

MEETING OF THE PARLIAMENT

Thursday 22 January 2009

Session 3

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2009.

Applications for reproduction should be made in writing to the Licensing Division,
Her Majesty's Stationery Office, St Clements House, 2-16 Colegate, Norwich NR3 1BQ
Fax 01603 723000, which is administering the copyright on behalf of the Scottish Parliamentary Corporate
Body.

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by RR
Donnelley.

CONTENTS

Thursday 22 January 2009

Debates

Col.

SCOTTISH PARLIAMENTARY PENSIONS BILL: STAGE 3	14243
<i>Motion moved—[Alasdair Morgan].</i>	
Alasdair Morgan (South of Scotland) (SNP)	14243
Keith Brown (Ochil) (SNP)	14245
David Stewart (Highlands and Islands) (Lab)	14247
Bill Aitken (Glasgow) (Con)	14248
Nicol Stephen (Aberdeen South) (LD)	14249
Alasdair Morgan	14251
“FIRST ANNUAL REPORT OF THE SCOTTISH COUNCIL OF ECONOMIC ADVISERS: DECEMBER 2008” (SCOTTISH GOVERNMENT RESPONSE)	14253
<i>Motion moved—[Fiona Hyslop].</i>	
<i>Amendment moved—[John Park].</i>	
<i>Amendment moved—[Derek Brownlee].</i>	
<i>Amendment moved—[Jeremy Purvis].</i>	
The Cabinet Secretary for Education and Lifelong Learning (Fiona Hyslop)	14253
John Park (Mid Scotland and Fife) (Lab)	14258
Derek Brownlee (South of Scotland) (Con)	14261
Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)	14264
Keith Brown (Ochil) (SNP)	14267
Ms Wendy Alexander (Paisley North) (Lab)	14269
David McLetchie (Edinburgh Pentlands) (Con)	14271
Aileen Campbell (South of Scotland) (SNP)	14273
James Kelly (Glasgow Rutherglen) (Lab)	14276
Alison McInnes (North East Scotland) (LD)	14277
Christopher Harvie (Mid Scotland and Fife) (SNP)	14279
Hugh Henry (Paisley South) (Lab)	14281
Alex Johnstone (North East Scotland) (Con)	14283
Malcolm Chisholm (Edinburgh North and Leith) (Lab)	14285
Iain Smith (North East Fife) (LD)	14287
Gavin Brown (Lothians) (Con)	14289
Claire Baker (Mid Scotland and Fife) (Lab)	14291
The Cabinet Secretary for Finance and Sustainable Growth (John Swinney)	14294
QUESTION TIME	14298
FIRST MINISTER’S QUESTION TIME	14307
QUESTION TIME	14318
FLOOD RISK MANAGEMENT (SCOTLAND) BILL: STAGE 1	14335
<i>Motion moved—[Richard Lochhead].</i>	
The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead)	14335
Roseanna Cunningham (Perth) (SNP)	14339
Sarah Boyack (Edinburgh Central) (Lab)	14343
John Scott (Ayr) (Con)	14345
Liam McArthur (Orkney) (LD)	14347
Angela Constance (Livingston) (SNP)	14350
Peter Peacock (Highlands and Islands) (Lab)	14352
Dave Thompson (Highlands and Islands) (SNP)	14354
Des McNulty (Clydebank and Milngavie) (Lab)	14356
Murdo Fraser (Mid Scotland and Fife) (Con)	14358
Ian McKee (Lothians) (SNP)	14360
Rhoda Grant (Highlands and Islands) (Lab)	14362
Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)	14364
Alasdair Morgan (South of Scotland) (SNP)	14366
Helen Eadie (Dunfermline East) (Lab)	14368
Jim Hume (South of Scotland) (LD)	14370

Nanette Milne (North East Scotland) (Con)	14372
Elaine Murray (Dumfries) (Lab)	14374
The Minister for Environment (Michael Russell)	14377
FLOOD RISK MANAGEMENT (SCOTLAND) BILL: FINANCIAL RESOLUTION	14381
<i>Motion moved—[Michael Russell].</i>	
DECISION TIME	14382
CUIKEN PRIMARY SCHOOL PLAYING FIELD	14389
<i>Motion debated—[Christine Grahame].</i>	
Christine Grahame (South of Scotland) (SNP)	14389
Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)	14391
Ken Macintosh (Eastwood) (Lab)	14393
Jamie McGrigor (Highlands and Islands) (Con)	14395
Aileen Campbell (South of Scotland) (SNP)	14396
The Minister for Schools and Skills (Maureen Watt)	14398

Oral Answers

Col.

QUESTION TIME	
SCOTTISH EXECUTIVE	14298
GENERAL QUESTIONS	14298
Business (Government Support)	14299
Care Commission (Meetings)	14304
National Concessionary Travel Scheme	14303
Oil and Gas Industry	14298
Scottish Federation of Housing Associations	14305
Small Businesses (Cash Flow)	14302
Strategic Transport Projects Review	14300
FIRST MINISTER'S QUESTION TIME	14307
Cabinet (Meetings)	14311
Creative Scotland	14315
Engagements	14307
Jury Trials	14313
Prime Minister (Meetings)	14310
Scottish Water	14316
QUESTION TIME	
SCOTTISH EXECUTIVE	14318
RURAL AFFAIRS AND THE ENVIRONMENT	14318
Agricultural Pay and Conditions	14325
Climate Challenge Fund	14321
Eco-schools	14323
Forestry	14319
Landfill Waste Reduction	14318
LEADER Programme (Aberdeenshire)	14323
JUSTICE AND LAW OFFICERS	14326
Direct Measures	14326
Low Moss Prison	14332
Proceeds of Crime (Reinvestment)	14331
Residency and Contact Orders	14329
Serious Fraud Investigations	14327

Scottish Parliament

Thursday 22 January 2009

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

Scottish Parliamentary Pensions Bill: Stage 3

The Presiding Officer (Alex Fergusson): Good morning. The first item of business is a debate on motion S3M-3029, in the name of Alasdair Morgan, on the Scottish Parliamentary Pensions Bill.

09:15

Alasdair Morgan (South of Scotland) (SNP): I am very glad to open this stage 3 debate on the Scottish Parliamentary Pensions Bill, which I hope will be the final debate on the bill.

After members agreed that it was necessary to reform the 10-year old transitional arrangements under the Scotland Act 1998 and to replace both the Scottish parliamentary pensions scheme and the Scotland Act 1998 (Transitory and Transitional Provisions) (Grants to Members and Officeholders) Order 1999 to reflect various changes in United Kingdom tax and pensions law, an ad hoc committee—the Scottish Parliamentary Pension Scheme Committee—was established just before the summer recess in 2007 to report on the matter. I was honoured to be appointed as the committee convener. The committee took oral evidence from experts in the various disciplines in the pensions field. Committee members are grateful to all those who gave us the benefit of their experience on those matters.

As members know, chamber debates on the bill have been fairly brief. That reflects neither the importance of the bill nor the complexity of the matters that it addresses. Indeed, the very complexity of the subject means that it is inevitable that either a very short or a very long debate has to be held. In my view, the best use of parliamentary time is achieved if parliamentarians deal with the many complexities that are involved in any pension legislation at committee. Indeed, from the outset, members of the Scottish Parliamentary Pension Scheme Committee were clear not only that we were involved in a difficult and technical area, but that we would be subject to close scrutiny. That was only right, given the current economic climate.

Again, from the outset, we made it clear that we had a duty to provide for members and officeholders a modern, equality-proofed range of

benefits. We knew that we had to meet the challenge of producing a scheme that was attractive to members and to strike a proportionate balance between the scheme benefits and the actual cost to members and—just as important—the public purse of doing that. I think that we succeeded in doing so.

The bill makes important changes to members' pension arrangements to bring them into line with current taxation and pension provisions. It also sets out arrangements for those provisions to be kept up to date as required in the future, makes changes to equality proof the scheme and incorporates requirements that relate to partners and divorce legislation.

The new scheme removes a potential tension with the Scottish Parliamentary Corporate Body by moving the administration of the fund to a board of trustees who will become responsible for its administration. It provides scheme members with greater choice on how they accrue benefits and increases the options that are available to them on retirement. It also makes special provision for serving members who are approaching the age of 75 to access certain benefits and for death benefits for scheme pensioners who are aged 75 and over.

Furthermore, the scheme permits early retirement from the age of 55 for all members—a provision that is subject to a standard percentage reduction for each year of early retirement—and removes the necessity of a member having to have 15 years' service and other archaic conditions that apply to dependants' pensions.

Under the new rules, the scheme will continue to make provision for scheme members who suffer from ill-health while acknowledging that, with advances in health care, members may recover, at least in part, and therefore be able to undertake once again some kind of gainful work.

Most important, the scheme does all those things without increasing the cost to the public purse. The new scheme was costed by the scheme actuary—clearly an expert in his field—who confirmed that there were no increases in cost to the employer from the proposed changes. If scheme members want to accrue benefits more quickly or to purchase additional benefits, they may do so, but they meet the full cost themselves.

Since we last debated the bill in the chamber, a second ad hoc committee—the Scottish Parliamentary Pensions Bill Committee—has been set up to consider any amendments at stage 2. Those amendments that were lodged were largely technical in nature. Albeit that the committee's public proceedings were commendably brief, I thank committee members for their work in getting up to speed on the contents of the bill.

Even if we agree to pass the bill today, we are still far from the end of the work that will be required to bring the new scheme rules successfully into force. If the bill receives royal assent next month, as I hope it will, the new scheme rules will come into force fully from 1 September. Some rules will commence earlier than that to allow the necessary preparations to be made; perhaps the most important of those rules relate to the election and appointment of trustees to administer and manage the fund and its assets.

The role of the trustees is important: they will undertake a vital job on behalf of all scheme members. I hope that we can proceed to identify and elect suitable candidates as soon as possible. In that regard, I thank the Standards, Procedures and Public Appointments Committee for its on-going work to produce the necessary changes to our standing orders that will allow that to happen.

Other work is under way to rewrite the scheme booklet, provide scheme members with notification of the changes, and give each member the opportunity to state whether they want to remain at the current rate of pension accrual or move to the higher rate. Once the trustees are appointed, they will have to grapple with some staffing and contractual issues, ensure that all the arrangements are in place for the new scheme, and check that all necessary approvals have been obtained and the necessary expert advisers have been appointed. All that needs to be done by 1 September.

We have come a long way in working to produce a modern and attractive pension scheme that is fit for the 21st century and which complies with the relevant legislation from tax to equalities.

I move,

That the Parliament agrees that the Scottish Parliamentary Pensions Bill be passed.

09:21

Keith Brown (Ochil) (SNP): Like most members in the chamber, I should declare an interest, both as a current member of the scheme—and potential member of the new scheme—and as a taxpayer. I, too, highlight the point that Alasdair Morgan made about this necessary change being made at nil cost to the public purse, or at least as best the estimates can determine. As Alasdair Morgan also said, the debate is the culmination of a detailed piece of work to introduce a highly technical but necessary bill to bring the pension and grant schemes up to date.

Members of the Scottish Parliament are not alone in looking at pension provision and seeking to find cost-efficient and effective ways in which to plan for retirement, whenever that may come. In

November 2008, the Pensions Act 2008 introduced measures that included a duty on employers to automatically enrol all eligible workers who were not already members of a good-quality workplace pension scheme into such a scheme and to provide a minimum contribution. The 2008 act also allows for the establishment of a new scheme—currently it is known as the personal accounts scheme—which is a simple, low-cost pension savings vehicle that is aimed at those who do not have access to a workplace pension scheme.

Everyone needs to plan for their retirement. With that in mind, I turn to the work that was undertaken on the Scottish Parliamentary Pensions Bill. I thank Alasdair Morgan and the members of the Scottish Parliamentary Pension Scheme Committee for the work that went into producing the bill as introduced. Pensions have become shrouded in jargon and regulatory complexity. As the convener of the Scottish Parliamentary Pensions Bill Committee, which scrutinised the bill at stage 2, I can say that our task was made more straightforward than it could have been by the input and obvious determination of the members of the scheme committee to make the provisions of the bill practicable, workable and relatively understandable. As Alasdair Morgan hinted, a lot of the work was done prior to the public proceedings of our committee.

Before the stage 2 proceedings, the committee held an informal meeting with the bill team to give members an insight into the policy development behind the bill. Also, to aid our scrutiny, we sought explanation of and clarification on the various provisions in the bill. A couple of weeks later, with committee members having had the opportunity to chew over the information, formal consideration took place.

The only amendments at stage 2 were those that were lodged by the member in charge—in the main, they were technical and tidying-up amendments. For example, it was important to make it clear that pension credit members of the scheme are prevented from becoming remunerated trustees of the scheme. Any member who benefits financially from the scheme should not receive financial benefit as a trustee. Deeming the amendments to be eminently sensible, the committee was content to accept them.

I appreciate the point that Alasdair Morgan made in saying that, even if the bill is passed today, our work to ensure that all the new arrangements are put in place is not an end. Like him, I thank the Standards, Procedures and Public Appointments Committee for its on-going work to produce the necessary changes to standing orders. In addition, I thank the clerks to our committee.

I am pleased to have had the opportunity to contribute to the process and to today's debate. I ask members to support the motion to pass the bill at decision time.

09:24

David Stewart (Highlands and Islands) (Lab):

As a member of the Scottish Parliamentary Pensions Bill Committee, I thank the other committee members—Bill Aitken, Nicol Stephen and the convener, Keith Brown—for their contributions. Again, like other members, I thank the bill team for all its work and help in giving us briefings throughout a complex process. Sarah Robertson was the committee clerk and, as we have heard, Alasdair Morgan was the member in charge of the bill.

Some may ask why we should have a new pension scheme, but our scheme needed a radical spring clean, not least because of UK legislative changes such as the Finance Act 2004 and the Civil Partnership Act 2004. Some may also ask why we should improve pension conditions for MSPs when thousands of Scots are losing their jobs and final salary scheme pensions. However, the improvement from fiftieths to fortieths in the accrual rate for our pension scheme will be fully funded, as we heard, by increasing member contributions from 6 to 11 per cent. As we know, that figure was not a back-of-the-envelope job that was plucked from the sky; it was established by an independent Government actuary. We have heard previously that actuaries have been defined as those who found accountancy too exciting, but the actuarial profession is important.

We can argue that there are five key principles behind the Scottish Parliamentary Pensions Bill: it must be modern, equality proofed, attractive to members and cost neutral, and it must involve a pooling of risks. Clearly, the cost to the taxpayer is a key factor. In that regard, I flag up, as other members have done, that the reduction in the pension provision for new incumbents in the roles of Presiding Officer and First Minister will bring substantial savings for the taxpayer. Independent advice and evidence suggested that those savings could be more than £900,000 over a four-year period. I found the consultation on the bill to be comprehensive and enlightening, and it was important that it involved members, ex-members and experts from across the country.

I flag up two key developments in the bill: unmarried partners will be recognised in the scheme, and there will be no loss of pension for surviving spouses who remarry or cohabit. In other words, the spouse pension will continue for life. That is a good example of a modern, caring and equitable scheme. Of course, it is similar to other schemes, such as those at Westminster or

the National Assembly for Wales; those bodies were a number of years ahead of us in revising their schemes.

There are other important factors in the bill. I echo the point about trustees. It was important that we sorted out that issue. Of course, the bill will set up a new system for trustees that could well involve existing members and ex-members and which will prevent a potential conflict of interest as far as the SPCB is concerned.

Mandatory changes had to be incorporated in the bill, such as the minimum pension age of 55. That was done under the Finance Act 2004 and the Pensions Act 2004, and it will be effective from next year. It is important to flag up, too, the important new changes to pension sharing on divorce. The Welfare Reform and Pensions Act 1999 gave courts powers to split pension benefits on divorce, and the Civil Partnership Act 2004 extended that provision to civil partners. Finally, transfers into the Parliament pension scheme must be from a registered pension scheme. That is a straightforward provision, although it also now allows office-holders who are not MSPs to transfer in a sum from another registered pension scheme.

The bill provides an essential uprating of our current pension scheme and it is equitable to members, their partners and, more important, taxpayers by being cost neutral in its improvement of pension conditions for MSPs. The overall package represents a saving to taxpayers. I endorse the bill, which will be supported by Labour members.

09:29

Bill Aitken (Glasgow) (Con): It may be regarded as surprising that it has taken so long for the initial parliamentary pension arrangements under the Scotland Act 1998 to be revisited, but it is entirely appropriate that it should have been done. Like other members, I offer my thanks not only to the officials involved but to the members who initially dealt with this somewhat complex matter, who ultimately made the bill team's duties fairly easy.

It is important to stress that implementing those pension changes was not only desirable, but likely to be a legal necessity. The Pensions Act 2004 changed a great deal, and this bill, which I expect to be passed today, recognises the changes that took place as a result of the 2004 act. Perhaps I have raised an eyebrow occasionally at some aspects of equalities legislation, but in this case, where the pension fund will provide appropriate protection and security for surviving spouses and civil law partners, it is entirely appropriate that existing legislation should be amended.

It is worth stressing the cost neutrality of the proposals that are before members. Indeed, as David Stewart said, there will be an appreciable saving under certain headings, which should let the taxpayer see that consideration has been given to the public purse. It is unlikely that many of the beneficiaries under the fund in the years ahead will accumulate the necessary 40 years for the maximum pension—that is the nature of pension funds of this type. However, Presiding Officer, you may wish to defy my reasoning on that matter and assume the full pension. In all seriousness, I doubt whether anyone else would go in that direction.

The important point is that, under the bill's proposals, members will be able to opt for a higher pension. They will have to fund it themselves, though, and their contributions will reflect that. It is also important to stress that there must be a degree of detachment in the operation of the fund—as the one who chairs the SPCB, Presiding Officer, I am sure that you would agree with that—so the setting up of the trustees is a positive step in that direction.

The ill-health provisions in the bill are not so much imaginative as a necessary recognition of the difficulties that can arise from time to time in the course of anyone's career. The added years provision will allow members, at their expense, to ensure a wider and greater pension benefit. Again, that provision should be applauded.

Looking at the matter in a detached way when one is a beneficiary is always difficult, but the bill that is before members allows the public to recognise that, while the benefits have been increased, members have approached the matter in a detached and realistic manner and that the saving to the public purse is measurable, as are the potential benefits for beneficiaries. I have great pleasure in indicating that the Conservative party will support the motion at decision time.

09:32

Nicol Stephen (Aberdeen South) (LD): I, too, thank Alasdair Morgan in particular for the great deal of work that he put into the bill and the Scottish Parliamentary Pension Scheme Committee. I also thank my fellow committee members who undertook stage 2 consideration of the bill, and the officials and advisers involved in the bill team. Clearly, a substantial amount of work was required to produce the bill and give the associated advice for a very technical and complex area.

Since the establishment of the Scottish Parliament in 1999, significant legislative changes have made a bill of this kind necessary. However, the opportunity was also taken to look at how the

existing pension scheme had been working and to assess whether any improvements or flexibilities might be introduced. Members have referred to important pieces of relevant legislation, such as the Finance Act 2004, the Pensions Act 2004 and the Welfare Reform and Pensions Act 1999, which introduced pension sharing on divorce so that ex-spouses can get membership of a pension scheme in their own right or get a transfer value from the scheme. That also applies to the new status of civil partner that was introduced by the Civil Partnership Act 2004.

The Finance Act 2004, which was introduced on 6 April 2006, replaced with a single set of rules eight existing taxation regimes affecting the rights of pensioners. The bill that is before us is necessary because the transition arrangements in the Finance Act 2004 run out in April 2011. If the bill had not been introduced, there would have been uncertainty about how parts of the Scotland Act 1998 (Transitory and Transitional Provisions) (Scottish Parliamentary Pension Scheme) Order 1999 comply with the tax rules.

It was therefore right and appropriate that the Parliament acted. As far back as 17 October 2007, the Scottish Parliamentary Pension Scheme Committee published its consultation document and invited comments from all interested parties. The consultation sought views on a number of issues. Some views covered the mandatory changes brought about by the Finance Act 2004, which I have referred to, and others covered the sort of discretionary changes that other members have referred to—such as contribution limits, the maximum pension available, the amount of the tax-free lump sum on retirement and the amount of death-in-service gratuity.

The changes that will improve the scheme and make it more flexible are made at no additional cost to the taxpayer. However, some improvements, if individual MSPs want to opt in to them, will cost the MSPs quite a substantial sum. It is worth flagging that up to MSPs, because they will have to take important decisions before the scheme is introduced in September.

The report of the Scottish Parliamentary Pension Scheme Committee was published on 29 May 2008, and the proposal for a committee bill was agreed by Parliament after the debate on 26 June 2008. The report, which had the draft bill attached, is a substantial document. There are 57 pages of technical information, and a full set of explanatory notes running to 92 pages, together with a five-page supplementary set of explanatory notes.

All in all, this is a substantial, important and necessary piece of legislation. There is cross-party support in Parliament, so the bill is likely to receive widespread or unanimous support this evening at decision time. On an issue of this nature, that is

appropriate. Because of the complex and detailed work that has been done, it is a good piece of legislation that deserves such a level of support.

09:37

Alasdair Morgan: The progress of the bill has shown how flexible and powerful are the Parliament's committee procedures for bills. I thank my fellow committee members for their diligence and consideration; I think that they even enjoyed parts of it. For example, in an evidence session with the scheme actuary, David McLetchie declared:

"This is a lot more entertaining than I thought it was going to be."—[*Official Report, Scottish Parliamentary Pension Scheme Committee*, 11 March 2008; c 68.]

At last night's Burns supper, Mr McLetchie gave the toast to the lassies, so it is perhaps appropriate that he made that comment when we were discussing the idea that women were more expensive than men. I hasten to add that that is because of women's general longevity and consequent cost to a pension scheme.

I thank again the Scottish Parliamentary Pensions Bill Committee for its scrutiny of the bill at stage 2, and the Finance Committee and Subordinate Legislation Committee for their work.

This has been a sensible use of parliamentary time in meeting the requirements of UK legislation. The one important provision that I would like to highlight again is the provision for the appointment of trustees. As David Stewart said, trustees will—as time passes—represent the full spectrum of members of the scheme. They will be tasked with a range of duties and will be equipped to take decisions to ensure the health of the scheme and to ensure best value for money.

Members may be interested to note that measures relating to the scheme will come before Westminster later this year. I expect that amending regulations will be made by the Department for Work and Pensions and that an order under section 104 of the Scotland Act 1998—and I know that all members will be familiar with that section—will be made by the Scotland Office. Those measures are primarily designed to ensure that the reserved occupational pensions regulatory regime, as currently applied to the scheme, will continue once the bill is commenced. They also seek to ensure consistency with how the equivalent Westminster pension scheme is regulated.

The proposed Westminster instruments will amend the regulatory framework that is applied to public service pension schemes. They are needed because of structural changes brought about by the bill. Many of the existing legal requirements and exemptions that are applied to public service

pension schemes refer to schemes constituted by Westminster legislation. Following the bill, the rules of our scheme will be contained in an act of the Scottish Parliament, rather than, as for the existing scheme, in a Westminster instrument. The amending instruments will ensure that relevant regulatory requirements and exemptions continue to apply to our scheme.

I believe that the Westminster instruments can be made and can be in place to coincide with the rules of the new scheme coming into force. I know that members have been worried about that, so I hope that I have been able to put their minds at rest.

It is worth saying again that, all in all, the changes that the bill will bring about will produce significant savings to the public purse.

I thank the clerks and the hard-working bill team, and I commend the bill to Parliament.

The Presiding Officer: Thank you—and I thank all members for keeping their speeches brief, which has given us a few extra minutes for the next debate, which is heavily subscribed.

“First Annual Report of the Scottish Council of Economic Advisers: December 2008” (Scottish Government Response)

The Presiding Officer (Alex Fergusson): Our next item of business is a debate on motion S3M-3257, in the name of Fiona Hyslop, on the Scottish Government’s response to the annual report of the Scottish Council of Economic Advisers. This debate is oversubscribed, so I ask all members to stick strictly to their time allocations. I call Fiona Hyslop. Cabinet secretary, you have 11 minutes.

09:40

The Cabinet Secretary for Education and Lifelong Learning (Fiona Hyslop): We welcome the first annual report of the Scottish Council of Economic Advisers. It is an outstanding piece of work and, as is clear from the response that we published last week, we take the recommendations and considerations seriously.

The report sets out clear strategic priorities for Scotland’s economy. In normal economic conditions, advice of such weight, detail and value would be extremely helpful. In these exceptional times, however, the council’s recommendations assume even more gravity in helping us to do all that we can, within the limits of our powers, to deliver for the people of Scotland.

Over the past year, we have followed the council’s advice on how to achieve our targets for economic growth, productivity, emissions, participation and cohesion. We have listened carefully to the council on planning, infrastructure, education and skills, and our economic statistics. We agree with the council that, had the Scottish Government more levers under our control—such as borrowing powers—we could make an even greater contribution to economic recovery.

It remains to be seen whether the announcements that were made by the UK Government on Monday will encourage lending and get rid of the toxic assets in our banking sector. What is clear is that the banking sector and the UK economy generally both face unprecedented circumstances. For many Scots, this is the most difficult economic climate for more than a generation, and few could have forecast the severity of this downturn. However, as early as last summer, this Government developed a six-point economic recovery programme to help to reduce the worst effects of the downturn on individuals and businesses in Scotland.

I want to outline the action that we are taking to provide increased support for people who are facing hardship, and I will refer to some of the

specific recommendations and considerations of the council.

As the council has recognised, our greatest challenge will be in supporting individuals who face the risk of unemployment, which is why we are enhancing our partnership action for continuing employment initiative. Last week, I announced a range of measures to strengthen PACE, including the dedication of 80 Skills Development Scotland professionals to work alongside staff in Jobcentre Plus in supporting people who are facing redundancy. A national helpline and revamped website will go live next month, and all careers centres across Scotland will be geared up to offer tailored support to individuals. The changes that I announced have been widely welcomed and will underpin further action in the next few weeks. Tomorrow, the Scottish Further and Higher Education Funding Council will prioritise resources so that colleges can align their provision with PACE activity and ensure that it better reflects the increased demand for courses.

The funding council and Skills Development Scotland are working with ConstructionSkills to ensure that apprentices who are made redundant have the opportunity to complete appropriate and relevant training. When apprentices have accumulated Scottish credit and qualifications framework credits through their training, I expect colleges and other training providers to ensure that that is recognised and counts towards an alternative programme.

John Park (Mid Scotland and Fife) (Lab): Will the Scottish Government guarantee that apprentices in the construction sector will be able to complete their time?

Fiona Hyslop: I want apprentices to complete their courses. We can perhaps work collectively to ensure that apprentices who are made redundant can continue their apprenticeships in future employment. I understand that 160 apprentices have already been found alternative employment.

Issues to do with college funding also arise, as do issues to do with benefits and the UK Government. If apprentices who are made redundant are unable to find alternative employment in which to continue their apprenticeships, we have to ensure that college courses are available and that the apprentices’ income does not suffer. I hope that Mr Park will accept that reassurance.

In recommendation 9 of its report, the council suggested that Jobcentre Plus powers should be devolved. Clearly, that is an issue for the longer term, but it is a suggestion with which we agree.

The council praised the partnership approach to employability that underpins initiatives such as

PACE. It also recommended that we explore opportunities to work more closely with the UK Government and Jobcentre Plus. People in Scotland expect in these demanding times that public organisations and Governments of whatever political colour will pull together for the common good, which is why I met Tony McNulty, the Minister of State for Employment and Welfare Reform. We agreed that people who are out of work will receive an improved employment and skills service, and he will join me at our PACE summit in February to demonstrate our joint commitment to that. I invite the spokespeople of all parties that are represented in the chamber to attend the summit and to work with the Government to intensify our support for those who are facing up to the prospect of unemployment.

