greater Glasgow and Clyde is responsible for planning the provision of national health service services for the population that it covers, and St Margaret's receives NHS funding for the particular services that it provides. The Scottish Government continues to encourage both organisations to discuss options for future service provision in addition to the highly regarded palliative and end-of-life care services that St Margaret's provides that are unaffected by the current proposals. We hope that there will be a resolution without undue delay that meets the needs of the local population and allows St Margaret's to continue to do its work.

Des McNulty: It is clear that the continuing care services that St Margaret's provides are needed and that the care that is currently provided for the category of patients in question is excellent, so why is Greater Glasgow and Clyde NHS Board so resistant to allowing that care to continue on the St Margaret's site?

Nicola Sturgeon: The decision on the reduced requirement for continuing care beds in Glasgow was, of course, taken some time ago by a joint committee of NHS Greater Glasgow and Clyde and Glasgow City Council. All along, NHS Greater Glasgow and Clyde has made it clear that it wants to continue to support St Margaret's, which is why it has engaged in discussions on options for future service provision. I understand that St Margaret's has said that it has considered and rejected two options that NHS Greater Glasgow and Clyde has put forward, which is disappointing, but NHS Greater Glasgow and Clyde must reflect on that.

In doing so, it must fully consider St Margaret's proposal and then decide what the best way forward is in the interests of everybody concerned.

As I said when we discussed the issue last week, I value the service that St Margaret of Scotland hospice provides, as does NHS Greater Glasgow and Clyde, but like any statutory agency that commissions services from the voluntary sector, NHS Greater Glasgow and Clyde must ensure that those services align with the needs of the population that it covers. NHS Greater Glasgow and Clyde is involved in a process, which I hope will reach a quick resolution.

Roseanna Cunningham (Perth) (SNP): The cabinet secretary knows about my interest in palliative care. Is she as surprised as I am by the new-found concerns that Labour MSPs such as Des McNulty are expressing? Will she remind us exactly when the decision in question was taken?

Dr Richard Simpson (Mid Scotland and Fife) (Lab): That is shocking.

Nicola Sturgeon: Roseanna Cunningham should be treated seriously, given her concerns about palliative care. She has expressed an intention to introduce a member's bill that covers that extremely serious issue.

Roseanna Cunningham raises a central and fundamental issue. We are dealing with the implementation of a decision that was taken by a joint community care committee of Greater Glasgow and Clyde NHS Board and Glasgow City Council. There was a reduced requirement across the city for continuing care beds because of reduced demand for them. To answer Roseanna Cunningham's question directly, the decision in question was taken in 2005—in other words, under the previous Administration. Like her, I struggle to recall Des McNulty expressing objections at that time.

Dr Simpson: The amount of nonsense that is being talked is simply ludicrous. That Roseanna Cunningham should say that my colleague Des McNulty has not been involved in the process is unacceptable—he has been involved in it from the outset.

We agree that there is a need to refine the number of continuing care beds in Glasgow—there is no problem with that—but Greater Glasgow and Clyde NHS Board is going to replace the continuing care beds at St Margaret's with similar provision at Blawarthill hospital. Thus, it will condemn St Margaret's to being ineffective and inefficient and it is likely that the hospice will close. Will the cabinet secretary intervene in the process and ensure that St Margaret of Scotland hospice is maintained so that it provides a good and effective care programme for the community?

Nicola Sturgeon: Richard Simpson is right in one respect: a lot of nonsense has been spoken in the chamber on the issue. Unfortunately, however, the nonsense is coming from the Opposition.

Let me make one or two things clear. First, the future of St Margaret of Scotland hospice is not in doubt. Those who suggest that the provision of palliative and end-of-life care services at St Margaret's is somehow being jeopardised by NHS Greater Glasgow and Clyde are not doing a disservice to me; rather, they are doing a disservice to the population that depends on those services. That is disgraceful.

Secondly, there is a duty on NHS Greater Glasgow and Clyde to ensure that it provides services that the population that it serves needs. NHS Greater Glasgow and Clyde is involved in a process with the board of St Margaret of Scotland hospice. It would be better for all members who have a genuine interest in the matter to encourage both sides—not only one side—to stay around the table and reach a solution that meets the needs of all concerned. If we all do that, a solution might not be too far away.

Des McNulty: On a point of order, Presiding Officer. Roseanna Cunningham made an accusation that I had not previously taken an interest in the matter. There is a considerable audit trail of work that I have done in asking questions about the process under the previous Government as well as under the current Government. I ask Roseanna Cunningham to withdraw what she said.

The Presiding Officer (Alex Fergusson): The member will be aware that that is not a point of order. However, the member whom he mentions might want to consider what he said. By raising a point of order, he has put his view on the record.

Rural Schools

4. Aileen Campbell (South of Scotland) (SNP): To ask the Scottish Government what importance it attaches to the role of rural schools. (S3O-5208)

The Cabinet Secretary for Education and Lifelong Learning (Fiona Hyslop): We attach a great deal of importance to the role of rural schools and recognise their significance within their local communities. That is why early next year we will introduce a bill to safeguard our rural schools and improve the way in which all school closure proposals are consulted on and handled.

Aileen Campbell: The minister may be aware of proposals to merge rural schools in Clydesdale's upper ward in the South of Scotland region, which I represent. Many parents have expressed concerns to me about how those proposals are being handled. Does the minister agree that local

authorities that seek to alter rural school arrangements should fully consult in the way that she says they should—in the most open and transparent manner possible—so that Chinese whispers and rumours do not unnecessarily scare parents in rural communities about the future of their schools?

Fiona Hyslop: I am aware that South Lanarkshire Council is informally considering possible future options for schools in the Clydesdale part of its area, and my understanding is that things are being done entirely openly with parent councils. If—and I stress the word “if”—the council were to decide at some stage in the future that it wished to consult officially on proposed changes to the current arrangements, a full, open and transparent public consultation process in accordance with the current statutory requirements would be conducted, which would allow all interested parties ample opportunity to give their views.

Murdo Fraser (Mid Scotland and Fife) (Con): The minister will be aware of serious concerns that parents groups have expressed about the nature of some consultations by local councils in advance of proposed closures. It has been said that consultations are often slanted, unbalanced and full of leading questions. In the proposed legislation, will the minister address the need to improve the quality of such consultations?

Fiona Hyslop: I thank Murdo Fraser for his continuing interest in the issue.

The bill that I mentioned will be aimed at improving the consultation process, including the process at the start of consultations, and ensuring that if any concerns exist about the information that a council provides, there are opportunities right at the beginning of the process for that information to be corrected and shared with parents.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): There is cross-party support for the retention and, indeed, the strengthening of the rural schools network, which I know benefits my constituency. *[Interruption.]* I ask members to pay attention. *[Interruption.]*

The Presiding Officer: Order.

Jeremy Purvis: Does the cabinet secretary understand that councils that offer a rural schools network require additional support to help with the additional costs of providing it? Does she accept that there must be recognition that local authorities need to be properly supported to implement policies that come down from the Parliament, such as free school meals? Scottish Borders Council is already experiencing pressures in that regard.

Fiona Hyslop: The bill that we will introduce is intended to maintain existing rural schools, which should not cost any more to do than it does under the current settlement. The allocation of grant-aided expenditure already takes account of rurality—that is reflected in the settlement that rural areas receive.

I welcome the Liberal Democrats' support for improving consultation on rural school closures and I look forward to hearing their constructive suggestions when the bill is introduced.

Teacher Numbers

5. Robert Brown (Glasgow) (LD): To ask the Scottish Executive what its target number of teachers is for 2008-09 and 2009-10. (S3O-5232)

The Cabinet Secretary for Education and Lifelong Learning (Fiona Hyslop): Under the terms of the concordat, local government agreed that it was funded to maintain teacher numbers broadly at 2007 levels despite falling school rolls, and our planning assumptions are that it will do so.

Robert Brown: I am grateful for the cabinet secretary's reply, but she will be aware that a report that the General Teaching Council for Scotland published yesterday reveals that only 31 per cent of newly qualified staff have found a permanent post this year and that 700 probationary teachers—an extraordinary number—who qualified this summer have no job in teaching, either full time or supply.

In its target figures for next year, what account has been taken by the Scottish National Party Government of its lamentable failure this year to find employment for all those teachers who have already been trained? Does the cabinet secretary agree that the situation represents a horrendous waste of public resource and individual aspiration?

The Presiding Officer: Very briefly, Mr Brown.

Robert Brown: Does she also agree that blaming the local authorities for a nationwide problem is pretty shoddy? As the responsible minister, what does she intend to do about it?

Fiona Hyslop: The member posed a variety of questions. His initial question was about the target number of teachers, but this year's situation is a result of planning that was done, and decisions that were made, by his Government two years ago. Quite clearly, a number of today's post-probation teachers were recruited as a result of decisions by the previous Government. That is one reason why I set up the teacher employment working group. A series of recommendations has been made.

It is absolutely correct to identify the need to ensure more permanent employment, particularly for primary school teachers, but 79 per cent of

post-probationers are employed in teaching. We need to work to improve that situation, but it is not helpful when some local authorities do not maintain teacher numbers at 2007 levels, even though they have been provided with the resources to do so.

financial difficulties with appropriate and effective advice.

Money Advice and Advocacy Services

6. Duncan McNeil (Greenock and Inverclyde) (Lab): To ask the Scottish Government what action is being taken to meet the increasing demand for money advice and advocacy services. (S3O-5191)

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): The Scottish Government is taking a range of actions to support those who need money advice and advocacy services in these challenging economic times. Those measures include providing £3 million for legal advice and representation for people who face repossession and other debt problems; funding a £400,000 awareness-raising campaign for the national debtline to encourage people to take early action to address debt problems; and providing an extra sum of around £1 million over three years, from Barnett consequential arising from the pre-budget report, to expand face-to-face advice capacity.

Duncan McNeil: I thank the cabinet secretary for his answer and welcome the fact that additional funding from consequential will be made available; I am sure that he will agree that it is certainly required.

On a visit to my local money advice centre, I found that, year on year, the number of inquiries is up by 100 per cent, the amount of mortgage debt is up by 104 per cent and the number of people who present with debt on secured loans and who are therefore likely to face repossession is up by 371 per cent. How will the cabinet secretary guarantee that my constituency will get its fair share of the money available to meet the need for money advice?

John Swinney: People face economic difficulties and challenges and that is why this Government has taken action to support them. We encourage the United Kingdom Government, which has responsibility for macroeconomic policy, to do likewise.

On 8 December, in consort with the Department for Work and Pensions, the Scottish Government launched the financial inclusion champions Scotland initiative in Greenock, in Mr McNeil's constituency. Greenock is centre stage on this and many other occasions. I assure Mr McNeil that the seriousness of the issues that he raises is well understood by ministers. As I indicated, we will be providing support to assist individuals who face

First Minister's Question Time

12:00

Engagements

1. Iain Gray (East Lothian) (Lab): To ask the First Minister what engagements he has planned for the rest of the day. (S3F-1270)

The First Minister (Alex Salmond): Later today I will have meetings to take forward the Government's programme for Scotland.

Iain Gray: In September, Fiona Hyslop said, with regard to new teachers, that the General Teaching Council for Scotland survey

"does not show that an increasing number of post-probationers are not getting permanent jobs."—[*Official Report*, 11 September 2008; c 10704.]

The latest GTCS survey came out yesterday. Will the First Minister tell us whether the number of new primary teachers in permanent jobs is up or down? While he is at it, what about new secondary teachers in permanent jobs? Is that number up or down?

The First Minister: The survey shows that 79 per cent of probationers have moved into teaching employment. I share the desire of all members to see that figure increase, although a declining trend has been evident in the survey for some time. That is why the Cabinet Secretary for Education and Lifelong Learning, in conjunction with the Convention of Scottish Local Authorities, the local authorities and the GTCS, have had a working group. That group met in June, reported in October and made 12 recommendations on how we can more effectively move probationary teachers into employment after they have done their probationary year. That is effective planning. I accept that that should perhaps have been done earlier, but at least this Government is addressing the problem in a way that it was not addressed over the past eight years.

Iain Gray: The latest GTC survey bears further examination. It shows that one in five new teachers has been unable to find teaching work—down almost 9 per cent on last year. The number of primary teachers in permanent jobs is down on last year, and the number of secondary teachers in permanent jobs is down from 70.9 to 58.1 per cent. New teachers on supply lists are up—they are included in the percentage that was quoted by the First Minister—to 30.2 per cent from only 18.7 per cent last year.

After the first full year with the Scottish National Party in charge, this is what the Educational Institute of Scotland has to say:

"The rate of unemployment among new teachers has risen dramatically, and the quality of employment for those who do find work has deteriorated."

The EIS believes that that is an alarming situation and that it needs urgent action. What urgent action does the First Minister plan to take?

The First Minister: Urgent action is the 12 recommendations that have been brought into place. Incidentally, I would not criticise the use as supply teachers of people who have completed their probationary year. One of the recommendations of the joint working group was to use the talents of new teachers as opposed to bringing retired teachers back into the workforce. I hope that that would be very much welcomed.

Maintaining the teaching population at a record level of around 53,000, along with declining school rolls, should allow for the reduction in class sizes that we want. Vacancies arise throughout the school year due to retirement. Although we are extremely concerned that in October—at the start of the survey—705 probationers were still to find employment, in the last month alone, since the start of November, 423 vacancies have been advertised in the *Times Educational Supplement*. The vacancies are arising. When the survey is redone at the start of the new year, I hope that it will show—as the trends did last year, when we got to 93 per cent of probationers in employment—a sharp uptake and that young people who are moving into the education profession are getting the career opportunities that we all want them to have.

Iain Gray: Teachers have always retired during the course of the year; even when I was a teacher—30 years ago—they retired during the course of the year. The point is that, at this stage of the year, far fewer new teachers are in permanent jobs than was the case last year and many of the jobs that the First Minister says have been advertised are, of course, promoted posts that newly qualified teachers cannot apply for.

There are more than 700 new teachers and every one of them has a story. Lynne and Cara McAllister are sisters and both are newly qualified teachers. One is a secondary teacher and one is a primary teacher, and both are unable to find permanent teaching jobs that use their skills and talents. Cara went on the supply list, as the First Minister suggests people should do. She has had six days' work in six months, and is now looking for jobs outside teaching.

GTC Scotland says:

"We are currently producing some of the most talented teachers we have seen in Scotland".

Those are talented teachers who, under the SNP, are going to waste. What hope does the First Minister offer Lynne, Cara and the hundreds of

other young teachers like them? When will they get the chance that they want to play their part in building Scotland's future?

The First Minister: To assist young teachers is exactly why the education secretary convened the working group and exactly why the 12 recommendations were made. I hope that Iain Gray is more familiar with those recommendations than he has indicated so far, and I hope that he supports them. They are effective action.

I point out—I would have thought that this was reasonably obvious—that when there are advertisements for promoted posts, opportunities are created for new teachers to move into the profession. I hope that Iain Gray agrees that we should see a sharp rise in probationers taken into employment when we see the new survey in the new year.

On one issue, I accept that I have considerable concerns. I think that it is agreed across the chamber—Jackie Baillie certainly agrees—that the money supply to local authorities is increasing over the next three years. It is increasing in terms of both local authorities' budgets and the share of the Scottish budget. However, as I look across local authorities, I see widely diverging patterns of new teachers being employed. Of course, there are differing factors of demographics and population, and those factors have to be taken into account. However, to show that I am not making a party-political point, let me address two authorities that lie cheek by jowl and which are under different political control. From the most recent information, from 2007, we note that West Lothian Council took on an extra 111 teachers, that South Lanarkshire Council took on another 103, and that teaching jobs are at record numbers. My question is, if those authorities can do that under the concordat, why are some local authorities apparently so reluctant to employ teachers? Is there any Labour Party instruction in the matter? That is what we want to know.

Iain Gray: I cannot answer that question. I cannot explain, for example, why Perth and Kinross Council—under SNP control—is cutting teacher numbers by almost 6 per cent. Why would that be?

The problem is not whether I support the First Minister's or his education secretary's working group; the problem is that young teachers are not convinced by that working group. Lynne McAllister, after a first-class honours degree and a year of teacher training with nothing to show for it, is going to Canada to see what prospects there are there. Her sister Cara is looking abroad, too. Next year, 2009, is meant to be the year of coming home to Scotland, but for Lynne and Cara it could be the year of giving up on Scotland. They do not want to go, but they need to hear more than a

celebrity chorus of "Caledonia" from the First Minister. They need to hear him say that they have a future here in Scotland as teachers.

We cannot afford to lose the brightest and best of our young people. What action will the First Minister take today to convince Lynne and Cara that they can find a job as teachers here and stay in Scotland where they want to be?

The First Minister: The effective action that we are taking is what the education secretary has provided for under the working group. I will remind Iain Gray of just a few of the proposals, one of which is to increase the payments that teachers receive to help them to move to areas where there are vacancies. As we know, there are vacancies in many areas of Scotland. Another is to achieve greater reconciliation between workforce decisions and the national planning process. A third is to use post-probationary teachers in supply vacancies, rather than relying on recently retired teachers. Those are just three of the 12 measures agreed between the partners to take effective action.

I accept that local authorities have to make their own decisions, but across the board in local authorities we now have the final budget estimates on education for 2007-08, over 2006-07, and we can compare them with previous years. The outrun figure for last year shows, thanks to the effective interventions of the Cabinet Secretary for Education and Lifelong Learning, a 6.8 per cent increase across Scotland in the revenue budget for education. In the last year of Labour control, the figure was 0.6 per cent.

It may be that local authorities around Scotland are rebuilding after the eight wasted years of Labour and Liberal control. I believe that, given the effective action taken by the Cabinet Secretary for Education and Lifelong Learning, we will see in the next probationer survey an increase in the number of probationers moving into teacher employment and every one of us will welcome those fantastic young people being given their opportunity in education.

Prime Minister (Meetings)

2. Annabel Goldie (West of Scotland) (Con):

To ask the man who thinks he is saving Scotland when he will next meet the man who thinks he has saved the world. In deference to you, Presiding Officer, I will ask the question that was lodged.

To ask the First Minister when he will next meet the Prime Minister. (S3F-1271)

The Presiding Officer (Alex Fergusson): That was better.

The First Minister (Alex Salmond): I have no immediate plans to meet the Prime Minister in the near future. However, like everyone else, I am in

awe of his talents and self-proclaimed abilities. [Interruption.]

The Presiding Officer: Order. That is enough, thank you.

Annabel Goldie: In opposition, the First Minister's colleague Michael Russell called for an independent watchdog to be set up to ensure that all Scottish Executive advertising was "justified and non-political". This week, it was confirmed that the Scottish Government is spending nearly £700,000 of taxpayers' money on advertising its discredited home reports. What happened to Mr Russell's watchdog idea and how would a watchdog have justified such spending?

The First Minister: I remind Annabel Goldie that home reports were passed by a considerable majority in this Parliament. Indeed, as I recall, every party, bar the Conservatives, voted to introduce them. Given that parliamentary mandate—which we do not get for every measure that this Government brings forward—does she not think it entirely reasonable that the information on home reports and their introduction is spread across the population? Does she suggest that, having voted to introduce home reports, we should deny people information about how to use them?

Annabel Goldie: Let us examine what Alex Salmond's priorities really are when it comes to spending taxpayers' money on Government public relations. Here we are: £700,000 is spent on PR for home reports, but the Government is spending less of the advertising budget on child protection, tackling domestic abuse or warnings about sex offenders. This Government clearly thinks that home reports are more important than those issues. Unbelievably, it is spending more of its PR budget on home reports than it has spent on either alcohol or drugs abuse. We now know the warped priorities of the Scottish National Party. Less worthy and important than home reports are the issues of child protection, domestic abuse, the scourge of alcohol and the scars of drug addiction. That is absolutely shameful. What do those lopsided and bizarre priorities say about the Government? Does the First Minister really have the brazen effrontery still to argue that spending £700,000 to advertise a sales tax is justified?

The First Minister: The Scottish Government has a broad range of advertising to try to promote a range of issues in the public interest. Annabel Goldie should acknowledge that we are introducing a new measure that most of us believe will be extraordinarily helpful, particularly for first-time buyers moving into the housing market, who are getting, for the first time, a range of information in what should be, can be and almost certainly will be the most important financial decision of their lives.

I do not believe that Annabel Goldie seriously argues against having an effective information campaign. Incidentally, that was targeted at the first-time buyers market and at those who are moving into the housing market. Surely we should provide effective information to ensure that policies that the Parliament has passed are available to the people whom they are designed to benefit. It would be extraordinary to introduce a significant new policy but to provide no information to the population to ensure that the policy achieved its benefits when rolled out. The Tories confuse their own political opposition to home reports with what is in the general public interest.

Cabinet (Meetings)

3. Tavish Scott (Shetland) (LD): To ask the First Minister what issues will be discussed at the next meeting of the Cabinet. (S3F-1272)

The First Minister (Alex Salmond): At its next meeting, the Cabinet will discuss issues that are of importance to the people of Scotland.

Tavish Scott: Is the First Minister serious when his Government says that, after the new Forth crossing, all 28 other transport projects that were mentioned yesterday are of equal priority? Will that be the case even if the Treasury declines the opportunity to make an interest-free loan to pay for the Forth bridge? Is the Scottish Government's position the reason why *The Press and Journal* says today that

"The SNP is trying to be all things to all people"?

[Interruption.]

The Presiding Officer: Order.

Tavish Scott: That was in *The Press and Journal*.

The Presiding Officer: That is enough advertising, Mr Scott.

Tavish Scott: *The Courier* says:

"Talking up the prospect ... is all very well but, as of now, it has all the substance of a mirage."

The First Minister: I am still laughing at being accused of being all things to all people by the Liberal Democrats. That is the most extraordinary question that Tavish Scott has come up with.

The strategic transport projects review has received a broad welcome. I have a range of quotations from transport users and transport groups around the country who have been galvanised by the review's strength and vision. If the Liberal Democrats are capable of being all things to all people, given the excellent projects that are proposed in every part of the country—lo, even unto areas that the Liberal Democrats represent—surely Tavish Scott can find something

to welcome in the most ambitious transport plan that has been presented to Scotland for a generation.

Tavish Scott: The difficulty is that *The Press and Journal* also said that the review was all spin and wrapping paper. *The Scotsman* says:

"All of this has a fishy smell about it."

I ask again: are the 28 remaining transport projects all of equal status? Are they all at equal risk if the SNP cannot make its sums add up? Is the truth not that the one real SNP priority is to create a war of words with the Treasury?

What is it about the Government and transport? It has a rail franchise with no business plan, a bridge with no funding and a Scottish Futures Trust with no money. The Government must tell us the timetable for all the projects and which will survive into plan B. When will the First Minister stop being all things to all people?

The First Minister: I have said some hard things about the Treasury in my time and I have no doubt that I will say a few more, but they pale into insignificance after the extremely vehement attacks that Tavish Scott has launched on the Treasury over the HBOS merger.

Let me see whether I can bring the Liberal Democrats up to date with the international financial reporting standards. They mean that all the available mechanisms for funding public transport projects now come on balance sheet. There are no more public-private partnership dodges or private finance initiative alternatives—they all come on balance sheet. Given the excellence of our proposal for the Forth crossing, it is entirely sensible to ask for the capital cover to ensure that we can follow through on a transport plan for all of Scotland.

I heard the member who I am now calling Seven-Minute McNulty explain tolling on the Forth crossing as some sort of alternative from the Labour Party. If Tavish Scott and the Liberal Democrats dislike the cut of our excellent transport review, they can tell us at some point what they would keep and what they would leave out.

The Presiding Officer: I remind all members that I do not encourage the use of nicknames in the chamber.

I will take one constituency question from Malcolm Chisholm.

Malcolm Chisholm (Edinburgh North and Leith) (Lab): The First Minister's answer to every question on cuts is to say what he alleges will happen in 2010-11. Will he for once concentrate on the present and the cuts that are happening in many schools in my constituency, the result of which is fewer front-line staff and resources? How

can he describe as efficiency savings the 1.5 per cent cut to school budgets that is currently being imposed and the 2 per cent cut that is proposed for next year? I am thinking in particular of what John Swinney said recently:

"What might be described as crude cuts in services can in no way pass the test for efficiency savings."—[*Official Report*, 20 November 2008; c 12632.]

The First Minister: The member may recollect that the efficiency savings of 2 per cent across the range of budgets that the Scottish Government is asking for are less than those that Wendy Alexander demanded last year in her famous hungry caterpillar speech. Of course, the key difference in our treatment of local authorities in terms of efficiency savings is that authorities will retain every penny of those savings for investment in front-line services. That did not happen under the Labour Administration.

Given that Malcolm Chisholm believes that I imagined the £500 million of coming cuts a year from the Labour Government at Westminster, I note the release of Professor David Bell's advice to the Finance Committee, which indicates £505 million of cuts in each of the two years. Given that evidence, even members on the Labour benches—Iain Gray in particular—will have to admit that £1 billion of cuts is coming to Scottish public services by virtue of Alistair Darling, Gordon Brown and Jim Murphy.

Drink Driving

4. Dave Thompson (Highlands and Islands) (SNP): To ask the First Minister what action the Scottish Government is taking to combat drink driving over the Christmas and new year period. (S3F-1276)

The First Minister (Alex Salmond): The Scottish Government is committed to improving the safety of people on our roads, and is delighted to support the Association of Chief Police Officers in Scotland in all its campaigns in that direction, particularly its festive drink/drug driving campaign. The festive campaign was launched here at the Scottish Parliament on 8 December and supported by my colleague Mr MacAskill.

The Scottish Government is working closely with the police on the campaign and is providing supporting publicity through the Road Safety Scotland don't risk it message. That includes three weeks of radio publicity and two weeks of roadside billboard messages, both of which commenced on 1 December, as well as a substantial amount of online advertising. Topics include morning-after driving, the repercussions of someone losing their licence, and encouraging the public to report cases of drink driving to the police. The support for that campaign from the Scottish Government alone comes to a total of more than £86,000.

Dave Thompson: I welcome the Scottish Government's initiative to tackle drink driving over the Christmas and new year period. That said, the current legal alcohol limit for drivers of 80mg per 100ml of blood does not help, given that it is far higher than the limit in other European Union countries. Does the First Minister agree that a big step forward in tackling the issue of drink driving would be to bring Scotland into line with most other European countries by reducing the legal limit to 50mg of alcohol per 100ml of blood?

The First Minister: I agree that the limit should be reduced in that direction. We are not alone in thinking that; prominent and respected organisations including the Association of Chief Police Officers in Scotland, the British Medical Association and the Royal Society for the Prevention of Accidents have called publicly for a similar reduction in the drink-driving limit.

Obviously, legislation on that subject is reserved to the United Kingdom Government. Over recent months, the Cabinet Secretary for Justice and the Minister for Transport, Infrastructure and Climate Change have corresponded with the UK Government on the matter. We were therefore disappointed to find that the "Road Safety Compliance Consultation" document, which was published on 20 November, did not include a direct question on lowering the drink-driving limit.

Our view is that the evidence to support a reduction is extremely strong. There is growing consensus on the matter north and south of the border. Indeed, I understand that the UK Government's chief medical officer has indicated his support for exactly that move. The current drink-driving limit was set more than 40 years ago. We believe that the time is right to look at the limit again.

Police Agencies

5. Richard Baker (North East Scotland) (Lab): To ask the First Minister how the Scottish Government will ensure that the Scottish Police Services Authority and the Scottish Crime and Drug Enforcement Agency are as effective as possible in fighting crime and supporting local police forces. (S3F-1291)

The First Minister (Alex Salmond): The Scottish Crime and Drug Enforcement Agency has been extremely effective in the fight against serious organised crime in Scotland. Last year, the agency seized 220kg of class A drugs, with a street value of £15.8 million, which was a threefold increase on the previous year, and it identified more than £4.6 million of criminal assets for seizure, which was an 8 per cent increase on the previous year. The SPSA provides effective and efficient support services to Scottish police forces. For example, it provides training for the record

numbers of new recruits at the Scottish Police College, as part of the Government's commitment to providing 1,000 additional police officers in our communities.

The Presiding Officer: As there is considerable interest in the question, I remind members that it is about the effectiveness of the organisations. I ask them not to impinge on disciplinary matters in the board of the SPSA, which are sub judice.

Richard Baker: In light of recent speculation on the relationship between the two agencies, will the First Minister assure us that there will be clarity on that key issue? Given the wider leadership issues in the SPSA, is it right for it to continue to propose the closure of the Aberdeen forensics laboratory on the basis of a flawed consultation process and despite the opposition of Grampian Police?

The First Minister: The SPSA board continues to operate under the leadership of interim convener Councillor George Kay and it continues to provide vital police support services. Following a public appointment process, we announced on 8 December the appointment of Vic Emery as convener of the SPSA board. He will take up his appointment in January 2009. Those changes do not have a bearing on the decisions on the future of forensic science and fingerprinting services in Aberdeen. There is a pressing need to invest in modern police forensic science facilities, which is why we are funding the new forensic laboratory as part of the Gartcosh crime campus project and why we gave approval in May for the SPSA to proceed with the new forensic laboratory in Dundee. The Cabinet Secretary for Justice has asked the SPSA to engage in a fresh consultation on the delivery of forensic science services to the north and north-east of Scotland and to let him have further advice. That consultation is under way. In the meantime, there has been no decision to close the Aberdeen laboratory.

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): The chief constable of Grampian Police has told me that he believes that the relocation of the forensic and fingerprint service from Aberdeen to Dundee would not improve the fight against crime in the north-east. Given the opposition to the SPSA's plans to close the Aberdeen-based service, will the First Minister give a commitment to ensure that a genuine consultation, including an option to retain the service in Aberdeen, is published to replace the current paper, which was issued by the SPSA and which focuses only on the SPSA's reasons to remove the service in Aberdeen and replace it with one in Dundee?

The First Minister: As I said, the consultation is under way. Consultation exercises usually take place on a proposal that is going forward. As I said, the Cabinet Secretary for Justice has asked

the SPSA to engage in a fresh consultation on the delivery of forensic science services to the north and north-east. That is exactly what we expect and what will be done. On the timing, obviously, by definition, the consultation will not be complete until the new leadership is in place at the SPSA.

Brian Adam (Aberdeen North) (SNP): I hope that the First Minister is aware that the on-going alleged consultation in no way satisfies the normal criteria for consultation. Will he and his cabinet secretary colleagues take an active personal interest in the detail of that consultation? At present, it just has 10 reasons to close the Aberdeen laboratory and none of the questions that should be asked about the available options.

The First Minister: On my personal interest, I met representatives of the Scottish Police Federation in the north-east of Scotland on Monday this week. I will certainly pass on Brian Adam's comments to the Cabinet Secretary for Justice, who is sitting beside me listening avidly, and ask him to ensure that the consultation exercise is beyond reproach.

Lewis Macdonald (Aberdeen Central) (Lab): Does the First Minister not then accept that the consultation document that has been issued offers only a single option, namely the closure of the Aberdeen laboratory? Will ministers take the opportunity to withdraw that document?

The First Minister: It is not unusual for consultation exercises to take place on a proposal—that is what normally happens. On investment in forensic science throughout Scotland, I would say that the Government's attitude is beyond reproach. I cannot anticipate the results of the consultation exercise, but I am certainly prepared to give the assurance that the cabinet secretary will ensure that the consultation exercise is proper and thorough-going.

I remind Lewis Macdonald that when we were left by the previous Administration consultation exercises on other public services to centralise the health service and to remove vital services from the north-east of Scotland, in both children's cancer treatment and other vital services, it was decided after effective consultation by this Government to resist that attempt at centralisation.

Pork Industry

6. John Scott (Ayr) (Con): To ask the First Minister what discussions the Scottish Government has had with the Food Standards Agency concerning supplies of pork to consumers. (S3F-1273)

The First Minister (Alex Salmond): Government officials have been in daily contact with the Food Standards Agency to ensure that the Cabinet Secretary for Rural Affairs and the

Environment and the Minister for Public Health are fully informed about developments on the incident that originated in the Republic of Ireland. The cabinet secretary has commissioned regular briefing on the matter.

The Scottish Government is conscious of the potential damage to the pork industry from the incident and has taken measures to reassure the Scottish public. Officials are liaising with the red meat promotional body, Quality Meat Scotland, which is sending brand ambassadors to Scottish supermarkets to reassure customers about the guarantees of origin, welfare and standards offered by Scottish products carrying the specially selected pork brand.

Specially selected pork is quality assured and no specially selected producer will have sourced their feed from the Republic of Ireland or Northern Ireland. Some 99 per cent of Scottish pork carries the specially selected label.

John Scott: Concerns remain about food labelling and animal feed. Will the First Minister give a guarantee that no contaminated feed from Ireland or elsewhere is entering Scotland or being used on Scottish farms? Will he also put further pressure on UK authorities to develop food product labelling so that countries of origin can be identified accurately, particularly in the processed meats sector?

The First Minister: I appreciate John Scott's concern. When we have food difficulties, such as contamination, we are all rightly concerned. Having looked at the issue in this case, I do not think that there is any argument but that the Food Standards Agency has worked quickly and effectively to withdraw any potentially contaminated products from Scottish shelves. Equally, there is no argument but that those who are charged with the responsibility to promote Scottish produce have also acted effectively and quickly to protect the Scottish brand.

I have substantial sympathy with the member on the labelling of products. As I said a few seconds ago, the specially selected product label under the Quality Meat Scotland banner does exactly that and 99 per cent of Scottish pork carries that specially selected label, which guarantees sourcing and customer reassurance.

12:33

Meeting suspended until 14:15.

14:15

On resuming—

Question Time

SCOTTISH EXECUTIVE

Justice and Law Officers

Fiscal Fines

1. Alasdair Morgan (South of Scotland) (SNP): To ask the Scottish Government what progress has been made in discussions on the retention and distribution of fiscal fine moneys. (S3O-5231)

The Cabinet Secretary for Justice (Kenny MacAskill): Discussions are on-going with the Treasury as to the retention of fiscal fine moneys in Scotland. We want those funds to be retained in Scotland and put to good use in Scotland to help the justice system to deliver benefits for the people of Scotland.

Alasdair Morgan: I urge the cabinet secretary to pursue those discussions vigorously. In those arguments with the Treasury, will he press his case on the basis that the funds should be used to benefit the communities that have suffered as a result of the actions of criminals?

Kenny MacAskill: Absolutely. We want to ensure that the communities benefit. Clearly, in some instances, the funds are used to ensure that the wheels of the court service run. However, I support the general ethos that the member expresses, which is that fines, levies or compensation orders that those who commit offences against our communities are forced to pay should be used to compensate those communities in some shape or form, whether through the bureaucracy that enforces justice or, more particularly, by making those communities better and alleviating their problems.

Bill Aitken (Glasgow) (Con): I agree with the sentiments that the cabinet secretary has expressed. Will he, in turn, agree with me that, in light of the derisory levels of payments of fiscal fines, a rather greater priority might be to ensure that the fines are collected?

Kenny MacAskill: I assure Mr Aitken that the fines are in the process of being collected. Many have been paid. I do not recognise the reference to "derisory levels of payments".

A system is in place. The fine has to be intimated to the individual, who must have an opportunity to decide whether to accept or decline it. Thereafter, the individual has a period of time in

which the payment can be made. That process must be gone through.

I assure the member that we will seek to ensure that those who are given fines are forced to pay. If they do not pay, the whole system will be brought into disrepute. Matters are being dealt with, and the new system of fines enforcement officers is being rolled out, which will ensure that we enforce justice.

The Presiding Officer (Alex Fergusson): Before we come to question 2, I repeat what I said at First Minister's question time this morning, which is that the supplementary questions on the matter that is about to be discussed should relate purely to the efficiency of the organisation that is involved.

Grampian Police

2. Mike Rumbles (West Aberdeenshire and Kincardine) (LD): To ask the Scottish Executive whether it agrees with Grampian's chief constable that the proposed closure of Aberdeen's forensic laboratory and fingerprint service will not lead to an improved service to Grampian Police. (S3O-5241)

The Cabinet Secretary for Justice (Kenny MacAskill): There has been no decision to close the Aberdeen laboratory. The provision of police forensic science services is an operational matter for the Scottish Police Services Authority.

There is a pressing need to invest in modern police forensic science facilities, which is why this Government is funding a new forensic laboratory as part of the Gartcosh crime campus project and why I gave approval in May for the SPSA to proceed with a new forensic laboratory in Dundee. I asked the SPSA to engage in fresh consultation on the delivery of forensic science services to the north and north-east of Scotland and to let me have further advice. That consultation is on-going.

Mike Rumbles: Exactly. Six months ago, the minister accepted the SPSA's plan for a new-build resource in Dundee, and, thankfully, told it to think again about the proposal to close down the Aberdeen laboratory. The SPSA has now come back with a consultation that is aimed only at closing the Aberdeen laboratory. Best practice for consultations is to offer options for people to respond to. Will the minister ask the SPSA to withdraw the flawed consultation paper and consult properly on options for the future, including the option of keeping the Aberdeen laboratory open?

Kenny MacAskill: I can only reiterate what I have said: there has been no decision to close the Aberdeen laboratory. The matter is under consultation, and we should allow that process to proceed. Equally, this is a matter for the SPSA. In

that regard, and in the light of remarks that were made earlier to the First Minister, we should be clear that Grampian's chief constable sits on the board of the SPSA—

Mike Rumbles: And is opposed to—

The Presiding Officer: Mr Rumbles.

Kenny MacAskill: The matter is one for the SPSA, and we should allow it to proceed. We should also bear in mind the fact that a new chairman has been appointed. We should trust him to consider the matter, and allow him and the board—which includes Grampian's chief constable—to make a decision in due course, whatever that decision might be.

Richard Baker (North East Scotland) (Lab): The cabinet secretary is, of course, responsible for the SPSA. Is he aware that Northern Constabulary will be affected by the proposed closure of the Aberdeen forensic laboratory, and that it has apparently not been consulted at all on the proposal? Does he not consider it to be vital to consult properly not only Northern Constabulary but the staff, who not only oppose closure but are offering real and effective solutions?

Kenny MacAskill: Absolutely—that is why we should allow the SPSA to get on with the consultation. I recently met Ian Latimer, the chief constable of Northern Constabulary, and he raised no concerns with me. Vic Emery has been appointed as the chairman of the SPSA, and there are a variety of people on the board: not simply the chief constable of Grampian Police but the Labour convener of the Strathclyde joint police board and the chief constable of Strathclyde Police. We should trust in the wisdom, good judgment and integrity of those individuals to make a decision in due course, based on a proper consultation.

Mary Scanlon (Highlands and Islands) (Con): I can confirm that, last week, Highland MSPs met the deputy chief constable and the chief superintendent of Northern Constabulary, who both confirmed that Northern Constabulary had not been consulted on the proposed closure of Aberdeen forensic laboratory.

The Presiding Officer: Question, please.

Mary Scanlon: At the most recent meeting of the Grampian joint police board, the SPSA chief executive said that even if the majority of responses were against closure, that it would not be the SPSA's recommendation. Will the fresh consultation include Northern Constabulary and the Highlands and Islands, and will the cabinet secretary ensure that there is no fait accompli?

Kenny MacAskill: We live in what is sometimes described as village Scotland. I am remarkably surprised that those remarks should be made by

Northern Constabulary. When we decided on a new police board representative for the board of the SPSA, we had to choose between Stephen House, the chief constable of Strathclyde Police, and Ian Latimer, the chief constable of Northern Constabulary. Mr Latimer, for whom I have the greatest respect and whom I believe is an excellent police officer, has been dealing with other matters since Mr House was appointed. Members seem to be alluding to some sort of conspiracy, which frankly does not exist.

If there has not been any direct consultation, the chief constable or any other member of Northern Constabulary should raise the matter with the SPSA board. We should remember that when people are nominated and put on the board of the SPSA, they attend not as the chief constable of Grampian Police or Strathclyde Police, or as the Labour convener from Strathclyde joint police board, but as individuals who are appointed to represent Scotland and the broad community. I have faith in those individuals, so it is a matter of regret that some people should seek to impugn the integrity of those who sit on that board.

The Presiding Officer: Question 3 has been withdrawn.

Property Registration

4. Willie Coffey (Kilmarnock and Loudoun) (SNP): To ask the Scottish Executive whether it will bring forward proposals to revise the procedures for registering a non domino dispositions of property. (S3O-5209)

The Minister for Community Safety (Fergus Ewing): The matter is presently in hand. The Scottish Law Commission is undertaking a comprehensive review of land registration, which includes consideration of new procedures for the keeper of the registers of Scotland to follow when a disposition a non domino is presented for registration.

Willie Coffey: I invite the minister to understand my amazement at finding that someone can register a claim for ownership of a property or land that is owned by someone else without the true owner being aware of the claim. Does he agree that in cases in which title may be unclear, the system is open to abuse? As part of the Scottish Law Commission's review, will the Government support the requirement for compulsory advertising of such claims, so that bogus claims can be challenged without the need for expensive court action?

Fergus Ewing: The keeper advises me that the use of dispositions a non domino is relatively infrequent, amounting to 100 a year out of some 500,000 registrations. The recording of a disposition a non domino does not by itself, as I

understand it, confer a good title: it has to be followed by a period of 10 years of possession without judicial interruption. Only then would the title be made good.

It is open to Mr Coffey's constituents, on whose behalf he has argued strongly for action, to raise—if they are so advised—court proceedings by way of an action of reduction in the Court of Session to challenge the disposition a non domino. However, his point is that the procedures need to be reviewed. The Scottish Law Commission is considering those procedures as part of its review of land registration, and his suggestion is worthy of serious consideration. I urge him to write to me in more detail and I will ensure that his suggestion is fully considered by the Scottish Law Commission.

Drugs Courts

5. Claire Baker (Mid Scotland and Fife) (Lab):

To ask the Scottish Executive when funding for drugs courts is due to end and when a decision will be made on whether it will be extended. (S3O-5166)

The Minister for Community Safety (Fergus Ewing): The position of the existing drugs courts in Fife and Glasgow is due to be reviewed by spring 2009, against the progress of the summary justice reforms. The current funding period extends to March 2009, but further funding will be provided to allow time for the review process to be completed and informed decisions to be taken on future funding.

Claire Baker: Does the minister share my concern that that short timescale leaves a damaging question mark over the drugs courts in Glasgow and Fife, which means that many of those who are employed by the courts will start actively to seek work elsewhere? Crucially, there is time for only a cursory review of the drugs courts, which will risk not giving them the chance to show their true worth. Will the minister actively look for continuation funding that gives a decent amount of time for those issues to be addressed? Will he, as a matter of urgency, bring an end to uncertainty, so that a review to decide the future of the drugs courts can be held under fair conditions?

Fergus Ewing: The evaluation of the Glasgow and Fife drugs courts was published on 30 March 2006. The previous Administration decided that funding should continue until next March. The evaluation report stated that offenders

“who completed their Orders had fewer convictions in the 2 years after being made subject to an Order than in the 2 years immediately before.”

It added:

“there was widespread support for the Drug Courts both from those working within them and from other criminal justice professionals.”

Those professionals included sheriffs sitting in other courts. However, it was less clear that the outcomes of orders made by drugs courts were better than the outcomes of drug treatment and testing orders made by ordinary sheriff courts.

This Government strongly supports DTTOs, which have proven to be effective and are a key part of our drugs strategy “The Road to Recovery”. We look forward to building on that work with the DTTO pilot that is being rolled out in Lothian and the Borders for lower-tariff offenders. We want to ensure that every court in Scotland has an appropriate device to provide people with a road to recovery, that is, DTTOs, which, at a cost of £10,000 each, cost substantially less than sending people to prison at a cost of £35,000. We will consider carefully a further evaluation of drugs courts, but we will do so in the light of the proven success of DTTOs and the fact that we have already rolled them out to every sheriff court in Scotland.

Alcohol Sales (Under-18s)

6. Ms Wendy Alexander (Paisley North) (Lab):

To ask the Scottish Executive whether it will ensure that the police or prosecuting authorities automatically notify local licensing boards of any prosecutions concerning the sale of alcohol to under-18s. (S3O-5163)

The Cabinet Secretary for Justice (Kenny MacAskill): The police automatically notify local licensing boards of any reports that they make to the procurator fiscal about offences concerning the sale of alcohol to under-18s. I will ask my officials to consider whether the procurator fiscal could automatically notify local licensing boards of any prosecutions that arise from such reports.