Skills Development Scotland is working with Jobcentre Plus to create a seamless service to minimise the time for which people who are affected by redundancy are out of work. Next month, we will establish one pilot office in each of the six Jobcentre Plus districts in Scotland, where people who are claiming jobseekers allowance—including those who have recently been made redundant—will be offered skills assessments and careers guidance and will be referred on to suitable skills provision.

The council of advisers has asked that we pay particular attention to the vulnerability of young people in the labour market. That is essential, if we are to avoid the creation of a lost generation of young people, such as we witnessed in the 1980s. In November, I launched 16+ learning choices, through which we will provide all our 16 and 17-year-olds with appropriate learning options. That is our alternative to compulsory schooling to the age of 18. Currently, 21 local authorities are implementing 16+ learning choices, and the programme will be rolled out throughout Scotland by the end of next year.

At the same time, we have refined individual learning accounts to provide better support for our 16 and 17-year-olds and to support workplace training. Last week, I announced further changes to ILAs to allow people—working and out of work—to participate in an even wider range of learning. I will continue to adapt our funding mechanisms to ensure that they provide the most effective support for individuals. For example, I am considering how ILA funding can support training for people who are about to be made redundant by helping them to move from being in work to being in new work by retraining, with their employer's agreement, during the 90-day redundancy period.

We also propose to invest £1.7 billion in our universities and colleges through our budget, which will help the sector to meet increased demand over the months and years ahead. The

£38 million package of measures that we introduced for part-time higher education study last summer will help more people to improve their skills and job prospects during these tough economic times.

Scotland is unique in the United Kingdom in providing discretionary, grant-based funding for taught postgraduate study. However, until now, that funding has been available only to those who are on full-time courses, although 70 per cent of Scottish taught postgraduate students study part time. Later this year, I will introduce long-term improvements to those funding arrangements. Ahead of those wider changes, I announced last week that we will launch a number of pilot actions that will, for the first time, extend postgraduate funding to part-time students.

The council has recommended that we work closely with employers and has highlighted the importance of skills utilisation. Better use of the skills of Scotland's workforce is essential if we are to achieve sustainable economic growth, which is why the skills utilisation leadership group, which is made up of business and union leaders, is championing, advocating and sharing across sectors best practice in respect of how companies can make better use of the skills of their workforce in order to improve productivity.

During the summer, the Government approved a range of projects totalling around £55 million to assist employability and skills development and to build on the success of our skills interventions to help more people in Scotland to get into, and progress through, the workforce. Skills Development Scotland is currently working with sector skills councils, industry bodies and training providers to develop skills interventions that better meet the needs of individuals and employers in Scotland. We must be flexible about how we achieve an additional 15,000 training places by 2011. Some of those will be apprentices, but I know from my discussions with employers that one size does not fit all, so they want more flexible skills interventions that reflect the particular needs of their sectors.

Duncan McNeil (Greenock and Inverclyde (Lab): Does the cabinet secretary agree with Michael Levack of the Scottish Building Federation, who said this morning that

"maintaining our skills base alone will not address the longer term need for a decision on the funding of infrastructure projects. I would like to see the Scottish Futures Trust up and running and investors being brought on board to provide the necessary funds. Until that time ... ministers should make use of available funding models such as PPP"?

Does she agree that we need to bring forward the work, not just maintain the skills?

Fiona Hyslop: The first projects from the Scottish Futures Trust will commence this year. I advise Duncan McNeil that £2 billion of infrastructure construction work is already taking place in schools alone. As he will know, only last week I was in Greenock to see the development of the James Watt College with part of the construction money that has been brought forward from future years. The 2008-09 money will help to keep jobs—indeed, 4,700 jobs will be supported through our bringing forward construction investments as part of our plans. I will come on to that.

Recommendations 2 and 4 of the council's report endorse our approach to key sectors. To achieve our ambition of 50 per cent growth in the tourism sector, we are addressing industry concerns about the relevance of the training provision that is available for the sector. With Scottish Enterprise, we will fund a comprehensive feasibility study to bring to life an ambition of business leaders in the sector to establish an industry-led centre of leadership in hospitality and tourism. We are also providing funding to develop a food and drink skills hub at the University of Abertay Dundee. In addition, we have made funding available to establish a financial services skills gateway to support the strategy for the financial services sector in Scotland.

At the heart of the Government's economic recovery programme is a package of accelerated capital spending. We are bringing forward investment from 2010-11 into 2009-10 and—to address Mr McNeil's question—into 2008-09. Of that money, £13 million is being invested in the college sector, some of which is to be used in 2008-09 for construction work, including the development of the James Watt College. The Government has welcomed the UK Government's pre-budget report announcement, which has enabled us to bring forward up to a further £260 million of capital investment.

The council has recommended that we increase our overall infrastructure spending, and I am pleased to say that, as we made clear in the budget bill, we plan to push ahead with £230 million of accelerated spending across Scotland in the next year. We plan to ensure that local authorities receive £90 million of that funding, much of which will be focused on new and refurbished schools, which will impact on local businesses. In addition, colleges and universities will benefit from £13 million of improvements, as I just said to Mr McNeil. That money will generate work and support 4,700 jobs in total.

Members across the chamber have a duty to work to help those who face immediate difficulties, while ensuring that Scotland emerges from the

downturn stronger and more competitive in the global marketplace.

I move,

That the Parliament notes the recommendations made in the *First Annual Report of the Scottish Council of Economic Advisers: December 2008* and the Scottish Government's response to those recommendations in the context of its action to help businesses and households, support jobs and investment and ensure Scotland is well positioned to take advantage of any recovery.

09:52

John Park (Mid Scotland and Fife) (Lab): I welcome the opportunity to participate in this morning's debate. It is fair to say that the initial report from the Council of Economic Advisers in December has divided opinion in Scotland. Stephen Boyd of the Scottish Trades Union Congress—a former colleague of mine who is highly respected—showed a grasp of the English language that I am unable to match when he said of the report:

"As a lesson in the banal the report is peerless. It is difficult to discern any new or innovative thinking in its 60 pages."

The equally highly respected Bill Jamieson of *The Scotsman*—albeit that he was coming from a different perspective—described the report as

"an outstanding exercise, compelling in its logic, impressive in its scope, cogent in its argument ... Indeed I would say it is one of the best summations for years of the problems we need to tackle in Scotland."

I am sure all members will agree that those are interesting comments.

There is undoubtedly cross-party support for the principle behind the Council of Economic Advisers. However, as always with new initiatives such as this, we must look closely at its operation and what it does. Today is about what the council has recommended and how the Government has responded to that. I am sure that it will not have escaped members' notice that the Scottish Government could not bring itself to disagree completely with any of the recommendations. Where there is disagreement, the phrase that it uses is "accept in part". In fact, the bits that the Government likes seem to be consistent with existing Scottish Government policy, while the bits that it does not like are not. That is a common thread to which I shall return later.

Our amendment highlights the importance of a formal link between the Council of Economic Advisers and the national economic forum. I shall explain to Parliament why we have raised that issue and why we want to formalise the link. The First Minister himself has made it clear on many occasions that he expects a formal link to be established between the council and the national

economic forum: indeed, the Scottish Government website highlights specifically the expected relationship between the national economic forum and the Council of Economic Advisers. It states:

"The Forum will allow the Council of Economic Advisers and the Government to draw from the widest pool of opinion. We expect good ideas to flow from the Forum to those directly advising the First Minister and the Government. The Forum will provide the opportunity for issues under consideration by the Council to be discussed more widely, and for solutions to emerge amongst those organisations best placed to deliver."

Perhaps someone forgot to mention the importance of that link to the council's chair, Sir George Mathewson. At the Economy, Energy and Tourism Committee, my colleague, Lewis Macdonald, asked Sir George Mathewson whether the council engages

"with the national economic forum, which has a range of stakeholders and which Government supports?"

In reply, Mr Mathewson said:

"We do not engage with it, but I know what its role is". — [Official Report, Economy, Energy and Tourism Committee, 10 December 2008; c 1374.]

That is a worrying response on the forum, which was developed to represent the wider views of industry to the Council of Economic Advisers. I was an enthusiastic supporter of a national economic forum for a long time before I entered Parliament, but I have genuine concerns about its current size and composition. However, I am happy to leave aside those concerns in this debate because that body is an ideal way to influence Government thinking and opinion, and to build consensus on how best to meet the economic challenges that we face now and that we will face in the future.

Fiona Hyslop: John Park shares our interest in skills and skills utilisation. In the light of his connections with the STUC, he will be pleased to hear that Grahame Smith led one of the sessions on skills provision at the national economic forum. The member is making reasonable points about how a connection can be further developed.

John Park: I appreciate the cabinet secretary's comments and the invitation to go to the summit on supporting people who face redundancy, which I will certainly take up.

I do not underestimate the difficulties of developing a national economic forum and making its work effective, but if it is to work it needs to have formal arrangements with the Council of Economic Advisers. I hope that the Government will consider that.

I recognise that the Council of Economic Advisers will consider vocational education opportunities later, but I am concerned that it has not already tackled that issue, given how vital

skills and training are in assisting people in the current economic circumstances. The cabinet secretary has made a commitment to bring the skills strategy back to Parliament—I hope that that will happen in the near future. All the opposition parties have expressed concern about the lack of clear aims and objectives in the original strategy; we think that it was rushed out. The revised strategy is even more important for our people, businesses and country. I would appreciate the Cabinet Secretary for Education and Lifelong Learning or the Cabinet Secretary for Finance and Sustainable Growth saying when the new document is likely to come before Parliament.

Private sector partnerships with our higher and further education sectors are vital to sustainable development. We must ensure that the resources that we invest in those sectors are directed into areas that are relevant to our future economic needs. The report by the Council of Economic Advisers refers to a number of recommendations on higher education, which my colleague Claire Baker will cover in more detail. I want to highlight the importance of linking academic qualifications with vocational qualifications.

Earlier this week, I had the pleasure of visiting Ineos at Grangemouth, where I saw at first hand the work on apprenticeship training that it has undertaken and how its graduate programme works, and was impressed by what I saw. The company is attracting bright young people. Those people undertake the first two years of an apprenticeship and work towards a level 3 Scottish vocational qualification. During that period, they attend college part time and study for a higher national diploma in their chosen discipline, which enables them to enter the appropriate degree course in the third year. They work with Ineos during the recess periods and know that they have a very good chance of employment at the end of the process. They get vocational, hands-on skills and an appreciation of the environment that they will work in, and they gain valuable academic expertise that will provide them with the skills that will put them among the next generation of leaders in the company and the wider industry. They undertake a university course that is directly relevant to the needs of business and industry, and because they are paid in the first two years and work with the company during holiday periods, they are less likely to finish their studies with increasing debts. Rather, they are more likely to finish their studies with a good chance of employment.

Last week, the First Minister spoke about the 35,000 apprentices who are training in Scotland. He said that that figure compares well with the UK figures. However, in reality, we will take on around 10,500 apprentices in Scotland this year and the figure of 35,000 spans over two to four years, as

people train for that length of time. Some 225,000 apprentices will be taken on at the UK level this year, so Scotland's figure does not compare well. We need almost to double the figure if we want to get close to the percentages that we need and so that Scotland does not lag behind the rest of the UK in apprenticeship training.

The report by the Council of Economic Advisers covers energy. I certainly sympathise with the points that the Conservative amendment raises: security of energy supply is one of the top priorities for business in Scotland. I am sure that many members have read the report by the Scottish Council for Development and Industry that was produced at the tail end of last year, which emphasised that new base-load capacity will be needed to keep the lights on after 2020, no matter how well Scotland generates more renewable energy and increases energy efficiency. That will be an issue.

There is wide support for a wider consideration of nuclear energy as part of the mix. The Scottish Government's position is clear: the national planning framework document's assumption is against new nuclear power generation. It states:

"The Scottish Government does not support the construction of new nuclear power stations in Scotland."

The report by the Council of Economic Advisers recommends that the Scottish Government commission a full independent assessment of the various energy options that are open to Scotland. The First Minister has stated that he believes that he will be proved right on nuclear energy, but the issue is not whether he is shown to be right on it; it is whether he is big enough to accept the findings of the independent inquiry and adapt Government policy accordingly.

I had wanted to say something about infrastructure, but I am reaching the end of my time.

I am sure that members will agree that the Council of Economic Advisers must not operate in a vacuum. The wider representative bodies of industry have experience and skills, and we must harness their expertise effectively. That is why I hope that all parties will support our amendment.

I move amendment S3M-3257.2, to insert at end:

"and calls on the Scottish Government to establish a formal link between the Council of Economic Advisers and the National Economic Forum to ensure that the work of the two bodies is coordinated to be of maximum benefit to the Scottish people."

10:01

Derek Brownlee (South of Scotland) (Con): When the First Minister first announced that there

would be a council of economic advisers, he referred to a counterpart body in the United States that advised Governor Schwarzenegger. Perhaps the Council of Economic Advisers has had rather less success in respect of its public profile, but we can fairly say that it has, since its creation, made a positive contribution to the economic debate in Scotland, whether or not we agree with all its recommendations.

The report highlights interesting and, at times, controversial areas across the range of the Scottish Government's powers. It provides real food for thought, particularly in these difficult economic times. Unemployment is at its highest level for 12 years; job losses are mounting; Government borrowing is at record levels; official figures today are likely to confirm that Britain is in recession; and the pound is at a 25-year low against the dollar. Therefore, the scale of the economic challenge is clear, but no Scottish Government of any party could stop the recession in its tracks or reverse it—that requires action by the UK Government.

The Scottish Government can do two things: it can try to mitigate the impact of Labour's recession in the short term where it can, and it can take the right long-term decisions on education and infrastructure to put us in a strong position when we come out of recession. In that context, I note the blizzard of announcements in the cabinet secretary's opening remarks.

The report by the Council of Economic Advisers makes it clear that the scope for fiscal stimulus at UK level has been dramatically narrowed by the borrowing that Labour ran up. That is the consensus of opinion among all economists in the country and in the world, and it represents a significant addition to the debate.

On the basis that education policies have a significant impact on Scotland's economic potential in the medium to long term, it is right that the Cabinet Secretary for Education and Lifelong Learning has spoken in the debate.

Our amendment highlights the recommendation on achieving the emissions target, and calls for

"an independent assessment of the full economic costs and abatement potential of the various energy options ... which are open to Scotland."

The Scottish Government has accepted that.

The First Minister has set out what the Government thinks are the key issues: cost and carbon emissions. However, there is a third critical issue, which John Park mentioned and that is security of supply. The Conservatives do not ask that nuclear power be given special treatment; rather, we ask that it is assessed on a level playing field. Events throughout the world

demonstrate that security of energy supply is vital. My colleagues will develop that issue later.

There is a broader point. If the Government is sufficiently confident about its case on nuclear power to allow an independent review, why stop there? This week, the Confederation of British Industry reiterated its demand for the mutualisation of Scottish Water. The Conservatives have long advocated such a policy, and the Liberal Democrats are now also doing so. Mutualisation could save the taxpayer a significant sum—£182 million a year—without affecting investment. We know that Des McNulty has denounced the idea as “a betrayal”: only the Labour Party would think that saving the taxpayer £182 million a year was a betrayal.

Patrick Harvie (Glasgow) (Green): Will the member give way?

Derek Brownlee: I want to make progress.

Why does the Government not instruct a review of the benefits and costs of mutualisation? Earlier this week, we were told that it would not do so because the Treasury would keep any capital receipt, but the Government is not quite right about that. First, there might not be a capital receipt because it would be mutualisation rather than privatisation. Secondly, the Treasury does not in any case automatically retain capital receipts under the current rules. The Scottish National Party could, therefore, argue that the capital receipt should come to Scotland. We are witnessing a historic first: the SNP is passing up an opportunity to pick a fight with Westminster, and on quite a significant issue.

I turn to the other amendments—members know that I am always inclined to give a fair hearing to the constructive suggestions that the Labour Party puts forward. To use John Park’s terminology, we “accept in part” the Labour amendment, and we will certainly follow the rest of the debate with interest.

To say that the Lib Dem amendment is somewhat tangential to the matter that we are debating is unfair to tangents. The Elgin bypass is a worthy cause, and the A96 is an important strategic route. However, it is not the role of the Council of Economic Advisers to draw up plans for an Elgin bypass. If it is a matter of relevance for any council, Moray Council would be more appropriate. I am grateful to Alison McInnes, however, for drawing our attention to yet another Lib Dem spending demand, which we missed out of our dossier that outlines the £8.5 billion of additional spending that the Lib Dems have called for since Tavish Scott became leader. I will, of course, ensure that that omission is rectified as soon as possible. I wonder why the Lib Dem amendment highlights the Elgin bypass, rather

than the Dumfries, Maybole or Selkirk bypasses. What possible reason could the Lib Dems have for selecting the Elgin bypass for special treatment? I think we all understand the reality of the situation.

The Council of Economic Advisers’ report is a helpful contribution to the debate, and I hope that the council will make further contributions in the coming years to improve the quality of economic debate in Scotland. Economic policy is a crucial area of devolved politics, and we have to improve the quality of debate and the actions of every element of government: local government, the devolved Government and the UK Government. If we can improve the economic potential of the country with the help of the Council of Economic Advisers, we will make a significant contribution.

I will finish with a final thought in relation to the Conservative amendment. The Scottish Government would, rather than splitting the country, do better to take a more consensual view on the benefits of splitting the atom.

I move amendment S3M-3257.1, to insert at end:

“and in particular notes the commitment to an independent assessment of the full economic costs and abatement potential of the various energy options, including nuclear power, which are open to Scotland.”

10:07

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): Our complaint is not with the Council of Economic Advisers, nor with its advice, but rather with the Government’s action—or lack of action—in response to its report.

The purpose of the council is to work with the Government in setting the economic policies for the future. Members might have expected the Minister for Enterprise, Energy and Tourism to lead or to sum up in today’s debate, as he has done in previous debates on finance and the economy. When the minister appeared before the Economy, Energy and Tourism Committee, he was asked by the convener whether he could

“give us any information about what advice the Council of Economic Advisers has given the Government?”

The minister replied:

“Sadly, that happens above my pay grade in the Government. I do not sit in on meetings of the Council of Economic Advisers, although I hear about their outcomes. However, I welcome its involvement, as there is absolutely stellar talent in it. The basic fact that it exists, let alone the fact that we receive advice and guidance from it, does Scotland great credit.”—[*Official Report, Economy, Energy and Tourism Committee*, 5 November 2008; c 1244.]

So—the council exists, ipso facto we are better off.

There is a similar rationale for the Scottish Futures Trust: it is costing millions, it is spending

nothing and it is delayed and confused—but through the sheer fact alone of its existence, we are better off.

We certainly did not oppose the Council of Economic Advisers. Such independent and qualified advice is always useful for Government—if it is on what the Government is actually doing or planning to do—and it is useful in relation to how it shapes political thought in Scotland. However, as is the case with most things the Government does, there was an underlying political aim: the hope that the council would advance the case for independence. The Government, in its response, seeks at each and every opportunity to make the case for full fiscal autonomy—to have the same powers as countries such as Iceland. The council, however, has never been asked to examine the case for independence.

As the John Lewis slogan states, the First Minister is “never knowingly undersold”. Therefore, when he announced the Council of Economic Advisers by saying that it

“represents the most formidable intellectual firepower ever to have tackled Scottish economic underperformance”—[*Official Report*, 28 June 2007; c 1329.]

expectations were ever so slightly raised.

One might have thought that the Scottish spending review proposals, the Scottish budget, the national conversation, the Scottish economic strategy and the Government’s skills strategy would all have been referred to the council for specific advice on the Government’s direction of travel in the current session of Parliament, but that did not happen. The national conversation is open to everyone, as the Government repeatedly tells us. However, it is seemingly not open to the economic advisers. The council has not done anything with regard to the Government’s response that has moved the debate forward.

The council’s membership is hugely impressive, and we are all grateful for the involvement of the “stellar” cast of actors, as they are described. However, it appears that their script has been written for them. As has so often been the case with the Government, the action on the ground finds it difficult to keep pace with the rhetoric.

Infrastructure—in this case, the Elgin bypass—is a good example of the Government’s response. It opened schools that it had nothing to do with, and takes credit for them. It has published a 10-year forward transport plan, but with cost variations of up to 40 per cent on the estimated total value. Ministers criticise the plan in their constituencies, after signing it off in the cabinet room.

Another example is the Scottish Futures Trust. In June 2007, the Cabinet Secretary for Education and Lifelong Learning said:

“the futures trust will provide a very attractive option for local authorities and I think that many are waiting with great anticipation to use it.”—[*Official Report, Education, Lifelong Learning and Culture Committee*, 27 June 2007; c 40.]

Many are still waiting with even greater anticipation 19 months later. That wait has caused a disastrous slowdown in the pipeline of projects.

Fiona Hyslop: I reassure the member that there has been no slowdown in funding and support for schools. In fact, 150 schools have been refurbished and opened since May 2007, and another 100 schools will come during the current session of Parliament.

Jeremy Purvis: Those schools were planned and the funding put in place by the previous Administration. The cabinet secretary—

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): That is a pathetic excuse.

The Presiding Officer: Order.

John Swinney: Will the member give way?

Jeremy Purvis: No, I will not—if the minister calls me “pathetic” from a sedentary position, I will not give him the courtesy of giving way.

The cabinet secretary failed to persuade Parliament, so perhaps she should attempt to persuade the Scottish Council for Development and Industry. In the SCDI’s 10-point plan for construction from the policy paper that it published late last year, recommendation 8 states:

“There is agreement amongst buyers and suppliers that delays and uncertainty over the establishment of the Scottish Futures Trust is holding up investment in infrastructure and damaging construction industry. We need the Scottish Government to clear up uncertainty and get on with the job of renewing our schools, hospitals and transport infrastructure.”

The SCDI does not believe what the Government says, so I am not sure why any members of the public should believe it.

There is considerable merit in the advice from the Council of Economic Advisers with regard to skills and the restructuring of Scottish Enterprise. It has called for an industry-based approach, while the Scottish Government has gone for a company-based approach, by removing swathes of support for small businesses throughout Scotland. The new chair of Scottish Enterprise—the body is 40 per cent smaller than its predecessor—is being paid the same £40,000 salary as his predecessor for one and a half days’ work. I assure the cabinet secretary that that will stick in the craw of many constituents of mine who will be worried about their jobs in the coming months.

I commend the Government’s response on one point, with regard to how projects in infrastructure

will be accounted for. The Government's response to recommendation 20 is clear with regard to—

The Presiding Officer: I am sorry, Mr Purvis—we have to move on. I warned all members that there was no extra time available.

Amendment S3M-3257.3 moved:

"insert at end 'notes the Council of Economic Advisers' recommendation that the Scottish Government "raises the overall level of infrastructure spending within Scotland", and believes that the Elgin bypass should be included in the Scottish Government's transport infrastructure investment plans.'"—[*Jeremy Purvis.*]

10:13

Keith Brown (Ochil) (SNP): As the cabinet secretary said, the council's report has been received during grave economic times. For that reason, it is timely and welcome. As the Scottish Government is currently bringing forward its economic recovery budget, the report suggests key actions to address the current economic crisis as well as the long-term challenges that we face as a country.

We have had a public debate that, in addition to concentrating on the current economic crisis, has raised questions about how much the Parliament and the Scottish Government can do; the size of the Government's budget; the extent of its powers; and the discretion—as opposed to standing obligations to spend—that it has within the budget.

The report highlights the current extent of our powers and acknowledges, in particular, the absence of borrowing and macroeconomic powers. There is a degree of relative unity among members about the gravity of the situation that we face and the need for action, and recommendation 20, which Jeremy Purvis mentioned, highlights the need to explore alternative borrowing powers outwith the current private finance initiative regime.

If it is true that we must be flexible, dynamic, innovative and bold in responding to any crisis, it is particularly true in the current economic crisis. The Parliament must show flexibility, innovation and boldness, and I suggest that the most effective thing the Parliament can do is unite behind the idea of establishing borrowing powers. I know that there are some disagreements about that among the parties, some of which say that the matter is being considered by the Calman commission, which is not yet ready to report. I understand that point, but in response I make the point that we are in a huge crisis. Given the news that we saw on television last night about further job losses and other economic indicators, it is obvious that we do not have a great deal of time to respond quickly and effectively to the crisis.

I do not think that the other parties have substantial objections to the idea or would rule out borrowing powers in principle. If we consider the other actors who have commented on the economic situation and their views on borrowing powers, it is clear that the matter should not necessarily divide the parties in the Parliament. Reform Scotland and the David Hume Institute have spoken in support of borrowing powers, while the STUC, which John Park mentioned a number of times in his opening speech, could not be clearer in its support for the establishment of borrowing powers for the Parliament. Unison and other trade unions also support the idea.

We should consider the anomalous position in which the Parliament and the Government find themselves in comparison with local authorities, which have been able to borrow for many years. In theory, their borrowing power was increased dramatically with the move to prudential borrowing and, rightly, the only limit on their potential to borrow is what they can properly service through their revenue streams, as long as they act in a prudential way.

The Northern Ireland Assembly can borrow up to between £2 billion and £2.5 billion, and even the Scottish Government, through its projects with Network Rail, can tap into borrowing powers to fund infrastructure projects for the railways. There is no logical reason why the Scottish Parliament, which is perhaps the most powerful of the devolved Parliaments and Assemblies, should not be able to borrow as well. Our inability to do so fundamentally limits our ability to deal with the current economic crisis.

Many people, including the economic advisers, have highlighted the need to bring forward infrastructure projects. The benefit of doing so is that it produces a long-term return to the country and the economy well into the future. Improvements to the country's infrastructure such as road bridges, rail projects, education projects or communication projects produce long-standing benefits, not least because they improve our economic situation compared with our competitors.

Borrowing powers are crucial at the best of times, but they are even more crucial at present because we need to establish new jobs and new public works. It is also the case that the economic downturn itself presents a great advantage. For example, the Cabinet Secretary for Education and Lifelong Learning recently announced £21 million of funding for a new Forth Valley College in Alloa. That college will be built during a tough time for the construction industry, so we will get it for a good price; the existing college will, I hope, then be sold when the upturn comes, so we will get the

best price for it. There are opportunities, but they have to be taken quickly.

Yesterday, I lodged a motion on borrowing powers. I seek all members' support for going to the Westminster Government and asking for borrowing powers outwith any debates about fiscal autonomy, independence or further devolution. Our request would be a response to the current economic crisis, and I do not see any reason why any party in the Parliament should oppose that.

Such a move is a short-term measure that can be done fairly quickly. There are different views about whether it can be done by ministerial order or whether primary legislation is required, but whichever approach we take, we must respond quickly and imaginatively to the current crisis. Other economies throughout the world have developed quick responses, perhaps taking steps that they would not have taken before. The fact that we talk quite glibly these days about the nationalisation of the whole banking system shows how much things have changed.

I end with a plea that we try to achieve some consensus. The public would be grateful if the Parliament could establish borrowing powers that allowed us to take forward infrastructure projects. That would be a bold step towards dealing with the economic crisis.

10:19

Ms Wendy Alexander (Paisley North) (Lab): I begin by quoting one of Scotland's most prominent entrepreneurs and economic commentators, Ian Ritchie. In the January edition of *Scottish Business Insider*, he wrote:

"the old Scottish economy—which was overwhelmingly dominated by giant financial institutions—has been blown to bits by the great Credit Crunch of 2008 ... Both Scottish & Newcastle and HBOS—with their centuries of proud tradition and business leadership—have gone forever.

The UK Government now owns the Royal Bank of Scotland which, alone, until recently represented well over 50 per cent of the Scottish economy."