Ms Alexander: I invite the minister to write to me clarifying whether he believes that all police authorities are fulfilling that obligation and how, in practice, those measures might be strengthened in the future.

Kenny MacAskill: I think that I made matters clear. The police automatically notify local licensing boards. If that is not happening, I am more than happy to investigate. It might be more appropriate for the member to write to me, and I will seek clarification from the relevant police authority. My understanding is that notification happens automatically. If there are problems, I am more than happy to correspond with or to meet the member to ensure that notification happens. As I said, I will discuss with the Crown whether there are measures that would, without causing any huge logistical difficulties, ensure that matters go further down the pipeline, so to speak, and that boards are kept informed.

Fatal Accident Inquiry

7. Christine Grahame (South of Scotland)

(SNP): To ask the Scottish Government when a decision will be taken on whether the death of Irene Hogg, former headteacher of Glendinning Terrace primary in Galashiels, should be the subject of a fatal accident inquiry. (S3O-5216)

The Solicitor General for Scotland (Frank Mulholland): Investigations into the circumstances of Irene Hogg's death are almost complete. The procurator fiscal at Jedburgh anticipates being in a position to report the matter to Crown counsel for their consideration early in 2009.

Christine Grahame: I am grateful that there is now a date. I have no doubt that the Solicitor General will share the concerns of Irene Hogg's elderly parents and her brother in Australia that the matter should be resolved as soon as practicable.

The Solicitor General: I am grateful to Christine Grahame for her interest in the matter. A meeting has been fixed between Irene Hogg's brother, the local procurator fiscal and the pathologist. I understand that that is the only outstanding matter prior to the reporting of the death to the Crown Office for the consideration of Crown counsel.

The Presiding Officer: Question 8 has been withdrawn.

Scottish Islamic Foundation (Meetings)

9. George Foulkes (Lothians) (Lab): To ask the Scottish Executive when ministers next intend to meet with Mr Osama Saeed or other representatives of the Scottish Islamic Foundation and what subjects are likely to be discussed. (S3O-5175)

The Cabinet Secretary for Justice (Kenny MacAskill): There are currently no plans for ministers to meet Mr Osama Saeed or other representatives of the Scottish Islamic Foundation. However, Deputy First Minister Nicola Sturgeon recently addressed an SIF event in Glasgow.

George Foulkes: The cabinet secretary will be aware that the Scottish Islamic Foundation received a very substantial grant from the race, religion and refugee integration funding stream. Can the cabinet secretary confirm whether any ministers were involved in any discussions whatever with Mr Saeed, or with anyone from the Scottish Islamic Foundation, prior to that allocation being made? If so, which ministers?

Kenny MacAskill: What I can say is that all applications to the RRRF funding stream were scrutinised and considered for their match with Government priorities and value for money. They were considered according to the normal rules,

which are required to be followed by all ministers of whatever Government.

If Mr Foulkes wishes to raise certain matters, he should feel entitled to do so. However, it is not appropriate for me to answer questions about matters that have not properly been put before us. We have no reason to believe that anything was done other than to support an organisation that seeks to support religious tolerance and harmony. If Mr Foulkes knows of matters that he believes to be inappropriate, he should mention them.

I should mention Mr Foulkes's outrage in the past regarding decisions by Government ministers, particularly by this cabinet secretary on matters concerning the British Transport Police. I hope that Mr Foulkes now retracts, and that he accepts that the British Transport Police were overzealous in their treatment of people from an ethnic minority population.

George Foulkes: On a point of order, Presiding Officer. I asked a very specific question, with very serious intent, specifically about meetings between ministers and an organisation. The original question was about that. The minister's reply referred in no way to any meetings. I am absolutely sure that his brief contains—

The Presiding Officer: I have to come in at this point, Lord Foulkes. I am afraid that that is not a point of order. Ministers alone are responsible for the content of their answers.

Liquor Licensing

10. Jamie McGrigor (Highlands and Islands) (Con): To ask the Scottish Executive whether it will provide an update on how the new liquor licensing laws are affecting businesses. (S3O-5159)

The Cabinet Secretary for Justice (Kenny MacAskill): We are still in the transition period to the new regime, so it is premature to reach any conclusions about the impact of the Licensing (Scotland) Act 2005 either on the licensed trade or on the communities across Scotland that are affected by alcohol misuse. However, I am pleased to advise the Parliament that the Accounts Commission has agreed to consider the impact once the 2005 act is fully up and running. It is important that the licensing regime is fair to the trade and fair to the taxpayers who have, after all, been subsidising the current system for many years.

Jamie McGrigor: Yes, but does the minister accept that many small guest houses, bed and breakfasts and small retail units throughout my region of the Highlands and Islands—and, I dare say, elsewhere in Scotland—face crippling rises in licensing fees as a result of the Licensing (Fees) (Scotland) Regulations 2007, and that many of

those businesses have either closed down or stopped serving alcoholic refreshments as a result? Given his Government's much-trumpeted desire to boost tourism in Scotland, what action will the minister take to stop even more tourism enterprises being driven out of business because of the level of the fees?

Kenny MacAskill: As Mr McGrigor knows, fees are set by local licensing boards. If he thinks that fee levels are causing concern, he should discuss them with the boards. Under the 2005 act, the Government has set the maximum fee that can be charged, but individual licensing boards must decide on the level of the fee. Not all licensing boards have—if I can put it this way—gone to the max; some have dealt with issues in other ways.

As a result of Government action to minimise the difficulties and hardship that small businesses face, there has been a substantial reduction in business rates and in the burden that small businesses must bear. I hope that the member acknowledges and welcomes that.

Jamie McGrigor: Yes I do, but we did that.

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): On a point of order, Presiding Officer. During First Minister's question time and at the start of this afternoon's business, you quite rightly warned all members not to refer to issues that are before the courts and could be sub judice. Will you confirm that every member complied with your instructions and that, contrary to what the Cabinet Secretary for Justice implied, no member questioned the integrity of members of the Scottish Police Services Authority board in any way?

The Presiding Officer: I am not aware that any member went against my ruling on sub judice—if that answers your point of order.

Rural Affairs and the Environment

Raptors (Poisoning)

1. Christina McKelvie (Central Scotland) (SNP): To ask the Scottish Government what progress it has made in relation to preventing the poisoning of raptors. (S3O-5222)

The Minister for Environment (Michael Russell): Raptor poisoning is a crime that offends the Scottish public and disfigures our countryside. We are determined to see it consigned to history. We are fully implementing the recommendations in HM inspectorate of constabulary for Scotland's review of wildlife crime. We have built and strengthened partnership working between all those with an interest in countryside management, including by revitalising the partnership for action against wildlife crime. We are making encouraging

progress in much of the country. However, we will not rest until poisoning ceases to be a problem anywhere in Scotland. We will use all the tools at our command to achieve that end.

Christina McKelvie: Although it is encouraging that progress has been made, does the minister think that progress can be sustained, given the removal of powers under European cross-compliance rules? Does he agree that cross-compliance has been the most significant tool in his armoury for forcing change and driving out the cowboys and criminals who still think that laying poisoned bait is acceptable behaviour in the 21st century?

Michael Russell: Christina McKelvie makes an important point. Many people think that the use of cross-compliance rules has been one of the most significant steps ever taken on wildlife crime in this country and that the approach has brought defining moments in demonstrating the seriousness of the matter.

Of course, cross-compliance remains in place. The deliberate killing of a protected bird is a breach under the current cross-compliance legislation and will remain so under the new approach, because the link with article 5(a) of the birds directive will remain in place. That means that if a carcase is found and it can be shown that the bird was deliberately poisoned under the responsibility of a recipient of common agricultural policy payments, that will constitute a breach of cross-compliance.

The removal of the link with article 8 of the birds directive from cross-compliance legislation means that there might no longer be a breach if poisoned bait but no carcase is found. However, I stress that the use of plant protection products that are not approved under the Plant Protection Products (Scotland) Regulations 2005 (SSI 2005/331) will constitute a breach of cross-compliance legislation. That means that the use of carbofuran—the most common chemical that is used to poison raptors in Scotland—will constitute a breach of cross-compliance legislation.

Therefore, cross-compliance will continue to be one of the most significant tools in our armoury for the defeat of wildlife crime.

Elaine Murray (Dumfries) (Lab): I was recently advised by wildlife crime officers from Lothian and Borders Police that because wildlife crime is classified as a group 6 crime, statistics are not recorded. Has the minister discussed or will he discuss with colleagues in the justice portfolio the reclassification of wildlife crime, so that its extent can be properly assessed?

Michael Russell: Yes. I have had such discussions. Dr Murray is absolutely right to draw attention to the fact that we need to keep better

and better figures on what is taking place in the countryside. I will continue to discuss with my colleagues the ways in which we can do that. More reporting—and we are having more reporting—will help police officers and others to realise the seriousness of the matter, as a result of which they will press for better classification.

Jamie McGrigor (Highlands and Islands) (Con): While I am totally against the indiscriminate poisoning of raptors, what is the minister doing to address the on-going problem of introduced sea eagles killing and eating the lambs of crofters and farmers in the Highlands and Islands?

Michael Russell: I have some reservations about linking the two issues under the question heading. Any linkage is utterly wrong. Of course, as Mr McGrigor knows, and has been told, Scottish Natural Heritage is conducting intensive work with crofters on the issue. We have made it clear that we are prepared to act once we have the information to hand. I treat the matter seriously, but it is not linked in any way to wildlife crime, and it should not be.

Alasdair Morgan (South of Scotland) (SNP): I urge the minister to redouble his efforts. Does he agree that it is easy to get the impression that we are moving backwards in terms of certain species and areas? Does he further agree that those who spend a lot of time and effort in introducing species such as red kites—or, for that matter, sea eagles—find that disappointing?

Michael Russell: We should keep the sea eagle issue out of this. There is a continuing problem with poisoning in Scotland. I would be happy to redouble my efforts, but I think that we are running pretty much at full tilt as it is. It is important for Mr Morgan to realise, as many people in Scotland realise, that every effort is being made to ensure that such crime is rigorously investigated, prosecuted and punished. We will continue to do that.

The strong impression and fact that we have to get out into Scotland is that crime against wildlife is crime like any other and that it will be punished like any other crime. We are making progress on the issue. It is too early to look at the full figures for the year, but those for the first half indicate that bird poisonings have dropped. I want them to continue to drop. We will do everything to ensure that that happens. Progress is being made. I pay tribute to all the organisations that are involved in that.

Sustainable Development Commission Report

2. Patrick Harvie (Glasgow) (Green): To ask the Scottish Executive how it responds to the criticism that is contained in the Sustainable

Development Commission's second assessment report. (S3O-5161)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): Sustainable development is at the heart of our commitment to sustainable economic growth. We welcome the Sustainable Development Commission's finding that our approach

"accords with good practice in sustainable development governance"

and the positive assessment by the SDC of so much that we are doing. We will consider carefully all its specific recommendations.

Patrick Harvie: The commission has some interesting things to say about the concept of sustainable economic growth. For example, it says that

"there are clear tensions between GDP Growth and the other Purpose targets",

including those on sustainability. It goes on to express concern about whether

"Government will reconcile aspirations to increase GDP while reducing ... emissions."

That is the view not only of the Sustainable Development Commission but, it would appear, of the Government's hand-picked advisers on the Council of Economic Advisers. The Scottish Parliament information centre provided me with a copy of the council's first annual report, in which it expresses concern on the matter and asks how the Government will relate its target for economic growth to that for reducing greenhouse gas emissions. Is it not time for the Government to begin to redefine what it means by economic progress? Surely it should no longer be only about growth. If we do not do that, we will be left asking ourselves whether emissions or gross domestic product take priority.

Richard Lochhead: We have redefined what we mean by economic growth. That is why the concept of sustainable economic growth is at the heart of everything that this Government does. The member needs only to look at the raft of sustainable legislation that we have introduced and are bringing forward over the coming months. Among a host of measures, all of which have sustainable economic growth at heart, we have the proposed marine bill, the Flood Risk Management (Scotland) Bill and the Climate Change (Scotland) Bill. Indeed, sustainable economic growth is at the heart of everything we do.

The Sustainable Development Commission has highlighted the potential tension that all Governments in the world have to address. We benefit from and welcome independent scrutiny of

our policies to achieve sustainable economic growth. That is what we will continue to do.

Sarah Boyack (Edinburgh Central) (Lab): Given the key criticism in the commission's report, how can we have confidence that Scotland will meet the 80 per cent carbon reduction target by 2050 if we do not have in place the short-term strategy that the commission identified that we need? Surely ministers must now identify specific carbon reductions across every portfolio. Ministers need to do that if we are to meet our 2050 target and get the early action that we all agree is needed.

Richard Lochhead: I accept the premise of the member's point. Climate change is a big challenge that all members, all parties and all Governments will have to address in the coming decades. That is why Scotland's first ever climate change minister, Stewart Stevenson, has not only introduced what WWF and others described as the world's most ambitious climate change bill, but made a commitment to follow it up with the action that we all have to take to ensure that we achieve the ambitious targets by 2050.

Scottish Environment Protection Agency (Meetings)

3. Tom McCabe (Hamilton South) (Lab): To ask the Scottish Executive when it last met the Scottish Environment Protection Agency and what issues were discussed. (S3O-5187)

The Minister for Environment (Michael Russell): I and my officials have frequent meetings with SEPA. I have a wide-ranging quarterly meeting with the chief executive and chairman, I attend a board meeting annually, and there are special meetings on special subjects including flooding. Richard Lochhead met SEPA's chief executive on 8 October to discuss SEPA's contribution to the Scottish Government's economic recovery plan.

Tom McCabe: As the minister will know, concerns about climate change are increasing and there have been some unprecedented flooding events in various parts of Scotland in the recent past. What is SEPA's latest view on our state of readiness to meet current and future flooding threats?

Michael Russell: We regularly review the state of readiness, as does the civil contingencies group in the Scottish Government. Last year, after the flooding in England and Wales, we took special steps to ensure that the eight regional groups felt that they were adequately prepared. The Flood Risk Management (Scotland) Bill gives SEPA an enhanced role, including not just flood alert activity, which is extremely important, but flood warning functions. Mr McCabe is right to say that

climate change is producing new challenges in relation to flooding. I believe that the bill rises to those challenges.

Forestry Industry

4. Peter Peacock (Highlands and Islands) (Lab): To ask the Scottish Executive what discussions it has had with forestry organisations on the future management and financing of the forest industry. (S3O-5198)

The Minister for Environment (Michael Russell): After my recent discussions with leading representatives of the forestry industry about the impact of the current economic downturn on the sector, I announced a range of measures to help to ease the pressure on hard-pressed businesses. We also discussed the representatives' views on the consultation that I launched last month on climate change and the national forest estate. On 18 December, I will attend a meeting of the Scottish forestry forum to hear further comments on the matter from stakeholders who represent all parts of the sector—economic, social and environmental.

Peter Peacock: No doubt the minister's discussions will have made it clear, as he has done publicly, that the reason for leasing part of the national forest estate is to finance expenditure on climate change measures. Will he clarify whether the ambitions that are set out in the recently published Climate Change (Scotland) Bill are dependent on finance from the leasing of tracts of Scotland's forest estate?

Michael Russell: We have just heard from Sarah Boyack a strong statement about the imperatives of climate change, which Mr McCabe also mentioned. It is important for members to consider any proposal that comes forward that could resource actions that would reduce greenhouse gases and make an impact on climate change. Forestry is one area in which that could happen.

Of course there is a relationship between these plans. Indeed, the consultation is designed to ask people for their views and to improve the proposals; alternatively, we might reach a stage at which we decide that we cannot take them forward. I encourage Mr Peacock—and every other member who has an interest in the matter—to consider the proposals seriously, to consider the imperatives of climate change, and to be ambitious and thoughtful about the changes that we will have to face.

John Scott (Ayr) (Con): In addition to understanding the commercial potential of forestry, the minister will appreciate that the national forest estate—including the Galloway forest park, which covers a huge swathe of south-west Scotland and

reaches into the south of Ayrshire—also fulfils important environmental and social purposes. What guarantee can he offer that any leasing of parts of the national forest estate will not diminish the environmental and social benefits?

Michael Russell: There are absolute guarantees that that will not be so, and they have been made obvious. In addition, the potential to spend up to £200 million on climate change measures within the forest estate would mean new jobs and new opportunities to enhance the environment. There are many positive things in the proposals.

I stress again that there is a consultation on the matter and that members' views are welcome. I hope that members will come forward with their views in a constructive and thoughtful way.

Rob Gibson (Highlands and Islands) (SNP): Does the minister agree that extending the community control of forests will aid the process of ensuring that more trees are grown and of tackling climate change which, as the Stern report has pointed out, requires investment at the earliest possible time? We hear calls for community control in other areas, but we could do with realising our forestry assets to fulfil our duty on climate change.

Michael Russell: I can see why the latest issue of *Am Bratach*, the Sutherland magazine, carries a letter that says that Mr Gibson has a deep knowledge of Highland culture. It is clear that he has a deep knowledge of woodlands because he knows how important it is to plant new trees—[*Interruption.*] Jackie Baillie appears to question Mr Gibson's qualifications from a sedentary position; I am sorry that she does so, because Mr Gibson's qualifications to talk upon these matters are great. He knows that community ownership of forests has worked well in the Highlands and Islands. He knows that early investment in climate change measures is recommended by the Stern report. He is taking a forward-looking view. I am afraid that all that we hear from the Labour benches is carping and criticising. Labour members will be judged on their inability to engage with forestry and climate change or to think constructively. It is sad that they are backward looking in forestry as in everything else.

Environmental Projects (Fife)

5. Tricia Marwick (Central Fife) (SNP): To ask the Scottish Government what assistance is provided to environmental projects in Fife. (S3O-5219)

The Minister for Environment (Michael Russell): Environmental projects in Fife, and indeed throughout Scotland, are able to access a wide range of funds from across the public sector,

including the INCREASE grant scheme, the Scotland rural development programme and the climate challenge fund. The climate challenge fund is focused on climate change, as we all should be.

Tricia Marwick: The minister is well aware of the fantastic environmental initiative in Markinch in my constituency—the Bleachfield project—that has seen a former landfill site transformed into an environmental garden that can be used by the whole community. Does the minister agree that volunteers such as Jack Chalmers and the Milton and Coaltown of Balgonie community council should be commended on that project and that similar initiatives should be encouraged?

Michael Russell: I do indeed and I had the pleasure of meeting Jack Chalmers and members of the Coaltown of Balgonie community council when I visited the Bleachfield site some weeks ago. It emphasised two things to me: one was that the role of volunteers is extremely important and the other was that communities should be ambitious for their area because things are changing and communities have to change with them—a message that I commend to others in the chamber.

Recycling Targets

6. Hugh Henry (Paisley South) (Lab): To ask the Scottish Executive what the impact of the current economic situation is on meeting recycling targets. (S3O-5179)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): Although the global financial crisis has reduced demand for some material that we recycle, it is important to continue to take a long-term view and work towards a zero waste Scotland. We are already recycling more material than ever before and local authority performance to June this year was over 32 per cent.

Taking account of the current situation, we will be working with local authorities and other public sector partners to ensure that Scotland meets the challenging recycling targets that I announced in January 2008.

Hugh Henry: I commend the minister on maintaining the pressure to meet recycling targets, but he will be aware that the current situation has led to a fall in prices for recycled materials and that, as a result, there are reports of increased use of landfill and reduced incomes for local authorities. Will the minister take steps to ensure that any reduction in local authority income is replaced or supported by grant from him so that there is no diminution of pressure on local authorities to meet their targets? Will he tell me what additional measures he will take to ensure that there is no increased use of landfill?

Richard Lochhead: I thank the member for raising an important issue. The waste and resources action programme—WRAP—is still of the view that the current low prices for recycled materials are temporary. I am sure that we all hope that that is the case. SEPA is working actively with local authorities to address the problem. Although there is no evidence of a reduction in the collection of recycling, many local authorities are looking at storage and other measures to deal with what is, I hope, a temporary situation. It is important that SEPA and others work with them. I assure the member that we are paying close attention to the challenge facing local authorities as a result of the international economic climate, and we will continue to do so.

Local Government Finance Settlement 2009-10

The Deputy Presiding Officer (Trish Godman): The next item of business is a statement by John Swinney on the local government finance settlement 2009-10. There should be no interventions or interruptions during the statement, as it will be followed by a subject debate on the matter.

14:55

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): The Government came to power with the aim of establishing a new relationship between national and local government, which was delivered by the concordat that we signed just over a year ago. The concordat put local government at the centre of governance in Scotland, working alongside national Government as an equal partner.

Under the concordat, we have invested record levels of funding, halted the downward trend in the proportion of the Scottish Government's overall budget that goes to local government, removed unnecessary and restrictive ring fencing around funding streams, given councils greater freedom and flexibility to do their jobs, and stepped back from micromanaging local government. We have seen a year of significant progress in that relationship.

Today I am pleased to announce the provisional funding allocations to local government for 2009-10, which are significantly higher than the indicative amounts that I set out last year for the coming financial year. Copies of summary tables containing the key information in my statement are available at the back of the chamber.

All the decisions that we take on funding must take account of the current economic and financial circumstances that we face. When we signed the concordat a year ago, none of us could have envisaged the ferocity of the economic storm that has since engulfed not just Scotland but the global economy, nor could we have foreseen some of its ramifications. Scotland's communities are feeling the effects of that storm. The Scottish Government remains firmly on the side of businesses and households that are facing the prospect of tougher times and is using all the levers at its disposal to address the current economic conditions. We have already announced our economic recovery plan, which builds on the earlier steps that we have taken to support the Scottish economy. The Government's focus remains on increasing sustainable economic growth. Our recovery plan will help to maintain investment and development

in the economy, while targeting support at households and businesses.

We know that to achieve progress and to support Scotland into a speedy recovery we need to work in partnership and to draw together all aspects of government. If the economic recovery is to work at both national and local levels, it must involve local government in order to ensure that we are using all the powers and resources at our joint disposal. That is why we have discussed with local government the actions that councils can take to assist economic recovery. I welcome the steps that authorities plan to take in that respect.

We know that councils are having to deal with lower than expected income, for example as a result of adverse market conditions impacting on projected capital receipts. There may also be greater demand for their services over time. At least inflation, which has been higher than expected, is falling and is predicted to fall further.

Under the concordat, both national and local government are already working jointly towards agreed outcomes under a single national purpose. The current economic challenges have given that joint working added urgency. Last week we debated some of the measures that we are taking to bolster economic recovery and to support families and businesses, which include bringing forward £100 million of capital spending to invest in affordable housing. Local government played its part in that and is a key player in the measures that I announced last week to bring forward substantial investment from 2010-11 into this and the next financial years. Councils have made it clear to me that they are positive about the contribution that they can make and that they will be able to bring forward substantial programmes of capital investment. We are continuing to discuss with local government the detail of those programmes.

I have given just two examples of how Scotland is benefiting from a better and more constructive relationship between national and local government in Scotland—a relationship that was enshrined in the concordat and which is still developing. In 2008-09, we agreed to fund a council tax freeze and made available an extra £70 million to councils to support it. All 32 councils accepted that support and either froze or reduced their council tax, which meant that an extra £70 million went directly into the pockets of hard-pressed taxpayers just as the economic downturn was starting to bite. We—the Scottish Government—will invest in that commitment again in 2009-10 by making a further £70 million of new money available to councils. I hope that all councils will agree to extend the council tax freeze for a second year in order to give further support to those who are most in need.

Through the small business bonus scheme, which is another element of the concordat, we have also cut or removed business rates for small businesses, which is helping those businesses better to weather the current economic difficulties. The second stage of the programme of business rate cuts, which will implement the scheme in full from 1 April 2009, will be taken forward as a consequence of the Government's budget for next year—subject, of course, to parliamentary support.

Through the concordat, we are seeing fundamental new ways of developing policies. Yesterday, the Scottish Government and the Convention of Scottish Local Authorities together launched an early years framework. We developed the policy together so that we can give children the best possible start in life. Two weeks ago, I met a broad cross-section of public sector leaders in Edinburgh and was able to reflect the greater scope and flexibility that Scotland's local authorities now have to plan and act in a way that prioritises their local concerns and the communities that they serve. That is good news for local government and for the communities and people of Scotland.

One very public consequence of the credit crunch has been the difficulties that a number of Icelandic banks have experienced. That has in turn impacted on a number of Scottish local authorities that had deposits in those banks. There is still uncertainty about what the situation will mean for those councils as they prepare their budgets for 2009-10. We are in touch with COSLA and the United Kingdom Government to ensure that we are doing all that is possible to support those councils. I can announce that, in the meantime, and following discussion with COSLA, I will shortly introduce statutory guidance that will allow councils, exceptionally, not to make provision in their 2009-10 budgets for any potential loss on those investments. The measure will give councils time to adjust their medium-term financial plans once the position on recovering their money is clearer, and it will mean that their budgets or council tax will not be affected in the short term.

That brings me to the detail of the 2009-10 settlement for local government. Last year, despite receiving one of the tightest settlements since devolution, we chose to increase the proportion of the Scottish Government's overall spending that went to local government to an indicative total of £11.6 billion for 2009-10. I am pleased to announce that the figure has now risen to £11.7 billion. That figure, which includes capital and revenue funding, represents an increase in funding to local government of 5.1 per cent on 2008-09 levels.

The additional sums that I am confirming today have been agreed and discussed with COSLA.

They include £40 million in response to the report of Lord Sutherland's review of free personal care; £42 million to meet the commitments on police and fire and rescue service pensions; £18 million to support local government with an increase above that which was forecast in employers' pension contributions for teachers; and £12.2 million as local government takes on some of the powers for local regeneration. As a result of those changes, revenue funding for 2009-10 will now total £10.8 billion, which is an increase of 5.4 per cent on funding for the current financial year. That includes the funding that we included last year for an increase in police officer numbers.

The capital funding element amounts to £945.6 million for 2009-10. When we announced the three-year settlement last year, we front-loaded our capital investment in the first year and maintained the increase throughout the period. There are a number of offsetting adjustments to the capital funding to local government in 2009-10, which I should explain in a bit more detail. First, as I have already noted, local government has agreed to release £20 million in this financial year and in the next one to support the programme of accelerated capital investment in affordable housing that we announced in the summer. Those amounts will be returned to local government in 2010-11. Secondly, following discussion with COSLA, we have agreed to swap £20 million of capital for £20 million of revenue in 2009-10 and in 2010-11 to support existing school investment programmes. Thirdly, we have agreed that £6.9 million will be transferred from police budgets to the Scottish Police Services Authority to meet the costs of centralising police information and communications technology support.

I do not propose to list every single change that has been made. A full list will be published in the circular that we are issuing to local authorities and COSLA today as part of our normal consultation on the provisional allocations. However, to summarise, all the various elements taken together result in a 5.1 per cent increase in the overall funding to local government compared with 2008-09. Taking this and the next financial year together, that means that, under the concordat, local government will see a 9.9 per cent increase on the allocation for 2007-08.

Despite Scotland receiving the tightest settlement since devolution, this substantial increase in funding will allow councils to sustain the essential services that they provide to communities, and to progress delivery of the commitments that we have jointly agreed in the concordat, including improving the fabric of education through reducing class sizes; increasing nursery pupils' access to teachers; expanding pre-school provision to three and four-year-olds; extending free school meals to pupils of families in

receipt of maximum child tax credit and maximum working tax credit; continuing to work in partnership with colleges and local employers to give pupils more vocational education opportunities; treating kinship carers of looked-after children on an equivalent basis to foster carers; improving care home quality; offering more respite weeks for carers; reducing business rates for small businesses; and putting more police on the streets.

Those are just some of the positive measures that are being taken forward by local and national Government together and which are made possible through the funding that is being invested in councils by the Scottish Government and by the new supportive ways of working that were agreed through our joint concordat.

When I presented my draft budget for 2008-09 to Parliament last year, I indicated that I would look at the case for additional financial support for the City of Edinburgh Council to meet the unique additional costs that it incurs as Scotland's capital city. I asked the council to submit a business case. It has done so, and I am considering that evidence. I am not in a position today to announce my decision, but I will confirm the decision in good time before the local government finance order for 2009-10 is brought before Parliament for approval at the start of next year. Whatever amount I may decide for the capital city supplement will be additional to the funding that I am announcing today for local government as a whole. In other words, the capital city supplement will not result in any decrease in the provisional allocations to other councils that I am announcing today.

Business rates are an important element in the income of local authorities. As part of our economic strategy, we committed to not allowing the poundage rate for business rates to rise above what it is in England during this session of this Parliament. I can therefore confirm that the rate for 2009-10 will remain in line with that in England, at 48.1p. The modest poundage supplement that larger businesses pay on properties with a rateable value of over £29,000 will be set at 0.4p, which is also in line with the supplement that has been set for England. That confirms that, as far as the business rates poundage is concerned, Scottish business that must pay business rates will be on a level playing field with comparable businesses south of the border. Of course, many businesses will pay no business rates after April 1 2009.

One measure in the Chancellor of the Exchequer's pre-budget report has caused us particular difficulty—the UK Government's decision to impose an additional £5 billion in efficiency savings for 2010-11. That decision directly threatens not only the Scottish budget but

the delivery of services to the people throughout Scotland because it will mean a proportionate cut—potentially around £500 million in 2010-11—in the money that Scotland is due to receive from the UK Government. We cannot reinvest that money because the Treasury will hold it back. We will not know until the chancellor gives his budget statement in spring next year by exactly how much our funding will be reduced. When we are given that information, we will then need to consider where the cut that will be imposed by the UK Government will fall, and to discuss the implications fully with our partners before we reach any decisions. I have therefore decided, having consulted our local government partners, not to publish indicative figures for 2010-11 at this time. Were I to have done so before we know more about the precise impact, and before we have had an opportunity to consider how we can accommodate it, the figures would have been at best artificial and at worst misleading.

In conclusion, the provisional allocations that I have indicated to Parliament today will further increase the share of the Government's overall budget that goes to local government. The allocations will continue our record investment in local government, build on the positive relationship and progress that we enshrined last year in the concordat and continue our positive and constructive manner of working. The resources will support our work in looking forward to tackling the important challenges ahead. We will work together to continue our focus on sustainable economic growth and on providing a solid foundation for Scotland.

Today marks the start of the normal consultation period with local government on the provisional allocations. I will bring the final figures to Parliament as part of the local government finance order in February, once the budget bill has been passed.

Local Government Finance Settlement 2009-10

The Deputy Presiding Officer (Trish Godman): The next item of business is a debate on the local government finance settlement for 2009-10.

15:11

Andy Kerr (East Kilbride) (Lab): We have all grown used to the phrase “historic concordat”. If Parliament had been given a fiver for every time the concordat was used as an excuse or hiding place for ministers, we could perhaps afford the Forth road bridge and all the other promises that we heard about in the fictional transport plan yesterday.

Every time ministers use the concordat as a defence in that way, Scots are let down by the Scottish National Party Government. When kinship carers are let down by the Government, ministers say that the issue is in the concordat. When probationary teachers are let down by the Government, the issue is, again, in the concordat. When a voluntary organisation that is under threat of closure is let down by the Government, the issue is—of course—in the concordat. When schoolkids have to attend an old school that requires a replacement that has not yet been built or delivered, the issue is—of course—in the concordat. Well, it is simply not good enough to hide behind the concordat. The historic concordat is a fig leaf for the Government's failure to deliver its commitments in partnership with local authorities. The concordat is a mask for the cuts that are now happening across Scotland.

Let me address some of the fantasy and mythology that were contained in the cabinet secretary's statement. He said that he is investing “record levels of funding”, but those record levels of funding have been made available to him by the United Kingdom Government. However, if we take out the £70 million for funding the council tax freeze, the actual amount of money that is being invested in services is level with the amount that was invested under the previous Administration.

Alasdair Allan (Western Isles) (SNP): Will the member concede that the Scottish Government is now giving a greater proportion of its budget to local government?

Andy Kerr: That was an horrendous intervention that I will happily deal with. In 2002-03, local government's share of the Executive's budget was 36.66 per cent. In 2003-04, its share was 36.69 per cent. In 2004-05, its share was 35.58 per cent. Under the SNP, local government's share of the Scottish Government's

budget is 33.57 per cent. If Mr Allan prefers to look at the average figures, he will find that while Labour was in power the average share of the cake for local government was 35.5 per cent. Under the SNP, the average share of the cake is 33.3 per cent. The member's intervention is false, but it allows me to ram home the message that the Scottish Government is simply playing with numbers and figures instead of addressing the real issues.

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): Can Mr Kerr tell us whether, by the time he left office, local government's share of Scottish public expenditure was higher than the 2002-03 figure that he read out?

Andy Kerr: I will happily reveal to Parliament that the share declined, but I am also happy to advise members that, if we take out the £70 million for the council tax freeze, the amount of real money for the delivery of services has remained the same—it has not increased, as the minister claimed—under the SNP's settlement. That is my point about the mythology, or smoke and mirrors, surrounding the settlement.

On page 4 of the statement, the minister tells us about the £100 million of capital spending that will be made available for affordable housing. We welcome the £7.5 million for site starts, the £9.1 million for land acquisition and the £1.4 million for buying unsold stock. However, that is hardly the intervention that we were all promised in the miserable six-point plan.

On page 7 of the statement, the minister says:

"we chose to increase the proportion of the Scottish Government's overall spending going to local government".

However, as we now know, that is mythology. It is untrue if, as I pointed out, we exclude the £70 million for council tax freeze that does not contribute to services out there in communities.

Let us talk about the money that has been added. The £40 million for free personal care was already committed and announced, and it will cover food preparation charges that should already have been covered. There will be no extra services as a result of that money. There was £42 million announced to meet police and fire pension commitments, but there are no extra policemen or fire personnel. Money was announced for the above-forecast increase in employers' pension contributions for teachers, but there will be no new teachers, and there are fewer teachers in our schools at the moment. The £12.2 million that was heralded in the minister's statement as being for local regeneration is a transfer of functions from Scottish Enterprise.

It is more worrying that page 10 of the minister's statement has a list of commitments on the fabric of education, class sizes, free school meals, and working in partnership with colleges to give pupils more vocational education opportunities, but there are no costings, delivery mechanisms or timescales. None of the commitments on that list is agreed with local authorities, will be delivered or is funded.

The extra money that was announced in the minister's statement as being available for all the commitments wrapped up together—I have not mentioned them all—is a startling £80 million. What does the SNP value those commitments at? By its own calculations, they would cost £500 million. I therefore suggest that the cabinet secretary and his colleagues are misleading the Scottish people about the local government finance settlement.

We do not need to go far to find evidence to support that statement. Indeed, Martin Booth, the head of finance for the Convention of Scottish Local Authorities said that the settlement

"is a lower percentage increase than previous settlements since devolution."—[*Official Report, Local Government and Communities Committee*, 5 December 2007; c 335.]

Alasdair Allan should pay attention to this. When asked whether the settlement was below average, Mr Booth replied, "Compared with previous settlements." So I ram home the message again, not from my mouth but from Mr Booth's, that local government's share of the cake when I was in the Administration was 35.5 per cent, and it has fallen by 2 per cent under the SNP.

John Swinney: Will the member give way?

Andy Kerr: No. The cabinet secretary had his chance.

It has also been widely reported that 13 of Scotland's 32 local authorities are sinking into the red; one in three is facing financial meltdown. For the people of Edinburgh, the great local government settlement means that 22 schools are under threat, and there is a freeze on recruitment of nursery staff. The people of Aberdeen are facing the potential loss of 200 classroom assistants, which is one third of the workforce. The people of North Ayrshire are seeing sheltered housing wardens being paid off. The people of West Dunbartonshire are facing increased social work charges for the vulnerable and elderly. In Argyll and Bute, vulnerable 80 and 90-year-olds with dementia do not get the services that they deserve.

Also, as we heard today, the settlement does not do much for probationary teachers. The new General Teaching Council for Scotland statistics show that the ability of probationary primary and secondary teachers to get permanent posts has

reduced dramatically. For secondary teachers, it has reduced by almost 13 per cent.

It is not right to come to the chamber and lord it with a statement that says that this is somehow the best-ever settlement and that it is delivering the Government's commitments and pledges. We know, through the pain of the Scottish people, that that is not true.

When it comes to the spending plans for 2009-10, the SNP is continuing to underfund its promises and overestimate the feasibility of efficiency savings. The historic concordat will again see service reductions, increased charges and job losses. Here is another fact for Mr Allan. Since the SNP formed the Administration, 7,100 local government posts have gone. Many of them were part-time, and 2,300 full-time equivalent posts were lost in 18 months. I suggest that that is hardly a figure that we would choose to use to applaud Mr Swinney for his achievement—a derisory budget that does not relate to what is really going on in our communities and how that is affecting people across Scotland.

The councils of North Lanarkshire, Scottish Borders, West Dunbartonshire, Dumfries and Galloway, East Dunbartonshire, Falkirk, Fife, Clackmannanshire, East Renfrewshire, the City of Edinburgh, Aberdeenshire, Aberdeen City, and Highland are all dealing with reduced budgets and reduced capability to serve their communities. Will the cabinet secretary recognise those financial pressures? Will he fund properly the commitments that he has made to the Scottish people, but which he can no longer fulfil? Will he and his colleagues refrain from blaming local government, as they did at question time today, when it suits their needs? Will the Government stop hiding behind the concordat and acknowledge the cuts that are being made now? Will it acknowledge that there is a con at the heart of the Government that is being felt by carers, pupils, teachers—especially our probationary teachers—and, worst of all, by the most vulnerable people in our communities. It is a heartless and cruel con indeed.

15:19

Derek Brownlee (South of Scotland) (Con):

We appear to be having a debate every week on some aspect of local government finance. Given that I initiate half of them, I will not complain too much. It would be easy to say about debates on local government finance, “God—I hate these things.” That could so easily have slipped into the Government's press release on last week's debate but, thankfully, it did not. To be fair to the Government—Mr Kerr certainly was not in a mood to be fair to the Government—it has learned from last week's debate on local government finance.

This week, there is no vote for it to lose, at least on this particular subject.

Reading the equivalent debate from last year, I was struck by the fact that much of what has driven today's announcements was agreed with COSLA last year, such as the agreement on maintaining the methodology for allocating funds to councils and the floor mechanism. The announcements that we have heard concern what the Government is doing differently as a result of front-loading capital expenditure. We have a little more detail, but we basically knew what was coming.

We welcome the announcement of an extra £40 million to fund provision of free personal care. We have been calling for that, so it would be odd if we did not welcome it. We also welcome the progress that has been made on police pensions. We are all aware that pressure on police and fire service pensions has had the potential to cause severe difficulties in terms of recruitment, so the fact that the issue has now been addressed with COSLA is acknowledged as significant progress by those of us who were concerned about the pressures that that was storing up for local government.

The cabinet secretary mentioned the guidance that he will issue to councils that have been affected by the collapse of the Icelandic banks. We will consider that carefully—I do not want to rush to a judgment on the matter because I am a little wary of the proposals that he outlined. The issue is certainly a matter of real concern to council tax payers whose local authorities have money in Icelandic banks, which they fear might not be recovered.

On the capital city supplement, I see that the historic concordat with Margo MacDonald is alive and well. I did not see any commitments on timing, but I suspect that it might be rather more to the cabinet secretary's advantage than to Ms MacDonald's. We await that with interest.

Andy Kerr mentioned the problems that are being faced in some council areas. I will not pretend that there are no issues about funding or pressures on spending in some council areas. Whatever Government is in power, and whether or not there is an historic concordat, there is always an issue about transparency and the tension between what central Government provides and what local government wants to spend. It is difficult for anyone to make an objective assessment of whether councils are being overfunded or underfunded, given the current funding mechanisms. However, some of the bleaker forecasts about what was going to happen in local government that we heard in last year's debate have yet to come to pass. That is perhaps a sign that we should not be too hysterical in our comments.

It is entirely appropriate that local government is expected to make the same efficiency savings that the rest of government is expected to make, so it is bizarre to suggest that local government should not be subjected to efficiency savings.

I am happy, on behalf of the Conservatives, to welcome the council tax freeze. Anything the cabinet secretary can do to make the council tax more popular is fine by us. I note that, despite the criticism of it by some, in strictly numerical terms it has been fully funded. There is an entirely different argument to be had about what local government is expected to deliver, but I am happy to concede that the council tax freeze has been fully funded.

One of the interesting points to arise in last year's debate was made by Mr Rumbles—who is not in the chamber this afternoon—about how the existing allocation methodology impacts particularly on Aberdeenshire Council. That is a complaint that all north-east councils make, and we are not going to see any changes to that over the three-year period. However, if we were to go down the route of having a local income tax and the Government were to maintain its insistence that receipts would go to councils and Government grant would be adjusted appropriately, areas such as the north-east of Scotland and the city of Edinburgh would be most severely hit. Perhaps those who are concerned about the allocation methodology for the council tax should take a very close look at what might happen if a local income tax were to be introduced.

The bottom line is that if we are not going to challenge the method of allocating funding to councils, we can challenge the settlement only on the total amount of funding to local government. We can argue about whether it is an increasing or decreasing share of the total Government budget; I am sure that we will hear both sides of that argument. Frankly, I am unconvinced. The broader question is whether anyone is seriously suggesting that the local government budget should be significantly increased, particularly given the other constraints on public spending. We should not complain about all the alleged cuts in local government without also making it very clear that there is very limited scope for significant increases in total Government support to councils. Members should be careful about what they ask for this afternoon.

15:25

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): This afternoon, the Cabinet Secretary for Finance and Sustainable Growth made three essential arguments: first, that the levels in this settlement are better than the indicative levels that he set out in last year's local government finance settlement; secondly, that the

relationship with local government is all sweetness and light; and thirdly, that the current economic climate requires a proportionate response. I want to examine all three arguments.

I was interested to compare today's published settlement with tables that the cabinet secretary published last year, particularly with regard to capital allocations. Last year, the indicative level for capital allocations in 2009-10 was £992,580,000; today, that figure is £945,000,000, a difference of £48 million. We hear week in, week out that the provision of capital expenditure to local government is being accelerated, but no credible argument has been advanced as to why there has been a net reduction in that figure. We have also learned not only that £20 million of capital consent is being withdrawn from local government to fund affordable housing but that more than £5 million of that funding has been spent on buying land that is not for immediate housing construction and £1.4 million has been used to buy unsold private housing stock. Spending money in that way neither boosts construction jobs nor affords local authorities the ability to develop capital expenditure.

That has been compounded by Sir Angus Grossart's comment to COSLA that the Scottish Futures Trust had no funding and would simply be a lobbying arm for local government to persuade central Government to provide funding. Given that and the cabinet secretary's removal of level-playing-field support for new builds, councils are rightly desperate for a clear and sensible capital investment funding stream in Scotland. We simply cannot wait for that.

Investment in schools is a good example. We know that, since the Government took office, not one new school project has gone to the first stage of gateway approval. Armed with hard hats and brass necks, SNP ministers are falling over themselves to open new schools that were commissioned, designed, funded and built under the previous Administration. Meanwhile, however, local authorities are still waiting to hear from the Scottish Government about their demands for level-playing-field support.

We have still received no clarity from the Government about whether the capital that will be swapped for revenue to fund education policies will counteract the £40 million of accelerated capital expenditure that was announced last year to build classrooms to meet the Government's promise on class sizes. Last year, £40 million was given to councils; this year, £20 million has been taken from them for the same purpose. No wonder they are confused by the messages that they have been given.

The cabinet secretary tells us that this is all part of the new relationship with local government. As

we are told very regularly, it is an equal partnership; it is based on equity. However, it is a marriage without a joint bank account. If a party is wholly dependent on another party for funding, it is not an equal partner.

The relationship with local government has brought into being the single outcome agreements. Last year, John Swinney was interviewed by the *Scottish Law Reporter*. Thank goodness for Google that we are able to see such material, because I have to confess that I am not a regular reader of the journal.

David McLetchie (Edinburgh Pentlands) (Con): Shame!

Jeremy Purvis: Mr McLetchie has an annual subscription.

A few months after taking office, Mr Swinney said that local authorities complain about

“a blizzard of targets and measures”.