He concluded:

"The last time our economy was in such a state was in 1945, at the end of the second World War when huge chunks of our business infrastructure had been literally blown to bits by the Nazis."

That was just last week. On Monday, RBS posted the largest corporate losses in UK history and the Scottish Chambers of Commerce offered its bleakest survey ever, and on Tuesday the share value of the new Lloyds Banking Group slumped by 30 per cent. Yesterday, Scottish unemployment rose sharply to a 10-year high, and this morning Scotland's Parliament debates the Scottish economy for the first time this year.

I have to ask what worried Scots should make of the fact that today, in the midst of the most challenging economic week for decades, the SNP declined the chance for a minister with responsibility for the Scottish economy to open the debate. We face tight credit conditions, small business finance is jeopardised, economic growth is reversed, business activity is down, household incomes are down, retail sales are down, and house prices are down. I mean no harm to Fiona Hyslop, but she has no ministerial responsibility for any of those things.

The economy, the Scottish budget, business and industry, Scottish Enterprise, Highlands and Islands Enterprise, trade and inward investment, corporate development, public services reform, deregulation, European structural funds, energy, tourism, land use, planning, climate change, building standards, transport policy, procurement, e-government and Scottish Water are all the responsibility of John Swinney and his team. Scotland is facing an unprecedented economic storm, but all three ministers with responsibility for the Scottish economy declined to open the debate.

John Swinney: Will the member give way?

Ms Alexander: I will give way to the cabinet secretary, who did not want to open the debate.

John Swinney: Would Wendy Alexander not have preferred me to listen to her great, six-minute oration and give a considered response at the end of the debate, to deal properly with the issues? I will be delighted to do that, and I am glad that she has taken three minutes to say precisely nothing to the Parliament.

Ms Alexander: I am told—and I will be interested in the cabinet secretary's view on this—that it was only a last-minute switch that shamed him into appearing today, but maybe he will tell us why he misinformed every other party. However, that is a matter for elsewhere.

It was so different in 2007, when John Swinney told us that the Council of Economic Advisers would

"play a significant part in the development of our economic strategy, but Parliament must also be central to the process."—[*Official Report*, 30 May 2007; c 194.]

These days, he and his ministerial team have to be dragged to the Parliament to account for their actions.

If the SNP thinks that I mean to shame ministers into action, I do, because they can be shamed. For months, I and others have been calling on them to publish the Scottish Government's six-point economic recovery plan in a more substantial form than a mere press release. They finally slipped it out last week. There was no press release, no debate and no leadership by the cabinet secretary,

but finally, at the beginning of the Government's response to the annual report of the Council of Economic Advisers, we have the six-point plan.

As the cabinet secretary is now to sum up the debate, I ask him to answer the following questions. Why is there no meaningful discussion of the proposed local income tax from either the Council of Economic Advisers or the Government, given that it is the Scottish Government policy that is of most interest to Scottish business? Why is there no discussion of the neutering of the intermediary technology institutes? Why is there still a planned real-terms reduction in the Scottish tourism budget for this year? Why is the Government abolishing the collection of data on the performance of planning authorities in Scotland? Who will carry out the review of energy options, and when will the terms of reference be made public?

I note that a small minority of the council's recommendations relate to Fiona Hyslop's responsibilities, but the vast majority relate to John Swinney's. We must fear that the SNP is guilty of inaction and irrelevance with regard to the Scottish economy. The intermittent calls for unity by the Cabinet Secretary for Finance and Sustainable Growth—in contrast to the attacks on London that goodness knows there are still plenty of—cannot become a cover for inaction or silence in this Parliament. The country deserves better.

10:25

David McLetchie (Edinburgh Pentlands)
(Con): We should welcome the report of the Council of Economic Advisers, which makes 22 recommendations to the Government. However, I have just discovered a hitherto unknown and secret 23rd recommendation: "John Swinney should speak first in all parliamentary debates". That is the way to get this country out of recession.

I was interested to note in the Government's response its support for the Scottish tourism industry and homecoming 2009. I am in no doubt that homecoming will be a great success, not just because we are celebrating the 250th anniversary of Robert Burns's birth, not just because of the extensive programme of events the length and breadth of Scotland, and not just because of the seductive siren voice of that home-loving man, Shir Sean Connery, but because the third world currency with which Gordon Brown has landed us means that most Scots cannot afford to leave home in 2009. The collapse of sterling on the world's currency markets is the world's judgment on Britain's economic condition and makes Labour's attempts to present the Prime Minister as some kind of world economic saviour as a ludicrous blasphemy. So, for the time being, it is

holidays at home for us and we should take this opportunity in adversity to boost our tourism industry for future years when we are not exchange rate prisoners in our own country.

The Conservative amendment focuses on the recommendation that the Government commission an independent assessment of the full economic costs and abatement potential of the various energy options open to Scotland. I am pleased that the Government has accepted that recommendation and, in particular, welcome the First Minister's statement that one of the energy options to be examined in this independent assessment will be nuclear power.

Yesterday, the Local Government and Communities Committee took evidence on the second national planning framework from Stewart Stevenson and the chief planner. As members will be aware, the framework identifies 12 national developments, including a new power station and trans-shipment hub at Hunterston and new non-nuclear base-load capacity at other existing power station sites. If the Government is serious about having an independent assessment of energy options, it must be prepared to admit the possibility of the independent assessor coming to a conclusion on energy policy that differs from the one the Government has reached. Parliament will complete its scrutiny of the national planning framework, and it will come into effect, before we learn the results of the independent assessment, never mind the Government's response to its recommendations.

A Government that has a genuinely open mind on this matter should be prepared to accept a simple modification to the national planning framework and remove the term "non-nuclear" in the reference to base-load capacity. After all, it does no violence to the planning framework to admit the possibility of the independent assessment coming to the conclusion that new nuclear capacity is necessary in Scotland to replace Hunterston and/or Torness when those stations come to the end of their operational lives.

Patrick Harvie: Mr McLetchie will be aware that the majority of members in the Parliament won their seat on the back of manifestos that were explicitly opposed to new nuclear capacity. Even if his independent review informs future debate or the development of NPF 3, why should it supersede the democratic mandate of the current Parliament?

David McLetchie: After 10 years in the Parliament, my experience is that the majority of members are invariably wrong on a whole range of issues because they do not agree with me. Indeed, the majority of members are well capable of changing their minds—and I hope that, after hearing my rational arguments, they will do so.

One would have thought that, if new non-nuclear base-load capacity qualified as a national development, new nuclear base-load capacity must also do so and that a Government with an open mind would have concluded that my suggested amendment to NPF 2 was appropriate. Sadly, this Government has not reached that conclusion, and Mr Stevenson was emphatic that the Government would not amend its framework in that way.

The only conclusion that I can draw is that the Government is certain of the outcome of the independent assessment. In that case, just who is going to conduct the independent assessment that is going to reach the conclusions of which the Government is so certain? Perhaps the Cabinet Secretary for Finance and Sustainable Growth will inform us of the identity of those wise men and women, because there are any number of wise men and women who have reached the conclusion that we need to rebuild our nuclear capacity if we are to have the remotest prospect of ensuring our energy security and achieving our emissions targets. I need refer only to the influential inquiry into energy issues conducted by the Royal Society of Edinburgh; the advice of the former chief scientific adviser to the UK Government, Sir David Kane; and the views of that great green guru, Professor James Lovelock.

In the face of that intellectual firepower, we await with interest the identity of the assessors and their credentials for judging this most important of issues. In the meantime, the Council of Economic Advisers—

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

David McLetchie: —is to be commended for reopening—

The Deputy Presiding Officer: The member should not go on speaking after I have told him to stop.

10:31

Aileen Campbell (South of Scotland) (SNP): One of the Scottish Government's first acts after the May 2007 elections was to establish the Council of Economic Advisers in recognition of the importance of developing and growing Scotland's economy in meeting the Government's other targets, including eliminating poverty, respecting the environment and building the best possible future for our children.

Scotland's Government is not alone in seeking independent advice on how best to develop its economy. For example, the Executive Office of the President of the United States has had a Council of Economic Advisers attached to it since 1947;

indeed, in recent days, it has been rebooted with fresh faces and new thinking to take forward the changes in American policy that we have all been hoping for. In 1997, Ireland established a National Competitiveness Council to advise on how to draw together a diverse range of sectors and experience to build the country's economy. Even Gordon Brown has his own—albeit not wholly independent—national economic council, which comes complete with Peter Mandelson.

The Scottish Government has not set up the council to be a talking shop; it is offering the Government real, practical and concrete advice, and the Government is responding positively to its views. The council's report is perhaps even more important in an era of economic uncertainty that is very different from the situation when it was established in May 2007. Unfortunately, we are now hearing regularly of bankruptcies and job losses. In the South of Scotland region that I represent, the haulage industry is just one area that is beginning to feel the pinch—last week, for example, the Eddie Stobart Group announced the closure of its Larkhall depot. This will be a worrying time for all the staff at the site and their families and I am sure that, through PACE, the Scottish Government will do it all it can to help them and the other businesses and industries throughout Scotland that are trying their best to survive.

I am particularly pleased by the commitment in the Government's economic recovery programme to strengthen not only PACE, as Fiona Hyslop made clear in her opening remarks, but links between Skills Development Scotland and Jobcentre Plus

“to minimise the time for which people who are affected by redundancy are out of work”.

The Government is right to highlight its recovery programme at the beginning of its response to the council's report, because the strategy will help to ensure that Scotland meets the present economic challenges as best it can and emerges stronger as a result. That is one of the themes of the council's recommendations, and I welcome the fact that the Government has accepted 18 of the 22 recommendations in full and the remaining four in part.

The wide-ranging recommendations join up the different sectors and factors that affect—and are, in turn, affected by—our economy. As a member of the Education, Lifelong Learning and Culture Committee, I was particularly interested in the council's recommendations on education and skills. Perhaps controversially, the report recommends that the Government consider introducing a two-tier approach to the standard four-year honours course. The Government is right to accept the recommendation containing that

proposal only in part, because it is important that we respect our higher education institutions' autonomy in this area. Any significant changes to the structure of degree courses in Scotland will need the academic community's full support.

The Scottish Government has also accepted only in part the recommendation that a range of stakeholders, including businesses and students, contribute to the funding of higher education. Access to education based on the ability to learn, not on the ability to pay, has been a long-cherished principle in Scotland, and its having re-established free education with the abolition of the graduate endowment, I can well understand the Government's reluctance to accept that recommendation.

The recommendations that the Government has accepted only in part are a small minority of the overall report, which, on the whole, is ambitious for Scotland's economy and confident about the steps that we can take to face economic difficulties.

It is not surprising that, in its response, the Government accepts all the recommendations regarding growing the powers of the Parliament and the potential difference that greater fiscal autonomy could make to the country. I welcome the growing strength of feeling in Scotland in favour of greater financial powers for the Parliament and the Government. Despite what some members have said, many people now view the fact that the Parliament does not possess the borrowing powers that our local authorities, the Northern Ireland Assembly and Network Rail take for granted as, to use Keith Brown's words, highly anomalous.

Like the Scottish Government, I want Scotland to have all the powers of a normal independent country. Despite all the challenges that it faces, we have not heard that Ireland is seeking to return to the bosom of London to cure its economic woes; nor has Norway declared itself insolvent, despite some people's predictions.

The Government has accepted many other welcome recommendations. I particularly look forward to seeing how the advice on developing the planning system is taken forward. One of the issues that constituents raise with me most regularly is the difficulty that they face getting through the planning process. Any steps that the Government can take to make the process streamlined, transparent, consistent and focused on good-quality outcomes will be warmly welcomed.

The fact that the Government has been able to respond so positively to the report of the Scottish Council of Economic Advisers demonstrates the wider ambition that it has to help Scotland flourish. Nowhere is immune to the global economic

downturn but, with a Government that is prepared to listen to the sound advice of its economic advisers, Scotland can prove more resilient than it might do otherwise.

I congratulate the Government on its positive response to the report, and I am confident that future reports will continue to help strengthen and develop Scotland's economy, no matter the global circumstances in which we find ourselves.

10:37

James Kelly (Glasgow Rutherglen) (Lab): I welcome the opportunity to take part in the debate, which comes at a relevant time, given that the economy has dominated the Scottish, UK and world political scenes in recent months. There is no doubt that we find ourselves in a very difficult economic situation, which is illustrated by the 13,000 rise in unemployment that was announced yesterday and the recent purchasing managers index survey, which showed record drops in Scottish services activity and manufacturing output.

In reflecting on the economic situation, I recalled that, last May, I was part of a group of MSPs who visited the Royal Bank of Scotland headquarters as part of the Scottish Parliament and Business Exchange. It is really hard to believe that eight months later, RBS posted £20 billion losses and the Government now controls more than 70 per cent of it.

The effects of the economic situation are being seen in communities in our constituencies. A recent report by Experian noted that Rutherglen is likely to be one of the five towns that are worst affected by the recession. Almost at the same time that the report was published, that was shown by the closure of Woolworths on Rutherglen's Main Street. Sadly, the situation has deteriorated this week with Vion's announcement of the proposed loss of 150 jobs in the food processing plant in Cambuslang. That is unfortunate, given that Vion took over Grampian Country Foods only last June. The First Minister had a meeting with Vion—as did Richard Lochhead in October—and he said that he hoped that Vion would change the landscape. It has certainly changed the landscape in Cambuslang by proposing to put workers on the dole, which is not welcome.

I note the Council of Economic Advisers report's contribution to the economic debate, but we are more concerned about the impact of the economic situation on the ground. We do not need an economics doctorate to see the impact in Cambuslang and Rutherglen, given the "for sale" and "to let" signs that are going up in shops in the main streets. We can also see the effects in the faces of the workers at Vion who are facing

potential redundancy. Those workers and their families are experiencing a really emotional and difficult time. They are looking for practical actions. They are looking to see what Jim Mather, as Minister for Enterprise, Energy and Tourism, can bring forward and what Richard Lochhead, who has responsibility for food, can do to revitalise the food processing plant. Overall, people are looking for jobs and skills to be prioritised to revitalise their communities and boost our town centres. We have to face those major issues.

The report addresses the major issue of energy, to which the Conservative amendment refers. There are big challenges for the SNP Administration, given its stated aim to bring forward plans to reduce emissions by 80 per cent by 2050. It is one thing to make such a policy commitment, but it is another to deliver it. We are all committed to boosting and encouraging renewables, but the SNP Administration has turned down a number of renewables schemes, and there is still a delay in the Beaulieu to Denny network. If we are really going to push renewables, the infrastructure must be in place to support that.

The Administration attempts to face both ways on the nuclear question: it is prepared to extend the lifespan of nuclear plants, but, at the same time, it says that it is not in favour of the nuclear option.

David McLetchie: On the subject of facing both ways on nuclear power, will the member explain why the Labour Party in this Parliament finds it so difficult to support the energy policy of Her Majesty's Government?

James Kelly: We all want a balanced energy policy that takes energy from all sources and helps to give us stability of supply and strong base-load provision, which will ensure that we keep the lights on. Scottish Labour and UK Labour are committed to that.

The report fails to address some of the bigger issues in how we grow the economy. We need practical action to tackle the big issues and provide solutions for Scotland.

10:43

Alison McInnes (North East Scotland) (LD): I read with interest the Council of Economic Advisers' recommendation that

"there is a need to raise the overall level of infrastructure spending within Scotland".

A critical element of that is investment in transport infrastructure. Six weeks ago, the long-awaited strategic transport projects review was finally presented to Parliament. It is prefaced with the following:

"A safe, efficient and effective transport system is essential for Scotland and the Scottish economy ... Our economic success depends on good connections between our cities and towns ... Transport Scotland's Strategic Transport Projects Review ... supports the Scottish Government's purpose of promoting sustainable economic growth by planning the next 20 years of transport investment for Scotland's rail and trunk road networks."

Ever since the SNP took office 20 months ago, the STPR has been used as a shield to fend off questions about transport investment. Communities and local authorities have been told over and over by the Government to wait for the outcome of the STPR. So we all waited, waited and then waited a bit more as the Cabinet mulled it over.

Transport Scotland submitted its recommendations to ministers in September last year, which means that ministers had the review before them for two and a half months prior to coming to a decision. On 10 December—only six weeks ago—we were finally told of the Government's priorities for the next 20 years of trunk road investment.

Some of us might think that there are things missing from the STPR, but we are not cabinet secretaries. Unlike Mr Lochhead, we did not get the chance to argue our case for 18 months from within the Cabinet. I heard no dissent from the Cabinet when the STPR decision was reported to Parliament yet, two weeks ago, Mr Lochhead met campaigners to express his disappointment that the Elgin bypass had not been included.

Mr Brownlee asked why my amendment does not mention other bypasses. The answer is obvious: Mr Lochhead's recent actions have brought the Elgin bypass to the fore. As an Opposition MSP, my role is to hold ministers to account. If Mr Brownlee does not think that a lack of credibility is a serious issue, that is a matter for him. The behaviour in which Mr Lochhead has indulged recently not only disappoints his electorate but contributes to many people's disenchantment with politics. He cannot sit in Parliament and support the outcome of the STPR, then go home to his constituency and say that he is disappointed in it. Mind you, he is probably not as disappointed as the people of Elgin are with their MSP.

Richard Lochhead says that he will keep making the case. The case for what—inclusion in the next 20-year plan? When he campaigned for an Elgin bypass at the previous election, was he campaigning only for a bypass in 2032? Why does he think that he can have it both ways? Either he supports the Government's decision to exclude the Elgin bypass from the next 20 years of investment in our trunk roads or he supports his constituents.

Richard Lochhead claims that projects in other parts of Scotland must be looked at first, but that is not how the Government says that its strategic plan works. The SNP's transport minister has made it clear that the plan does not prioritise; it provides a wish list of projects that need to happen in the next 20 years.

Mr Brownlee referred to costs, which was pretty rich, given that the transport investment plan's price range for the 29 projects is £12 billion to £21.3 billion before VAT, which represents a staggering variance of £9 billion.

Derek Brownlee *rose*—

Alison McInnes: I will not give way as I want to make my case.

Given the bewilderment in the past couple of weeks, I thought that we should give Richard Lochhead an early opportunity to clear up the confusion and make it clear to his constituents that he means what he says. After all, he campaigned with local people for a bypass for years—I have reminded myself of that by re-reading his press comments and parliamentary contributions, which unequivocally supported a bypass. For example, he said in a parliamentary debate:

"I will address the reasons why we must have the Elgin bypass ... The number 1 priority on which the whole community—the business community, residents and everyone else involved in the debate—agrees is that we must upgrade the transport infrastructure ... It is seen as the make-or-break issue, which is why this debate is so important.

We cannot have an A96 upgrade without ... the Elgin bypass".—[*Official Report*, 21 September 2006; c 27967-8.]

Tonight, Richard Lochhead has the opportunity to turn those words into action. At 5 o'clock, people in Elgin will know for certain whether he supports the Elgin bypass. He has the chance to vote for it. He can stand up for his previous promises by voting for the bypass to be put into the Government's transport plans, or he can vote against the bypass to keep his ministerial job. He cannot do both.

10:47

Christopher Harvie (Mid Scotland and Fife) (SNP): I will not dilate on how we got here—I have written enough about the UK's post-industrial economy and its descent into post-rationality.

I will respond to recommendation 8 from the Council of Economic Advisers, which urges the Scottish Government to identify

"the most cost-effective options for reducing energy demand. This should include exploring ways of delivering transformational levels of home insulation."

I am encouraged by the Scottish Government's enthusiasm for a new energy assistance package

to ameliorate fuel poverty, improve energy efficiency and emphasise renewable heating systems and insulation measures as a central policy priority. I will expand on insulation measures and plead for cross-party agreement on their precedence.

Earlier this month, the Economy, Energy and Tourism Committee was confronted during its energy inquiry by six middle-aged caucasian gents representing generation and transmission companies, who told us—unsurprisingly—that we require more generation and transmission capacity. I asked what would happen if someone from a Scottish national insulation corporation told us that his outfit could reduce demand by, say, 30 per cent, by a universal mass-production-oriented house insulation campaign—might that prevent expensive generation capacity from being built and save cash for other purposes?

Space heating accounts for 50 per cent of our carbon production, so achieving economies in that area will reduce the requirement for energy provision. A co-ordinating corporation could be established quickly to combat unemployment and advance training while more elaborate generating plants of whatever type were being planned and constructed.

Such an outfit has a Tory precedent in Walter Elliot's Scottish Special Areas Housing Association of 1936, which used new techniques to expand housing in depression-hit special areas, and later became the Scottish Special Housing Association. In the 1930s, housing boosted the economy and a semi cost no more than two times the standard middle-class income—imagine that—but we are now confronted with overpriced and not particularly well-built houses that struggle to reach a European Union energy rating of C.

Construction firms are in a slump, so why not have a compact state agency—it could be called Scottish Insulation—that is empowered to organise series production and supply of the necessary technology to meet demanding deadlines? That has a Liberal precedent in the munitions directorate for Scotland during the first world war, which churned out guns and shells only months after David Lloyd George founded it in May 1915. The proposed agency could offer and organise contracts with private firms and undertake enterprise on its own when necessary.

Crucially, Scottish Insulation would represent the passive housing industry—which conserves energy—to central Government and funding bodies. I notice a gap in such representation today. Plenty of spare labour, material and expertise are going a-begging. Perhaps some finance matadors who are out of a job might do community service and work their passage back into society. Following the precedent of the SSHA

in the 1930s and the North of Scotland Hydro-electric Board a decade later, our insulators could—with logos on vans, staff and big propaganda hits—do what environmental and employment lobbies want and earn new-deal-type publicity for renewable Scotland's initiatives.

Such schemes have been standard practice for decades in Scandinavia. The Conservative Government in my former German home of Baden-Württemberg—[*Laughter*]. That Government was Conservative, Mr McLetchie, and it adopted an SPD plan to install insulation that meant that, even with expensive German energy prices, I paid a third less for my fuel there than I paid in an equivalent flat in Scotland.

Patrick Harvie: Will the member give way?

Christopher Harvie: I will continue, as I do not have long for my speech.

There is compelling logic in developing as soon as possible bilateral links with places such as Norway and—yes—Germany, where the economy has the equipment and the capacity to adapt and to train. We should remember that less than 10 per cent of our labour force now works in manufacturing industry and that housing standards in Europe are considerably higher than those in the UK.

Scottish Insulation's presence in the energy scene would at least make conventional power suppliers more responsive to the Scottish Government's energy agenda. If allowed to expand into the present developmental vacuum, it could do much to convert the dearth of housing activity into preparation and training for a wider renewables strategy.

10:53

Hugh Henry (Paisley South) (Lab): There is no doubt that, in the current climate, the public want politicians to put aside petty differences, to focus on the problems and to try to work together to produce solutions, provide assurances and give confidence in the uncertain period that we face. It is right that all parties, including mine, put aside some of the shibboleths to which we have become attached, acknowledge that others sometimes have answers to questions that are being posed, and recognise that no one party has all the answers to the problems that we face. To that end, I welcome Fiona Hyslop's offer that other parties are welcome to attend the skills summit. That is but a small first step in the Government's recognising that others should be engaged in finding a way out of the current problems. I congratulate her on that.

I urge the present Administration to recognise that, in a period of uncertainty, the last thing that

business and working people across Scotland need is more uncertainty and worry. I suggest that the proposed local income tax would add significant uncertainty to businesses that already face many problems in coping with the impact of the international financial crisis. Many business organisations have already spoken on record about their worries about local income tax.

I understand the politics of what the SNP promised to gain power and of scoring points against others. However, leaving aside the arguments about whether the proposition could work, we should recognise that it would bring great uncertainty, cause tremendous turmoil and not be easy to introduce. If we are genuine about wanting to help Scottish companies—not just big companies but small and medium-sized enterprises—to ride out the problems that they face, we should be big enough to recognise that the threat of a local income tax might be enough to put some of them under or, worse, to deter people from investing in Scotland. Much as the Government aspires to replace the present system for financing local funding, it should recognise that, in the present circumstances, it would be extremely foolish not to pay attention to businesses' worries.

The Council of Economic Advisers raises the issue of planning. I agree that we should work to ensure that planning is improved, decisions are expedited and more attention is paid to sustainability. Often, planners take too long to make decisions, and sometimes those decisions seem perverse. I welcome any measures to encourage investment and speedier decision making at a local level. However, I introduce a note of caution. Often, unfettered development occurs and decisions about where investment and building should take place are made at the expense of the long-term interests of local communities. We should not fetter the right of local councillors and planning officials to consider what is best for their community. Sometimes, they must make hard decisions that involve balancing the needs of companies that want to invest, which want quick decisions, and the needs of the wider community, not just in the short term but in the long term. In my area, I have seen companies come in with all guns blazing and a full fanfare of support for the jobs that they bring, only to close and move away, leaving an empty building that blights the landscape for years to come. We should ca cannie.

Finally, if the Council of Economic Advisers is to have any influence on the Administration, it must address the issue of town centres. If we want to revitalise and protect Scotland, we must do something about our traditional town centres. We need to work across parties on investment in town centres and the decisions that can be made to

combat not just out-of-town centres but the recession that is impacting on many small businesses. The last thing that we need is economic blight in town centres, which are both economic drivers for the country and important social providers for the people who live in the areas that they serve. A town centres initiative would be welcome and should be introduced soon.

10:59

Alex Johnstone (North East Scotland) (Con):

To repeat a line that Hugh Henry used just seconds ago, economic blight is the last thing that we need, but economic blight is what we have. Unfortunately, that is the circumstance from which we must move forward.

We need to underpin economic growth for the long term. I understand that certain individuals, including even some members, believe that economic growth is not important compared with other things. I believe that we need to commit to significant levels of carbon or climate change gas reduction over the next few years, but for us to succeed as a Parliament and a country, that must go hand in hand with measures to underpin economic growth. I will not accept any argument that diverges from that position. I am prepared to commit to the idea that we must both maintain economic growth and cut emissions by 80 per cent by 2050, but I am concerned about how that can be realised.

Some of the documents that have been published recently contain one or two statements that help to crystallise the decisions that we need to make in the coming years. I offer a simple quotation from the national planning framework 2 document to illustrate the fact that the Government is prepared to consider some fairly worthwhile options. On the generation of electricity, paragraph 150 states:

"Given the variable output of some renewable sources of energy, large baseload power stations will have a role to play in maintaining the stability of electricity supply for some time ahead. While important elements of Scotland's existing baseload generating capacity are scheduled to close over the next 10 years, extensions to the lives of coal-fired and nuclear power stations are possible."

I welcome the fact that the Government acknowledges that nuclear has a role to play in the near future, at least. However, I will address first the issue of coal-fired stations, which I will broaden out to include all fossil-fuelled thermal stations. NPF 2 sets out a clear case for the employment of carbon capture or clean coal technology, but when the Transport, Infrastructure and Climate Change Committee took evidence on the issue, we were interested to discover that a number of non-governmental organisations concerned with environmental matters have a

significant lack of faith in the technology's ability to meet the need for Scotland to reduce its carbon dioxide emissions in the near future. Their concern is that the technology is not mature. Even if it could be retrofitted to existing or soon-to-be-built coal-fired power stations, there is a danger that we would leave ourselves with huge storage problems for captured carbon dioxide that could not be disposed of in a long-term or permanent way. Where have we heard that before?

If we genuinely need to provide base-load capacity—as I believe we do—to balance the pursuit of renewables, to which the Parliament is committed, we must be sure about how can do so without emitting carbon. The obvious answer is through nuclear generation. When we talk about power in general terms, we are always reminded that energy efficiency is worth pursuing and that there is a need for much more power than simply electricity. However, some of the policy decisions that we have made in recent years and are about to make mean that, although overall energy consumption could fall, the requirement for electricity will rise, as we travel by electric trains and begin to plug in our cars in the evening to recharge them overnight—that may just happen. We need carbon-free base-load capacity, and we need to use technology that we know works.