He added:

“What I’m saying to them is ‘let’s move to a simpler system, which is focused on outcomes—what is it we expect to deliver as a result of this injection of money?’”

A simpler system was promised but, at the time of his reassurance to local government that there would be no blizzard, an avalanche of targets was being drafted by council officers under the instruction of directors in the SNP Government. He said that there would be no blizzard, but the Scottish Parliament information centre has helpfully said in this session that there are now 3,599 targets, outcomes and indicators in the single outcome process. *[Interruption.]* I say to the cabinet secretary that I am talking about information from the Scottish Parliament information centre; if he is laughing at SPICe, that is regrettable. The review process has not begun, but the drafting of next year’s targets, outcomes and indicators has, so we do not know how many of the 3,599 targets, outcomes and indicators will be outstanding for the next year.

On the Government’s financial responsibility, a statement was given yesterday on the strategic transport projects review. Local government will be required to carry out many of the projects but, in spinning the £21 billion plan, the Government did not say that there was a variance of £8 billion in the estimates. In that context, local authorities do not have a clue about what is expected of them. Therefore, it is no surprise that the footnote on cost estimates in the document says that costings are an indicative guide only.

The cabinet secretary referred to

“the ferocity of the economic storm that has since engulfed ... Scotland”

and said that the Government

“is using all the levers at its disposal”.

The budget shows capital reductions for councils, and it is less than 1 per cent different from the one that was announced last year. If we are facing the ferocity of an economic storm, we require more than a 1 per cent difference in the Government’s budgets.

15:32

Keith Brown (Ochil) (SNP): Obviously, it is hard to avoid figures in such debates. Like Derek Brownlee, I well remember last year’s debate and the dire predictions about the impossibility of the council tax freeze, but it is sometimes better to start with first principles rather than figures.

For those who cannot remember, David Cairns used to be a junior minister in the United Kingdom Government but could not stand being in the same Government as Gordon Brown. In *The Scotsman* of 22 October last year, David Cairns was quoted as saying:

“In truth, Alex Salmond has more money than any First Minister has ever had—twice as much as Donald Dewar.”

That line was repeated by Alistair Darling on 8 November 2007, Sarah Boyack on 2 February 2008, Peter Peacock on 27 February 2008, David Cairns on 19 June 2008, Yvette Cooper, and Wendy Alexander as recently as 11 November. Other Labour members have used the line so often that they give real meaning to the term “ad nauseum”. I think that Andy Kerr refers to ramming things home.

Perhaps we can leave aside the fact that every Labour-Liberal Administration between 1999 and 2007 received an annual increase of around 4 per cent, which would now look like milk and honey to the Scottish Government. However, we cannot accept Labour’s logic, because it ignores rising staff costs, construction industry inflation—which, until recently at least, rose well ahead of general inflation—and, of course, rising prices generally. Increases are also needed to mount new initiatives rather than simply to meet recurring spending commitments, which is the day-to-day work of people involved in governance and delivery.

Jeremy Purvis: I wonder whether the member will be able to help us, as he is sitting next to the cabinet secretary. The information that was published last year included an indicative table with a floor of percentage increases. The core revenue grant increase was shown. Such a table has not been published this year. Does the member know why? Can he explain why, according to that indicative table, 12 councils were due to get an increase of less than 4 per cent in the settlement? That figure was the average over

every year that the Liberal Democrats were in the Administration.

Keith Brown: If Jeremy Purvis wants to ask the cabinet secretary questions, perhaps he should intervene when he is speaking.

Jeremy Purvis: I could not do that. It was a ministerial statement.

Keith Brown: I am sure that Jeremy Purvis will get a response in due course. He will get a chance to intervene when the cabinet secretary is summing up.

The Donald Dewar soundbite is not a credible comparison; instead, it is an exercise in deliberate misdirection. Labour and Lib Dem members who have tried to blame the Scottish Government for every local government cut—we heard a litany from Andy Kerr—or saving must explain how these two propositions can coexist. Either there is more money to go round or there is less money for local government.

They must accept that local government now has more than double the amount that it was given by the First Minister, Donald Dewar, in 1999. The figures are public and are readily available, as they are in the old budget documents. By my reckoning, about £5.5 billion was given in 1999. I remember moving Clackmannanshire Council's budget, which was £40 million. This year, it will be around £99 million.

That is not to say, of course, that the threat of cuts does not hang over councils. However, that threat comes as a result of the £1 billion that is pledged by Gordon Brown, who might egregiously boast that he is the man who saved the world but who is more like, in David Bowie's words, the man who sold the world—on a mountain of consumer debt. Further, for those who either deliver or rely on local services—not to mention the employees of Woolworths—it seems clear that Gordon Brown will soon become the man who fell to earth.

Of course, the Liberal Democrats also present a real and present danger to council services—or, at least, they would if they stood a chance of being elected to Government. Despite asking for more money for just about everything, they want to cut £800 million out of the Scottish budget. I assume that that is in addition to current savings and Labour's £1 billion cuts.

I hope that some of the Labour speakers who are still to come will be able to do what those on Labour's front bench have failed to do, which is to explain how they can suggest that the Scottish Government's roads are paved with gold at the same time as saying that local authorities are supposedly too poor to pave their roads at all.

Andy Kerr: Will the member give way?

Keith Brown: I have already taken an intervention; if I take any more, I will not get through my speech.

Andy Kerr: I could explain the issue that Mr Brown is asking about.

Keith Brown: Mr Kerr failed to do so when he had the chance; perhaps someone else can do so.

Some might argue that the Scottish Government has had this—mythical—bounty given to it but has cut the share that it passes on to local government. That argument would at least have an inherent logic, which Labour's does not. However, the problem is that the facts get in the way. Not only are local authorities getting an increase this year on last year but, last year, for the first time since devolution, local government's share of the cake increased, and it will do so again this year.

When I pointed that out last year, Andy Kerr dismissed it as being irrelevant. However, he should say that to all the Labour council leaders who, like me, argued with his Executive that the share of spending was crucially important to local government and who made challenges about it under the Tories as well as under Labour. He should also tell his good friend and close political ally, Pat Watters, who said, on April 14:

"Whatever you think of the overall amount of money available for the public sector in Scotland, local government stopped the decline of its share and marginally reversed that trend."

It is a marginal turnaround but it is a turnaround without a doubt, and one that shows the hypocrisy of an Opposition that now feigns indignation about supposed cuts, when the real cut to local government happened when it was in power.

It is also true to say that the end of ring fencing is a major gain for local government, and is something for which councils had been arguing for years. If councils decide to make cuts—as Clackmannanshire Council is doing, by cutting school crossing patrols—that is their decision. They have more money than ever before, but they have the right to make cuts. They will stand or fall by their decisions.

I warn Labour MSPs who are currently trying to convince Labour councillors to undermine the concordat at every stage—by not employing teachers or by manoeuvring within COSLA—that that behaviour is jeopardising gains that local authorities had been trying to achieve for years under Labour and Conservative Governments.

Looking ahead to 2012, I am optimistic about local government. Some councils will stand and others will fall but, for the first time that anyone can remember, they can be fairly judged on their own records. They have to get over the impact of

decades of underinvestment, obviously, but there is a new sense of purpose in councils and a new and fairer balance of opinion in town halls. Most important, thanks to this and other generous financial settlements of the Scottish Government, councils have the ability to deliver first-class services on the front line that meet the expectations and aspirations of the people of Scotland.

15:38

Hugh Henry (Paisley South) (Lab): In his statement, the cabinet secretary said that the substantial increase in funding that he said he was providing would allow councils to sustain the essential services that they provide to communities and would enable them to improve the fabric of education. However, let us look at the reality of the situation and examine what has been happening in Renfrewshire, under the SNP-led council, which is supported by the Liberal Democrats—Jeremy Purvis might want to caution his colleagues about that, as the party's increased popularity in the past four or five years is being jeopardised in Renfrewshire as a result.

What is happening in Renfrewshire? The education budget is being cut by £4.5 million. The delegated budget to every secondary and primary school is being cut. Many schools are finding it hard to afford to photocopy materials and buy paper, pens and pencils. That is the reality of the cabinet secretary's claim to be enabling councils to improve the fabric of education.

The council is closing South primary school, which had an excellent report from Her Majesty's Inspectorate of Education, to save less than £200,000 a year—yet the same council has found £312,000 to boost, over and above the normal inflationary increases for staff, the salaries of senior officers. It is closing six nursery schools—every nursery school in Renfrewshire will be closed—and it is reducing the qualified teacher input to the children in those schools. Peripatetic teachers will go into early years establishments—the children might see one every four or five weeks if they are lucky.

There have been cuts in primary school staffing in 2007-08 and 2008-09, as a result of which numbers are down by 3.2 per cent—that is the reality of the Government's claim that it is improving the fabric of education. Experienced primary and secondary teachers are being forced out of the door in early retirement, which will involve the council finding the money from other local government funds to pay for those additional costs for years to come in order to sustain a perverted and distorted view of education.

Probationary teachers were mentioned earlier today, when Alex Salmond asked pertinently why some local authorities are finding jobs for probationary teachers at the end of their probation but others are not. I urge him and the Cabinet Secretary for Education and Lifelong Learning to ask that specific question in Renfrewshire: why has the council employed none of the 172 teachers who completed their probationary year? Proportionately, Renfrewshire has one of the highest numbers of probationary teachers of any authority in Scotland at the same time as the council is getting rid of experienced teachers in primary and secondary schools. There is a suspicion that Renfrewshire Council is using probationary teachers as a means of employing teachers on the cheap to cover up the cuts that it is making elsewhere.

I will move on from education to other vital services in Renfrewshire. The council has reduced the warden services in sheltered homes, and it is increasing the charges for those services. It has closed four libraries: Gallowhill, Todholm, Elderslie and Bargarran, some of which had far higher usage than other libraries that were left open. It has closed five neighbourhood housing offices; increased the charges for swimming lessons for children; cut the park ranger services; closed the Apex community centre in Ferguslie Park; and cut the number of available hours for museum and observatory services.

At question time, we heard from Michael Russell and Richard Lochhead about the need for recycling, but Renfrewshire Council has withdrawn funding from recycling. Tragically, and worst of all, day centres for the disabled are to close in Renfrewshire.

The cabinet secretary and others talk about the funding settlement, and Alex Salmond talks regularly about local government having more money than ever before, but the reality is that, even before this year's settlement, Renfrewshire Council has been slashing services across the board. It has been reducing the quality of the services that are available to council tax payers in Renfrewshire—and that is before next year's budget cuts, which threaten to be even worse, start to become a reality.

It is no wonder that, for the first time in its history, the Educational Institute of Scotland's Renfrewshire branch passed a motion of no confidence in the present council leadership. That is the reality of this budget and last year's budget. God help people across Renfrewshire if the Government is allowed to continue on this course unchallenged.

15:44

David McLetchie (Edinburgh Pentlands) (Con): In preparing for the debate, I looked back at the equivalent debate in December of last year. I did so with some trepidation: would I have to eat my words or cross my fingers and hope that they would pass unnoticed by my political opponents? Alternatively, would those words show a remarkable degree of prescience and highlight concerns on issues that remain on-going problems? The Presiding Officer will not be surprised to learn that the latter is the case.

First, I assured a concerned David Whitton that the SNP's local income tax would never come to pass in this session of Parliament. Admittedly, that analysis was based on a projected retreat by the Liberal Democrats in tandem with what was going on in that party down south, so I must confess that I seriously underestimated the sheer stupidity of the Scottish branch of that party. However, it is certainly the case that in the past year the good ship Local Income Tax has run on to the rocks and is now on the verge of disintegration. Last week's vote in Parliament was significant in that respect, as it reflects a significant shift in underlying public opinion on the issue, which no amount of massaging of the figures by the SNP can disguise. Local income tax has been denounced from almost every quarter and, in particular, by the Scottish business community. The onset of Labour's economic recession further undermines the case for local income tax, for the simple reason that falling projections for local income tax receipts have made Mr Swinney's financial black hole even deeper.

The First Minister tried to suggest last week that council tax receipts were equally susceptible to changes in income levels, but that is not true. Under local income tax, if a job is lost in a household, the tax receipts of a council will go down. Under council tax, if a job is lost in a household, council tax benefit may kick in to reduce the outgoings of the occupier but, crucially, from the standpoint of the council and its public services, the receipts of the council will be maintained.

Keith Brown: Will the member give way?

David McLetchie: That is one good reason why it makes sense to keep council tax benefit and housing benefit outwith the Scottish block grant as part of the United Kingdom-wide welfare state and benefit system.

Last year, I also questioned the uncoded liabilities facing councils in respect of the implementation of single status agreements and related equal pay claims. It seems that progress has been made on that issue. We were told by COSLA at the recent meeting of the Local

Government and Communities Committee that 26 out of 32 councils had finalised single status agreements. That is well and good, but equal pay is another story. No one is any further forward in estimating the potential liabilities in that respect. Some councils are embroiled in litigation, the outcome of which is unpredictable, and the Cabinet Secretary for Finance and Sustainable Growth refused to put any figure on it, although it was a subject on which he was sorely vexed when in opposition.

Jeremy Purvis: Will the member give way?

David McLetchie: No. Sorry.

Yet, despite no one having the remotest idea of how much it will all cost, we are blithely assured by both the cabinet secretary and COSLA that it is all accounted for. We are told that because equal pay claims are historical in origin, and therefore predate the historic concordat, the settlement of such claims—at whatever level—is not a new funding pressure to be taken into account by councils and the Government in reviewing future grant settlements. That is Alice in Wonderland accountancy. We are being asked to believe that a wholly uncoded liability is nonetheless fully provided for; that, somehow, councils will conjure up out of reserves tens if not hundreds of millions of pounds to settle claims; and, furthermore, that it will make no difference whatever to public services in those areas or to the level of future grant settlements. That remains a nonsensical and unrealistic proposition—a triumph of foolish optimism over past experience—and it is a subject to which we need to return.

Finally, there are now single outcome agreements. I predicted last year and remain convinced that they could become even more of a financial stranglehold than ring fencing and that councils will come to regret the day when they allowed their leaders in COSLA to sell out and lie down to the SNP Government in the manner in which they have. As each day passes, the historic concordat becomes more and more of an historic con and the leaders of COSLA become more and more ragged cheerleaders for the SNP Government. Indeed, they try to gag their member councils by demanding that complaints or concerns about funding levels should not be made public but instead should be reserved for their cosy private chats with Mr Swinney and his civil servants. Thankfully, however, some councillors are made of sterner stuff. We know that the class size policy has not the remotest chance of implementation.

We know from the appalling decision that was made last week that all councils are apparently committed to spending £40 million a year on providing free meals to the children of parents who can well afford to feed them themselves, and who

are happy to do so. That money could otherwise be spent on employing teachers, on improving school facilities, and on buying books and teaching materials, as was highlighted by Hugh Henry in his speech, and as is evident from the complaints that are being made about the Liberal Democrat-SNP budget cuts that are being forced through by the City of Edinburgh Council. It is a perverse priority, which is little short of disgraceful.

The concordat and the commitments that it contains are going to hinder the provision of basic public services on which people rely. That will become more and more evident in the coming financial year and in years to come.

15:51

Nicol Stephen (Aberdeen South) (LD): I wish to make a strong case for a fair deal for Aberdeen City Council, a case that is vitally important. So far, we have heard a promise of a Scotland-wide review in 2011 but no guarantee of any extra funding for the city. The financial crisis is here and now, and the Scottish Government has a vital role to play in tackling it.

The case for Aberdeen needs to be pushed harder than ever following the complete neglect of Aberdeen and the north-east of Scotland in yesterday's transport statement. There was no commitment to the Aberdeen crossrail project, to a grade-separated junction at Laurencekirk or to improvements at the Haudagain roundabout. Desperate briefing by the First Minister and his spin doctors cannot hide the fact that his Government is investing billions in the central belt, with nothing new for the north-east. With the SNP, fine words turn to dust. It cannot be trusted to deliver.

The same is true for local government funding. Some vague hint of more Government funding for Aberdeen in 2011 counts for nothing. There is no current commitment. My simple questions to the cabinet secretary are whether Aberdeen will receive more and whether he backs the campaign for a fair deal for Aberdeen. The case is overwhelming. If Aberdeen received the Scottish average per capita, it would get more than £60 million more each year from the settlement. If it received the same per capita as Dundee, it would get more than £100 million extra each year. If it received the same as Glasgow, it would receive more than £150 million extra each year. The average per capita figure is £1,648 for each Aberdeen resident; the equivalent figure for Glasgow is £2,410—that is a difference of £762 per head. Instead, Aberdeen is facing budget cuts of £25 million to £30 million next year, on top of £50 million in cuts this year. Sadly and frustratingly, I see nothing in today's local government settlement that will change that.

Capital funding has been cut by more than £2.5 million for 2009-10, compared with the indicative allocation from earlier this year. I seriously worry that that could prejudice major and vital capital projects such as the new 50m swimming pool, which is still not fully funded. It is particularly frustrating that Aberdeen, at this time of significant cuts in key services, continues to pay far more to the Scottish Government in business rates than it receives back as its share of non-domestic rates funding. Clearly, that should be addressed under the promised review of the funding formula.

Aberdeen councillors now face very tough decisions. Officials have prepared a document with more than 300 pages of cuts. Aberdeen is grappling with the challenge of turning around its inadequate child protection services, following a very critical joint inspection report. Councillors are trying to find new funding to restart school building projects, which stalled due to the collapse of an Icelandic bank. There was no mention of that crisis and no support from Mr Swinney today.

The Government has shown that it can change the local government funding settlement when a strong case for doing so is made. The cabinet secretary has announced that he will find extra money for Edinburgh but, although he devoted a section of his statement to Edinburgh, he was silent on Aberdeen. I do not begrudge the extra payments; Edinburgh is the second most poorly funded council in Scotland. However, Aberdeen is the most poorly funded council. It is at the bottom of the table, 32nd out of 32 local councils, and its financial situation remains desperate. The Government has the power to take action today to support Aberdeen with funding. It does not need to wait until 2011 to do so.

Has the SNP Government accepted the case for extra funding for Aberdeen City Council and agreed to provide such funding at some stage? If so, surely the additional resources must be made available now, in Aberdeen's hour of need. If not, why has the SNP chosen—as it did yesterday, when the announcement was made on the strategic transport projects review—to ignore the needs of Aberdeen and instead show a clear bias towards the central belt? We need change urgently.

15:56

Brian Adam (Aberdeen North) (SNP): The historic concordat is about respect, not central control. It is about partnership, not diktat. That must be extremely difficult for the centralising, command-and-control Labour Party. The concordat represents a genuine attempt to have parity of esteem between central Government and local government. That is highly desirable, and it is not just a wish; it is happening in practice. We

need to acknowledge that councillors have a mandate, which is important, so we must have a proper partnership arrangement. The historic concordat is the means by which such an arrangement can be delivered. It will no doubt be refined in the years to come, as we and local government become used to it.

Throughout the lifetime of the Scottish Parliament, local government finance has been based on a funding formula. There are a number of anomalies in the formula, and I endorse what Nicol Stephen said about the need to change it. It is a pity that when he was Deputy First Minister he took no steps to rectify the situation, as far as I can see from the public record. It is to my colleague John Swinney's great credit that he has committed to reviewing the formula and dealing with the matter in the next comprehensive spending review.

The formula provides for a floor on uplift, which is supposed to even out changes—Mr Purvis said that there has been no mention of the floor, but that does not mean that it is not there. I understand that it continues to operate and is set for three years.

Jeremy Purvis: Will the member give way?

Brian Adam: If Mr Purvis wants more detail on the matter, he should address his question to the cabinet secretary when he winds up the debate.

The floor on uplift does not provide an adequate response to the significant changes to the formula that take place over time, because it merely reinforces the direction of travel of drivers for change. I see no reason why, as part of the review of the formula, there should not be an absolute floor—indeed, the approach could be implemented in the current year, between the publication of the draft settlement and the final settlement.

The variation between authorities is too significant. I am sure that members who represent the north-east, in particular Nicol Stephen, will be interested to know that in 1997-98 Aberdeen City Council was 23rd out of 32 authorities in the table of allocations per capita, whereas it is now in 32nd place. The council has moved from a position of getting 94 per cent of the Scottish average to getting 83 per cent of the Scottish average. During much of that time, Nicol Stephen was a member of the Administration that delivered the settlements. The slide that Aberdeen City Council has seen in its share of the cake was driven by the funding formula, which is in no way fair. The relative position of other authorities has not seen the significant change that has been seen in Aberdeen. An uplift in the funding formula floor is needed, because the mechanism is totally inadequate. Indeed, for mainland authorities, perhaps a floor and a cap are required. It is not

possible to compare mainland and island authorities.

Nicol Stephen: I have a simple question for Brian Adam. Can he remember any two consecutive years over the past decade—indeed, over the past 20 or 30 years—when Aberdeen City Council had to cut funding for services by £50 million in one financial year and £25 million to £30 million in the next year?

Brian Adam: By describing the figures in that way, the member does a great disservice to Aberdeen City Council. The council managed to deliver only £35 million of the £50 million cuts that were aggregated into the past financial year. It has therefore to find £25 million of cuts this year because £15 million of cuts were not delivered last year. One cannot add together the two sets of figures; they are the result of underachievement last year, which is very much to be regretted. I hope that the council's administration and its new officer team get to grips with the situation. It is absolutely true to say that there are serious difficulties for Aberdeen City Council and that it faces serious challenges, but the funding formula does it no great service.

If one looks at the detail of the significant changes in the recent past, one finds that the formula helped to accelerate the council's existing problems. However, we must also accept that some—if not most—of the problems lie in the city itself and with those in the successive administrations that administered it over a number of years. We need to address the situation.

16:02

Jackie Baillie (Dumbarton) (Lab): Is there enough money in the local government settlement for local government to carry out important functions such as education and social work and to cope with new pressures? That is the central question that the cabinet secretary needs to answer. The response from many local authorities across Scotland is simple: no.

As Keith Brown knows, the Scottish Government has provided £175 million to local government over the next three years to fund its new commitments. Equally, he knows that that falls far short of the £500 million that the SNP itself costed as being required to deliver those self-same commitments.

Not all of that is necessarily the cabinet secretary's fault. I have no doubt that rising fuel prices and the chill economic wind have made matters that much harder for local authorities. Like other members, I have cast my mind back to last year's debate on the subject. When one strips away all the rhetoric about the historic concordat

and the best-ever settlement, a considerably different picture emerges.

I will illustrate that by looking at SNP-led West Dunbartonshire Council. In year 1, its budget increase was 3.4 per cent, which was the lowest increase for any local authority in Scotland, although the area has significant problems with deprivation. There is also clear evidence of additional costs on education and social work if we are serious about lifting children out of poverty. The settlement was not sufficient.

In year 1, the 3.4 per cent increase meant cuts of almost £4 million in front-line services and increased charges for day care for adults with learning disabilities, home helps and community alarms—and more.

In year 2, the rise is projected to be 4.09 per cent, and the conservative estimate of the projected deficit is £6.266 million.

John Swinney: Will the member take an intervention?

Jackie Baillie: In a second.

When the increased cost of fuel and new policy pressures are added in, the deficit may reach £7 million or £8 million. The consequence of all that is more pressure on budgets, cuts and increased charges.

Year 3 is even worse: the rise is projected to be 2.86 per cent and the deficit is estimated to be £7.7 million. No wonder the Government does not want to publish the figures.

John Swinney: Jackie Baillie expresses concern about cuts in public expenditure. What is her attitude to the cuts in public expenditure that will come in 2010-11 as a consequence of the decisions in the pre-budget report?

Jackie Baillie: I am happy to have another debate with the cabinet secretary about that, but the cuts that I mentioned are happening now, on his watch. There are people without services now as a consequence of the decisions that he is taking. I ask him which services in West Dunbartonshire should bear the brunt of the cuts that are happening now—social work or education? Will there be reductions in teacher numbers? Will our children need to supply their own jotters and textbooks? What about the commitment to reduce class sizes? I genuinely do not know the answers.

Last year, West Dunbartonshire Council considered closing primary schools, libraries, community education centres and child care centres. It considered removing free milk, abandoning breakfast clubs and reducing early interventions. In social work, it considered increasing home care charges, closing residential

homes, reducing day care services and reducing its welfare rights team, which helps some of the poorest people in our society. That gives us an idea of where it is likely to look again.

As the cabinet secretary pointed out, there is now a different relationship with local government. There is the historic concordat. However, that translates as, "The SNP won't tell you what to do, but the cuts and the consequences are all yours, local government."

I turn briefly to Argyll and Bute Council, which will also have a deficit—it will perhaps not be of the magnitude of its neighbour's deficit, but it will not be far off. Again, the consequences will be cuts to services and increased charges. However, the situation in Argyll and Bute is serious now—not next April, but today. Older people in their 80s and 90s—some suffering from dementia and a number living alone—are being denied a service by the council.

The official line is that care is being prioritised. "We have a framework," social work tells me, but the framework is not about prioritisation. It is purely and simply about rationing. Employees tell me that there is a moratorium and there are budget restrictions. They say, "Don't worry. It's belt-tightening." However, it does not matter how it is described. The outcome is that old and vulnerable people are being left without appropriate care. That cannot be right.

The cuts are real. They are happening to real people. Yesterday, the response to that from the Tories, in the shape of Derek Brownlee, was to stick up for their new pals, the tartan Tories. Perhaps when Derek Brownlee was riding to the defence of John Swinney in the *Daily Mail*, of all places, he should have stopped to think for a moment about the people who are affected.

Many moons ago, I used to work in local government, and I still have many colleagues there. They tell me that things are serious, and I believe them. My concern is not just about the cuts that will be required as a consequence of the settlement. Councils are also reporting that they are losing income. Examples include a reduction in planning fees due to the current economic climate, and a reduction in capital receipts, which is leading to a restricted capital investment programme.

What we need is for the Scottish Government to stop blaming everyone else and deal with the challenges. I have considerable respect for John Swinney, but simply trotting out the old mantra of "It wisnae me" will not do. The cuts are happening now. At the very least, the cabinet secretary must reassess and reprioritise the requirements that are being placed on local government, or his historic

concordat will deserve to be consigned to the dustbin of history.

16:08

John Wilson (Central Scotland) (SNP): In debating the local government settlement for 2009-10, it is important that we recognise the contribution of the Cabinet Secretary for Finance and Sustainable Growth in accelerating key priorities for the Scottish people. Other members have already stated, but it is worth reiterating, that the Scottish Government deserves credit for creating a degree of sustainability for local government budgets. The concordat between COSLA and the Administration has enhanced their relationship, with a commitment that the Scottish Government will not undertake structural reform of local government between 2007 and 2011.

Council tax rates were frozen in all councils in 2008-09 and funding of £70 million has been included in the budget allocation for 2009-10. At a recent local area partnership meeting, a key finance officer at North Lanarkshire Council stated that the moneys are there for council tax to be maintained at current levels.

Anyone with even a scant knowledge of the matter knows that there has been a continuing problem in respect of local authorities levering in capital receipts. The shortfall in capital receipts is a problem for local government that is not unusual, especially given the current recessionary pressures in the marketplace.

Key questions from the local authority perspective are whether there will be a continued council tax freeze, whether increasing cost pressures are reflected in the financial settlement, and whether funding is available for growth. The council tax freeze ensured that councils throughout Scotland maintained prudent financial management, using the additional resources made available by this Government.

My local authority's base budget showed that the authority achieved efficiency savings of £10 million in 2008-09. Thanks to the Scottish Government, local authorities are retaining such savings—unlike under previous budget settlements, when efficiency savings were clawed back. That enables authorities to make further investment in key strategic priorities and increased service provision, as they deem necessary.

As was stated at a recent evidence session with the Local Government and Communities Committee, there is an on-going debate about whether there is enough money. The arguments are recycled throughout the year, especially when local authority budgets are being set, before the new financial year.

I have been advised that the Labour Party's national executive committee in Scotland has instructed its leadership in COSLA to force a vote tomorrow and call for a substantial renegotiation of the concordat. Evidence was presented to the Local Government and Communities Committee that either party to the concordat could go to the other at any time for detailed discussion of issues that might arise under the concordat's terms.

As other members have said, there has been much discussion of the resource allocations. It is worth restating that local government expenditure will rise in cash terms by 5.1 per cent in 2009-10.

On ensuring that proper risk management procedures are in place, COSLA and local authorities need to provide much more clarity. Indeed, I could argue that budgets that are already in place should be prioritised; authorities should take account of best practice that has already been established. Some local authorities need to start learning lessons from previous financial decisions. Their exposure to the Icelandic banks is the latest example, but the Bank of Credit and Commerce International scandal in 1989 also shows that the public pound needs to be protected. I am heartened by the cabinet secretary's comments about statutory guidance on that. There were repeated warnings by ratings agencies; as far back as February 2008, Fitch Ratings warned against investment in financial institutions such as the Icelandic banks.

The argument made by many local authorities seems to be more about potential sources of more funding than about better harnessing existing resources.

Hugh Henry raised the issue of senior staff pay levels—I am sorry that he is not in the chamber at present. David McLetchie raised the spectre of equal pay. The equal pay issue has been hanging over local authorities since 1999. Many local authorities have reached settlements on single status agreements, but such agreements bring additional financial burdens. Pressures around pay are not new financial pressures for local authorities. However, as David McLetchie said, once an equal pay settlement is reached, it may be a burden on local authorities that has to be revisited.

I want to provide some context to the debate. The planned spend for the affordable housing investment programme for 2009-10 is £500.8 million. That means that the Government is taking account of the reality outside the chamber; the figure represents real money for the real economy.

I welcome the fact that COSLA and the Government continue to work together to ensure that the delivery of services is maintained and enhanced in line with the Government's policy

objectives, which were agreed with COSLA. I trust that individual local authorities will welcome the proposed settlement.

I commend the cabinet secretary for his statement on the settlement, which will deliver the best possible way forward for Scotland.

16:14

Sarah Boyack (Edinburgh Central) (Lab): This time last year we in the Labour Party warned of the impact of the tight financial settlement offered by the SNP Government. We warned that the money did not add up, but SNP ministers told us that there was sufficient cash for services. We were roundly criticised for scaremongering. I have raised issues relating to Edinburgh's housing crisis before. In the past year, the problem has got worse—we are nowhere near to being able to achieve 1,300 affordable housing starts every year for the next decade. Today, the city's housing leader said:

"we are faced with a crippling shortage should investment remain unchanged."

Today, Keith Brown reminded us that last year some members indulged in dire warnings. I invite him to speak to the many staff who have been sacked from voluntary sector projects across the city—people helping some of our most vulnerable citizens with employment, housing and homelessness. Those jobs have gone because of the cuts.

Keith Brown: Will the member give way?

Sarah Boyack: No.

On flooding, we have developing problems. SNP ministers promised us that there would be no problem with flooding schemes, which were fully funded and under the wire. However, the council has told me that the second scheme—the Water of Leith scheme—is no longer fully funded and that in later years the necessary cash will not be there.

I will concentrate on Edinburgh's education services, because the financial settlement has had a deeply damaging impact on our schools. As one parent suggested to me yesterday, we are looking at a "hugely deteriorating education system". There are big problems with lack of investment in school buildings and cuts in school budgets. For the older schools in the replacement queue, there is a double hit, as they are the most expensive schools to maintain, and the money must come from individual school budgets.

When Labour was in power in the Scottish Parliament and the City of Edinburgh Council, we built or commissioned 34 new schools. It was not about the numbers, which I merely put on the record, but about the need to modernise old

school buildings that had been neglected during the Tory years. In my constituency alone, the new St Thomas of Aquin's school was opened five years ago and Broughton and Tynecastle high schools are under construction; all that has happened since I was elected. As Jeremy Purvis predicted, SNP ministers are no doubt queueing up to open the new high schools. The difference in the morale of teaching staff and students in the new schools across the city is palpable—they know that they are important and believe that we know that they need the best and most modern teaching facilities.

However, since May 2007 the building programme has juddered to a halt. From a meeting between parents and councillors in the city last night, I understand that the SNP-Lib Dem council is proposing to rank schools in order of priority. The problem is not simply the order in which schools are ranked—even the top school on the list, Portobello high school, is £8 million short. The kids in my area will not get a new school even if they have only just started at primary school—there is a huge long-term problem. In practice, that means that schools such as the Victorian Boroughmuir high school are years away from the urgent action that is needed now. Last week, Boroughmuir high school's HMIE report praised standards of teaching but urged action on the inadequate state of the building. When I visited the school just a couple of weeks ago, I could see where water was coming in through the roof, the draughty classrooms and how difficult it is for teachers to keep up standards against that backdrop. The issue cannot be left to drift.

This week, parents from the 28 parent councils in schools in Edinburgh got together to present a dossier to the city council's education leader. They do not want to be caught up in the politics of the situation. Before the election, Labour promised them that it would build the schools that were on the list. The SNP promised them that it would match our plans brick by brick—what a hollow promise that must now seem. The lack of a funding mechanism is entirely the fault of the SNP Government. The Scottish Futures Trust is nowhere to be seen—there is no answer to the parents who want their schools now.

The problem is not limited to buildings—it is worse than that, as the impact of efficiency savings must also be taken into account. At First Minister's question time today, Malcolm Chisholm asked a perfectly reasonable question, but he did not get an answer.

John Swinney has said:

"What might be described as crude cuts in services can in no way pass the test for efficiency savings."—[*Official Report*, 20 November 2008; c 12632.]

Parents from five primary schools and the one high school in my constituency have written to me with evidence of what is happening. There has been an increase in their energy bills that was not budgeted for, so they are now in overspend. They have also had to deal with lengthy staff absences. What happened to the SNP manifesto promise of renewables in every school? That would have provided them with greener heat and power and a reduction in their fuel bills. Boroughmuir, Balgreen, Abbeyhill, Flora Stevenson and Roseburn have all experienced a loss of teaching cover. Members of senior management have had to step into day-to-day teaching to cover for posts.

Schools have also suffered from cuts in additional support staff such as classroom assistants as well as from reductions in material supplies, neglect of repairs and improvements and reductions in extracurricular activities such as sports. The cuts are having a material impact on the quality of learning. That is happening as a result of this year's cuts. I am not talking about theoretical cuts; I am talking about what has happened this year in Edinburgh. Next year, the SNP-Lib Dem council proposes a 2 per cent efficiency cut.

We need solutions and action from the Government now. Parents are calling for the Scottish Government to ensure that all the schools on the list get investment now—either as new schools or as refurbished schools. The settlement that we have heard about this afternoon cannot be the last word. The SNP must act now and consider what is happening outside the Parliament.

16:20

Mary Mulligan (Linlithgow) (Lab): All members, not just those who are former councillors, such as Keith Brown and me, recognise the importance of council services to our communities. Proper investment is essential if we are to have the services that people deserve. I thought that it was only the Conservatives—whose benches are now empty—who think that there is virtue in starving local authorities of funding, but the SNP clearly believes that it can get away with reducing local government funding and investment in services as long as it dresses it up as a council tax freeze.

When Mr Swinney was asked at the Local Government and Communities Committee meeting whether, given the pressures that local authorities are under, it is right to continue the council tax freeze, he seemed almost pleased to say that it is. He went on to say that there are pressures on households and businesses, too. I accept that that is true, but the question for the minister is whether the burdens should be spread across all local taxpayers—and that those who

can afford it pay a little more—or whether, as COSLA has said, we should increase fees and charges. Among the measures being considered are increased home care charges in Fife, charging for day care services for people with learning disabilities in Aberdeen and removing concessionary train travel for older people in West Lothian. Are those really the actions that Mr Swinney wants local authorities to consider to save his much vaunted council tax freeze?

Local authorities tell us that they are under additional pressures because of inflation, businesses deferring non-domestic rates and reduced income from things such as planning fees. It is possible to say that those pressures were not predicted, certainly not to the current extent, but others were known about and continue to put a financial burden on local authorities.

The single status agreements have been mentioned. COSLA tells us that agreements have been or are close to being implemented by 26 local authorities, but as I am perhaps more cynical than David McLetchie I must ask how close they are to being implemented. And what about the employees in the other local authorities?

I share David McLetchie's concern about equal pay. At the Local Government and Communities Committee meeting, I was concerned by the apparent confusion in COSLA about the difference between single status agreements and equal pay claims. Unfortunately, that confusion means that I am not as convinced as I might be that the single status issues are nearing resolution. More seriously, I have grave concerns that equal pay claims that may still be resolved in the courts will put tremendous pressure on local authorities. The Scottish Government appears to be taking a laid-back approach to the issue. I fear for local authorities and doubt their ability to take on that burden without Scottish Government support.

Today, and when he came to the Local Government and Communities Committee, the cabinet secretary has tried to say that everything in the garden is rosy and that local government finance is adequate, but we have heard throughout the debate that that is not the case. We have been given examples by Sarah Boyack, Jackie Baillie, Hugh Henry and other members, but one of the most worrying is the one from Aberdeen that Nicol Stephen described.

Keith Brown: If Mary Mulligan believes that the local government settlement is inadequate, how would she expect it to be made adequate, given the 3 per cent savings that her party supports for public authorities and the £1 billion of cuts coming from Gordon Brown?

Mary Mulligan: The bottom line is that the cabinet secretary announced proposals today that

offer local authorities an increase of only £80 million while recognising that there are commitments for £500 million. That is what is dishonest in today's debate.

In Aberdeen, as Nicol Stephen described, there will be cuts that involve school closures, reductions in teaching staff, the closing of swimming pools and a funding reduction of £3.7 million for the voluntary sector, which delivers to the most vulnerable in the community. Is that really what we are to accept?

I wish I had more time to mention housing finance. The cabinet secretary mentioned in his statement the First Minister's announcement about bringing forward £100 million for housing, but targets for how many houses that investment will provide are absent. Of the £30 million that is to be spent this year, only £18 million has been announced. That figure does not even take up the £20 million that has been clawed back from local authorities this year. Maybe the cabinet secretary should have left the money with local authorities such as the City of Edinburgh Council. One of its members, Councillor Paul Edie, said today:

"We know what to do, we know how to do it, and now all we need is the money".

What happened to the much vaunted new relationship with local authorities? Did the cabinet secretary not trust them to deliver?

I am disappointed that the cabinet secretary appears so complacent about the financial pressures that local authorities are under. One or two pressures may have been manageable, but we have heard today that there are many. He cannot continue to hide behind the historic concordat and let local authorities take the blame for unpopular budget cuts. He has offered local authorities £70 million to deliver his council tax freeze. While some would say that that is central control, it is more worrying that it does not deliver any more services. Local authorities and council tax payers will be disappointed by today's announcements.

The Deputy Presiding Officer (Alasdair Morgan): We now move to the winding-up speeches, which will be of six minutes.

16:26

Alison McInnes (North East Scotland) (LD): There is no doubt that local government provides some of the most important and valued services in our communities. Everyone expects a great deal from their local council, even when it does not get a great deal from the Government, which supplies the majority of councils' funds.

Since the council tax freeze last year, councils have been even more reliant on central

Government grants. The concordat that the Government hailed last year as a new deal for local government has not lived up to expectations. The concordat and its companion, the single outcome agreement, have not led to a new dawn for councils. As Jeremy Purvis said, councils collectively find themselves tied into 3,599 outcomes and indicators, they have less and less autonomy, but they take the flak for the lack of investment in local services.

Brian Adam said that the concordat is about respect. Well, I do not see evidence of a Government that respects local government; I see a Government that shrugs off concerns at every turn with nothing more than an offhand assurance that it gave councils the resources and that it is up to them what they do. As Mr McLetchie said, that is a cruel distortion of reality.

So what does the settlement that has been announced today do to help councils respond to the economic downturn? What does it mean for teachers and pupils who are waiting for new school buildings? What does it do to help young couples who are struggling to find a home? Well, the truth is that it will do less than we had hoped. As Jeremy Purvis pointed out, a 1 per cent change is not enough. Councils have been hit with rising energy costs, lower than expected income and extra responsibilities, which means that front-line services are being squeezed.

Councils are crying out for support for capital investment in schools, as we have heard. The muddle that is the Scottish Futures Trust means that they will have another year of delay and uncertainty and that communities will not see much-needed new schools. Audit Scotland told us earlier this year that the investment required for the school estate is in the order of £5 billion, excluding maintenance and repair. Local councils cannot fund all that out of their capital allocations. There must be level-playing-field support from the Government.

The Government has made much of its funding package to accelerate the building of affordable housing, but the money has been clawed back from all local councils, although not all councils will be able to draw on the central fund. That is unfair. Like Sarah Boyack, I am concerned that some local authorities—for example, Aberdeen City Council, Aberdeenshire Council and the City of Edinburgh Council—have been informed that they will not be eligible for funding, even though they contributed to the money from COSLA. I understand that the Government has decided not to fund housing in those authorities because it claims that funding for affordable housing this year had not been dramatically cut while other councils had their cash reduced, but that claim does not hold water—data from SPICE show that

Aberdeenshire Council, for example, received a massive cut for affordable housing in 2008-09 but is still not eligible for accelerated funding this year.

Why are ministers denying funding for housing in some of the country's areas of most pressing need? Edinburgh has the most acute housing shortage in the country, yet City of Edinburgh Council has been given only the weak assurance that it will be considered for the next tranche of front-loaded investment. Investment is needed now to safeguard jobs. Housing associations and councils should be invited to bid for a share of the money now to drive forward their affordable homes programmes. Councils in such areas have well-developed plans for affordable housing that could be implemented quickly. Why are they being cut out? Will the minister give an explanation in his summing up?

As Nicol Stephen outlined, the current distribution formula contains too many anomalies that hurt north-east councils. As has been pointed out, Aberdeen City Council receives 80 per cent of the Scottish average per head of population. For me, that variance is far too great. Aberdeen City Council and Aberdeenshire Council do not seek to do better than other areas—some of which, admittedly, have many more problems of deprivation and need—but simply aim to receive a fairer share of the public funds that are available nationally.

Simply asserting that the Government has provided a good settlement is not sufficient. Many speakers this afternoon—including Jackie Baillie, Nicol Stephen and Hugh Henry—and the evidence contradict that assertion. Councils are struggling to meet the needs of their communities. I hope that, when they reflect on the points that have been made in this afternoon's debate as they finalise the budget, ministers will respond in a way that ensures that all our councils are equipped to deal with the very real pressures that they face.

16:31

Derek Brownlee: If yesterday's debate was a canter around Scotland's roads, today's debate seems to have been an eagle's-eye view of the records of various Scottish councils. I am not sure how much further forward we are after this afternoon's debate, but some important issues have been touched upon.

Some members mentioned cuts that have been implemented by councils. It is right to make the distinction between changes that are unmistakably cuts in services and changes that are efficiency savings. Reductions in staff numbers that have a direct impact on service provision cannot be described as anything other than cuts, but it is for local authorities to justify the decisions they make

in local circumstances. It struck me that, given some of their speeches today, many members might be rather more comfortable if they went back to council chambers, where they might be able to influence some of those decisions rather more directly and speedily.

We have heard a great number of complaints. Sarah Boyack highlighted the situation of Edinburgh's schools, although that is not a subject to which the Labour Party has come recently. She seemed rather confused about whether to blame the Lib Dem-SNP council. At one point, she seemed to blame the previous Conservative Government—perhaps that is a case of the old ones being the best—but the previous Conservative Government, according to Brian Adam, did a better job for Aberdeen than the previous Labour-Lib Dem coalition. We can perhaps take it that, in the north-east at least, in retrospect, the previous Conservative Government is viewed in a much brighter light than Sarah Boyack suggested.

We heard a lot of discussion about the north-east, but I noticed that no SNP or Liberal Democrat member from the north-east mentioned the impact that a local income tax would have on the resources that are available to councils there. We heard plenty of demands for additional funding now, but not a peep about the significant cuts in local government funding that would result from the introduction of local income tax.

Keith Brown: I thank Derek Brownlee for taking the intervention that David McLetchie refused to take. David McLetchie said that the council tax is not susceptible to changes in the economic environment. One way to make that happen would be through a revaluation. When would Derek Brownlee have a council tax revaluation?

Derek Brownlee: If Mr Brown had been paying attention last week, he would have heard me explain then that a revaluation can be conducted on a revenue-neutral basis. A revaluation does not need to lead to increases in bills. If SNP members can think of revaluations only as leading to increases in bills, perhaps they are a dangerous group to be in charge of the council tax or any other form of local taxation.