Scotland has already had two generations of nuclear power stations. The first generation was dirty, created large volumes of waste and gave us problems that we will be dealing with for many years to come. The second generation was much better—the stations were cleaner, more efficient and more reliable. However, in recent years we have realised that, as they become older, they are subject periodically to unexpected shutdown. That is why the Government should do more than simply commit to using our existing nuclear capacity. We need to commit—now—to the third generation of nuclear power stations in Scotland.

Patrick Harvie: Will the member give way?

Alex Johnstone: No, I am sorry.

That might be the final step that we need to take on nuclear generation, because the third generation of power stations will be cleaner, safer and more efficient, and will cut our carbon emissions throughout the period to 2050, the date by which we have committed to reducing our emissions by 80 per cent. The opportunity is too good to miss. If we miss it, it will be all the more difficult to hit the 2050 target.

The Conservatives are committed to such a step. The Labour Party is moving quickly towards the position, as James Kelly's speech suggested—

The Deputy Presiding Officer: I am sorry, your time is up.

11:05

Malcolm Chisholm (Edinburgh North and Leith) (Lab): I welcome the report of the Council of Economic Advisers. We should be grateful to the economists for giving up their time—although sometimes it would be good to hear about matters on which they disagree as well as matters on which they agree.

There was certainly agreement on productivity, in all its aspects. I am sure that most members agree strongly with the section of the report that deals with productivity, although it is clear that members of the Labour Party have big concerns about skills and training, which I am sure will feature prominently during the next few days, as we approach the climax of the budget process.

When the Cabinet Secretary for Finance and Sustainable Growth winds up the debate, it would be useful if he could reflect on the significant figures on new apprenticeships this year, which John Park mentioned—10,500 in Scotland and 225,000 in England—and tell us when the skills strategy will be brought back to the Parliament.

Infrastructure investment, which features prominently in the report, is always important but is especially important now, as a key ingredient of fiscal stimulus. We have heard much about borrowing powers from members of the Government party, but we have heard nothing about the delays that have undoubtedly occurred as a result of the hiatus between public-private partnerships and the Scottish Futures Trust. I strongly support borrowing powers for the Scottish Parliament and I hope that the Calman commission on Scottish devolution will make recommendations on borrowing and other fiscal powers for the Parliament. However, support for such a position in no way excuses the delays in bringing forward infrastructure projects. When the cabinet secretary winds up the debate, it would be good to hear why not a single project or business plan was approved and not a single contract was signed last year during the eight months from March to October inclusive. I have never had an answer to that question and I would welcome one.

Keith Brown: I welcome Malcolm Chisholm's support for additional borrowing powers. Does he accept that there is real urgency about the matter? Does he accept that our moving quickly on the issue would have a great impact?

Malcolm Chisholm: We must await the Calman recommendations. I hope that the SNP will swing behind them when they are made.

Planning features prominently in the report. I support what Wendy Alexander said about the need to continue to publish information on local authority performance. We should also get on as quickly as possible with the implementation of

planning legislation, which has slipped somewhat. In the section on planning, the council made an interesting comment about financial incentives to local authorities to promote sustainable development. I would be interested to hear the cabinet secretary's comments on that—I am sorry to ask him to respond to so many points—given that in its response to the report, the Scottish Government appeared to be at least open-minded if not positive about tax increment financing. There have been discussions about funding tramline 1B, which would run to Granton, in my constituency, and is crucial for the area's development, through tax increment financing, based on regeneration of the waterfront, and it would be useful to hear the cabinet secretary's comments on that. If he has no time to give his view on the matter during his speech, I would welcome a written response.

The emissions target is crucial in the report and crucial to our policy deliberations. The two massive challenges that we face, above all, are how we get the economy out of recession and how we proceed towards achieving the 80 per cent reduction without compromise or dilution of the target. We must be entirely pragmatic and open-minded about nuclear power and we must clearly separate that issue from the nuclear weapons issue. Members who are as old as I am know that we used to connect the issues decades ago, when there were good reasons to do so. However, they are separate issues and we should strongly support the advisers' recommendation that the Scottish Government commission

"an independent assessment of the full economic costs and abatement potential of the various energy options open to Scotland."

Such an assessment would have to be genuinely independent. Concerns have been expressed that the First Minister might try to have an assessment that was slightly less than independent.

Patrick Harvie will be shocked that I am even open-minded on nuclear power, but if a radical environmentalist such as George Monbiot—there is no more radical environmentalist—can be open-minded without being enthusiastic about the matter, that is good enough for me. I hope that it will be good enough for the Scottish Government, too.

Patrick Harvie: I am sure that Malcolm Chisholm would not want accidentally to misrepresent George Monbiot's position. Does he acknowledge that Monbiot has set out criteria on which we should judge energy solutions and has clearly expressed the view that nuclear would fail to meet the criteria?

Malcolm Chisholm: I am certain that nuclear is no panacea. There are great dangers in thinking that nuclear is a substitute for everything else.

We welcome the Scottish Government's emphasis on renewables, but reducing demand is also central. I highlight the report's recommendation on better insulation of the housing stock, which is crucial. My final question to the cabinet secretary is this: when will the long-awaited energy efficiency strategy be published?

11:11

Iain Smith (North East Fife) (LD): We have had a strange debate in a week in which we have heard some of the gravest economic news in living memory in Scotland. Yesterday, the most recent figures showed a 10 per cent rise in unemployment in Scotland and a rising trend. On Monday, that once great banking institution, the Royal Bank of Scotland, was on its knees, with the announcement of record and staggering losses. In effect, the bank has been all but nationalised. On Tuesday, the Scottish Chambers of Commerce published a business survey that showed that business confidence is at an all-time low.

The Government's chief economic adviser, who told the Council of Economic Advisers at its meeting in October that the situation in Scotland was not all gloom, advised the Government in a report in December that the situation was considerably worse. I do not blame the Government for that; it is a fact that the Scottish economy is in a worse situation than anyone expected six months ago, when the recession seemed to be developing more slowly in Scotland than in the rest of the UK. The most recent evidence suggests that in Scotland the recession is deeper and is likely to last longer.

The Scottish public might reasonably have expected the Parliament to have a full debate on the current economic crisis and what the Scottish Parliament and Scottish Government can do about it, rather than debate a report that was published weeks ago, which considers the work of a committee in the year up to last October. No one disputes that the report of the Council of Economic Advisers provides an important and helpful contribution to the debate on the Scottish economy's long-term needs, but we need to deal with the crisis that faces many of our businesses and families now. The long term is important, but, as John Maynard Keynes said, in the long term we are all dead. Most surprising is the Government's apparent lack of engagement with the Council of Economic Advisers on how to tackle the current economic situation. I agree with Derek Brownlee that there is a limit to what the Scottish Government can do, but that does not mean that we should not be trying.

Like Wendy Alexander, I welcome the Government's response to the report, in that the Government has at last published some detail on

its Scottish economic recovery programme. It might have been more sensible to have a full debate on the programme, so that we could consider it in more detail, rather than a debate on a report that makes recommendations for the slightly longer term.

I highlight aspects of the Government's response. We all welcome the proposed acceleration of capital spending, but surely the money that has been wasted on setting up the Scottish Futures Trust would have been better spent on capital projects than on a fantasy scheme.

Aileen Campbell mentioned planning. There is concern about capacity in our local authority planning departments to meet the challenges of the new planning system's implementation. There is broad support in the Parliament for the new planning system but there is a shortage of trained planners in our local authorities. That is likely to get worse as planning applications reduce as a result of the reduction of economic activity. That will mean a reduction in fees going to local authorities, which will put planning departments under even more severe financial pressure. I would be grateful if, in his closing speech, the minister would state what the Government can do to assist local authorities and ensure that they have adequate numbers of trained planners in place to deal with the situation.

The Government has announced that its inability to introduce legislation on time now extends to the proposed public services reform bill, which has been delayed until at least late May. We all know that, when the Government says late May, it probably means June. We need to know what implications the delay has for identifying the scope for removing regulatory burdens throughout the Scottish public sector, which is part of the Government's economic action plan. Perhaps we could also have some information about the implications for our creative industries, as the uncertainty about creative Scotland that has been caused by the Government's incompetence will continue for some time to come.

There is much in the council's report that can be welcomed. There is genuine across-the-board support for the opinion that the Scottish Parliament's capital borrowing powers need to be addressed. Malcolm Chisholm is right to highlight that the way to do that is through the Calman commission. Perhaps the Government will encourage its officials to work with the commission to develop proposals on how we can get capital borrowing powers, rather than blocking them from working with it. That would be a genuine and valuable response to that important issue.

As John Park highlighted, the Government's response to the council's report is to accept its

recommendations but then basically say that it is already doing what the council suggests and not provide any information about changes to what it is doing to ensure that the recommendations are implemented. We must ask what the point of the council is if it will not effect change in what the Government does. When I asked George Matthewson what advice the council had given the Government on whether there needs to be a shift in emphasis in the Scottish budget to deal with the current economic crisis, he replied:

"Our consideration of those issues has been limited."—
[*Official Report, Economy, Energy and Tourism Committee*,
10 December 2008; c 1355.]

What is the point of the Council of Economic Advisers if the Government does not ask it for advice on the economy? It does not refer its budget to the council to analyse the impact that it will have on the economy and propose alternative strategies. The minister will advise me if I have got this wrong but, as far as I can see, the Government does not even appear to have sent its economic recovery programme to the council for its—

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

11:17

Gavin Brown (Lothians) (Con): The Scottish Conservatives were positive about the setting up of the Council of Economic Advisers. Anyone who looks at its members' CVs will see quite impressive stuff. As a result, the report contains much that we agree with and commend. I have also had the privilege of hearing evidence from some of the council members to the Economy, Energy and Tourism Committee. Some of the things that Professor John Kay and entrepreneur Jim McColl had to say were impressive.

Jeremy Purvis was right to raise the issue of who writes the script. That is something to monitor but, having heard the advisers speak and having read their CVs, I would be astonished if the Government wanted to write, or was capable of writing, the script for them. They are not paid, of course, so no one can hold them to ransom in any way.

Jeremy Purvis: To some extent, the point that I was making was about what is referred to the council to consider, which has been a theme of members' comments. The council will consider only issues that the Government takes to it; that is one of the problems.

Gavin Brown: That is true to some extent. However, the minutes of the Council of Economic Advisers appear on the face of it to show a discussion about some of the matters that ought to come up. To some extent, the timetable for that

would be outlined by the council's chair. It is fair enough to flag the issue up, but I am not sure that it hits the nail on the head.

The debate has been interesting. I thank Professor Christopher Harvie for acknowledging several fabulous achievements of previous Conservative Governments and for going four and a half minutes without once mentioning Germany, although he fell away a bit in his final minute and a half.

Some members may have described Alison McInnes's speech as slightly off piste, but it was possibly the most commendable and far-sighted attempt ever by the Liberal Democrats to keep their deposit in Moray at the next Scottish Parliament election.

I will move on to some more serious aspects of the debate. Iain Smith was first to ask what the Council of Economic Advisers could do in the short term. It has quarterly meetings and has rightly said that it does not intend to be blown off course from considering the long-term Scottish economy, but perhaps there could have been more ad hoc meetings, particularly given some of the serious announcements and drastic days that we have had in Scotland. It may not be possible to get all the advisers together at the same time, but the Scottish Government could have emergency meetings of the council as and when necessary. I ask the minister to respond to that point.

The Government has accepted most of the recommendations—I take John Park's point that some of them were accepted in part—but it would be good to hear from the minister approximately when each will be implemented and some idea of the priorities. It may or may not be possible to implement 22 recommendations at the same time, and it would be good to hear which the Government considers to be priorities.

There are a lot of good ideas in the report. I will pick out one that the CBI has talked about for a long time: the possibility of tax increment financing, which is worth reviewing. We need to hear more on the 10-day payment terms that the Government has proposed. We are interested to find out whether they are being introduced by all public services across the board or only the Government itself. Will they be widened out to help our smaller businesses, for which cash flow is king?

The main point of the Conservative amendment is the energy review. We have pushed for it for some time, the council recommended it and the Government will now undertake it. However, I point out that the Government has taken its time over that. Although the Council of Economic Advisers' annual report came out in December and the Government responded in January, an

energy review was discussed in detail at the June meeting, which was described as

“A lively and comprehensive debate”.

I would love to have been a fly on the wall for that and to have seen what “lively and comprehensive” meant. The council made a clear recommendation on the need for an energy review then, but seven months passed before the Government agreed to undertake one. We would like to know when exactly the independent review will begin and what details we can have on it. David McLetchie made the point that it is important that the national planning framework not prejudice the review. Therefore, it may be sensible for the Government to remove the term “non-nuclear” from project 9 in the framework. Let us see what the review says before hard and fast decisions are taken.

The Scottish Conservatives are keen for as many initiatives as possible to be implemented to help the Scottish economy in the short term and the medium term. We fought hard for business rate cuts and the council tax freeze. We want town-centre regeneration to happen. That was a Conservative idea for a long time and it appeared—as David Whitton knows—in the Conservative manifesto before the Labour one.

11:23

Claire Baker (Mid Scotland and Fife) (Lab): Labour welcomes the opportunity for the Parliament to reflect on the work of the Council of Economic Advisers and the Government’s response.

When the council was established just over a year ago, we were in different economic circumstances. The challenges that Scotland faces now are different. The Cabinet Secretary for Education and Lifelong Learning rightly focused on tackling redundancy and unemployment. We need to make serious decisions about our economy and ensure that, once we begin to emerge from these challenging times, we have the building blocks on which to capitalise. We must ensure that we have a skilled, flexible population to meet the needs of new industries and that Scotland can compete internationally at the high-skills end of the employment market.

In summing up on behalf of Labour, I will focus on the higher education aspects of the council’s report before moving on to the more general debate.

Labour’s amendment calls for a formal link between the Council of Economic Advisers and the national economic forum. John Park raised concerns that, so far, the council’s relationship with the forum has not been particularly close. Similarly, in its recommendations on universities,

the council seems to have been operating in a bit of a vacuum, too far removed from other initiatives such as the joint future thinking task force. However, those are points of detail. I appreciate that the Council of Economic Advisers is offering a strategic direction for the higher education sector to ensure that it plays a full role in contributing to our economy.

Fiona Hyslop: The minutes of the Council of Economic Advisers make it clear that the work of the university task force was discussed. Having been present at one of the council’s meetings, I know that the council was informed about that work.

Claire Baker: I appreciate that and I was aware of that from the minutes. My concern is that some of the council’s recommendations are not clear in their understanding of how Government, the Scottish Further and Higher Education Funding Council and the universities relate to each other.

Of the three recommendations on higher education that made it into the council’s annual report, the first relates to the future scale and balance of the Scottish university system. Scotland should act to expand university places and to increase the number of graduates. Such action is never more important than when going through an economic downturn on the scale of the one that we face. However, in dialogue with Government and business, universities are best placed to determine for themselves the balance that should be struck in those areas. As the Government acknowledges in its response to the report, the Government does not have the power to influence individual course decisions. That makes me ask whether the council was operating too far removed from other initiatives and from experts in the field. The council might have benefited from more engagement on the issue with the sector. However, its call for

“clarity in the strategic direction of universities” is welcome.

The council’s second recommendation on HE relates to the degree structure that is offered in Scotland. We must be cautious about restructuring degrees in Scotland. The current four-year degree has served Scotland well and continues to do so. Again, I welcome the Government’s response, which highlights the diversity that already exists within the sector. However, we cannot be complacent, so the council is correct to highlight the need for a flexible system that is responsive to a changing student population and that delivers access at all ages and points of life.

The final recommendation on higher education relates to how significant additional resources might be invested in Scotland’s universities. The

council's analysis of the challenges that the sector faces is entirely accurate. The report states:

"squaring the budgetary circle of higher participation, higher levels and higher quality is very challenging."

The council's view chimes with those in the sector who increasingly believe that it is essential that, in the next comprehensive spending review, universities receive funds that enable them to remain competitive internationally.

We all know that universities face challenges and we need to appreciate that decisions taken elsewhere have an impact on Scotland's HE sector. In a global economic downturn, universities increasingly face the same difficulties as everyone else, as well as challenges in recruiting international staff and students. The council does not mince its words on that issue. Its report states:

"higher education is a high-cost area and requires a long-term perspective."

The report also states:

"Scotland will have to be proactive if it wishes to improve its relative position, and to have a strategy to fund the additional cost."

I know that the cabinet secretary appreciates the scale of the challenge; the difficulty is that no one is reassured that we have a strategy to address the funding shortfall that universities will face in the near future.

The council correctly identifies the pressures in the system and its solution, which recognises the responsibility of all stakeholders, is a helpful contribution to the funding debate. However, the principle on which the council bases its proposal needs questioning. The minutes of the meeting that was attended by the Cabinet Secretary for Education and Lifelong Learning state:

"There was general agreement between Council members that there is a sharp contrast in the attitude and level of commitment between those students who are paying for their education and those that are not".

The council provides no evidence to support that conclusion. As the Government states in its response, students already contribute a great deal to their degree, whether in time or money. However, the council raises pertinent issues on how significant additional funding needs to be raised. If the Government wishes to engage on the issue seriously and have a public debate on the issue, consideration should be given to an independent review.

The council makes some helpful suggestions on business involvement. Much more work needs to be done on that, so I will be interested to hear the Government's response to the Scottish funding council's work with Scottish Enterprise to consider proposals for an engagement voucher scheme. I

look forward to seeing greater detail on how those proposals are worked up.

Moving away from the HE-specific proposals and on to the wider debate, this morning SNP members seem to have pursued those recommendations in the report that suggest solutions that would require more powers for the Parliament. Perhaps that is not surprising, given that council members are selected by the Government. However, SNP members' contributions have been constructive and have added to the general wider debate.

The Conservative amendment and speeches from Conservative members have focused on the energy debate. I would welcome clarification from the Cabinet Secretary for Finance and Sustainable Growth as to how the Government intends to respond to the independent assessment.

Labour has sympathy with the Liberals' amendment, although the fact that it strays from the central thrust of this morning's debate is unfortunate. However, some speeches from Liberal members were more wide-ranging and raised important concerns about infrastructure investment in Scotland.

Hugh Henry made a constructive speech on the local income tax, which I hope the Government will listen to.

Labour has been consistent in raising concerns about the Scottish Government's response to the economic downturn, so we hope to see further action in the immediate future. However, the 34 recommendations that have been accepted by the Scottish Government—and the five others that have been partially accepted—represent a large amount of work, if they are fulfilled. Given the Government's record to date, with strategy after strategy delayed—I refer to the skills strategy, the strategic transport projects review, the national planning framework and the Scottish Futures Trust—I hope that the council's recommendations do not suffer the same fate. I call on members to support the Labour amendment.

11:31

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): Wendy Alexander somewhat contradicted the Labour position in the debate. That position, as expressed effectively by Mr Park and Mr Kelly, essentially focused on raising issues—which, to be fair, Labour members have raised consistently for some weeks—about skills, training and apprenticeships. That is why the Government felt it appropriate that Fiona Hyslop, as cabinet secretary with responsibility for those policy areas, should open the debate. In fact, on 12 November I led a debate in Parliament on the economy. On 26

November, I made a statement to Parliament on the pre-budget report. On 3 December, I led and closed a debate on the pre-budget report. On 14 January, I opened and closed the Government's stage 1 debate on the budget bill for 2009-10, during which I made extensive comments on the Government's economic recovery programme and on the economic situation. Far be it from me to say this, but Parliament hears too much from me from time to time—that position will, I know, be widely contested on all sides of the chamber—yet I am also here to close today's debate. Indeed, I thought that I was having an out-of-body experience when I heard that I was not here to close the debate. I hope that that satisfactorily addresses Wendy Alexander's point about the decisions that the Government rightly took on how today's debate should be focused.

A great deal of comment has been made about the role of the Council of Economic Advisers, which has been generally welcomed across the parties. Labour's amendment focuses on the relationship between the national economic forum and the Council of Economic Advisers. Labour puts forward a very reasonable position. The chairman of the Council of Economic Advisers, Sir George Mathewson, has attended the national economic forum. If members have practical suggestions on how we could arrange for the Council of Economic Advisers and the national economic forum to be presented with each other's output and thoughts, the Government will be happy to explore those proposals.

The Council of Economic Advisers has considered the current economic situation. The council receives information from the Government's chief economic adviser at each of its meetings. The Government's response to the council's annual report also provides information on the Government's economic recovery programme, which was fully discussed at last Friday's meeting of the Council of Economic Advisers.

We all accept that we are operating in a situation where the challenge in the economy is much greater than was envisaged 12 months ago. As a consequence, the Government has taken a series of actions in its economic recovery programme that are designed to assist recovery. At the heart of that—as Iain Smith quite fairly said—is the programme of accelerated capital expenditure. I simply point out to Parliament that, if we want that accelerated capital expenditure to go ahead in financial year 2009-10, Parliament will need to endorse the Government's budget next Wednesday. The expenditure can be deployed only if the Government's budget is approved.

Approval of our budget is important to the provision of support for employment. Mr Kelly

made fair comment about the situation at Vion, where the Government is providing support to the employees who face the prospect of redundancy, as we do in all such circumstances through the PACE initiative. I welcome the comments that Hugh Henry and John Park made about the Cabinet Secretary for Education and Lifelong Learning's invitation to Opposition spokespeople to attend the PACE summit—which, if my memory serves me right, is in February—to take part in wider discussions. We accept that all shades of opinion in Parliament must be satisfied with the arrangements that we have in place to support people who face redundancy and require retraining—those arrangements must command confidence across the parliamentary spectrum—and I hope that that invitation will be taken up by Opposition members.

I said that skills and training dominated many of the speeches of Labour members. We recognise the importance of investing in skills and training. In its apprenticeship report of January 2008, the UK Government stated that there were 250,000 people in training in England. Over the next three years to 2011, it wants to increase that figure to 400,000. Our target is to have 50,000 people in training by 2011, which represents a significantly greater proportion of the population than the figure for the rest of the UK.

John Park: In November 2007, John Denham, the Secretary of State for Innovation, Universities and Skills, announced that the UK training and skills target for the period 2008 to 2011 was 7.5 million people. In September 2007, the Cabinet Secretary for Education and Lifelong Learning announced that the target for Scotland was 50,000. I would not say that those were comparable figures.

John Swinney: Those figures are most definitely not comparable. I think that Iain Gray mentioned the 7.5 million figure last week, which is just preposterous. The figures that I have given are a good indication of the Government's commitment on skills and training. We remain happy to engage on the issue, and I look forward to further discussions with colleagues in the Labour Party about such matters later today.

Hugh Henry advanced the argument for initiatives to support town centres. We all acknowledge that the range of closures that are taking place is serious, as the Conservatives identified. The Government will give the matter serious consideration.

Hugh Henry also mentioned planning. I agreed with almost all of his speech—he will know which bit of it I did not agree with. I fully agree that we must have more efficiency in planning, but that is not an argument for unfettered development. There will be some bad developments that need to

be opposed; I just think that they should be opposed efficiently so that the process is not dragged out for a long time. We must encourage efficiency in the planning system. Iain Smith made a number of fair points about the resourcing of planning departments, which are under great strain because of the reduction in planning fees and the effect that that has on local authorities' financial circumstances. The Government engages with our local authority colleagues on such matters.

Like Mr Brownlee, Mr Gavin Brown and Mr Johnstone, Mr McLetchie made a number of comments on that part of the Conservatives' amendment that deals with nuclear power. The energy study, which is being tendered, will be independent. It will be overseen by a sub-group of the Council of Economic Advisers chaired by Professor John Kay, and it will be discussed by the Council of Economic Advisers. Essentially, Mr McLetchie invited the Government to prejudge the outcome of that independent review by changing our approach to the national planning framework. Our position on the NPF is well advertised. *[Interruption.]* Unbelievably, Mr McLetchie is asking us to prejudge that report.

My final comments are on borrowing powers and fiscal flexibility. Malcolm Chisholm raised the issue of tax increment financing, which I assure him the Government is happy to consider. I am delighted to welcome the growing consensus among members of all parties on borrowing powers. We are coming up against some of the practicalities of the limitations of the Parliament's financial powers, which will become ever more apparent when the international financial reporting standards are introduced in April 2009. The Government is determined to ensure that we take forward that debate. I do not agree with Iain Smith that we must give additional support to the Calman commission, which is financially supported by the UK Government. As Mr Smith knows, I am an opponent of duplication and additional resources—

Iain Smith: Will the minister take a brief intervention?

John Swinney: I must close in 10 seconds.

It is important that the debate on borrowing powers is articulated. The Government will be vigorous in making that debate, and I am sure that it will persuade even the sceptical Mr Purvis on the front bench.

Question Time

SCOTTISH EXECUTIVE

General Questions

11:40

Oil and Gas Industry

1. Brian Adam (Aberdeen North) (SNP): To ask the Scottish Executive what it is doing to support jobs in the oil and gas industry. (S3O-5626)

The Minister for Enterprise, Energy and Tourism (Jim Mather): Scottish Enterprise, through its energy team, and Scottish Development International provide specific business support and development activity and work in partnership with others, including local authorities and the Scottish Government. They offer support in a number of different ways, including supply-chain development and trade missions.

Scottish Enterprise keeps in close contact with the industry to assess current conditions and to offer additional help, where possible. It is developing a number of initiatives to help to counter the downturn, which include an advanced initiative for the development of an offshore decommissioning supply chain and increased access to specialist support.

In addition, we continue to support the work of OPITO—the oil and gas academy. We are committed to working with it and with Cogent to ensure that we have a skills and qualifications system that is responsive to the needs of employers.

Brian Adam: What is the value of the oil and gas sector to the Scottish economy? What further actions are available to the Government to maximise the recovery of oil and gas reserves and to protect supplies and jobs, in addition to full participation in the joint industry-Government body pilot?

Jim Mather: That is a question of considerable importance. There are 150,000 direct or indirect jobs in the industry and North Sea revenues for this year are anticipated to be about £13.2 billion, which is £3.3 billion above the 2008 budget forecast of Her Majesty's Treasury.

Enhanced oil recovery is an extremely lively issue. The industry is proving itself to be more and more inventive and capable. We have addressed the issue both through the pilot and in the session that we held with the industry in Aberdeen in June.

John Park (Mid Scotland and Fife) (Lab): I support the development of the oil and gas academy and the role that it will play in ensuring that more jobs come through, but I am sure that the minister will recognise that the oil and gas sector faces huge skills issues because of the age profile of the workforce. Does he intend to develop any initiatives to improve the situation? For example, will he consider providing more modern apprenticeships in that sector?

Jim Mather: Additional support is being provided through the determined to succeed programme. OPITO will continue to play a significant role. We will ensure that we continue to be involved in such work. The partnership in local schools is designed to excite local youngsters about the possibilities of a career in oil and gas in Scotland.

Alex Johnstone (North East Scotland) (Con): Will the minister briefly outline what action the Government is taking to continue to lobby the Westminster Government to avoid increases in the tax and regulatory burden on the North Sea? Will he give a commitment that his party, which predicates its long-term economic policy on the resources that are extracted from the North Sea basin, will not increase that burden at any time in the future, which would affect the economy of the north-east and undermine jobs and skills?

Jim Mather: I will deal with the second point first. The Government is committed to always being competitive; that is a by-product of our ethos and our principles and can be taken as a given.

In addition, we continue to lobby the United Kingdom Government directly and when we sit down with it as part of the pilot. We understand that MPs have launched an inquiry at Westminster into the state of the North Sea oil and gas industry in an attempt to underline the continuing need for UK Government support.