Some other interesting remarks have been made. Jackie Baillie made some uncharacteristically uncharitable remarks about me. I was heartened to hear that she reads the *Daily Mail*—which I presume is a recent development. I can only assume that her contributions will improve in direct proportion to the frequency with which she reads that newspaper. It can only improve some of the contributions that we have heard from her recently.

Jackie Baillie raised an interesting issue about West Dunbartonshire. Effectively, she said that West Dunbartonshire Council has insufficient funds to provide education. I will not argue whether that is right or wrong—that is for those who are closer to West Dunbartonshire Council than I am—but it takes us back to an interesting area in which West Dunbartonshire has had a direct impact in education in recent years; its literacy programme has demonstrated that educational attainment is not directly linked to funding, and that significant improvements in literacy can be delivered without significant funding increases. I see that Ms Baillie wishes to intervene.

Jackie Baillie: She does indeed.

One of the cuts that West Dunbartonshire Council considered last time round—and I understand that it might well consider it again this time round—was to the early intervention programme. It costs money to resource; that was the problem for the council.

Derek Brownlee: It costs money, but in terms of its cost-effectiveness it is a very cheap programme. Perhaps we will read about it in tomorrow's *Daily Mail*; I will look at it with some interest.

We moved from the north-east to Renfrewshire with Hugh Henry, who painted a bleak picture of the situation there. Again I make no comment about whether that picture was accurate. Not many members have talked about their local council's record. Perhaps that is not surprising. It was terrifying to hear Mary Mulligan say that she is more cynical than David McLetchie—a fact with which I was not familiar—but it was even more terrifying to hear her quote a Liberal Democrat councillor in Edinburgh saying,

"We know what to do".

I gently suggest that that is rather unlikely, given the Liberal Democrats' recent record on the City of Edinburgh Council.

Jeremy Purvis: Are the Scottish Borders better?

Derek Brownlee: Yes. I am coming to Mr Purvis. He complained about the Government buying land and about the existing housing stock, saying that that would not boost the number of construction jobs. I wonder whether it is possible to build affordable housing on land that we do not own, and whether a company that has unsold stock will be able to retain jobs if it is not able to sell it.

Jeremy Purvis: If Mr Brownlee heard me correctly, I was talking about buying land when there are no immediate plans to build on it. That is land banking for the future. Buying already

constructed stock does not generate new employment or sustain local economic generation.

Derek Brownlee: It certainly does sustain local employment—by giving the companies a cash flow, which is critical at this time.

Jeremy Purvis: It is unsold stock.

Derek Brownlee: Precisely. If the stock is unsold, the funds have not gone into the company, so giving companies cash that they would not otherwise have is bound to help. The suggestion that buying already constructed stock would have no impact is nonsensical. Mr Purvis also mentioned equity. After his intervention, I can only assume that the card is in the post.

In relation to the overall settlement, we have heard a lot of complaints about cuts and inadequate funding, but we have not heard by how much funding should be increased to sort out the problems. I think it was Sarah Boyack who mentioned that the SNP had costed all the concordat pledges at £500 million, but I remember Labour members telling us that the SNP is unable to add up, so I assume that that figure is also nonsense.

16:38

David Whitton (Strathkelvin and Bearsden (Lab)): Last night, I attended a Christmas show by the pupils of Oxbang primary school in Kirkintilloch. It was an excellent production, but as I watched I could not help thinking of Mr Swinney, the Cabinet Secretary for Finance and Sustainable Growth.

John Swinney: This had better be carefully worded.

David Whitton: The reason? Wait for it. The title of the show was "Ebenezer Scrooge", the story of a man with lots of money who refuses to share it with the poor and needy.

As Mr Swinney knows, Oxbang school is in the East Dunbartonshire Council—a part of the world that he knows well. Indeed, he attended a fundraising dinner in the area not that long ago. Also attending that dinner were the SNP members of the council. I hope that they took the opportunity to point out to the cabinet secretary the severe financial problems that East Dunbartonshire is facing as it tries to produce its budget for next year. They should know, because they are part of the all-party budget team.

East Dunbartonshire Council, like all other councils in Scotland, is facing up to having to make real cuts to services. At present, it is wrestling with how to save approximately £8 million, which will not be easy. I am sure that the cabinet secretary's SNP colleagues will have told

him that the plan for reducing class sizes in primary 1 to primary 3 in my constituency will cost approximately £4 million.

I do not have a figure for the free school meals pledge, but I can tell Mr Swinney that none of the head teachers I have spoken to think that it will be a good use of scarce resources. Mr McLetchie made the same point. They tell me that the children who need free school meals already get them and that they would rather see the money spent on maintaining breakfast clubs, so that children can have a good start to the day rather than turn up to start their lessons hungry, but breakfast clubs may have to go—that is one of the choices that are being wrestled with at the moment.

As we heard from Andy Kerr and others, as a result of Mr Swinney's decisions last year, some councils cut funding for clothing grants for low-income families, the budget for education maintenance allowance, help for pupils with additional support needs and in-home care for children with disabilities. In effect, decisions that were made by John Swinney and his Cabinet colleagues have taken the clothes from the backs of poor Scottish children and money from their pockets. No doubt the SNP will accuse me of being negative, but to quote one of the First Minister's favourite phrases, facts are chieels that winna ding.

So, it is no wonder that Mr Swinney came to mind as I watched "Ebenezer Scrooge" last night. As he knows the effects that his cuts to local government have had, one might have thought that he would reconsider his council tax freeze policy. That would be in order. But not a bit of it. When I asked Mr Swinney, during the Finance Committee's meeting in Ayr, whether he intended to continue with his zero council tax increase, he replied that that was the intention. He has kept to his word with his statement today. It is clear that he does not listen when he attends those regular cosy meetings that he and his colleagues have with COSLA. As I understand it, they have been telling him for some time about the funding pressures that they face. So much for the respect that Brian Adam talked about.

Brian Adam: Will the member take an intervention?

David Whitton: No, I will not.

In evidence to the Local Government and Communities Committee on 29 October, COSLA representatives highlighted the difficulties that they face. They described them as the "exceptional pressures" that exist over and above the settlement that they reached with Mr Swinney. Included in those "exceptional pressures" are a rate of inflation that is much higher than expected

and rising energy costs. To those we could add others from anecdotal evidence gathered from council colleagues around the country. They would include increased pension costs due to a fall in investment income, demands for higher pay due to current economic conditions and a reduction in business rates due to companies asking for rates holidays or firms going out of business.

One major firm that is involved in waste disposal has told me that much of the recycled materials that it currently collects from councils has little, if any, value and that, instead of generating income, waste collection is starting to cost money, which could lead to councils deciding not to recycle until prices go back up.

Mr Swinney is aware of the problems that our councils face. COSLA representatives told the Local Government and Communities Committee:

"We have trailed the funding pressures over a number of meetings ... everyone has experienced difficulties in the current financial year, and ... they will do so over the next couple of financial years ... we will need to sit down and discuss whether the money that is specifically earmarked to assist freezing the council tax will be enough."—[*Official Report, Local Government and Communities Committee*, 29 October 2008; c 1280-1.]

They were also asked about the impact of the need to achieve efficiency savings—for the three-year period from this year to 2011, councils are required to find efficiency savings totalling £524 million. They stated that there is a general view that those savings will be much more difficult to achieve as time goes on. However, that view is not shared by everyone, as we have heard.

In the *Daily Mail*—much quoted by Jackie Baillie—of 17 November, the Scottish Tory finance spokesman, Derek Brownlee, is quoted as saying:

"The councils enjoyed the benefit of a good economy for a long time so they cannot simply come running to the Executive looking for extra money when times are not so good. I don't think there is a single council that could honestly say that it could not get rid of waste and inefficiency."

I suggest that Mr Brownlee—who is shaking his head—clearly did not listen to what my colleagues said earlier. He should pick up the phone to Conservative Councillor Billy Hendry, the deputy leader of East Dunbartonshire Council, to see whether he agrees with that view.

In the same article, Professor Irvine Lapsley, director of the Institute of public sector accounting Research at the University of Edinburgh, said that councils are struggling because the cash that was given to them by the Government was agreed before the rate of inflation spiralled, and observed:

"It is going to be an interesting fiscal and political challenge for the executive as to whether they now give the councils extra funding and break the terms of their own agreement."

We now know that Mr Swinney has said, “Bah, humbug!” to that idea. Not only that; he is still intent on trying to impose further burdens on local government through the introduction of a local income tax. If Mr Swinney gets his way—after last week’s vote, that is not guaranteed—at a time when they must find further efficiency savings, councils will face the cost of the introduction of a new tax regime and, as we know, a local tax rate of 3p will not collect the same amount as the current council tax and a further black hole in local government finances will appear.

Keith Brown: Earlier, Mr Whitton took Brian Adam to task for not respecting COSLA’s decisions. Does Mr Whitton respect its decision to vote for a local income tax?

David Whitton: That was a good diversionary tactic, but it will not work.

Keith Brown: What is the answer?

David Whitton: The answer is very simple: as I understand it, half of the COSLA members were not present. If they had been, the vote would have gone the other way.

What of Mr Swinney’s other big idea—helping local government pay for infrastructure through the Scottish Futures Trust? It has even been derided by a member of the First Minister’s Council of Economic Advisers, Professor John Kay. When he came up with the plan, Mr Swinney said that the Scottish Futures Trust would be so attractive that no one would want to use any other option, but yesterday, when the SNP made its biggest announcement—on the new Forth crossing—this attractive funding option was nowhere to be seen.

When COSLA was asked about the SFT, its representatives replied:

“We are not 100 per cent clear about the ultimate direction that the SFT will take and the real-terms effect on additional capital expenditure to enable local authorities and other public sector agencies to deliver projects ... something needs to happen soon. A number of councils are holding back capital investment. ... Many local authorities ... want to know the detail as quickly as possible and what it will mean to them in real money.”—[*Official Report, Local Government and Communities Committee*, 29 October 2008; c 1304.]

Exactly. If the SNP cannot get the details right for the new Forth bridge—the Administration’s flagship project—surely it is time for it to do the right thing for a change and dump the idea. Cutting out the SFT quango would save about £70 million on its own.

I am sorry that more SNP members have not been in the chamber for this debate. They are clearly shamefaced about what is happening in local government in Scotland and do not want to hear the truth. To enlighten Keith Brown, who claimed that councils were squeezed under

Labour, I point out that local government finance rose by an average of 3.5 per cent in real terms between 1999 and 2007, the longest sustained period of growth since the war. Growth under the SNP has been 1 per cent. I suggest that Mr Brown does the maths.

As for the cabinet secretary accusing Jackie Baillie of double standards, he should look in the mirror. He complains about Scotland taking a share of national funding cuts to deal with a global financial crisis but, like Nero fiddling while Rome burns, ignores what is happening as a result of his own actions. My colleagues’ telling contributions to the debate have detailed the real effects of this concordat.

The story of Ebenezer Scrooge had a happy ending: he realised the error of his ways and started to share his wealth with the poor and needy. There is still time for Mr Swinney to see the light, but I somehow doubt that he will do the right thing.

16:47

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): I hope that, after that dismal contribution to the debate, Mr Whitton watches some cheery television programmes over the Christmas holidays.

I will respond to some of the points that have been raised. Mr Purvis asked why the floor tables have not been published. As he knows, the floor for the local government settlement was set as part of the three-year settlement at 3.4 per cent last year and at 3 per cent this year. The information will be contained in the circular to local government.

Mr Purvis also asked about the difference in the capital figures for last year and this year. I covered the issue at some length in my opening speech but, in the interests of clarity, I repeat that the reason why the indicative capital allocation levels last year and this year are different—

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): They are down.

John Swinney: Yes, they are. I am quite happy to confirm that.

There are three reasons for that. First, there has been a change to the local government capital expenditure to make funding for affordable housing available. Local authorities will be fully compensated for that in 2010-11, so the change is only in this financial year. Secondly, following discussions with local authorities, we have agreed to provide £20 million of revenue rather than £20 million of capital to support existing school investment programmes; I would have thought that Parliament would welcome that move. Finally, we

have agreed to transfer £6.9 million from police budgets to the Scottish Police Services Authority to cover areas that are funded through the authority and not through the police grant.

I point out to Mr Purvis, who is muttering on the front bench, that the police grant remains ring fenced, of course. That is the local authorities' preference, because ring fencing it makes sense.

Mr Brownlee said that he was wary of the guidance that I propose to issue on local authority funds, about which there is uncertainty because of the difficulties experienced by the Icelandic banks. The guidance is to ensure that the affected local authorities do not have to provide in full for the possible loss of that money during this financial year. That will avoid any financial strains on services or the council tax. I would have thought that such an approach would be welcomed in the chamber, because local authorities have, I understand, welcomed it in their discussions with my officials.

Jackie Baillie raised the issue of financial support for free personal care and services for older and vulnerable people. It was difficult to identify the most churlish point in her speech, but what she said about that was at the high end of the churlish. She was a member of a Government that introduced free personal care for the elderly but did not properly fund it. The SNP Administration has put more money into free personal care to meet individuals' needs.

Jackie Baillie: Not only was personal care free, fully funded, additional money was made available for it. Argyll and Bute Council is denying services to an 83-year-old woman and a 90-year-old lady who have dementia and live alone; an 89-year-old woman; an 80-year-old woman; a 93-year gentlemen—

The Deputy Presiding Officer: I think that we get the picture, Ms Baillie.

Jackie Baillie: Those people are not getting services from Argyll and Bute Council as a result of budget cuts. What does the cabinet secretary have to say to that council?

John Swinney: They will have a better chance once the £40 million that I have allocated goes into the budgets of local authorities throughout Scotland. That is what a Labour Administration failed to deliver when it was in office.

While listening to Nicol Stephen's speech, I found it hard to think that he had at any time in the past decade been anywhere near Government office. As my colleague Brian Adam pointed out, during Nicol Stephen's period in office, no attempt was made to tackle Aberdeen City Council's financial situation or the supposed disparities in the funding formulas. No attempt was made to

take into account the factors that Nicol Stephen described today. I have given a commitment to review local government distribution formulas to tackle issues that he is concerned about.

Mr Stephen said that the Government was not engaged in any way in supporting Aberdeen City Council through the difficult decisions that it must make on its financial performance. I remind him gently that Aberdeen City Council is not wrestling with a problem that has suddenly emerged in this financial year as a result of the financial settlement that I put in place. It is wrestling with living beyond its means year on year and not properly supporting and planning its public expenditure. I might remind Nicol Stephen who ran that council for the majority of those years.

Margo MacDonald (Lothians) (Ind): I gently remind the minister that, similarly, the City of Edinburgh Council's problems have not been accumulated only over the past couple of years. Perhaps they are down to underfunding in previous years. I am grateful that he has concluded an agreement with that council, but given the additional pressures that have existed since the onset of the current economic crisis, will he give an assurance that he will be flexible with it when it explains that it cannot build the houses that are urgently needed?

John Swinney: As I said in my statement, and as Margo MacDonald knows, I will conclude my discussions with the City of Edinburgh Council on the capital city supplement, which is an outstanding issue from last year's budget process, and reach conclusions before the local government finance order is brought before Parliament. I have studied the council's submission and am acutely aware of the additional burdens that the capital city carries. Obviously, that will influence my decision.

Aberdeen City Council is receiving, in this settlement, a 5.84 per cent increase in its budget, with the Scottish average being 5.05 per cent. I would have thought that even the Liberal Democrats would welcome that on a day such as this.

Nicol Stephen: Does the cabinet secretary accept that problems on this scale have never occurred until now? As this happened on his watch, does he accept that he could take action—just as he is taking action to support increased funding for the City of Edinburgh Council—and that we are now waiting to see whether he guarantees that the review of local government funding will provide Aberdeen with additional resources? Until today, no such guarantee has been given, and the situation is urgent.

John Swinney: I will make two points. First, the Government has initiated a review of local

government finance to address those questions. That was our promise and it is what we are delivering, as it was not delivered by the previous Administration. Secondly, if Nicol Stephen were in contact in any way with the local authority in the city that he represents, he would know that the Government is engaged in discussion with Aberdeen City Council about finding ways of supporting the council as it wrestles with some difficult decisions, including those around the capitalisation of certain commitments. I would have thought that he would welcome that contribution from the Government.

At the heart of the Labour Party's criticism of the Government's budget today has been the idea, as advanced by Mr Kerr, that the Government has somehow not delivered to local authorities the scale of resources that should have been delivered. Hugh Henry, Jackie Baillie, Mary Mulligan and Sarah Boyack all criticised the Government in that respect. However, I can say to them that, since this Government came to power, the share of the Scottish block of expenditure that goes to local authorities has increased, and that, under the previous Administration, it was going down.

Andy Kerr: The member fails to recognise that the average share under the previous Administration was 35.5 per cent and that the average share under this Administration is 2 per cent less than that.

John Swinney: That brings me to my second point—I love the way that Mr Kerr walks into the trap every time.

Under Mr Kerr's period in office as a minister, the Scottish Government's budget increased by 10.9 per cent, 8.4 per cent, 8.5 per cent, 8.9 per cent and 5.8 per cent. No wonder more resources were available to be distributed. When this Government came to office, the increases in our budget were not 10.9 per cent, but 4.7 per cent and 4.6 per cent.

Andy Kerr: It is the share.

John Swinney: Mr Kerr is waving around bits of paper and saying, "It's the share." Let us talk about the share. When Mr Kerr left office, the share of the Scottish budget that went to local authorities was 33.3 per cent, and that figure has increased under this SNP Administration.

We have heard lots of whingeing from the Labour benches about budget cuts here, there and everywhere, but not a whimper about what will happen when Alistair Darling takes £500 million out of the budget. Today, we heard contributions from a bunch of people demonstrating the highest possible level of double standards and hypocrisy.

Now that the Labour Party has suddenly worked itself up into a fit of worrying about public expenditure, perhaps it will join me in making the most vigorous possible representations to the United Kingdom Government that we should not be seeing budget cuts of £500 million over two years.

Andy Kerr: It is to pay for saving the banks.

John Swinney: Mr Kerr mutters that the money was spent to save the banks. I thought that it was all to save the world.

This Government will put forward, in constructive dialogue with our local authorities, a local government finance settlement that meets the needs of the people of Scotland. We cannot invent money in a fixed financial settlement. The Labour Party has argued in the past two weeks for more money in health and more money in local government, but it has not advanced an alternative budget proposition to the Finance Committee. Once again, it has failed the test of opposition.

Decision Time

17:00

The Presiding Officer (Alex Fergusson):

There are six questions to be put as a result of today's business. In relation to the debate on the ScotRail franchise, if the amendment in the name of Stewart Stevenson is agreed to, the amendment in the name of Alex Johnstone will fall.

The first question is, that amendment S3M-3075.3, in the name of Stewart Stevenson, which seeks to amend motion S3M-3075, in the name of Des McNulty, on the ScotRail franchise, 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)
 Allan, Alasdair (Western Isles) (SNP)
 Brown, Keith (Ochil) (SNP)
 Campbell, Aileen (South of Scotland) (SNP)
 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)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 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)
 Kidd, Bill (Glasgow) (SNP)
 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)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McMillan, Stuart (West of Scotland) (SNP)
 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)
 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

Aitken, Bill (Glasgow) (Con)
 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)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brown, Robert (Glasgow) (LD)
 Brownlee, Derek (South of Scotland) (Con)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Carlaw, Jackson (West of Scotland) (Con)
 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)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Annabel (West of Scotland) (Con)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Harper, Robin (Lothians) (Green)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Paisley South) (Lab)
 Hume, Jim (South of Scotland) (LD)
 Johnstone, Alex (North East Scotland) (Con)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 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)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McLetchie, David (Edinburgh Pentlands) (Con)
 McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 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)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)

Smith, Elizabeth (Mid Scotland and Fife) (Con)
 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

MacDonald, Margo (Lothians) (Ind)

The Presiding Officer: The result of the division is: For 47, Against 76, Abstentions 1.

Amendment disagreed to.

The Presiding Officer: The second question is, that amendment S3M-3075.1, in the name of Alex Johnstone, which seeks to amend motion S3M-3075, in the name of Des McNulty, on the ScotRail franchise, 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)
 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)
 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)
 Harper, Robin (Lothians) (Green)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Paisley South) (Lab)
 Hume, Jim (South of Scotland) (LD)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (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, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Somerville, Shirley-Anne (Lothians) (SNP)
 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 63, Against 61, Abstentions 0.

Amendment agreed to.

The Presiding Officer: The third question is, that amendment S3M-3075.2, in the name of Alison McInnes, which seeks to amend motion S3M-3075, in the name of Des McNulty, on the ScotRail franchise, be agreed to. Are we agreed?

Amendment agreed to.

The Presiding Officer: The fourth question is, that motion S3M-3075, in the name of Des McNulty, on the ScotRail franchise, 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)
 Marwick, Tricia (Central Fife) (SNP)

Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McGregor, 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)
 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)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (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, 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)
 MacDonald, Margo (Lothians) (Ind)

The Presiding Officer: The result of the division is: For 63, Against 58, Abstentions 3.

Motion, as amended, agreed to.

Resolved,

That the Parliament notes the Audit Scotland report on the extension of First ScotRail's contract to 2014; notes from the report that the original contract, negotiated by the previous Labour-led Scottish administration, "did not specify the conditions under which an extension should be considered or the criteria to be used to decide whether an extension might be appropriate"; believes that practice and procedures for future contract management can be improved and notes the report's recommendations for Transport Scotland; considers that, in light of the finding that "First ScotRail was performing above its punctuality and capacity improvements targets within its first year of operating" and "key aspects of the original franchise contract were no longer fit for purpose", the decision to extend the contract, inserted into the original contract under the previous Labour-led Scottish administration, was on balance justifiable; requires the Scottish Government to conduct the next steps of the franchise extension process with the greatest possible transparency, and therefore calls on the Minister for Transport, Infrastructure and Climate Change to bring before Parliament the draft proposals on how the £73.1 million accrued through the franchise extension will be reinvested to allow close scrutiny of the plans before any further funds are committed.