Business (Government Support)

2. Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): To ask the Scottish Executive how many businesses have received Government support for loans since September 2008. (S3O-5612)

The Minister for Enterprise, Energy and Tourism (Jim Mather): The main form of Government loan funding available to businesses in Scotland was the small firms loan guarantee scheme, which was administered by the United Kingdom Government but which received active encouragement through Scottish Enterprise and the business gateway. Information on the number of businesses that have received such support since September 2008 is a matter for the Department for Business, Enterprise and

Regulatory Reform. The scheme has now been extended and was relaunched last week as the enterprise finance guarantee, which is a £1.3 billion UK-wide initiative.

The Scottish Government offers interest-free loans to SMEs for capital investment in energy efficiency and small-scale renewables technologies through the energy saving Scotland small business loans scheme. Figures from DBERR tell us that the total value of small firms loan guarantee loans that were disbursed to businesses in Scotland between September and December 2008 was £6.1 million.

Jeremy Purvis: The minister will be aware that securing debt finance, particularly for small businesses, is of paramount importance in the current economic situation. He will also be aware that the Welsh Assembly Government, through Finance Wales, has a system to work with European Union structural funds to provide debt finance for small businesses in Wales. Why has the Scottish Government not put in place a similar scheme in Scotland, where it has the power to do so? Such a scheme, which the Government has been considering since September, would have offered support for businesses in Scotland to make them more competitive.

Jim Mather: We have a balanced approach. Regional selective assistance and the venture fund support Scottish business. I find it a bit rich that the member suggests that we take his advice, given that he has not supported the incremental introduction this year of the small business bonus scheme and he now plans an £800 million cut. His debits and credits are going in the wrong direction.

Strategic Transport Projects Review

3. Mary Scanlon (Highlands and Islands) (Con): To ask the Scottish Executive for what reasons the Elgin bypass and the trunk link road in Inverness were not deemed to be priorities for inclusion in the strategic transport projects review. (S3O-5602)

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): We have included a link between the A9 and the A96 in the STPR as it delivers national benefits and has a positive investment return. In their present form, proposals for connecting the A82 to the A9 and for a bypass at Elgin provide poor investment returns.

The Government continues to engage the appropriate councils and Highlands and Islands transport partnership on roads issues in Inverness and Elgin. If a positive business case for alternative proposals can be produced, we shall discuss which body should assume responsibility for progressing any project that might follow.

Mary Scanlon: A positive business case was made by HITRANS, which identified significant economic benefits from an Elgin bypass. The First Minister, ministers Richard Lochhead and Fergus Ewing, and local Scottish National Party MSPs all promised the Elgin bypass and the Inverness trunk link road. Will the transport minister admit that those promises were not costed? Will he apologise to the people of Moray and Highland, who were misled?

Stewart Stevenson: The local member, Richard Lochhead, has been assiduous in pursuing the issues associated with the Elgin bypass. He has facilitated a meeting with local interests that will take place shortly; it will be the third meeting that he has had on the subject.

In May 2007, a Scottish transport appraisal guidance report from Moray Council on the Elgin bypass highlighted poor value for money. Similarly, in May 2008, HITRANS and Highlands and Islands Enterprise found that there was a poor case for a bypass. One of the reasons for that, which is unique to Elgin, is that a high proportion of the people travelling to Elgin are not travelling through Elgin but are going there because it is a significant economic centre.

I am confident that we can work with local interests to develop new proposals that can, hopefully, give a return for the investment that would have to be made from the public purse.

Dave Thompson (Highlands and Islands) (SNP): Following the welcome confirmation from the Highland Council budget leader, Liberal David Alston, that there is £119 million of council capital and developer contributions in the council's budget for 2009 to 2015, will the minister confirm that there is now no obstacle to the council pressing ahead immediately with the western section of the Inverness trunk link road?

Stewart Stevenson: I very much welcome the endorsement by the new administration in Highland Council of the provision that was made by the previous, SNP administration for the finance for the link road. We have made our substantial contribution to that project by making the link between the A9 and the A96 a national priority. I hope that the Liberal members of Highland Council do not use their policy of cutting infrastructure investment by £800 million a year as an excuse for not making progress.

Alison McInnes (North East Scotland) (LD): I refer to the transport minister's comments to Mary Scanlon. Surely he is not suggesting that local authorities have become responsible for the shortcomings in the trunk road network.

Stewart Stevenson: Traffic in Elgin is divided into through traffic and local traffic—40 per cent of the traffic that goes to Elgin is local traffic. There is

a substantial local traffic issue. That is precisely why there is constructive engagement between officials, HITRANS and the council. It is why I welcome the active, energetic support of the local member to ensure that all the complexities of the issue are brought to the fore and form part of the decision making going forward.

Peter Peacock (Highlands and Islands) (Lab): Will the minister confirm that the strategic transport projects review was approved by the Cabinet? Will he further concede, as a matter of principle, that a new line is required for trunk roads through Inverness and around Elgin?

Stewart Stevenson: We are providing a new trunk road at Inverness linking the A96 and the A9, we are making substantial investments in dualling the A96 to the east to Nairn, and we are making substantial investments in the railway to Inverness. In the national projects that it identifies, the STPR makes a once-in-a-lifetime contribution to Inverness.

Further projects will have local significance, and we will continue to work energetically with local interests to ensure that we understand the costs, who has to pay them and the timetable on which the projects can be progressed. We welcome the financial provision from Highland Council for the remaining part that would link the A82 to the A9. I hope that the council sustains its previous commitment on that.

Small Businesses (Cash Flow)

4. Derek Brownlee (South of Scotland) (Con): To ask the Scottish Government what measures it proposes to improve the cash flow to small businesses. (S3O-5621)

The Minister for Enterprise, Energy and Tourism (Jim Mather): The Scottish Government economic recovery programme contains a number of measures that could improve cash flow to small businesses. For example, a 10-day prompt payment target has been introduced; the small business bonus scheme will be extended from April 2009; and we are opening up opportunities for more small and medium-sized businesses to win Government contracts, with the launch of a new online contracts portal.

In addition, a range of other measures will contribute to improved business cash flow: the availability of European Investment Bank resources for SMEs; the real help with finance package, which was announced on 14 January and which could provide up to £22 billion-worth of support to United Kingdom businesses; and the time to pay programme from Her Majesty's Revenue and Customs, which is tailored to meet the needs of businesses that are experiencing cash flow problems.

We are commissioning a survey to examine the impact of the credit crunch on small firms throughout Scotland, which will help us to continue to offer the right support to business.

Derek Brownlee: Many of those measures are welcome but, even in good economic times, otherwise profitable businesses can fall due to cash flow problems. Will the Government consider a cross-departmental review of every interaction between businesses and the Scottish Government or its agencies to see whether there are other opportunities to improve cash flow, either by allowing payments to the Government to be deferred or delayed or by speeding up payments from the Government?

Jim Mather: I welcome that constructive suggestion, which is compatible with what we have been doing to date. I will explore it with some interest and will talk to the member directly about it.

Aileen Campbell (South of Scotland) (SNP): Does the minister share my concern that haulage companies are a type of small business that is particularly hard hit at present? Will he assure my constituents in the South of Scotland who have been affected by the recent closure of the Eddie Stobart Ltd depot in Larkhall that the partnership action for continuing employment team will offer them as much support as possible to quickly find alternative employment?

Jim Mather: Yes, indeed. The member will be aware that we are transferring 80 staff from Skills Development Scotland to ensure that the PACE team can maintain its responsiveness and effectiveness. I trust that that will happen in the case of Eddie Stobart.

National Concessionary Travel Scheme

5. Des McNulty (Clydebank and Milngavie) (Lab): To ask the Scottish Executive whether it will admit community transport operators and people on the lower rate of disability living allowance to the national concessionary travel scheme. (S3O-5585)

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): The Scotland-wide free bus travel scheme for older and disabled people already includes community transport services, which are locally registered services. The review of the scheme is nearing completion and has been considering how the scheme could be improved.

Des McNulty: I hope that the minister is aware of the views of the providers and users of community transport in Buckie, along with the views of similar people throughout Scotland who support Charlie Gordon's proposed bill on bus regulation, and the views of people in disability

groups, especially those that represent people with learning and mental health disabilities. Why, when the minister provided such strong support for the inclusion of community transport and people on the lower rate of disability living allowance when he was in opposition, is he not prepared to take the issue forward in government?

Stewart Stevenson: On 15 December, I met some of the charities that are involved in the issue to hear their case. I am fully engaged in the matter. Considerable complexities are involved. I have asked for a special study on the community transport services aspect of the question. I expect to move forward shortly with the broad review that we are undertaking. We expect to publish the review report in the next couple of months.

Care Commission (Meetings)

6. Michael Matheson (Falkirk West) (SNP): To ask the Scottish Executive when it last met representatives of the Scottish Commission for the Regulation of Care and what was discussed. (S3O-5644)

The Minister for Public Health (Shona Robison): Officials and I regularly meet the convener, chief executive and senior management of the care commission to discuss a range of issues relating to its functions. Officials last met the care commission on 3 December. Subjects on the agenda included the commission's performance in quarter 2 of 2008-09 and its health care associated infection plan.

Michael Matheson: The minister will be aware that I have raised concerns about a care agency in my constituency that went into administration without having directly contacted Falkirk Council to advise that it could no longer meet the care needs of its clients. Given that such agencies provide care and support to vulnerable and dependent individuals, does the minister agree that they should be required to give reasonable notice when they can no longer meet those care needs? Will she take forward the issue with the care commission to see how regulation on the issue can be improved?

Shona Robison: The care agency to which the member refers was already operating in December 2003 when the care commission began regulating care home services. Special provisions applied in those circumstances and financial checks were not done on providers that were in business at the time. That is a significant factor in the case that he cites.

Of course, local authorities' contractual arrangements with providers should require them to provide an assurance on their ability to provide the contracted service in future. That said, the issue that Michael Matheson raises is relevant.

The care commission has much practical day-to-day experience in the operation of the procedures for giving notice of closure. The need for early warning of closure, about which Michael Matheson is concerned, will feature in my discussions with the care commission at our next regular meeting in March.

Scottish Federation of Housing Associations

7. David Whitton (Strathkelvin and Bearsden)

(Lab): To ask the Scottish Executive how it will respond to concerns raised by the Scottish Federation of Housing Associations that housing associations are “desperately struggling to meet demand”. (S3O-5595)

The Minister for Communities and Sport (Stewart Maxwell): The Deputy First Minister met senior representatives of the SFHA earlier this month and I addressed an SFHA event earlier this week. We share the SFHA’s concerns about the current economic climate. That is why, at last week’s themed questions, I announced that housing associations would be in receipt of the highest levels of funding yet seen. This year, we provided £531 million to support the supply of affordable housing; next year, we will provide £644 million. We are also discussing with the SFHA how we can secure the best possible return for our investment in order to maximise the supply of new homes.

David Whitton: At the end of this month, Hillhead Housing Association in Kirkintilloch in my constituency will commence a welcome 26-unit scheme, which is phase 2 of a 4-phase project. However, the association now has to comply with Scottish planning policy 6, which sets out Government policy on carbon emissions from new homes. The provisions in SPP 6 are adding £5,000 to the cost of each unit. One arm of Government is insisting on compliance with SPP 6 while another will not fund compliance. What additional support will the minister provide to housing associations to enable them to comply with SPP 6? If he will not provide such support, phase 4, which is a 34-unit scheme, will not go ahead.

Stewart Maxwell: As I said, next year we will supply the highest level of funding to housing associations that we have ever seen in the lifetime of the Parliament. We have also accelerated £120 million of funding. Indeed, our accelerated funding is almost one third of all the capital expenditure that the Scottish Government is bringing forward. The figure is also roughly twice as much, pro rata, as what is being made available in England. If the member wishes to write to me with the detail of Hillhead Housing Association’s difficulties, I will be more than happy to consider the matter and respond to him in writing.

The Presiding Officer (Alex Fergusson): I am sure that members will wish to join me in welcoming a number of speakers and parliamentary presidents to the gallery today. They are Mr John O’Donoghue, Ceann Comhairle of the Dáil Éireann; Stephen Rodan, Speaker of the House of Keys, Isle of Man; Mr Inge Lønning, President of the Norwegian Lagting; Stephen Peters, Speaker of the Legislative Assembly of Ontario; and Michael Polley, Speaker of the House of Assembly of the Parliament of Tasmania. Gentlemen, you are all extremely welcome. [Applause.]

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-1375)

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

I join the Presiding Officer in welcoming our distinguished guests. I am also delighted to announce to members that today we are consenting to Npower Renewables' Siadar wave array project—one of the largest wave installations in the world—in the Western Isles. That is a sign that, even in these tough economic times, there is strength and resilience in the economy, of which renewable energy is certainly an example. All of us in the chamber should welcome such announcements.

Iain Gray: Tomorrow, the Parliament will host the knife crime summit that our Public Petitions Committee has organised. The summit is a response to the 15,000 people who signed the petition organised by John Muir, who lost his son, Damian, in a senseless knife attack. The petition called for mandatory jail sentences for knife crime. Last June, the First Minister said that he was considering that measure and others, and that a criminal justice bill would be forthcoming. The document "Revitalising Justice: Proposals to Modernise and Improve the Criminal Justice System" lists what the proposed bill will contain. It does not mention knife crime once. Why not?

The First Minister: Because the matter is still under consideration by the Cabinet Secretary for Justice. Obviously, the proposed criminal justice bill will give not just the Government but every member a chance to bring forward amendments to address a range of issues in the justice system.

I accept the seriousness of the issue and the tragedy of individual cases. Knife crime is a serious problem in Scotland, as is the spread of guns and other weapons. I know that everybody in the chamber will want to address those matters.

However, we should put one thing in context, which is that we have in Scotland just now not only the highest number of police officers in our history but the lowest levels of recorded crime for 25 years.

Iain Gray: Those statistics are true and welcome, but we should not close our eyes to the fact that Scotland's murder rate remains one of the highest in Europe—it is significantly higher than

that of, for example, England and Wales—and that half those murders are knife related. A response to that should be up-front and centre, and rapid. The problem is that waiting will sound too much like an excuse to the knife crime summit tomorrow.

The First Minister does not have to wait for further legislation. In April 2007, the Parliament legislated to control by licence the sale of non-domestic knives. The First Minister's Government has never implemented that measure. It says that it might do so in September, by which time it will have waited for two and a half years. Why does the First Minister not simply order his Cabinet Secretary for Justice to go to the knife crime summit tomorrow and say that he will stop dithering and start controlling knives?

The First Minister: When we introduce legislation, we must ensure that it is enforceable and does the things that it is intended to do. Iain Gray is entirely wrong to suggest that no initiatives are taking place, whether on violence or on knife crime in Scotland. The work that is being done by the violence reduction unit, particularly in Strathclyde, is achieving substantial results, as is work against gang culture across Scotland. In asking an understandable question about the particulars of legislation that we will all have to consider soon, let us not in any sense demean the efforts that are taking place right now across our communities to get to grips with these long-standing evils in Scottish society.

Iain Gray: I do not demean the efforts that are taking place in Scotland's communities; I argue that they should be matched by urgency and action by this Government. Of course legislation has to be implemented properly, but is the First Minister saying that his Government requires two and a half years to do that?

The truth is this: no one needs to carry a knife on our streets, and everyone who does so has the potential to use their knife. Mr Muir learned that lesson in the hardest way imaginable when he lost his son; so did Mrs Paton, whose 17-year-old son Adam was stabbed to death in Montrose. We owe it to them to learn the lesson, too.

At the very minimum, when someone is charged with knife crime, even for the first time, they should wait for their trial on remand or at least under supervision, with an electronic tag or a curfew, for example. I think that most Scots would agree with me. Does the First Minister also agree? If he does, will he act now to make that happen?

The First Minister: We will be bringing forward our proposals on knife crime. Clearly and obviously, many prosecutions take place in Scotland on knife crime at the moment. Legislation has to be correct in its definition and its implications.

Is not Iain Gray suggesting that he is ignoring the efforts that are being made? If someone asks a series of questions that suggest that legislation—important though that is—is the only method for tackling knife crime in society, they ignore the substantial work that is being done right now. One of the reasons why that substantial work is possible, of course, is that we have a record number of police in our communities. They are there to implement the violence reduction schemes that are working so well.

Iain Gray: I say once again that I do not decry others' efforts to address knife crime; I question the urgency of the efforts of the First Minister and his Government. We will have a criminal justice bill that ignores knife crime, and we have a law to control knife sales that the Government cannot get round to using.

Of course knife crime is prosecuted, but here is the thing: 81 per cent of knife criminals—four out of five—who go to jail get a sentence of six months or less. However, the First Minister wants to abolish sentences of six months or less. Every single year, that will leave around 850 convicted knife criminals on our streets—on every high street in the country—free to carry, free to cut and potentially free to kill. Is that really the First Minister's message to Mr Muir, Mrs Paton and the victims of knife crime?

The First Minister: My message to the victims of crime is that this Government has put record numbers of police on to Scotland's streets to ensure that our communities are safe. The sentencing commission—something else that is coming forward from this Government—is designed precisely to tackle public concern about the length of sentences. People who commit violence should get long sentences, just as those who are part—as the Cabinet Secretary for Justice says—of the flotsam and jetsam of society should not be on short sentences in jail. That is exactly the move forward in the justice system that this Government is making.

I am interested in the distinction that Iain Gray makes, as if the effective action of police officers in our communities is nothing to do with the Government. I point out to him that, if it were not for this Government—supported by some other members in this chamber—which put the resources into the police service around Scotland, those officers would not exist to implement violence reduction methods. When it comes to supporting the police in Scotland in the coming budget, Iain Gray better remember that abstention is not enough.

Prime Minister (Meetings)

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

To ask the First Minister when he will next meet the Prime Minister. (S3F-1376)

The First Minister (Alex Salmond): I was going to say that I have no plans to meet the Prime Minister in the near future, but I suppose that, in a sense, I will be meeting him this Sunday in the *Sunday Post*.

Annabel Goldie: Yesterday, my colleague David Mundell launched a private member's bill at Westminster to make our Scottish bank-notes acceptable everywhere in the United Kingdom. Today, my colleague David McLetchie—the Scottish Conservatives' chief whip—will lodge a motion in this Parliament to back David Mundell's move. Will the First Minister sign up to the campaign?

The First Minister: Scottish bank-notes are promisory notes and should be accepted by everyone throughout the country. I have campaigned on that issue.

On the precise definitions of legal tender, it would be wise to get an understanding and an assurance from the Treasury that it will not discriminate against Scottish banks in the issuing of notes. If that assurance is gained, the legal tender argument would be one way in which to enforce the acceptability of Scottish notes throughout the country.

Annabel Goldie: On the face of it, that is a welcome endorsement. However, as is so often the case with the First Minister, it is, sadly, a hollow one because the SNP wants to ditch the pound and embrace the euro. Under the SNP, we could spend our Scottish bank-notes in Brighton but not in Banff and Buchan. Under the SNP, we could spend our Scottish bank-notes in Carlisle but would have to get rid of them before coming over the border to Kirkcudbright. Alex Salmond would exile all Scottish bank-notes and make them a foreign currency here in Scotland. Is it not the truth that the First Minister's smiling support for our Scottish bank-notes is a load of hypocrisy? He is the man who, given half a chance, would sign their death warrant in Scotland as the SNP rushes to join the euro.

The First Minister: I was smiling because I knew the answer to that question even before Annabel Goldie asked it. Before the Parliament came into existence, I went to see Monsieur Lamfalussy, of the European Monetary Institute, on that very issue and argued that it would be perfectly possible, because of the traditional banking practice that was established in the statute of the European Central Bank and respect for it, to have Scottish euro notes. Does Annabel

Goldie know what Monsieur Lamfalussy said? He said "Oui." That means yes.

Annabel Goldie: The Scottish Parliament information centre confirmed this morning that the Lisbon treaty does not permit a regionally branded euro note. Even if it did, would that not say it all about Alex Salmond? Rather than keep the pound and our Scottish bank-notes, he would settle for some centralised euro note with a bit of regional branding—probably his own face. *[Laughter.]* I was going to say, "Or perhaps a haggis," but perhaps some people would not know the difference.

The First Minister: I would settle for my cartoon in "The Broons", but I would not for a second speculate which D C Thomson character Annabel Goldie would represent.

On the substantive issue, I point out that there are provisions in the statute of the European Central Bank about ECB notes that are legal tender. There is also an explanation of traditional banking practices. That is why, way back in the mid-1990s, we went to argue the case for having Scottish euro bank-notes in the same way that we have Scottish sterling bank-notes. I hope that all of us will not just unite behind the acceptability of the traditional practices in Scottish banking, but welcome the wonderful new series of notes to celebrate the year of homecoming that has been issued by the Clydesdale Bank in Scotland.

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-1377)

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

Tavish Scott: My question is about traditional banking. Today, in Glasgow, Derek Simpson of the union Unite is wringing his hands over the Lloyds TSB job losses. Does the First Minister regret the irony of the fact that a union that backed the Labour Government's enforced takeover of HBOS by Lloyds TSB is now campaigning on those job losses? As those banking jobs add to yesterday's unemployment figures, does the First Minister support Parliament's work to get straight answers from banking bosses who have destroyed their businesses and Scotland's reputation for financial probity and expertise?

The First Minister: On the serious issue of the threat to financial sector jobs, I again met the senior management of Lloyds TSB this week to explore the range of announcements that it may make. No one would disguise the fact that there is a serious situation. Tavish Scott and I have debated the matter over the past few months, and

we both believe that the best outcome for Scotland would be HBOS remaining an independent organisation, but we should welcome a number of things that Lloyds TSB has said. First, there are the terms of the Scottish board, which is chaired by Archie Kane. Susan Rice's appointment as chief executive is a positive step and, probably, as confirmed at the meeting on Tuesday, the announcement that the insurance business of the merged bank will be centred in Scotland is also a positive announcement. That does not take away from the fact that there is a thread of rationalisation and that there are implications for jobs throughout the financial sector as a result of destabilisation. However, given that the shareholders have decided the issue, we should welcome the positive aspects of announcements that are made.

Tavish Scott: Tens of billions of pounds of public sector pension funds have been hit hard by banking losses. The First Minister could bring together the people who control those pension funds in Scotland to speak with one voice. Does he agree that doing so would provide a substantial lever to get an explanation from the bankers? People are angry that the bankers have made monkeys out of the Government. Some £37 billion has gone from the taxpayer to the banks, and money has gone out of the door in bonuses to bankers in Northern Rock this week. People cannot believe the stupidity of the bankers who let Bernard Madoff get away with a \$50 billion fraud. How could the Royal Bank of Scotland ask shareholders for £12 billion in a rights issue, knowing that there might be an £8 billion loss as a result of bad investment decisions?

Enron people were investigated and some were jailed. Should there be an investigation now? Who would carry it out? Do not we need steady, careful and considered decision making on banking boards and an end to their gambling with money that is not theirs and to their trading shares that they do not own? Should not we taxpayers, who are paying for the debacle, put people of quality on to those boards until the insipid and culpable regulation of banks catches up with the world that we, the people, are really in? The First Minister can bring together the voices of hundreds of thousands of people and the clout of tens of millions of shares to get the answers and action that people want. Will he make that happen?

The First Minister: I think that the committees of the Parliament should conduct an investigation into the deplorable practices across the banking sector, with one proviso. When they invite before them key figures in the banking and financial industry to ask them legitimate questions, they should also invite the regulators who allowed things to happen and the Government ministers who were in charge of policy over long years. As

long as the committees of the Parliament consider matters in the round in such an inquiry, rather than concentrating only on the disgraceful practices in the financial sector that are being exposed, I support their ability to do that job. The inability of regulators to regulate and of policy makers in Westminster to recognise and realise what was happening should be considered in a rounded inquiry that considers the matter as a whole.

The Presiding Officer (Alex Fergusson): James Kelly has a constituency question.

James Kelly (Glasgow Rutherglen) (Lab): The First Minister will be aware of the loss of 150 jobs at the Vion factory in Cambuslang, which is a devastating blow to all concerned. What action is the Scottish Government taking to alleviate the concerns of the workers there and their families? Does he agree that the priority of the Scottish budget should be to boost jobs and skills and thereby provide investment in areas such as Cambuslang?

The First Minister: I have already met the senior management of Vion to look for assurances on the future of not only the Cambuslang plant, but the many other Scottish plants. As the constituency member knows, the redundancies in question were in response to the loss of an order from Marks and Spencer, which affected a number of plants across the group.

The member will welcome the increased emphasis that we are putting on the partnership action for continuing employment—PACE—initiative in order not only to deal with redundancy situations, but to anticipate where early intervention can have helpful results. A good example is provided by Cumbernauld, of course, where many jobs were saved last year. The work of PACE should be supported by the Parliament, as should be the Government's early action to enable early access to funding from the European social fund and the European regional development fund, which will help employability and skills, particularly in areas that are afflicted by redundancies, such as Cambuslang this week.

Jury Trials

4. Jamie Hepburn (Central Scotland) (SNP): To ask the First Minister whether the Scottish Government has undertaken any early consideration of the Association of Chief Police Officers in Scotland's proposal that juries should be dispensed with in the most complex or lengthy of cases. (S3F-1383)

The First Minister (Alex Salmond): The proposal by the Association of Chief Police Officers in Scotland was one of 59 responses that the Government received in response to its consultation paper, "The Modern Jury in Scottish

Criminal Trials", which was published on 18 September. All the responses have been independently analysed, and next week ministers will receive the report of the analysis, which will be published by the end of January. We want to weigh all the evidence before we reach a decision on any reforms to the current system.

Jamie Hepburn: Does the First Minister agree that trial by jury is one of the most fundamental aspects of the judicial system in Scotland? Can he assure us that if the Scottish system should ever change, the Scottish Government will ensure that individuals would be denied the right to trial before a jury of their peers only in the most exceptional or extraordinary of circumstances?

The First Minister: That is a fair summary. The consultation paper states:

"The Government wishes to open up these issues for debate. It does not wish to advance—at least at this point—any firm proposals for dispensing with jury trials. It believes there may be a case for the use, in the very longest trials, of additional, substitute jurors; and it invites views on the principle of this and also on some of the practical implications."

There were firm proposals in the consultation document—for example, on raising the upper age limit for jurors from 65 to 70, and reducing the exemption period from five to three years. Those are the sort of measures that would carry general support, but the Government will carefully consider the submissions before coming to a conclusion on the more controversial aspects.

Robert Brown (Glasgow) (LD): Does the First Minister agree that it is the height of arrogance to believe that juries cannot understand certain things, which should be left to the experts? Does he agree that any proposals in that area should focus on ways in which information could be made more accessible and understandable to juries? Will he confirm that the role of the jury will be kept central in all trials in Scotland involving serious crimes?

The First Minister: The role of the jury is central. The argument does not rest on the arrogant—as Robert Brown puts it, and it certainly would be in that realm—assumption that jurors are not capable of understanding complex cases. The argument rests on addressing the imposition on people who serve on juries in cases that can stretch for many months, given what that does to their livelihoods and lifestyles. The firm proposals that were made in the consultation document try to address those very practical issues. It is obvious that that will not be done lightly—the matter will certainly come to the chamber for further debate, and the Government will consider the submissions carefully before coming to a conclusion.

Richard Baker (North East Scotland) (Lab): The consultation examines the issue of

recompensing jurors. Does the First Minister agree that jurors should be adequately recompensed for their vital contribution? The Scottish Government's consultation specifically invites views on the Irish model, in which there is no recompense for jury service at all.

The First Minister: At present, there is recompense for jurors in the Scottish system, but the consultation document argues that although the current system fulfils many of its purposes well, certain parts would benefit from modernisation. They include increasing the size of the juror pool—that is, increasing the number of people who are available for jury service. They also include addressing the list of excusals, the way in which people—I was going to say MSPs, but I am not sure about that—can opt out of jury service and whether that is fair to everyone, and the issue of juror compensation. If we did not think that there was an issue about juror compensation, it would not have been included in the consultation document, which examines ways in which we can modernise the system.