The Presiding Officer: The fifth question is, that amendment S3M-3078.1, in the name of Adam Ingram, which seeks to amend motion S3M-3078, in the name of Rhona Brankin, on kinship care, 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)
 Allan, Alasdair (Western Isles) (SNP)
 Brown, Keith (Ochil) (SNP)
 Campbell, Aileen (South of Scotland) (SNP)

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)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 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)
 Kidd, Bill (Glasgow) (SNP)
 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)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McMillan, Stuart (West of Scotland) (SNP)
 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)
 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)
 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)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (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)
 McGrigor, Jamie (Highlands and Islands) (Con)
 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, 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

Aitken, Bill (Glasgow) (Con)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brownlee, Derek (South of Scotland) (Con)
 Carlaw, Jackson (West of Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West of Scotland) (Con)
 Johnstone, Alex (North East Scotland) (Con)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 MacDonald, Margo (Lothians) (Ind)
 McLetchie, David (Edinburgh Pentlands) (Con)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)

The Presiding Officer: The result of the division is: For 49, Against 59, Abstentions 16.

Amendment disagreed to.

The Presiding Officer: The final question is, that motion S3M-3078, in the name of Rhona Brankin, on kinship care, 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)
 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)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (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, 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)
 Allan, Alasdair (Western Isles) (SNP)
 Brown, Keith (Ochil) (SNP)
 Campbell, Aileen (South of Scotland) (SNP)
 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)

Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 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)
 Kidd, Bill (Glasgow) (SNP)
 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)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McMillan, Stuart (West of Scotland) (SNP)
 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)
 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)

ABSTENTIONS

Aitken, Bill (Glasgow) (Con)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brownlee, Derek (South of Scotland) (Con)
 Carlaw, Jackson (West of Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West of Scotland) (Con)
 Johnstone, Alex (North East Scotland) (Con)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 MacDonald, Margo (Lothians) (Ind)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McLetchie, David (Edinburgh Pentlands) (Con)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)

The Presiding Officer: The result of the division is: For 58, Against 49, Abstentions 17.

Motion agreed to.

That the Parliament notes the commitment given by the First Minister on 27 September 2007 to provide allowances for kinship carers and ensure that funding would be brought forward to ensure that all kinship carers of looked-after children in Scotland were paid the recommended allowance for foster carers; further notes the commitment contained in the Scottish Government's strategy, Getting it right for every child in kinship and foster care, to introduce a minimum national allowance of between £119 and £198 per week for kinship carers and the comments of the Minister for Children and Early Years in the subsequent debate on 5 December 2007 that he anticipated that payment of this allowance would begin in April 2008; is concerned that this

has not materialised and that the vast majority of kinship carers are not in receipt of an allowance consistent with the promises made by both the Minister for Children and Early Years and the First Minister, and therefore calls on the Scottish Government to honour in full its pledge to Scotland's kinship carers and to properly recognise the vital role that kinship carers play in looking after some of Scotland's most vulnerable children.

Climate Change (Communities)

The Deputy Presiding Officer (Trish Godman): The final item of business today is a members' business debate on motion S3M-2991, in the name of Patrick Harvie, on communities leading on climate change. The debate will be concluded without any question being put. Mr Harvie has seven minutes.

Motion debated,

That the Parliament congratulates the community groups around Scotland, such as the Torglen Gardening Club in Glasgow, that have made successful applications to the Climate Challenge Fund; notes that the fund makes available £27.4 million over three years to support community-led efforts to make serious carbon reductions across Scotland; believes that Scotland's diverse communities can play an important role in carbon innovation, and believes that projects supported by the fund can also help build community cohesion, tackle social exclusion and build sustainable local economies.

17:07

Patrick Harvie (Glasgow) (Green): That should be just long enough for the dulcet tones of Lord Foulkes to disappear from the back of the chamber.

I thank the members who have stayed to participate in the debate and I thank those who supported the motion. I ask members to welcome to the public gallery the representatives of projects that have successfully bid for money from the climate challenge fund.

I am often given to comment on the status that climate change has achieved on the political agenda over the years. When I was a lad, I was taken along by my mum to various environmental demonstrations. I am pleased to say that she still goes to environmental demonstrations. It is fair to say that, in those days, climate change and other issues that were being raised by the environment movement were sometimes portrayed as being on the fringes of the political agenda.

However, over not only the short span of my life, but the decades since the concept of climate change first came to the awareness of scientists, we have reached the point at which the few who deny the issue, who deny the reality of the problem and who deny the serious impact that it will have on lives and economies around the planet are now portrayed as the fringe eccentrics on the edges of the issue. It has taken a long time to reach that point and it has taken a lot of work, not only by politicians but by communities and activists at community level. We are now at the point when ministers are asked questions about climate change every week in this Parliament; they have to respond and take the issue seriously.

We have reached the point at which the secretary-general of the United Nations, Ban Ki-moon, today addressed the delegates at Poznan and called for a new climate revolution—in fact, for “a new Copernican revolution”. That is how profound the issue is. Global solidarity is needed on climate change, which is the defining challenge of our era. Mr Ban argues that if banks are too big to fail, so is the climate. That is something on which we can all now agree, although there might not have been such agreement even a few short years ago.

We Greens have played our part constructively, not just here but around the world, although we certainly do not pretend that we are the only people to have done so. Other people in other political movements have done so, and people have played their parts in their own communities. We will continue to challenge the Government sometimes, issuing our criticisms as we did yesterday when we considered the strategic transport projects review. Criticism on its own is not enough, however, even when Governments fall short. It is necessary also to promote positive ideas about what can be achieved. That is the approach that we took to last year's budget negotiations, when we asked for the establishment of the climate challenge fund, which has presented an opportunity for communities to bid and to set their own agendas.

Although consensus has developed on climate change, something has fallen between the cracks. We have spoken about the relationship between Government, business and individuals. Who needs to play their part? Where does the balance of responsibility for climate change lie? It has been forgotten for a long time that, between Government, individuals and business, communities can collectively play a far more powerful role than any of us can individually. Cutting emissions directly is one thing, but communities can also set their own agendas and priorities. Different solutions will be appropriate in different towns and villages and in different parts of a city. The issues might be around food production, transport, buildings or lifestyle. People have a host of choices and opportunities.

If the Government simply comes along, wags the finger and tells communities how things are going to be, however, it risks its approach being rejected. The Government allowing communities to set their own agendas, and providing a little bit of extra financial support can help to create a can-do spirit. That is what communities can do, which individual action—however important—cannot do on its own. With that can-do spirit, relationships can be built at community level, which can generate all sorts of spin-off benefits, whether in social justice or in economic wellbeing—which

means so much more than mere growth, of course.

In many ways, we face a pretty frightening time with the so-called triple crunch. We are facing an economic crisis, a climate crisis and an impending energy crisis—all three at once. Those are the consequences of generations of unsustainable politics and economics. They might be unprecedented challenges, but there are unprecedented opportunities, too. Creative solutions are available, not just for tackling climate change, but for working towards the concept of a sustainable community.

The Transition Network Ltd is one of the organisations that have benefited from the climate challenge fund. It is the inheritor of a set of ideas—a holistic sense—about what sustainable communities are. Over the years, we are going to have to build in concepts not just of low-carbon living but of resilience and self-reliance. If the climate crisis, the energy crisis and the economic crisis play out as some of us fear, the communities that will prosper and thrive, and which will be able to maintain wellbeing, will be those that can meet their needs locally. That might mean local food production, which the Toryglen gardening club is exploring. Other projects have benefited from the climate challenge fund.

I asked ministers recently whether they are aware of the land share concept: the idea that those who have spare land that is not being used can turn it into something productive and an asset for a community. That is very much what the folk in Toryglen are doing. They are working with churches, housing schemes and a host of people who can provide a little bit of land. That land can be the catalyst not just for producing food locally and cutting carbon emissions, but for bringing people together with their common interests—despite the frightening economic crisis.

I hope that members will refer to various projects around the country that are benefiting from the scheme and that are creating benefits for the communities that they serve. I have circulated to all members a map that shows where projects are around the country. There are many more of them in the pipeline.

In closing, I will mention Des McNulty's members' business debate next week, on the subject of eco-congregations. I am aware that the eco-congregations network is now a huge network of projects around the country. I hope that the network is positively considering the opportunities that the climate challenge fund offers.

I again thank members and the many activists from around Scotland who are making things happen. Without that, policies are worth very little.

I invite anyone who wishes to join us to committee room 4 for a little drink at the end of the debate.

17:15

Shirley-Anne Somerville (Lothians) (SNP): I thank Patrick Harvie for securing this debate on community action on climate change, which provides a timely reminder of the important role that communities can and must play in driving down Scotland's emissions.

The debate comes shortly after the introduction of the Government's Climate Change (Scotland) Bill, which sets out an ambitious framework for action. Although leadership from Government is important, leadership from communities and dedicated groups and individuals will bring about real change. The efforts of such people—many of whom are in the public gallery—will ultimately convince people who are struggling with pressing everyday problems that climate change is not so overwhelming or remote from their lives that they should not care about it. Action that improves an area and cuts the local carbon footprint has tangible benefits for social cohesion, health and wellbeing and the economy—at a time when that could not be needed more. Local action is a means whereby communities can empower themselves.

The climate challenge fund has provided funding to develop and support many inspiring community-based projects to reduce the carbon footprint. The fund was a good idea from the Greens, which the Scottish Government, which is always open to good ideas, funded in the budget and made happen.

In Edinburgh, there are excellent examples of community-led efforts. Patrick Harvie mentioned the transition town model, which epitomises the ground-up approach to tackling climate change, and in which small communities are helped to identify and use local resources to work towards a low-energy future. From its humble origins in a village in Ireland, the movement is gathering momentum, not just in Scotland and the United Kingdom but throughout Europe and beyond. I am delighted that Portobello, the first transition town in Scotland, won funding for a community audit and awareness raising campaign, which will lay the foundations for a carbon reduction scheme. The focus will probably be on food, transport and the built environment, which are the three major contributors to emissions in the area. I was pleased when individuals who are involved in the Portobello project received a grant to establish transition Scotland support, which will help communities throughout Scotland to encourage local interest in the transition model and will build on Portobello's success.

Other inspiring projects in Edinburgh have benefited from the climate challenge fund. The Craigmillar community combined heat and power scheme provides cost-effective energy systems and learning, training and employment opportunities. The Edinburgh Community Backgreens Association, which I had the pleasure of visiting not long after I was elected, helps to connect tenement residents, which can be difficult in the city centre, and encourages people to use their shared greens for the community. It offers a fantastic example of how we can use our green spaces and I am delighted that it is receiving support. Community groups throughout Scotland are showing that they have a vision of the kind of Scotland in which they want to live.

Concerted effort and commitment from all sectors of society will be required if we are to drive forward a sustainable economy, and community groups are playing an important part. The quotation that Alasdair Gray made famous—

“Work as if you live in the early days of a better nation”—

never seems more relevant than it does when I consider the work that communities in Edinburgh and the Lothians and throughout the country are doing to create a greener and more sustainable future. I congratulate Patrick Harvie and the network of community groups on their work.

17:18

Alex Johnstone (North East Scotland) (Con):

I thank Patrick Harvie for bringing to my attention the work of the Toryglen gardening club, of which I was unaware. However, I have been concerned about the issue in other ways.

We all know that there are big projects that will affect the progress of climate change. We talk about such projects quite often in the Parliament, and a recurring theme is that not just large but small projects are important. In recent decades there has been a move away from the tradition of growing our own food. People buy food from supermarkets, but the carbon footprint of food that has been brought in from abroad might be much bigger than we realise.

We must encourage local food production. Conservatives in the Parliament have been heavily involved in encouraging the growing, purchase and use of food that is produced on local Scottish farms.

However, the traditional allotments that were to be found around the country are all too rare now. Quite often, where there used to be allotments there is now a block of flats—without a garden. As a consequence, the people who live in the flats do not have the advantage of being able to grow their own food in the traditional way.

Given that the debate has been brought forward on the basis of the work of the Tory gardening club, I ask the minister to consider what can be done in Scotland to make land available either on a temporary or, preferably, on a longer-term basis. I ask for an expansion in the amount of the land that can be made available for allotments or similar activities in our towns and cities.

Far too often, people have decided that change is irreversible. Some change is not good, but I would like to see a return to allotments. I will be interested to hear the minister's ideas. I will write to him in the near future with further ideas on the subject.

17:20

Robin Harper (Lothians) (Green): I congratulate Patrick Harvie on bringing the motion to the chamber. At the outset, I say to Alex Johnstone that he spoke of the Tory gardening club, rather than the Toryglen gardening club. I know that he meant the latter.

I am delighted that four projects in Edinburgh in my region applied successfully to the climate challenge fund. I am also delighted that in the public gallery are representatives from three of those projects: Linlithgow climate challenge, the Portobello energy descent and land reform group project, and the Edinburgh Community Backgreens Association, to whose work Shirley-Anne Somerville paid tribute.

I have long been a fan of the Edinburgh Community Backgreens Association. More than half of Edinburgh's residents live in tenements. The back greens of many blocks look exhausted and underused, and are often in a poor state of maintenance and repair. Thus far, in the main, they have represented an extraordinary missed opportunity. The Edinburgh Community Backgreens Association has already done a tremendous amount of community-based work in regenerating tenement back greens, turning them into thriving community green spaces and inspiring local residents. Of course, the most important thing about such initiatives is the inspiration and community spirit that they generate.

The money that the Edinburgh Community Backgreens Association has received through the climate challenge fund will support its work to develop, through community workshops, a wide range of new carbon reduction projects. The workshops will help to connect Edinburgh's tenement residents with their natural environment and one another through, for example, local food production projects and the setting up of play areas, bike sheds and communal compost facilities. In addition, the projects offer residents the benefit of simply relaxing with their neighbours.

I am delighted that the Edinburgh Community Backgreens Association has received money from the climate challenge fund to continue its excellent work. It will provide a platform for carbon reduction plans and a carbon weight-watchers activity. The project will engage communities and promote increased environmental sustainability of tenement households. The Greens created the climate challenge fund for precisely that sort of imaginative community-led work.

That community spirit will spill out into the way in which people who live in tenement flats relate to one another when they meet on the stairs. I remember the old days of the stair tyrants who ruled the tenements of Edinburgh. There was one in the tenement in which I lived when I first came to Edinburgh. They were special people who ensured that everyone in the tenement was up to the mark in keeping the stair clean and the back green in reasonable condition. Not many of those people are left, because of the turnover of people who live in the centre of our cities. The Edinburgh Community Backgreens Association fulfils a valuable purpose in that regard.

Patrick Harvie mentioned community spirit not only in Scotland but around the world. A few years ago, I visited Johannesburg for the world summit on sustainable development. The politicians came in their white Mercedes to the Sandton convention centre, and all around were advertisements for BMW cars. Some 23km away, there was a meeting of civic society with 1,000 people from all over the world. They came from the poorest slums of big towns in just about every continent of the world. Their voice was not heard at that time, but understanding of the importance of civic society and recognition of communities is spreading around the world, and their voice will be heard at the next WSSD conference.

17:25

Margaret Curran (Glasgow Baillieston) (Lab): I, too, thank Patrick Harvie for bringing the matter to the chamber for debate. I congratulate all those who are with us this evening who have participated in the climate challenge fund.

In his introduction, Patrick Harvie talked about the decades of change since climate change was on the fringes of the political agenda. It now holds a strategic place at the centre. I feel that I have made that personal journey myself. Members might be surprised that I am the Labour member who volunteered to speak in this debate, because I have not always participated in members' business debates, but that reflects the decades of experience that I have had with Sarah Boyack since we were both young members of the Labour Party. We joined the party at around the same time, in our teens, and Sarah Boyack was a

champion of environmental and climate change issues. She assiduously insisted that we all pay attention to the issues, and it is a tribute to her tenacity that I absolutely share her commitment to the significance of the climate change agenda in the work that we do.

Patrick Harvie is right to present the climate change agenda in terms of the great challenges that exist throughout the world. How we live, how we share resources, what options we have for the future—all those things are surrounded by the debate about climate change. We can discuss none of them without an appreciation of climate change and without interweaving consideration of what we can do about it. We must consider possible solutions when we discuss the economy or how we share resources.

I do not share the credentials of Patrick Harvie's mother, who raised him to be aware of the issues. I had the reverse experience. My children have insisted that I be alert to the issues. One of my sons resolutely refuses to learn to drive because he believes that it would be an unhelpful contribution to the planet. I cannot eat with him without him giving a lecture—I have to be honest—about what we are eating, where it was sourced, and the implications for our fellow human beings. My generation is now being taught by a younger generation about how we care for our planet and, essentially, how we care for one another.

As members would expect, I applaud Patrick Harvie's emphasis on communities and the vital contribution that they can make. In how they are organised, how they understand and how they act, they help us in the climate change agenda, alongside the work that they have done on many other issues. They make a vital contribution to the shift in culture that we need to undergo in order to understand the climate change debate.

In my time in the Labour Party, I have learned that, too often, we traded the environmental debate against the debate about economic progress or the debate about social justice. Communities—and some of the political debate that we have had—have taught us that there is no trade-off between those debates and that, in fact, we must bring them together. We cannot solve the issues of economic poverty unless we address climate change as well. We live in very changed times.

Climate change shows us that we have to be interconnected and interdependent with our friends and our interests throughout the world. It shows us that some of the best solutions lie at the local level, and those in the top leadership positions throughout the world, including in our country, must look to local communities that develop creative solutions and can provide

answers to the agenda. In the Scottish Parliament, we can best pay tribute to those who are with us tonight and have undertaken such work by ensuring that we use every lever that we have to further the cause of answering the challenge of climate change.

In the true spirit of co-operation, I say that I support Mike Russell in the work that he does on the agenda. However, we will be assertive, as members would expect, in ensuring that we miss no opportunity to help Scotland to meet the challenge of climate change. It is in that way that we can pay tribute to the communities that Patrick Harvie rightly selected for attention tonight.

17:29

The Minister for Environment (Michael Russell): I suppose that, in the spirit of the debate, I should thank Patrick Harvie's mother for creating the circumstances in which this debate has come about. I also congratulate Patrick Harvie on securing the debate and I thank my colleague Richard Lochhead, who has worked closely with Mr Harvie and others in bringing the fund into being.

I mention at the outset those who are here from the groups that have applied successfully to the fund. Their enthusiasm is driving it forward. It does not reflect well on a lot of members that those people outnumber us considerably this evening.

The fund is about empowering communities to take the lead in the current economic climate; to reduce their carbon emissions; to save money; and to set an example for every one of us. I am grateful to Margaret Curran for her support. I would never expect her to be anything other than assertive. I expect that there is great veracity in her account of what happens at her dinner table; I suspected that the mood would be argumentative.

The fund, which amounts to £27.4 million in 2008 to 2011, will enable communities to take direct action on climate change. I am glad to say that communities are coming forward in huge numbers to lead projects. There was latent demand in Scotland for communities to have access to resources to undertake this type of activity and to deliver real change and real carbon emission reductions.

The fund was launched six months ago in June 2008 and, already, we have had 190 expressions of interest. Some 36 community projects have been funded to date, including four exemplar projects, which I will mention in a moment. Another grants panel—the panel is independent—is due to meet on 17 December to consider 30 further projects involving more than 60 communities.

The crucial point is that it is communities that are eligible for the fund. The fund puts resources into the hands of people who know what they want to do and are able to do it. We have insisted strongly that communities should lead the fund. That is working well, although some non-governmental organisations are also involved in supporting the communities by providing information and assistance.

Presiding Officer, you will be interested to know that the total estimated carbon savings for the panel-approved projects to date are 52,574 tonnes of CO₂. That is an actual achievement that we are going to see. The fund is well resourced and will carry on over the period that we have set for it, so the figure for carbon savings will continue to grow quickly. We will continue to encourage community-led projects. The fund is well resourced and communities can access it easily—we want to ensure that they do so.

A number of members have raised the issue of allotments. It is vital that they are included. Some interesting work is being done in that regard. The Toryglen gardening club, which has been mentioned, has received £135,000 to maintain community gardens, orchards and woodland and to sell the produce to the community through local outlets or box schemes. Many communities could find available land; indeed, the Government has said that Government-owned land is available, which we want to release for the purpose of local food production, to allow people to gain experience of growing food in their community. I encourage people in every community out there who think that there would be a demand for allotments—I suspect that that would be the case in virtually every community—to think about how they could fulfil that ambition, to discuss it with the council and the Government and to find a way to apply.

I turn to the four exemplar projects, which are used to give direction, to act as examples for the purpose of knowledge transfer and to provide an inspiration to community groups. The Perth and Kinross carbon reduction project has been awarded almost £300,000 over three years to launch a groundbreaking project to reduce the carbon footprint of a whole village, in partnership with Perth and Kinross Council and Scottish and Southern Energy. The money has gone to the Comrie Development Trust. People all over Scotland will be able to learn the lessons from that.

Barra and Vatersay Community Ltd is to receive £62,000 over two years to develop a community-led action plan for the first practical steps on carbon reduction. Of course, Barra and Vatersay have won the United Kingdom and Scottish Calor village of the year competition as a result of their

wide variety of community activities to protect and enhance the environment. I was lucky to launch the start of the Scottish crofting produce mark in Vatersay just six weeks ago.

The going carbon neutral Stirling project will receive £750,000 over three years for capacity building across an incredible 520 community groups and working with them to develop action plans across the Stirling area that involve all the community. Its partners include the Big Lottery Fund, Stirling Council and WWF.

Today, we have heard about the transition towns; Shirley-Anne Somerville described how effective those are. Transition initiatives are community-backed groups that are concerned about climate change and peak oil. The climate challenge fund is supporting the transition movement as an exemplar.

We will continue to engage ever more closely with the partners that I have mentioned and many others to support the community delivery of projects, recognising the fact that they are in the lead of the changes that need to take place in Scotland. In the current economic climate, projects such as the Comrie, Alyth and Letham street-by-street energy efficiency project will not only attract media interest but mean new jobs and opportunities for people in the area.

The climate challenge fund is a good example of how Government can make a difference. Of course, it can do that only if it works across parties and across communities, which is exactly what we are doing in this project. I am glad that so many people—even some MSPs tonight—have expressed support for the initiative. I look forward to its going ahead and to communities benefiting from it over the next three years. Any community that is thinking about the project should stop thinking and start applying now.

Meeting closed at 17:36.

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