Creative Scotland

5. Pauline McNeill (Glasgow Kelvin) (Lab): To ask the First Minister when the Scottish Government will finalise the transition costs of establishing creative Scotland. (S3F-1385)

The First Minister (Alex Salmond): The costs of establishing creative Scotland will be set out in the financial memorandum, which will be presented to Parliament alongside the public services reform bill. We will make an announcement to Parliament regarding the costs shortly.

Pauline McNeill: How will the First Minister restore confidence among the arts community in relation to the formation of creative Scotland? How will he resolve the allegations that have been made by 400-odd artists that there has been a lack of clarity and transparency in the process?

Until 11.26 this morning, no meeting had been arranged with the Scottish Artists Union, and two weeks ago the minister in charge could not say which body will distribute funds to the arts in Scotland. Is it not time for the First Minister to get a grip of the bill? I ask him, in doing so, not to reduce the issue to a merger in the public services reform bill but to introduce a standalone bill as soon as possible so that the Parliament can focus on how to make the change a success.

The First Minister: Putting the bills together is the quickest way to deal with the matter. As I understand the position, there is general support across the Parliament for the principle of the merger. The issue under discussion is how any transition costs might affect pledges to artists.

I take it from the formulation of Pauline McNeill's question that a meeting is arranged. I think that she should just accept that a meeting has been arranged and welcome that. The other thing that she should welcome is the guarantee that the Government has given that no money that has been budgeted to provide grants to artists will be used for transition costs. I would have thought that that would reassure people throughout the artistic community.

If I was one of those nasty, politicking folks, which I am trying so hard not to be, I might contrast our position with that described in a written answer from Pauline McNeill's colleague, the then minister, Patricia Ferguson, who said:

"I do not anticipate any costs involved in the establishment of Creative Scotland that will require specific funding in addition to the general administrative costs of the Scottish Arts Council and Scottish Screen".—[*Official Report, Written Answers*, 14 November 2006; S2W-29736.]

It is fantastic that the previous Administration did not think that there would be any costs at all. I contrast that with the reassurance that the current Administration has already given that no grants to artists will be cut as a result of the inevitable transition costs.

Ted Brocklebank (Mid Scotland and Fife) (Con): Can the First Minister confirm that, under current plans, creative Scotland will not be the lead body in disbursing future arts funding but that Scottish Enterprise will have that responsibility? Would it not have saved valuable time and scarce funding, and prevented a total collapse of morale in Scotland's creative community, if that decision, no matter how controversial it is, had been made during the passage of the original bill?

The First Minister: The bill and its provisions will be brought forward, but I have to say that, in a year that has seen the flourishing of the arts across Scotland, with magnificent new events being planned the length and breadth of the country, and at a time when our national galleries and great national collections are looking forward to a renewed and revitalised future with record levels of investment, it is extraordinary that Ted Brocklebank, with his enormous knowledge of these matters, should talk about demoralisation. We are seeing a renaissance, and he should recognise that.

Scottish Water

6. Gavin Brown (Lothians) (Con): To ask the First Minister what conclusions the Scottish Government has reached on its on-going review of the structure and operations of Scottish Water. (S3F-1381)

The First Minister (Alex Salmond): We are keeping those matters under review, as we

promised during the debate on 21 February last year. At present, Scottish Water is performing well as a publicly owned corporation. It is delivering services to customers at performance levels beyond the targets agreed with Government.

Gavin Brown: I thank the First Minister for that holding answer. Given that £182 million of public money is involved each year, the Conservatives believe that a formal, independent review is required. Stewart Stevenson, the Minister for Transport, Infrastructure and Climate Change, has said:

"We are confident and we do not fear a review. Indeed, to use a phrase that I have used before, such a review by a new Government would be normal, natural and necessary."
—[*Official Report*, 21 February 2008; c 6161.]

Was he right to say that?

The First Minister: The position is being kept under constant review, as we promised. I inform the member of some of the things that we are reviewing at present. We note with interest, and make comparisons between, the water charges for consumers in Scotland and what is happening south of the border. We notice that Scottish Water had the lowest increase of any water authority in the United Kingdom in the current financial year, and that the average household charge for Scottish Water is £310, compared with an average of £330 south of the border. We notice that Scottish Water is committed to, and will undertake, record investment of £2.5 billion over the next few years, which I understand is directly sustaining 6,000 jobs in the Scottish construction industry.

We also notice that, in its analysis of Scottish Water's efficiency gains, the Water Industry Commission for Scotland said:

"Scottish Water's achievement is unprecedented in the UK water industry."

As we pledged last year, we are keeping these matters under proper and constant review. However, I will say this: in giving value for money to consumers and the economy, the performance of this public corporation is rather better than that of mutualised or privatised bodies elsewhere. The parties in this chamber who want to sell off Scottish Water better answer if they think their model will perform better than this publicly run corporation.

12:30

Meeting suspended until 14:15.

14:15

On resuming—

Question Time

SCOTTISH EXECUTIVE

Rural Affairs and the Environment

Landfill Waste Reduction

1. Margaret Smith (Edinburgh West) (LD): To ask the Scottish Executive what assistance it is giving to local authorities to reduce the amount of waste going to landfill sites. (S3O-5615)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): The Scottish Government has provided local authorities with record levels of funding over the period 2008-10. In line with the concordat, the majority of the funding, including the former strategic waste fund, is now provided by means of a block grant.

In December 2008, the Scottish Government announced a further £17.9 million of zero waste fund money, as part of a three-year funding programme, for local authorities to invest in infrastructure to divert more waste from landfill.

Margaret Smith: Will the minister join me in congratulating the City of Edinburgh Council on raising its recycling rate above 30 per cent this year? The council is ambitious in this regard and wants to improve on its performance.

I seek the minister's support in considering how we can help councils to meet their targets. Will he commit to examining the current system, under which waste from schools and community and charitable organisations is categorised as chargeable trade waste? That seems to act as a disincentive to schools and other organisations that are enthusiastic about participating in increasing recycling as much as possible.

Richard Lochhead: I would not wish any obstacles to be placed in the way of enthusiasm for recycling among schools and other public organisations. I will be happy to investigate that concern further and to seek clarification on it. If we have to take action, we will consider that. I thank Margaret Smith for bringing the matter to my attention.

I am happy to congratulate the City of Edinburgh Council for its progress in its recycling statistics, and I pay tribute to those involved in all the hard work that was, no doubt, behind that progress. I hope that the council continues it in the years ahead.

Elaine Murray (Dumfries) (Lab): The Scottish Environment Protection Agency's "Waste Data Digest 8" states that, although the 30 per cent national target for recycling and composting was, by the end of last year, "likely to be achieved", achieving further targets "will be challenging." Does the cabinet secretary believe that the Scottish Government's national target of

"70% by the end of 2025"

can be achieved without setting targets for individual local authorities?

Richard Lochhead: Yes—I believe that the targets can be achieved. There is huge enthusiasm throughout Scotland to achieve such ambitious targets for the sake of the environment. Elaine Murray suggests that they are "challenging" targets: they certainly are, but I believe that Scotland is ready to meet them. As I said in my previous answer to Margaret Smith, we are making resources available. There are exciting and ambitious plans to increase rates of recycling in many local authority areas—we have already heard about the action that the City of Edinburgh Council has been taking.

The Deputy Presiding Officer (Alasdair Morgan): Question 2 is withdrawn.

Forestry

3. Bill Butler (Glasgow Anniesland) (Lab): To ask the Scottish Executive what discussions it has had with the staff of Forestry Commission Scotland and their trade unions over the future of Scotland's forests. (S3O-5561)

The Minister for Environment (Michael Russell): I met representatives of Forestry Commission trade unions on 4 November 2008, when we published a consultation paper on the forestry provisions in the Climate Change (Scotland) Bill. I have met union members since then at a number of consultation events. To help all staff consider the possible implications of those provisions, senior officials in Forestry Commission Scotland have organised staff meetings in Edinburgh, Stirling, Inverness, Perth, Aviemore, Oban, Dumfries and Stranraer. I have also met staff at other meetings.

Bill Butler: The minister will be aware that his Government's proposals for the future of Scotland's forests have caused deep unease in Parliament and, more important, they have caused great anxiety among Forestry Commission staff. I have just come from a meeting with staff who are in the trade unions, at which I heard their concerns at first hand. Is the minister aware that the Forestry Commission trade unions have offered an alternative to meeting the Scottish Government's climate change commitments that does not require the handing over of more than 25 per cent of

Scotland's national forest estate to the private sector in a 75-year lease—which is, in effect, back-door privatisation? Will he give a commitment today to respond positively to the unions' proposals, in order to ensure that the jobs remain firmly in the public sector?

Michael Russell: No—I will not give that commitment, and I will tell Bill Butler why. I have not seen the proposals, and it would be very foolish of me to commit to proposals that I have not seen. However, I have said repeatedly to everybody involved in the consultation—particularly to those who are willing to listen and debate, which includes a number of people in the forestry sector but very few from the Labour or Liberal seats in Parliament—that I am entirely open to other ideas. Indeed, I have said repeatedly that a monopoly of wisdom on the issue does not lie in any one place and that the proposals can be improved.

I stress again that there is no threat to jobs and that there is a triple jobs guarantee, which I gave at the meeting on 4 November 2008 and have given at every discussion since. I have also made it as clear as I can that the prospect of spending up to £200 million on forestry-related activity in Scotland will produce more jobs, not fewer. Perhaps Mr Butler would like to reflect on the salient fact that more than 1,000 Forestry Commission jobs were lost in the past 10 years, which is of course when Mr Butler's party and the Liberal Democrats—who have been active in the campaign but appear nowhere today—were the parties in power. They cost Scotland 1,000 Forestry Commission jobs. I want to increase the number of forestry jobs in rural Scotland.

Alex Johnstone (North East Scotland) (Con): The minister may be aware that I am broadly supportive of his proposals to lease part of the forestry land in order to raise resources, but can he tell me what other efforts have been made to explore alternative funding streams that may release the same resources? In particular, is there an option to look at carbon trading mechanisms, which could bring resources into Scottish forestry to be used to expand the planting rate?

Michael Russell: There are a number of possible options. However, one of the great difficulties that the Scottish Government and the Scottish Parliament have is that—bizarrely, in the world of democracy—the Government cannot borrow. It is also a Government that does not have full tax powers at its command. The classic means by which we could increase the amount of planting in Scotland, which would include tax incentives and mechanisms to support the price of timber—which might include borrowing to undertake activity such as we are talking about, given that it is an early investment in tackling climate change—

are not available to this Government. We must therefore be inventive about how we increase the planting rate. We must raise the rate—which is at about 4,000 hectares a year—to 10,000 hectares a year, and we should try to take it higher than that. I am trying to find a way to do that and am open to any and all suggestions.

If the suggestion of carbon trading were to be brought forward during the consultation period, I would look at it seriously. However, I must stress to members across the chamber that doing nothing is not an option, and that the worst option of all is to create anxiety through the scaremongering that we have seen, rather than addressing the issue honestly. There are members in the chamber whose behaviour has been disgraceful.

The Deputy Presiding Officer: Question 4 was not lodged.

Climate Challenge Fund

5. Malcolm Chisholm (Edinburgh North and Leith) (Lab): To ask the Scottish Executive how many applications there have been to the climate challenge fund and how many have been successful. (S3O-5562)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): The climate challenge fund has received 225 formal expressions of interest. So far, 82 of those have been developed into full applications and considered by the independent grants panel, and 56 have been successful in receiving funding.

Malcolm Chisholm: Will the minister join me in congratulating the active Leith project and the north Edinburgh community climate change initiative on their success in the latest round of the fund? Does he agree that community grass-roots action, as demonstrated by both those initiatives, is vital in the battle against climate change? Will he do everything he can to promote the fund and to ensure that there are no underspends, so that carbon savings can be achieved in communities across Scotland?

Richard Lochhead: I answer yes to all Malcolm Chisholm's questions. I very much welcome his warm response to the impact that the climate challenge fund, which has attracted cross-party support, is having and I join him in congratulating the active Leith project which is, as he said, being funded by the challenge fund. I agree that grass-roots action to tackle climate change and global warming is an important way forward, which is one of the reasons why the fund is proving to be successful. We will make every effort to make it even more successful and to ensure that the resources end up in the hands of grass-roots organisations the length and breadth of Scotland.

Shirley-Anne Somerville (Lothians) (SNP): I add my congratulations to the two schemes that have been mentioned and I draw to the minister's attention another scheme that was successful in the last funding round, which is the piper scheme in west Edinburgh. There is, however, a difficulty in that we need to know the actual carbon reduction that is achieved through each successful project. What has been done to measure the significant impact that the schemes can have not just on invigorating our local communities, but on the climate change agenda as a whole?

Richard Lochhead: There is guidance in place for projects. One of the criteria that are taken into account is the need to ensure that projects will reduce the carbon footprints of their communities. The Government and the whole country are paying a lot of attention to the question of how we can best measure reductions in carbon footprints in the years ahead.

The funding scheme is successful, and the independent grants panel is persuaded that the projects that are coming forward are ambitious and will reduce the carbon footprints of many of our communities.

Patrick Harvie: I welcome the comments of the minister and other members, as they demonstrate once again that so many of the Scottish National Party's best ideas come through negotiation with the Scottish Green Party.

How does the minister intend to build on the climate challenge fund so that communities across Scotland—including those that do not yet enjoy a high level of community activism and proactive community efforts—can not only produce carbon savings but can benefit from the cost reductions that arise from initiatives such as the free insulation programmes that have been funded by the climate challenge fund? We need to roll those initiatives out across Scotland.

Richard Lochhead: We welcome the support of the Greens for this initiative. A lot of effort is being made across the country to make communities aware of the kind of funding streams that are available to reduce Scotland's carbon footprint. Of course, the climate challenge fund is aimed at grass-roots activity, as we have just been discussing.

At the beginning of the week, in my role as cabinet secretary, I attended a rural development funding seminar in Elgin along with around 100 or 150 people from rural communities. I can tell Mr Harvie that the climate challenge fund was also on their agendas. A number of similar events are taking place across Scotland, many of which are led by local authorities. Of course, the support of local authorities is necessary if we are to get the message out about exactly what is available. I

commend Moray Council and every other council that is engaged in similar work.

The Deputy Presiding Officer: Question 6 is not lodged.

LEADER Programme (Aberdeenshire)

7. Alison McInnes (North East Scotland) (LD): To ask the Scottish Executive what action it is taking to ensure that the rural Aberdeenshire LEADER programme is properly resourced. (S3O-5608)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): I have approved the award of £3.36 million to the rural Aberdeenshire local action group from the LEADER fund. The group bid for £3.46 million. The total of the bids that was received was far in excess of the funding that was available, but the Aberdeenshire bid was commendably strong.

Alison McInnes: The cabinet secretary will be aware of the concerns that Aberdeenshire Council has expressed on this matter.

Originally, Scottish Enterprise allocated £1 million for Aberdeenshire for the duration of the programme. However, people are concerned about the fact that the level of funding from the rural action group is now only £1 million for the whole of Scotland. Will the cabinet secretary comment on that?

Richard Lochhead: As Alison McInnes said, the Scottish Enterprise matched funding is about that amount. Of course, if good projects are forthcoming from our rural local authorities, they can bid for cash to be made available to them from Scottish Enterprise.

Eco-schools

8. Ken Macintosh (Eastwood) (Lab): To ask the Scottish Executive what action its rural directorate is taking to promote environmental awareness through further development of the eco-schools programme. (S3O-5581)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): As Ken Macintosh will know, the eco-schools programme in Scotland is one of the most successful in the world, and the Scottish Government continues to develop it. Since May 2007, 353 schools have been awarded green flags, which brings the total number of Scottish schools with green flag status to 744. On current trends, we expect to see Scotland's 1000th green flag school by 2010.

We are continuing to broaden the reach of the programme by funding a secondary schools development officer from the education and rural budgets.

Ken Macintosh: Does the minister agree that we must build on the success of this phenomenally successful programme? Would he consider improving the Scottish Government's contribution by, for example, collecting information on energy efficiency standards in our schools, by requiring schools to source their electricity from renewable sources and by encouraging greater use of microgeneration in our schools?

Michael Russell: Of course I would encourage schools to make greater use of microgeneration. At the risk of bringing the issue too close to home, I know that my wife's school is using a solar panel and is interested in taking the idea even further. However, there are a range of routes by which such material can come to schools. For example, there have been some interesting innovations by power companies that are assisting schools.

I agree that the eco-schools programme has to be driven forward by enthusiastic schools. I do not think it needs more and more layers of bureaucracy—I want the schools themselves to set their priorities. However, I would be very surprised if there were more than a few eco-schools that are not keen on new developments in microgeneration, so I would encourage that to happen. I am quite sure that that will be part of the programme as it evolves. Ken Macintosh will know that the programme is constantly developing, and that new topics come in every year.

Nanette Milne (North East Scotland) (Con): I recently visited the Haddo forest school, which is run by the Woodland Trust and Aberdeenshire Council. I was extremely impressed by the many life skills that the pupils are learning in ways that really stimulate their enthusiasm. Does the minister agree that such programmes are equally valuable in developing environmental awareness in our young people and is he willing to promote such schemes in tandem with the eco-schools initiative?

Michael Russell: I entirely agree that it is not an either/or situation—there are several good initiatives. The eco-schools initiative is specifically designed to involve not only the school, but the whole community. The forest schools movement, which is also successful, has been well supported by the Forestry Commission and other organisations and is involved in transferring a unique range of skills to young people and teachers. I want to encourage many different initiatives and to make it clear that involvement in environmental education, gaining knowledge of the environment and having a much more active relationship with the environment are no longer an option in education, but are part of the main stream.

Agricultural Pay and Conditions

9. Dr Richard Simpson (Mid Scotland and Fife) (Lab): To ask the Scottish Executive when it plans to publish responses to the recent consultation on agricultural pay and conditions. (S3O-5592)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): Consultation responses on the review of the Scottish Agricultural Wages Board were published on Tuesday 20 January 2009.

Dr Simpson: That is the most rapid response to a question that I have heard from a Government. Does the minister agree that any response by the Government should be based not on the scale of the responses, but on the merits of the case, particularly recognising the low density and geographically disparate distribution of workers in the industry?

Does the Government agree that the International Labour Organization convention 99, and article 2 of the Council of Europe's social charter, which calls for

"additional .. holidays or reduced ... hours for workers engaged in dangerous or unhealthy occupations",

apply to that group of workers? If so, does the Government accept that the Scottish Agricultural Wages Board is the most effective mechanism for regulating and setting agriculture workers' terms and conditions?

Richard Lochhead: We received 44 responses to the consultation and opinion was divided among them, so it was not easy to get a clear message from the exercise. Many of the issues that Dr Simpson raises were included in the responses that we received, and we treat those points seriously. We are reviewing the Scottish Agricultural Wages Board because it dates back to 1949. Members will agree that, in this day and age, it makes sense to review a body that was set up so long ago. Since then, we have had the advent of the minimum wage and the working time directive. I assure the member that we will be conscious of the impact on workers' conditions as we reach a decision, but we must take into account a range of factors and we will do so.

John Scott (Ayr) (Con): Does the cabinet secretary agree that, with the establishment of a national minimum wage, it is simply no longer tenable for the agriculture industry alone to be burdened with the decrees of a body such as the Scottish Agricultural Wages Board, which is now actively preventing young men and women from taking up or being given jobs on the land? Will he therefore consider abolishing that quango, which is in truth unnecessary and unfit for purpose?

Richard Lochhead: Although we have not reached a decision, we are taking into account the fact that the agriculture sector is the only sector that has a body for wages regulation. We are also considering its impact on attracting young people into the industry. Several farmers and others in the agriculture sector have made that point to us. Young people have expressed the view that the lack of wage bands means that it is not easy for them to get a first job on a farm. We have not reached a decision, but we are taking into account all those factors. I am sure that members will agree that, given the division of opinion, we should ensure that we take the right decision.

The Deputy Presiding Officer: Question 10 is not lodged. We will move to themed questions on justice and law officers.

John Scott: On a point of order, Presiding Officer. You will be aware that three questions were not lodged in the rural affairs and environment themed question time and that one was withdrawn, which means that only six questions have been asked on the subject. Many members—myself included—would have been happy to ask questions, but have been denied that by other members who have, apparently, not taken the trouble to lodge questions. Will you reflect on that problem and let me know whether something can be done about it?

The Deputy Presiding Officer: We are aware of the problem, but we are not necessarily in control of what members do. I apologise for not lodging my question because I found out that I was going to be in the chair and would therefore be unable to call myself. I point out, however, that the entire question time was taken up with questions to the relevant ministers; therefore we have not lost out in that sense.

Justice and Law Officers

Direct Measures

1. Gavin Brown (Lothians) (Con): To ask the Scottish Executive how many people charged with assault to injury have received a direct measure since 1 April 2008. (S3O-5603)

The Solicitor General for Scotland (Frank Mulholland): Direct measures introduced by summary justice reform were issued by procurators fiscal for 521 charges of assault to injury between April and September 2008. That amounted to 2 per cent of all such direct measures issued during that time and only 9 per cent of all charges of assault to injury received by procurators fiscal during that time.

Gavin Brown: From quick arithmetic, it appears that about four people a day are given a direct measure for assault to injury, which shows a

disconnect between the deeds and words of the Government. We heard just today from the First Minister that people who commit violence should get long sentences. Assault to injury is clearly a crime of violence, so what action is the Government taking to ensure that violent criminals do not receive direct measures?

The Solicitor General for Scotland: The guidance says that direct measures should not be issued for serious assault. In respect of minor assault, it is perfectly acceptable for procurators fiscal, using their judgment and the factors set out in the prosecution code, to issue direct measures.

I dealt with an allegation of assault this morning in which a person had allegedly been pushed off a wall with no injury or minor injury resulting. I suggest that no one would think that that was worthy of a criminal prosecution and potential criminal conviction before a court. Another example is of two students having a punch-up in a university union resulting in a bloody nose on a Friday night. Would anyone suggest that it would be appropriate to prosecute the students in those circumstances?

Members: Yes.

The Solicitor General for Scotland: I am afraid that I disagree. There is discretion for procurators fiscal to exercise judgment. The factors that they take into account are well known and are set out in the prosecution code. Therefore, I must disagree with any proposition that someone who commits such assaults requires a criminal prosecution.

Joe FitzPatrick (Dundee West) (SNP): Does the Solicitor General believe that the introduction of summary justice reform will free up police to spend more time on the beat making our streets safer?

The Solicitor General for Scotland: Yes. The available statistics seem to demonstrate that. For example, in the three months to September 2008, 23 per cent more cases were dealt with by a plea at the outset of the case as a result of summary justice reform. That drills down into 5,000 witness citations spared, 60 per cent of which would be for police officers. Think about the administration that would be involved in that—a significant number of police officers are now not required to prepare and submit witness statements to procurators fiscal, who are not required to prepare subsequent cases for intermediate diet or trial. There has been a significant saving as a result of summary justice reform and a benefit to the public of having more efficient and effective summary justice.

Serious Fraud Investigations

2. David McLetchie (Edinburgh Pentlands) (Con): To ask the Scottish Executive what steps have been taken to ensure that the investigation of

serious fraud in Scotland can be carried out effectively. (S3O-5596)

The Minister for Community Safety (Fergus Ewing): The national casework division at the Crown Office and the police work in partnership to investigate and prosecute high-value complex fraud. That is working. For example, a recent case resulted in a bank manager pleading guilty to a £21.3 million fraud from his bank. He was sentenced to 10 years' imprisonment.

The Association of Chief Police Officers in Scotland is making good progress in working up detailed proposals to address the recommendations in Her Majesty's inspectorate of constabulary report on serious fraud. Scottish Government officials are working closely with ACPOS and we look forward to receiving its proposals shortly.

David McLetchie: As the minister is aware, the Serious Fraud Office in England has launched an investigation into frauds that have allegedly been committed by Bernard Madoff. Those frauds might have an impact on businesses and individuals in this country, including the Royal Bank of Scotland, which—it is said—might have lost up to £400 million.

The minister is also aware that the Serious Fraud Office has no jurisdiction in Scotland and would have to be invited to extend its inquiries into Bernard Madoff to this country. Has such an invitation been extended? If it has, is that not an indictment of the Government's failure to progress timeously the recommendations of the Tomkins report? If no such invitation has been extended, why is that the case when so much money is at stake?

Fergus Ewing: Whether there should be an investigation in Scotland into the affairs of Bernard Madoff is entirely a matter for the police and the Crown Office, not—as Mr McLetchie is well aware—for Scottish ministers. However, if the Royal Bank of Scotland or any other company were to make a complaint to the police that they had been the subject of fraud by Mr Madoff, it would be investigated by the police.

Mr McLetchie asserts once again that there has been some element of delay by the Scottish Government in dealing with the recommendations that the Tomkins report contains. That is not so. There has been no delay—the assertions by the Conservatives are entirely wrong and misplaced—and I am grateful for the opportunity to point that out once again to Mr McLetchie.

Richard Baker (North East Scotland) (Lab): It is clear that the development of the new crime campus at Gartcosh, which will bring together the key agencies that are involved in tackling crime, could be of huge benefit in tackling cases of major

criminal fraud. Can the minister assure us that there will be no further delays in its construction and give us a clear timetable for when it will open?

Fergus Ewing: The Government supports the establishment of the campus at Gartcosh, which will enable us to bring together under one roof people who are all working towards the same objective—not least those in the Scottish Crime and Drug Enforcement Agency. To be fair, there is unanimity on the issue—at least in relation to aims—across all parties. My understanding is that the work towards establishing Gartcosh is in train, and no notice of any expected delay has come to my attention. If Mr Baker wishes to write to me, I would be happy to examine in more detail the specific issue that he has raised today.

Residency and Contact Orders

3. Margaret Mitchell (Central Scotland) (Con): To ask the Scottish Executive how many reported breaches of residency and contact orders there have been in each year since 2006. (S3O-5598)

The Minister for Community Safety (Fergus Ewing): Neither the current nor the previous Administration has considered it appropriate to collect those data. However, we believe that breaches of residency and contact orders are a factor in only a minority of cases. We appreciate that such situations can be frustrating and upsetting for those who are affected. Wherever possible, conflicts should be resolved in a consensual and collaborative fashion, since the paramount consideration in such cases must always be the welfare of the child.

Margaret Mitchell: I consider it to be regrettable that hard evidence is not held on such an important subject, and I hope that the minister will consider that issue in the future. In the meantime, is he aware of the excellent work that is done by Family Mediation South Lanarkshire, which takes referrals from throughout Lanarkshire, and which—through the use of contact centres, mediation and parenting education programmes—supports families in crisis to regulate and normalise contact for the sake of children?

Given that that work has a proven record—not just in reducing hostility and tension and encouraging better contact, but in having a marked impact on the behaviour, attitude and general outlook of the children who are involved—does the Scottish Government recognise the merit of the service in resolving disputes and discouraging breaches of residency and contact orders without redress to the courts?

Fergus Ewing: I accept entirely the excellent role that is played by family mediation services. I know that the member, along with other members, takes a particular interest in the matter.

Before I was elected, as a solicitor I dealt with matters that related to custody and access—now known as residency and contact. My impression was that the worst place to resolve such issues was on the floor of a sheriff court at a proof. The best place was at mediation, and the best approach was through conciliation and collaboration. I think that that broad approach is supported by all parties in the Parliament, and I am grateful to Margaret Mitchell for giving me an opportunity to clarify that again.

Christina McKelvie (Central Scotland) (SNP): I ask the cabinet secretary how the Government is working with family mediation groups to ensure that breaches of residency and contact orders are kept to a minimum.

Fergus Ewing: I am grateful to Christina McKelvie for the promotion, although I am not sure that it is entirely accurate.

We are doing a number of things. We are supporting the work of family mediation and the development of collaborative law for use in family dispute resolution, where attempts are made to sort matters out without the involvement of solicitors. We are wholly devoted to continuing that good work throughout Scotland.

I am grateful to the member for raising the issue. The Scottish Government is taking the entirely correct approach to the matter. As members know, difficult issues arise—particularly where there is domestic abuse or when the parties live far apart—in the practical arrangements for ensuring that the children continue to see both parents wherever possible.

Mary Mulligan (Linlithgow) (Lab): Margaret Mitchell raises a valid point about breaches. One way in which to tackle contact issues is to ensure that there is a local contact centre. The previous Labour-led Scottish Executive agreed a transitional funding arrangement for contact centres while funding was switched from national to local government. What discussions have taken place with local authorities to ensure that funding for contact centres is properly maintained?

Fergus Ewing: There are 37 contact centres in Scotland, 30 of which are managed by Relationships Scotland. I am aware of the good work that is done at contact centres, which employ the methods of mediation and collaboration to try to sort matters out with both parents by agreement. We value the work that they do.

On the funding issue, as the member knows, we are removing ring fencing from local government budgets to enable councils to allocate resources according to local priorities. We believe that that new, productive relationship with local government will deliver better value and a better deal for Scotland's children, young people and families.

Proceeds of Crime (Reinvestment)

4. Aileen Campbell (South of Scotland)

(SNP): To ask the Scottish Government how the seized proceeds of crime are reinvested in local communities. (S3O-5630)

The Minister for Community Safety (Fergus Ewing): The proceeds of crime are reinvested in local communities through the cashback for communities programme. So far, we have committed to invest £11 million in a range of positive activities for young people throughout Scotland in sport, arts and community projects.

Aileen Campbell: The minister is aware that a recent beneficiary of cashback for communities funding was the Biggar Youth Project in the South of Scotland. The money is being used to provide healthy meals and activities for school students at lunch times. Does the minister agree not only that that initiative has an immediate benefit for the kids involved, but that it will help them to grow up healthier, fitter and less likely to take part in antisocial behaviour themselves?

Fergus Ewing: Yes. The member highlights one of many examples of the good work that is being done through the cashback scheme. I know the Biggar area to some extent, although not as well as the member, and I praise the work of the Biggar Youth Project, which has successfully provided activities for young people for 13 years.

There is broad support for the policy, which takes moneys that are confiscated from drug dealers and gangsters and uses them to the benefit of youngsters—the money is used to provide more choices and chances for children throughout Scotland. Again, I believe that all parties in the Parliament support the policy.

Alex Johnstone (North East Scotland) (Con):

Is there a geographical correlation between the areas in which money is seized and the areas in which it is then utilised? If not, does the minister believe that there should be such a correlation?

Fergus Ewing: No, and no. If, for example, a £30 million drugs haul was made off the coast of Mallaig in my constituency, it would be overegging the cake, even for me or the member, to argue that every single penny of that money should be invested in Mallaig—or perhaps, to stretch the point, Mallaig, Arisaig and Morar. The money has to be distributed fairly throughout Scotland, which is what we have sought to do.

However, I am aware that we have not reached certain parts of the country. As a result, we welcome members' representations about various projects in their areas, because we want to be the Government that reaches parts that other Governments do not reach.

Dr Richard Simpson (Mid Scotland and Fife)

(Lab): I echo the minister's comment that the whole chamber supports this programme. However, what are the arrangements for dividing confiscated criminal assets between the United Kingdom and Scottish jurisdictions for use by Her Majesty's Revenue and Customs and the cashback for communities programme? What discussions has the minister had and will he have to take the matter forward?

Fergus Ewing: I might be wrong—if I am, the member will no doubt let me know—but my understanding is that we use all the money that is recouped from crimes committed in Scotland. There has been no dispute over that issue and, if Dr Simpson has any particular concerns, I would be very pleased to receive the details in writing.

As all members know, it is not our habit to seek unnecessary disputes with or to have unnecessary grudges or grievances against our Whitehall colleagues. There is really no tension or conflict over this matter and I can assume only that, like Dr Simpson and the Conservatives, those who work in Whitehall fully support Scottish Government policy.

Low Moss Prison

5. Ross Finnie (West of Scotland) (LD): To ask the Scottish Executive whether it will oppose the renaming of Low Moss prison as HM Prison Bishopbriggs. (S3O-5605)

The Minister for Community Safety (Fergus Ewing): This is an operational matter for the Scottish Prison Service. HMP Bishopbriggs has been the working title for the new prison since 2006, but the SPS will give proper consideration to representations about the name of the new prison in Bishopbriggs before it decides its official title prior to opening around 2012.

The Deputy Presiding Officer: I point out to members that the question is about the name of the prison. I call David Whitton. [*Interruption.*] I apologise—I call Ross Finnie.

Ross Finnie: I am obliged, Presiding Officer.

I realise that HMP Bishopbriggs is a working title, but the minister must also realise that an ever cynical and querulous public tend to regard working titles as self-fulfilling prophecies. Is it not unfortunate that, even though the prison is much needed and even though there is by and large no real opposition to its rebuilding, matters have been confused as a result of serious and well-felt public concern about the name? Would it not make good sense for the minister to have a quiet word with the SPS about changing the name now to avoid unnecessary public conflict and ensure that the building of this much-needed prison can continue without such distraction?

Fergus Ewing: As Ross Finnie well knows from his eight years as a member of the Cabinet, the SPS—not ministers—decides what prisons are called. Its policy is to call prisons after their locations. There is a logic behind that approach; for a start, it makes it easier to know where the prisons are.

I also note that Ross Finnie has no objection to HMP Greenock being called HMP Greenock, HMP Addiewell being called HMP Addiewell or HMP Kilmarnock being called HMP Kilmarnock. If confusion has arisen in the cynical and querulous public—that is not how I would describe them, given that we seek their votes from time to time—I would not be arguing that the pressing issue is the name of the prison. Instead, I would be ensuring that we had enough prisons in which to house our prisoners. *[Interruption.]*

The Deputy Presiding Officer: Order.

David Whitton (Strathkelvin and Bearsden) (Lab): As the constituency member, I object to the prison being called HMP Bishopbriggs. Given that the former prison was called HMP Low Moss, I see no reason why that should not be the working title.

I have already sent the Cabinet Secretary for Justice and the minister 300 e-mails and letters from constituents on this issue. On Tuesday night, representatives of Bishopbriggs community council asked me why a big beast of the Cabinet such as Mr MacAskill does not simply tell the SPS, “The prison’s to be called HMP Low Moss, and that’s the end of the matter”.

While I am on my feet, I add that we would welcome it if the minister wanted to get on and build the prison, because it has been delayed for far too long and it would do something about the overcrowding in prisons that he and his cabinet secretary are responsible—

The Deputy Presiding Officer (Trish Godman): Mr Whitton.

Fergus Ewing: Despite that display of polemics, it remains the fact that Mr Whitton’s party, when it was in power, did not intervene in decisions that were the responsibility the SPS. The Labour Party was happy for the policy that I have described to be applied, but the policy that it was happy to apply when it was in government is apparently now inconvenient.

Although Mr Whitton is obviously far better acquainted with the residents and denizens of Bishopbriggs than I am, it surprises me that the most pressing issue of the day in these times of economic recession and crisis is the name that is to be given to a new prison.

I assure Mr Whitton that we are investing record amounts in Scotland’s prison estate: £120 million

a year. Under this Government there are new prisons and crime is at record low levels—the previous Executive should envy that record rather than decry it.

Flood Risk Management (Scotland) Bill: Stage 1

The Deputy Presiding Officer (Trish Godman): The next item of business is a debate on motion S3M-3163, in the name of Richard Lochhead, on the Flood Risk Management (Scotland) Bill.

14:57

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): The Flood Risk Management (Scotland) Bill will comprehensively modernise flood risk management in Scotland for the first time in over four decades. I thank the Rural Affairs and Environment Committee for its diligent scrutiny of the bill, which is reflected in the detailed stage 1 report that we are discussing today, and for its support for the general principles of the bill.

The first recommendation in the committee's report rightly highlights the advantages of pre-legislative scrutiny. The committee's inquiry on flooding and flood management played an important part in the development of the bill. Although the scope of the inquiry was wider than the remit of the bill, I hope that a number of its recommendations are reflected in the bill. The thoroughness with which the committee has examined the bill and reflected on the views of a wide range of stakeholders will be extremely helpful as we move towards stage 2.

Many of the committee's recommendations are in line with the Government's thinking on areas where the bill needs to be strengthened. I am confident that our proposed stage 2 amendments will go a long way to meeting the majority of the committee's remaining concerns.

Research on climate change tells us that flooding could become more frequent and more severe. We must act now to minimise the impact of future flooding on Scotland's people, services, environment and economy.

Before Christmas, we saw yet again the problems that heavy rainfall can cause in many parts of Scotland. Four people were rescued from vehicles in flood water in Greenock and, just over a week ago, Jedburgh was on high alert and householders were putting sandbags in place when the Jed Water rose to peak levels. Thankfully, no one was seriously injured as a result of those events, but they remind us of the risks that flooding can pose to both people and property. Even today, the weather is fitting for the theme of the debate, as a flood warning has been in force in the Dumfries area and several flood

watches have been issued in other areas of Scotland.

Historical records show an upward trend in average rainfall for each year. Scotland became 20 per cent wetter between 1961 and 2004, and the figures show an increase of almost 70 per cent in winter rainfall in northern Scotland.

We recognise that flooding cannot be eliminated, but experience tells us that well co-ordinated actions can significantly reduce the likelihood of flooding and its harmful impacts. We have introduced the bill to make a series of important changes to how flood risk will be managed in Scotland. Our aim is to ensure that the people of Scotland benefit from a modern, sustainable approach to flood risk management.

The bill will deliver flood management at a catchment scale, which will allow local authorities and others to take the best possible approach to managing flooding in their area. Options will range from traditional defences to improved flood warning and natural flood management measures where appropriate.

The preparation of new national flood risk assessments and flood maps will improve our understanding of the likelihood and consequences of flooding from rivers, the sea, extreme rainfall events and, of course, groundwater. The new assessments will be complemented by flood risk management plans, which will ensure that the most sustainable and cost-effective measures to manage flooding are planned for and delivered.

It would be difficult for me to describe in detail all the provisions in the bill, but I will mention some highlights. For the first time in Scotland, the bill will place a duty on specific public bodies—including local authorities, the Scottish Environment Protection Agency and Scottish Water—to act with a view to reducing overall flood risk.

The bill will transpose the European directive on the assessment and management of flood risks in a way that suits Scotland's flood risk management needs. SEPA will be responsible for the directive and for preparing national assessment maps and plans to manage flooding. That work will be undertaken in close collaboration with local authorities, Scottish Water and other stakeholders. Local authorities will also be responsible for preparing local flood risk management plans to accompany the national plans.

To ensure that schemes that are identified in plans are implemented as promptly as possible, the bill repeals the Flood Prevention (Scotland) Act 1961. In its place, the bill creates a new streamlined process for approving flood protection schemes.

Dam failures are extremely infrequent, but they can have major consequences, including loss of life. The bill will transfer enforcement responsibilities under the Reservoirs Act 1975 from local authorities to SEPA. That will ensure that reservoir operators and the public benefit from a new and more consistent approach to reservoir safety enforcement. Reservoir safety will also be strengthened by the introduction of a compulsory post-incident reporting system.

As I am sure we all agree, flood warning is crucial to keeping the public informed of flooding events. The bill updates SEPA's responsibilities for flood warning and places a duty on SEPA to make flood warning information available to all Scotland's citizens.

During the bill's development, we have taken a series of steps to engage actively with the public, key stakeholders and experts in flood risk management, as has the Rural Affairs and Environment Committee. In addition to the formal public consultation process that was undertaken in spring 2008, we established consultative groups to advise us on the bill's development and implementation. Those groups involved representatives from a wide variety of organisations and stakeholders, including local authorities, conservation groups and NFU Scotland.

We held additional stakeholder workshops and a series of public meetings across Scotland to gather information that allowed us to refine our initial proposals and to obtain information from people who have felt the impact of flooding in their communities. At those meetings, we heard at first hand the views of individuals who have been affected by flooding and the problems that they have had to overcome. We have listened to and learned from their experiences of the physical and emotional impacts of flooding.

I will touch on key points in the Rural Affairs and Environment Committee's stage 1 report and discuss the main amendments that the Government intends to lodge at stage 2.

The bill provides a framework for delivering sustainable flood risk management, so I announce that we intend to amend the long title to include the word "sustainable". That amendment will ensure that the long title fully reflects the provisions and I am sure that it will attract cross-party support.

The committee expressed concern that the flood risk management planning process could be delayed by a shortage of experienced staff. We, too, would be concerned if such a shortage hindered improvements to flood risk management. However, many experienced flood risk management practitioners already operate in local

authorities, SEPA and the private sector, and we must build on that strong foundation. Together with SEPA, we are engaging with further education institutions on the issue. The Minister for Environment and I will work with our opposite numbers in the education portfolio to consider how we can best fill the potential skills gaps.

The committee repeated its flooding inquiry recommendation that targeted funding be provided to local authorities for flood protection schemes. We appreciate the committee's concern, but I am afraid that we do not agree that the current funding arrangements for local government could compromise the bill's implementation. As we have said, the total package of funding for local government was worked out and agreed with the Convention of Scottish Local Authorities. It provides investment of £22.8 billion from 2008 to 2010, which is an increase of 9.9 per cent on 2007-08 figures. However, we will continue to discuss local authority funding with COSLA and we will carefully consider any requests to change the funding arrangements to support the bill's implementation.

Duncan McNeil (Greenock and Inverclyde (Lab): Yesterday, the Local Government and Communities Committee heard that there are also capacity problems in Scottish Water, which has a significant role to play in addressing the flooding issues that plague my constituency. Will the cabinet secretary discuss with Scottish Water both the short-term and the long-term capacity problems that it faces?

Richard Lochhead: We will listen to Scottish Water's views on the issue that the member raises, as Scottish Water has an important role to play in making the bill a success.

The Rural Affairs and Environment Committee recommended that we strengthen the link between the duty to reduce flood risk and the implementation of flood risk management plans; we will lodge an amendment that does just that. We have also taken on board the committee's concern that the bill needs to be clearer about who is responsible for assessing and managing drainage infrastructure. We intend to lodge amendments to add more explicit responsibilities for assessing drainage features, including sustainable urban drainage systems, and to give Scottish Water specific responsibility for assessing sewage flooding.

We are considering how to accommodate the committee's recommendation that responsible authorities be required to consider what contribution natural flood management approaches could make to reducing flood risk. Although we believe that the bill already ensures that natural flood management measures will be considered fully, we will look to develop an

amendment that ensures that the most sustainable approach is always the one taken.

In addition to the amendments that I have mentioned, we intend to lodge an amendment that will add an enabling power to the bill that could be used to require reservoir undertakers to produce reservoir plans. Those plans would set out the on-site steps that operators would take to mitigate any harmful impact from an uncontrolled release of water.

I have given a rapid account of the bill's main features and the key changes that we expect to introduce at stage 2. We have, of course, been considering the whole range of the committee's recommendations and the points raised in evidence. In light of those, we will seek to amend the bill in other, more minor ways.

We recognise that legislation on its own will not achieve all the improvements in flood risk management that we seek. Effective implementation of the legislation is essential, and we are already working with local authorities, SEPA, Scottish Water and others to put in place the appropriate regulations, guidance and resourcing to take that forward. We will write to the committee shortly to provide more detail on our response to its recommendations.

Through the bill, Scotland is leading the way in introducing a modern, first-class system of flood risk management. The bill will deliver vital improvements to how we manage flooding and make a real and long-term difference to the lives of people in Scotland. It will also ensure that Scotland is well placed to adapt to the challenges that the years and decades ahead will bring. We must protect families and businesses from threats that we believe may be round the corner. The bill is about making Scotland a safer place and protecting our environment at the same time. I know that it will be welcomed by the whole of Scotland, especially those communities that have felt the devastating impact of flooding in recent years. I commend the committee's report, this debate and our motion to the Parliament.

I move,

That the Parliament agrees to the general principles of the Flood Risk Management (Scotland) Bill.

15:08

Roseanna Cunningham (Perth) (SNP): I am grateful to the cabinet secretary for the concessions that he has already made. Those concessions are important, because the Rural Affairs and Environment Committee has been involved in discussions about flooding for a long time. We first issued a call for written evidence back in September 2007, when we were embarking on our inquiry into flooding and flood

management. The report on that inquiry was published in May 2008. The bill was introduced to Parliament in September 2008, so we were able to exert considerable influence on it in the first place.

The report on our inquiry contained 26 key recommendations, many of which—although not all—were taken up by the Government. It will not surprise members that a number of the recommendations in the stage 1 report on the bill are reiterations of views to which the committee had already come after its previous extensive inquiry.

We approached stage 1 on the basis that we need not revisit in detail issues on which we had made recommendations in our earlier report and which had already been adopted in the bill—for example, the recommendation that lead responsibility should lie with SEPA. There seemed no point in going back over that story. We also had the benefit of an early indication of Government amendments that are likely to be lodged at stage 2, which allowed us to anticipate certain developments while we were still at stage 1 and was of enormous benefit—so much so that in our stage 1 report we recommend that, where possible, that should become standard practice. Such advance notice will not always be possible, but it was extremely beneficial to us and would also help other committees as they take evidence at stage 1.

I thank everyone who was involved in the process—the clerking team, my colleagues on the committee, in particular members who were new to the committee in September and October, and all the witnesses who gave us their time and attention throughout the process, not least ministers and their officials.

The key recommendations of our stage 1 report include the broad recommendation that the Parliament agree to the general principles of the bill. Members will realise that it would be impossible for me to go through all 38 additional recommendations. I will pick out key areas of debate, on some of which the cabinet secretary has already conceded. He and the Minister for Environment should be aware that, on the issues on which we are still pressing the Government for change, the committee was unanimous.

The lack of an explicit duty on responsible authorities to implement measures on the ground is a potential weakness in the bill, so committee members will have been pleased to hear the cabinet secretary's concession in that regard. A local authority official told us in evidence that officials were already aware that the provisions of the bill were "permissive", which suggested to us that it was likely that a local authority that did not implement measures would avoid legal challenge. We were concerned that if there was a view that

the duty on local authorities was permissive, some councils might take a minimalist view of their duties. Therefore, the cabinet secretary's concession is well received.

I am also grateful for the decision to include the word "sustainable" in the long title. There was considerable discussion in the committee about the matter, and the recommendation on sustainability in our inquiry report was carried into our stage 1 report. However, we accepted the minister's logic when he told us that to define "sustainable" in the bill would not be helpful, because our understanding of the term will change and evolve. We have come together on the issue, which is important.

The committee understands that there is a desire to encourage greater use of natural flood management techniques, including the use of flood plains, wetlands and woodlands where that is appropriate. In our inquiry report, we argued for a presumption in favour of natural flood management, but it became clear that the word "presumption" was almost a barrier to consideration of the issue. We thought that that view was based on a misunderstanding, because we always accepted that the presumption could and would often be rebutted and overturned. We were concerned that, unless there was more explicit direction, the current culture, in which there seems to be a bias towards hard solutions, would be difficult to overcome.

The Minister for Environment (Michael Russell): As I stressed in evidence to the committee, I do not believe that there is a presumption in favour of hard solutions. There has been such an approach, but it is changing rapidly and our concession to the committee's recommendation, whereby the most sustainable solution will always be sought, will allow us to take forward the reality of what is beginning to take place.

Roseanna Cunningham: The committee has never taken the view that there is a presumption in favour of hard solutions; we were concerned about the culture among professionals. We thought that if we were to shift the culture away from the default option of hard solutions, there must be a stronger drive towards encouraging natural solutions. That is why we made three recommendations in that regard in our report. We understand that the word "presumption" presents a barrier and we accept that a different approach can be considered. I hope that the minister will consider adopting the mechanism that we suggested or propose an alternative measure that would achieve the same end. It is about changing the culture.

On long-term planning, our inquiry report called for a 25-year road map for investment, with

provision for regular updating. That general approach was commended during stage 1 by a number of witnesses. Scottish Water agreed that a nationally prioritised list of flooding schemes would help in its forward planning. Chris Spray, from SEPA, said:

"We should look 20 or 25 years ahead."—[*Official Report, Rural Affairs and Environment Committee*, 17 December 2008; c 1313.]

The committee took the view that SEPA could therefore be expected to produce a long-term strategic assessment as well as the district-level plans that are already provided for. That would give us a clear hierarchy of plans and would involve longer-term priorities for 12 and 24-year periods coming before the Parliament at least once in each four-year session.

It is inevitable that a key part of any debate about any policy in any Parliament under any Government will be about the vexed issue of funding. Our stage 1 recommendation follows on from a clear recommendation in the inquiry report. We remain uneasy about the method of funding allocation. I take on board what the cabinet secretary said this afternoon, but we hope that he will consider how to ensure that the strategic priorities are implemented in practice.

We raised concerns about the skills base in our inquiry report and we continue to be concerned about it because additional staff will be required. As I understand it, 55 new staff will be needed for what happens in Scotland and there are currently 200 vacancies in the Environment Agency south of the border, so we are still concerned about the potential for a skills gap. I have been saying, "Perhaps, instead of putting your daughter on the stage, Mrs Worthington, it might be an idea to send her to university to study hydrology or some related profession."

Coastal flooding has the potential to cause even greater devastation than fluvial and pluvial flooding. It is a big threat to infrastructure round our coast. It is essential that the most accurate predictions are available, and we have made a recommendation on that because of our concerns about the future.

I reiterate that our recommendations were unanimous and that we sought a Government response on a number of issues before stage 2—indeed, we have had a Government response on significant issues already this afternoon, for which we are grateful. I also reiterate that the committee has come to the process with a highly detailed understanding of the issue—more so than is usually the case—and that its recommendations are not capricious or arrived at without careful consideration. We hope that the positive response that we got this afternoon will continue, because

that will make a good bill better. We commend the bill to Parliament.

15:17

Sarah Boyack (Edinburgh Central) (Lab): The Labour Party supports the principles of the bill and is happy to support the Government's motion. The Flood Risk Management (Scotland) Bill is one of those that we would have introduced had we been in government.

The Government has an opportunity because there is broad consensus across the parties on the need for the bill. As Roseanna Cunningham pointed out, there has been a lot of discussion on the bill and its principles in the Parliament, which is a very good thing. The committee's inquiry into flood prevention was a model of pre-legislative consultation. It was targeted and gave the public and all the organisations involved the chance to air and get to grips with some of the fundamental principles that we now see in the bill.

There are still issues that we would like to be addressed in the bill, such as the conflict of interest between SEPA's new role and its existing responsibilities. It is still crucial to consider how the bill will operate and the impact that it will have on people and organisations. One of the key challenges is the confusion and buck passing that members of the public and businesses still face when they deal with flooding incidents. It is fundamental that, when the bill is enacted, people understand everybody's role and where responsibility lies.

There are a number of issues that need to be addressed and a number of holes in the bill. We want to examine the gap between flood risk management plans and implementation. I heard what the cabinet secretary said on that in his speech, and we will examine the detail carefully when he makes proposals to the committee at stage 2. There are also outstanding problems with funding. They are not getting better; in fact, problems are beginning to escalate throughout the country.

The next point that I was going to make concerned our interest in strengthening the bill's provisions on sustainability, so I welcome the cabinet secretary's commitment to change the bill in that regard and to amend its long title. That brings us back to the point of the exchange between Roseanna Cunningham and Michael Russell, which was that the problem is the existing culture. We need to move away from the business-as-usual solutions. Hard engineering solutions are picked not necessarily because they are best but because they have historically been used. In some places, natural flood mechanisms are superior and are the right way to go. The

change to the title of the bill will help to change the culture and will send out a strong message.

That change needs to be followed through elsewhere in the bill with a presumption in favour of sustainable flood management measures, on which an informed discussion is needed at stage 2. In planning, there is a presumption in favour of development unless the development plan provides good reasons why a development should not go ahead. Given the need to future-proof the impact of measures that will be in place for years to come, the detail of the sustainable flood risk management requirement and how Scottish Water is involved in that will be important. Those who were members of the Parliament during the passing of the Water Environment and Water Services (Scotland) Act 2003, which established an independent regulator for Scottish Water, will remember the endless discussions that we had on environmental considerations and sustainability. Such discussions will probably move centre stage if we make sustainable development a key overarching principle of the bill, given that that is not how economic regulation works. The Cabinet Secretary for Rural Affairs and the Environment will remember our committee discussions on that.

Another crucial issue is the gap between the creation and implementation of flood management plans. Partly, the issue is ministers' reluctance to place a duty clearly on councils in case that duty supersedes other legal duties. The problem is that the lack of such a duty provides a get-out clause for local authorities. We are not convinced by that argument, which we think is an excuse. In the current financial climate, in which councils are incredibly cash-strapped, clarity on their duties is essential for them as well as the public. That issue needs to be looked at.

We also think that SEPA and Scottish ministers should be under a duty to ensure that the objectives of flood risk management plans are met. Again, clarity on what different organisations are responsible for is crucial. A long-term strategy on flood prevention priorities would be helpful for central Government as well as for local authorities. Such a strategy would help to inform decision making. If, in making planning decisions, local authorities are conscious of future priorities, we will begin to ensure that we get the right decisions. We need to move away from business as usual. We need a long-term shift.

The bill still provides for no real assessment of human and economic issues in relation to flooding. The Scottish Government needs to provide guidance to responsible authorities so that such issues are factored into their assessments.

On funding issues—lest I lose the opportunity in the short time that I have been given this afternoon—the Finance Committee was very

critical. It is apparent that local authorities are not coping with the current system. Last year, for example, the minister reassured me that the City of Edinburgh Council's previous funding commitment for flood prevention was included in its grant-aided expenditure. I understand that the council has written to ministers about the central Government's decision to change the system that had been put in place. Because changes have had to be made to the flood prevention scheme, costs have gone up so the estimate that was included in GAE is already out of date. Funding for the scheme that the council is now trying to put in place is short in future years—

The Deputy Presiding Officer: Thank you, Ms Boyack.

15:23

John Scott (Ayr) (Con): I begin by declaring an interest as a farmer and as a member of NFU Scotland. On a personal note, I thank the clerks for their help thus far in preparing the reports on which today's debate is based. I also thank the minister for his intimation of the amendments that he intends to lodge at stage 2, which we generally welcome.

Scottish Conservatives welcome the introduction of the Flood Risk Management (Scotland) Bill. We believe that climate change is now happening and that it will most probably result in increasing precipitation and rising sea levels. With 3.6 per cent of Scotland's 2.5 million properties currently at risk, now is the time to act.

I will speak to some of the recommendations in the Rural Affairs and Environment Committee's stage 1 report. Recommendation 3 notes the need

"to strengthen the link between the duty to reduce flood risk and the implementation of flood risk management plans".

It is self-evident that action must follow the production of plans. We do not believe that that is clear enough in the bill, as Sarah Boyack has already noted.

On recommendation 6, Scottish Conservatives very much support the view that assessments of human and social costs must be used in the production of flood risk maps. Such assessments must be carried out as a matter of urgency to allow SEPA to take account of them in the production of its flood risk assessment, which is due in December 2011.

Recommendation 7 notes the need for the Government to resolve conflicts of interest between SEPA's existing role and its future role under the bill. We believe that the issue needs to be addressed urgently and that the Government should produce guidance to avoid slippage in the production of flood risk maps by December 2011.

Recommendation 8 notes the self-evident need to align funding streams, while recommendation 36 rightly draws further attention to Conservative concerns that despite the production of flood risk maps and management plans, and the minister's assurances today, sufficient funding might not be available to implement those plans. Dangerously, the lack of a clear and binding duty in the bill to implement plans once they have been produced—although it may be that that issue is to be addressed—combined with a lack of targeted funding to carry out the work, puts at risk the effective implementation of the bill and, in doing so, also puts at risk householders and landowners. The Government must clarify its position during stage 2.

Recommendation 32 deals with coastal flooding—a topic that Bill Wilson was keen on—which will, for the foreseeable future, present a greater risk to property and people than will fluvial flooding. Although the incidence of fluvial and pluvial flooding events will increase, with the result that property and the lives of individuals might suffer damaging effects unless appropriate action is taken, coastal flooding is on a different scale of risk, in that it could have catastrophic consequences. Combined with sea level rise, tidal surges have the potential to inflict huge damage on property and infrastructure in the east and west of Scotland. The Government and SEPA must examine those existing but growing threats extremely carefully.

Turning to less apocalyptic matters, the Conservatives welcome and believe in the need to move to a more sustainable and natural approach to upstream and downstream flood risk management. I am intrigued by the possibility of taking the tops off floods by using natural flood management techniques and by developing the concept of hydraulic roughness, wherever possible.

The strategic placing of forestry along watercourses and flood plains would create leaky dams that could hold back floods. If such defences were intelligently sited, they would also enhance biodiversity. In my view, the placing across flood plains of strips of woodland as narrow as 25m wide would produce a damming effect and enhance the environment without significantly reducing agricultural output. The Forestry Commission's evidence in that regard was extremely valuable. However, such land use, especially if it became more extensive, could reduce the viability of farming and other enterprises. It is therefore important that individual businesses are not damaged or disadvantaged by contributing to the public good in that way, so adequate compensation must be paid to reflect any loss of land.

The Conservatives also believe that recommendation 27, which invites the Government to retain the obligation on local authorities to cleanse, repair and maintain watercourses, is important and should be addressed. I welcome the minister's comments on the matter.

The Conservatives believe that much more needs to be done to gather information about potential flooding risks and to disseminate it to the public. Ways must also be found to allow the emergency services to be more proactive in managing flood risk, as well as floods that occur.

We welcome the bill, which offers a route map to the provision of greater protection against flooding of all types in Scotland. The bill's aim to reduce the risk of flooding will need to be adequately funded: its purpose must not be thwarted as a result of inadequate funding. However, those are matters for future budgets and debates. In the meantime, we support the principles of the bill and look forward to lodging constructive amendments at stage 2.

15:29

Liam McArthur (Orkney) (LD): The Scottish Liberal Democrats warmly welcome and firmly support the bill. The Cabinet Secretary for Rural Affairs and the Environment's proposed amendment to its long title is a further and welcome enhancement. As with any bill at stage 1, we want to improve certain aspects of it. However, the general principles are absolutely sound, and I acknowledge the early efforts of the Scottish Government to address concerns that have been raised.

As Sarah Boyack and Roseanna Cunningham observed, the cabinet secretary's task was made easier by the work that the Rural Affairs and Environment Committee undertook for its flooding inquiry last year. It is not false modesty to suggest that that had absolutely nothing to do with me, as I was still serving my time on the Finance Committee. Bringing such pre-legislative scrutiny to bear has significant benefits. I welcome Richard Lochhead's comments in that regard.

I pay tribute to previous and current Rural Affairs and Environment Committee members, and express my thanks to the clerks, the Scottish Parliament information centre and other support staff, as well as the many individuals and organisations that provided written and oral evidence during our consideration of the bill. That information has provided a solid basis for us to take forward our scrutiny of the bill in the months ahead. It is against that positive background and support for the principles and thrust of the bill that I

raise the following concerns, which were addressed in the committee's report.

The issue of skills rightly received much attention during the committee's evidence sessions and has done so again this afternoon. It is recognised that the passing of the bill will result in greatly increased demand for specialist flood management staff, notably hydrologists. The bill's financial memorandum suggests that SEPA will require 55 new specialist staff. That must be viewed in light of the 200 vacant positions in the Environment Agency south of the border and the demands that will inevitably come from Scotland's local authorities for people with many of the same skills. The problem will become more acute as demand Europe-wide intensifies and the world of consultancy proves too alluring to resist for newly qualified and experienced people. I know that the minister acknowledges that problem but, as our report makes clear, the committee

"is not at all convinced by the Minister's reassurance that the steps being taken to recruit and retrain will 'ensure future supply'."

Notwithstanding Mr Lochhead's remarks today, I hope that the Government will redouble its efforts to get to grips with an issue that cannot simply be left to SEPA and local authorities to resolve, and which threatens seriously to undermine the ability of ministers and responsible authorities to deliver effective flood risk management.

The skills issue also has a bearing on concerns that were raised with and by the committee about whether

"a cultural shift in favour of considering natural flood management techniques"

can be achieved. The committee wrestled with whether a presumption in favour of natural techniques and processes was desirable. As Roseanna Cunningham reflected, there is confusion about what such a presumption would mean in practice. However, it is clear that without access to the broader range of skills sets, it is perhaps unreasonable to expect local authority officials to gravitate towards considering—far less employing—such techniques. I agree with the convener that ministers must reflect further on that point and come forward with proposals that firmly underscore the need for natural flood management options to be properly considered, and for reasons to be given where such options are found not to be appropriate.

Legislation of the bill's scope and complexity takes time to introduce and bed down. We are right to be ambitious. We also need to be clear and resolute about our longer-term objectives for flood risk management. However, flood risk management plans will not be ready and in place until 2015, and we cannot lose sight of what is

expected and required between now and then. Scottish Government officials admitted to the committee that interim arrangements have not been finalised. As a result, it should come as no surprise to the minister, or anyone else, that local authorities across the country are questioning their role and responsibilities in the meantime.

Jim Moodie from Fife Council, who made quite an impression on the committee, referred to the lack of interim arrangements and suggested that that was

“a concern because there is nothing in the bill to say that councils have to do anything until the management plans are in place.”—[*Official Report, Rural Affairs and Environment Committee*, 10 December 2008; c 1273.]

I accept that it would be a foolish, not to say short-lived, council administration that sat on its hands and did nothing in the face of a demonstrable flood risk in its area, but I hope that the minister will accept the need to clarify the position on interim arrangements.

The minister will recall the funding concerns that a number of local authorities raised, not only with the Rural Affairs and Environment Committee but with Finance Committee colleagues. I know that Jeremy Purvis will, as a member of the Finance Committee, and a constituency member from a part of the country that has been badly affected by flooding in the recent past, elaborate on some of those concerns in his remarks.

Returning to the evidence from Mr Moodie of Fife Council, he observed that the lack of a clear funding mechanism

“will mean that many schemes will not be delivered at all, because the funding will be allocated to what councils consider to be other priorities.”

He added, rather courageously perhaps:

“Our budgets are defined by accountants and asset management people who are not directly affected by flood prevention issues or functions.”—[*Official Report, Rural Affairs and Environment Committee*, 10 December 2008; c 1270.]

While Mr Moodie doubtless had his work cut out to make his peace with his colleagues once he got back over the bridge that afternoon, his candour suggests that assurances from ministers about funding may still fall on deaf ears.

The minister will have observed that the stage 1 report includes a section on coastal flooding, to which we will need to return in more detail at stage 2. In particular, the question of how SEPA takes proper account of data on climate change impacts and local tidal patterns, including tidal surges, in reaching its conclusions will be important.

Banning development on land below a certain point above sea level is not always practicable, and mitigation still has a role to play. However, as

the Association of British Insurers and others agreed, development and planning decisions need to be better aligned.

This is a good bill that can be made better. This afternoon, ministers have again shown a willingness to listen and respond. I hope that that will continue over the coming months.

The Deputy Presiding Officer: Speeches are to be of six minutes, and there will be no warning before the end. I have already told one member that they will not be called, and I will probably have to cut back the time for the last two members in the open debate. I ask members to stick to their six minutes, please.

15:35

Angela Constance (Livingston) (SNP): I am grateful for the opportunity to speak in today's debate, and I extend a warm welcome to residents of Burnside village, near Broxburn, in my constituency, who join us in the public gallery. My constituents' lives were turned upside down by severe flooding last August. I am grateful to the Minister for Environment, Mike Russell, for visiting Broxburn and seeing at first hand the destruction and devastation.

I wish to read an extract from a letter that I received from an elderly couple who lost their home and 95 per cent of its contents, as I believe that their experience and recommendations are highly relevant to this debate. Mrs Ross wrote:

“It has taken me 3 months to be able to put some thoughts on this experience on paper. I do so with the hope that those who read it and are involved in considering the funding or provision of flood prevention measures will be made more aware of what a traumatic and life changing event such an experience can be.”

She went on to say:

“flooding of the severity experienced in August ... demands a co-ordinated response”.

I whole-heartedly welcome the bill's aim to improve interagency co-ordination and co-operation in flood risk management plans. After the flooding in Broxburn, I certainly had to knock some agency heads together. I particularly welcome the requirement for risk management measures to consider the social as well as the economic impact of flooding.

The stage 1 report interested me in that it touched on the point that there is no precise, absolute defining line between what is deemed risk management and what is deemed flood rescue. I note that the Rural Affairs and Environment Committee recommended that amendments should be forthcoming to deal in particular with fire and rescue services taking the

lead on flood rescue and with enabling the police to be more proactive at an earlier stage.

I will quote Mrs Ross again:

"I had no idea if and when the water would stop rising. I had no idea how we were going to get out of the house. I had no idea what priority the emergency service had given my call. I felt we were completely isolated and alone left to cope the best way we could."

I appreciate and understand that the bill has specific purposes in mind but, when we debate and discuss, and legislate on and regulate the assessment and management of flood risk, I urge us to take a whole-process approach that includes flood rescue and aftercare. I appreciate that local authorities already have duties and responsibilities, but I feel strongly that we need national leadership on what constitutes best practice.

My constituents have often compared their experiences to that of a bereavement, given their inability to function in the immediate aftermath due to shock. I am talking about able people not being able to deal with the practicalities. They have described mood changes and depression, as well as repeated nightmares of being trapped in a home with rising water levels. I take this opportunity to stress the importance of practical assistance, good advice—about contamination, for example—follow-up procedures and good aftercare.

I will quote Mrs Ross once more:

"It would have been like a gift from heaven if someone from the council or social services had phoned to ask if we were ok or to offer some help."

If the bill is passed, I will be pleased that local authorities will be empowered to proceed with flood management initiatives, where agreement exists between all those involved, without having to go through a lengthy statutory process. I appreciate the Scottish Government's approval of a £5 million flood defence scheme in Broxburn. West Lothian Council is actively looking at how to extend the scheme and truncate the implementation period. In that regard, I make a plea to the minister: can anything be done about European Union procurement rules, which slow processes down to a standstill at times? Like other councils, West Lothian Council is also considering early warning systems.

On a personal note, I add my thanks to Graham Hedger, the flood prevention officer at West Lothian Council, and to Lothian and Borders Fire and Rescue Service, particularly the retained fire crews, and other emergency services for the professionalism and care that they showed to my constituents.

15:40

Peter Peacock (Highlands and Islands) (Lab):

Like others, I am pleased to take part in the debate and pleased to offer my support for the bill's general principles. All parties in the chamber agree with the bill's objective of ensuring that there is better flood protection for our communities and individual families.

We know that flooding is on the increase because of climate change, as the minister set out, and we know that current flooding legislation is outdated and that the procedures are too slow. Failure to take action on that would just enhance the kind of misery and devastation that Angela Constance has set out, which are the consequence of flooding events.

For the most part, the bill's provisions are fine, but they are complex, and will require a lot of explaining. I very much welcome the new role for SEPA in taking a national lead in flooding matters and I welcome planning on a river catchment basis, which is sensible. I welcome, too, the national overview, combined with the local delivery of community protection. I welcome the identification of responsible authorities and making their responsibilities clear, although perhaps a bit more work needs to be done on that. I also very much welcome the deemed planning consent provision, because current procedures are far too cumbersome and duplicative, which means delay and frustration for everybody involved.

Despite all those welcomes, I believe that the bill can be strengthened. The Rural Affairs and Environment Committee has argued that SEPA's role could be strengthened, so that it is obliged to take a long-term strategic view of flooding needs and priorities throughout the country and to produce a strategic assessment for six years ahead and one for the subsequent years up to 24 years ahead. However, it is important not just that SEPA is obliged to do that and that it does it, but that ministers have regard to what SEPA says. We will then have a national view that will not only aid public understanding of the issues and aid public debate, but assist ministers to decide the quantum of cash that will be required and give them a clue about how to distribute it.

The bill could also be strengthened with regard to sustainability. I welcome the minister's concession on that today.

Mary Scanlon (Highlands and Islands) (Con):

Will the member take an intervention?

Peter Peacock: With respect, I will not, because I have a lot to get through in a short time.

I draw members' attention to Roseanna Cunningham's point about strengthening the natural flood management provisions. That is no

panacea for flooding problems, but natural flood management can make a significant contribution. If we take the peaks off floods by using natural flood management, we will be able to ease the hard engineering that will also often be required. There is a double benefit from natural flood management techniques, because not only do they protect people from flooding to a greater extent, they enhance countryside habitats.

As Roseanna Cunningham said, the committee made its recommendations to secure a cultural shift. Having been in a local authority for many years, I know that the skills sets of local authorities tend to be in engineering, which tends to foster the view that engineering solutions are the limit of what we need to think about. We need to change that culture, which is why the committee recommended that SEPA and councils should consider the contribution that natural flood management techniques can make.

There is scope to improve provisions so that councils can use their best endeavours to implement flood risk management plans. I welcome the minister's indication that he will lodge an amendment on that. I look forward to seeing the wording, because that amendment needs to be explicit and powerful—I hope that it will be. However, flood prevention is not just about a dialogue or a deal between councils and the Government. Citizens and communities have rights, too, and they need the certainty that what is agreed for their communities will be implemented.

I would like further reassurance that the ability of Scottish Water to play its full part in the provisions of the bill will not be compromised. That relates to the role of the Water Industry Commission for Scotland. The minister has indicated that there is scope for a conversation to take place with the WICS to clarify matters. It is important that we put beyond doubt the fact that Scottish Water can act in the spirit of the bill to find sustainable flooding solutions without being compromised by the provisions and powers of the WICS.

The committee made specific recommendations about the funding approach. I was sorry to hear the minister's comments on that, and I hope that there is still time for him to reconsider. It would be dreadful if implementation of the bill's good provisions was frustrated because of a lack of finance and a failure to target finance in the way that the committee clearly believes will be necessary. The committee's report offers the Government another opportunity to think about that. I hope that it will do so before stage 2.

It is hugely important that we make progress on flood management and speed up the associated processes. The bill is welcome—

Mary Scanlon: Will the member give way?

Peter Peacock: I cannot, as I am in my final minute.

I have indicated that the committee looks forward to seeing the stage 2 amendment; although we reserve the right to try to strengthen the bill if they do not do what we want them to do.

The timescales are tight. I urge the Government to give as much advance notice of the details of the amendments as possible, so that the committee can properly consider them before the legislation is finalised.

Before closing, I wish Mike Russell every success in his acting debut tonight—actually, it is not his debut, as we know that he has been acting successfully for many years.

15:46

Dave Thompson (Highlands and Islands) (SNP): The bill is a welcome and long overdue measure to overhaul some seriously outdated legislation and ensure that it reflects the situation that we face in today's world of global warming, climate change and increased flooding risk.

In the Highlands, we faced a particularly disastrous flooding situation only two years ago. The flooding was so severe that the A9 was described as being more like a river than a road, and 40 people had to be rescued by the Royal National Lifeboat Institution in Ross-shire. Those people were rescued not from the sea but from their own homes in Dingwall. The coastguard even had to be called out to help to rescue four farm workers and a herd of cattle near Cannich, almost 20 miles inland.

In Inverness, more than 1,000 homes and businesses are threatened by flooding, and the potential costs of damage are estimated at around £77 million. Inverness was devastated by flooding in 1989 and 1990. The railway bridge collapsed in the 1989 storm. In 2002, Inverness was hit again—roads were closed and train services were suspended. Things were so bad that the police advised people not to travel to the Highland capital after several areas were left under water. Around 200 guests at the Thistle hotel had to be rescued in dinghies after they become marooned in water up to 5ft deep.

The bill will be welcomed by many, including future guests at the Thistle hotel. Indeed, it has already received a warm welcome from the Association of British Insurers, which is very much in favour of clearly defining the roles of local authorities and Scottish Water.

It is particularly encouraging that flood management will be listed in the core priorities of local government. That is real progress towards

ensuring that flood management receives the prominence that it deserves.

The Association of British Insurers also approves of revising the building regulations to ensure that buildings in flood risk areas are resilient to flood damage. I agree with that, but the association could help by issuing advice on those matters to owners and tenants of such properties.

The NFUS has some reservations about the bill and the move away from hard-engineered flood prevention and protection to a more integrated flood risk approach using natural flood management. It says that the legislation must recognise the agricultural productivity or economic value of flood plains and that any proposed measures must be fully costed to properly assess their economic impact as well as environmental and social benefits.

The NFUS has also expressed deep concern about proposals to divert money from the Scottish rural development programme. It proposes either that funding for flood management should come from a different budget or that SRDP moneys should be increased commensurate with flood management requirements. Just yesterday, we had a debate on the common agricultural policy health check, which highlighted many of the problems facing agriculture and the SRDP. I ask the minister to consider the NFUS view sympathetically.

Less than two weeks ago, I was invited by the Glen Urquhart land use partnership—GULUP—to view the flood alleviation works on the River Enrick. Following a series of floods in the 1990s, which caused hundreds of thousands of pounds-worth of damage to homes and businesses in the glen, it was agreed that all agencies and the community would work together to find a long-term solution. A consultants' report led to the publication of an integrated catchment management plan in 2002 and £600,000 of European funding under the strategies and actions for flood emergency risk management programme. An updated report in July last year acknowledged the work that had been done in the upper catchment area of the river but concluded that the river remains unstable and warned that flood events might still create problems downstream.

It would cost about £100,000 to resolve the situation but, unfortunately, the £600,000 of European funding has been taken up by a report on the flood risk assessment of the Enrick, the employment of a project officer by Forest Enterprise and some works on the upper catchment of the river, which leaves insufficient money to complete the job to stabilise the river downstream. Identifying another source of capital funding to pay for that has proven difficult for GULUP. The original five-year restoration

programme never had a full programme commitment from the agencies concerned—Highland Council and SEPA—and much of the money was spent on the survey work that I mentioned.

There are a number of lessons to be learned from GULUP's experience. First, we must ensure that agencies engage in co-operation and joint working. Secondly, we need to ensure that there is financial commitment from those agencies. Thirdly, we must ensure that bodies such as GULUP receive help in identifying suitable funding sources. Finally, we must ensure that money that is allocated to flood risk management is not eaten up by consultants' fees, leaving next to nothing for the works that need to be done.

15:52

Des McNulty (Clydebank and Milngavie (Lab)): One characteristic of the environment portfolio and of the work of the Rural Affairs and Environment Committee is that some of the legislation that emerges is complex and requires detailed consideration by members and experts from a variety of specialisms. I hope that, through that process of consideration, we end up with well-considered and well-wrought legislation. That was certainly the case with the Water Industry (Scotland) Bill and the Water Environment and Water Services (Scotland) Bill. The new Flood Risk Management (Scotland) Bill is operating in the same kind of territory. As other speakers have done, I welcome the approach that the Government has adopted not just in the content of the bill but in responding to the consultation, listening to the voices from the Rural Affairs and Environment Committee and adapting the legislation.

When I was a member of the committee, I visited the east end of Glasgow to find out about some of the metropolitan drainage issues. Along with the rest of the committee, I visited Elgin, where we saw that flooding did not bypass the town and had been a chronic problem for many years. In general, flooding has a disastrous impact on communities—and not just when it occurs, because of the blight with which it can afflict communities by preventing necessary developments. The bill will address many of the issues that were highlighted by the committee in its inquiry report on flooding and flood management, which was informed by those visits and by expert witnesses.

I want to highlight several issues that members have raised. Roseanna Cunningham talked about the committee's suggestion in its inquiry report that there should be a presumption in favour of natural flood management techniques. The committee was trying to suggest that it would be

preferable to give more weight to natural flood management over hard engineering approaches; it was not trying to say that we should always go for one rather than the other. As Peter Peacock suggested, we need to create a change of culture and to get people to consider natural flood management as an alternative, or sometimes as an adjunct, to hard engineering approaches. That was the committee's intention and I hope that we can get that properly into the bill.

I welcome the inclusion in the bill of the promotion of sustainability. That measure was also included in the Water Industry (Scotland) Bill, which created Scottish Water, and the Water Environment and Water Services (Scotland) Bill. There is consistency of approach.

The committee identified the management of pluvial flooding as an issue. I am not sure that pluvial issues can be dealt with in the bill, but the Government must consider them in other legislation that it will need to introduce, particularly with regard to roads and planning. Some of the committee's conclusions should feed into not only the Flood Risk Management (Scotland) Bill, but other legislation and guidance.

Michael Russell: I want to emphasise the point that the member has just made. It is important to recognise that under the planning system, for example, the use of certain porous materials in building roads and patios and in other areas can make an enormous contribution. Methods to contain flooding exist outwith the bill, but we are conscious that they need to be joined up with other legislation and regulations.

Des McNulty: That is right. That also fits in with the use of sustainable urban drainage schemes. We need greater clarity about who has responsibility for the initiation and maintenance of such schemes.

The committee argued that strategic flood risk assessment should always be compatible with development and structure plans to avoid such plans contradicting one another. I hope that there will be an interface between the bill, once it is passed, and the regulations that will be introduced under the Planning (Scotland) Act 2006, to ensure that different legislative bodies co-ordinate and plan their activity more effectively.

Funding was probably the committee's major concern, and it remains unresolved. I do not understand how a formula-based system for the allocation of resources for flooding, which of necessity gives organisations a population-based share, is directly compatible with a needs-based allocation scheme for flood risk management, which must inevitably fit the amount of money to the needs of the scheme. A population-equivalent system will not always work.

However well we anticipate flood risks, we will be overtaken by exceptional circumstances—that is the lesson of flooding. We need to find a system that allows the Government to intervene when necessary with the resources to deal with flood-risk problems as they arise. We can plan in advance, but it is important that we have mechanisms in place so that we can adapt.

I think that my time is up, Presiding Officer.

The Deputy Presiding Officer: It certainly is.

15:58

Murdo Fraser (Mid Scotland and Fife) (Con): I suppose that it is inevitable in a debate such as this that much time is taken up by members from different parts of the country raising issues of concern in their areas. Let me not disappoint anyone by departing from that trend.

Tayside, most of which falls within my Mid Scotland and Fife region, is one of the areas in Scotland that has been hard hit by flooding in recent years. The River Tay and its tributaries cover a massive area, and flooding in recent years has caused disruption to Highland Perthshire communities such as Kenmore, Dunkeld, Aberfeldy and Dalguise. Virtually every year in recent memory we have seen flooding in summer and winter, or indeed in both. Property has been damaged and roads have been closed—including the A9, which is the major arterial route to the north—as has the Perth to Inverness railway.

When we have periods of sustained rainfall, people in huge swathes of rural Perthshire and Angus are in near-constant fear of flooding due to heavy rains swelling the river system. We need flood prevention schemes and improvements in places such as Birnam, Bankfoot, Coupar Angus, Dalguise and Scone. Communities and towns in Angus also face the threat of flooding. Last year, Kirriemuir was badly hit, and I understand that Angus Council has proposed a flood prevention scheme in Brechin, which is absolutely essential if the town is to be given greater protection.

I will address three specific points in the bill. The first is the question of responsibility for risk management, which is covered by recommendation 7 in the Rural Affairs and Environment Committee's stage 1 report. It is evident that a clearer line of responsibility is needed in flood risk management. The Scottish Government, local authorities and SEPA must all have clearer and better defined roles.

Two years ago, the new flood prevention scheme at Milnathort in Kinross-shire failed, which resulted in flooding and damage to properties in the area. At the time, the then Scottish Executive and Perth and Kinross Council blamed each other

for the failure. The disruption and distress that the flooding ordeal caused residents were made no better as politicians argued about who was to blame and who was to sort out the damage. Parliamentarians can well understand such frustration, but it shows why it is so important that the bill tries to resolve such issues. I was pleased to hear what the cabinet secretary said about that subject when he opened the debate.

The second issue that I will address is the cost of works that are required to prevent flooding, and the cost of flooding repairs. That issue is dealt with in paragraphs 178 to 185 in the stage 1 report, and it is also covered in recommendation 26, which mentions giving power to local authorities to recover expenses from landowners. Part of the problem is that the use of the word “landowner” conjures up an image of a wealthy individual who lives in a large house or castle and has very deep pockets. In reality, that image is far from the reality in modern Scotland. The great majority of landowners are farmers, and, given the current situation with farming, very few of them have large amounts of spare money to spend.

A good example is a recent flood that occurred along the River Tay. The river flood banks were swept away, and farmland and property were flooded. The farmer who owns the land was legally responsible for repairing the flood banks and obtained an estimate for the work, which ran into six figures. That is a massive cost for anyone to meet, and he ended up in a situation in which the repair bill exceeded the market value of the land. It was clearly uneconomic for the farmer, in those circumstances, to pay the cost of repairing the embankments entirely by himself. Even if he had repaired them, there was a danger that flooding would have occurred again in another two or three years, with the farmer having to pay an identical repair bill.

We have to consider those issues carefully and think about how we support and assist individuals in those circumstances, rather than simply taking the approach—which, it appears from the committee report, the bill is in danger of adopting—of saying that we should fine people who are not meeting their responsibilities. We need to accept that there is an economic issue that needs to be addressed.

My final point is on an issue that I have raised in the past: the extraction of gravel and silt from river beds. It is time that the situation was reviewed. As I have seen for myself in many locations, the River Tay bursts its banks regularly, partly because the practice of dredging river beds has been brought to an end and water levels have risen as a result. Historically, gravel has been extracted from river beds, but it is now much harder to do that because of the restrictions that SEPA has imposed. As a

result, every time a river floods, river banks are swept into the river bed, the silt and gravel are not extracted, and the water levels rise. That exacerbates the problem the next time that a flood takes place.

I appreciate that environmental issues need to be considered and that the salmon fishing industry has a major interest in the Tay that needs to be preserved. However, I have no doubt that by not extracting silt and gravel from river beds we are making the situation worse. Flood banks are being swept into the river bed and have to be replaced with material from elsewhere, instead of that material being removed from the river bed, as happened previously. We need to look again at that situation. The legislation is welcome, but it needs to be improved if we are to protect parts of Scotland from the danger of flooding.

16:04

Ian McKee (Lothians) (SNP): I was brought up to revere—as I imagine many other members in the chamber were—the inspiring story of Hans Brinker, the young son of a sluiceway operator in Holland. While playing one day, young Hans noticed a small breach in one of the sea dykes, and, realising that the situation could soon turn into a significant flood unless prompt action was taken, he blocked the gap with his finger. Hans remained in that position all night, risking his life in the process, until he was relieved of his task by adults the next day.

Imagine my distress—at this point, those of a sensitive disposition might wish to put their hands over their ears—when I learned that Hans never existed. The story was simply a figment of the vivid imagination of the American writer Mary Elizabeth Mapes Dodge, who had never even visited Holland when she wrote the story. In such a brutal, cruel way are one's childhood illusions shattered.

Not only did Hans never exist, but the sea eventually reclaimed much of the land that was previously protected by dykes. When man tackles water, water often wins in the end. Rather than employing simplistic methods involving fingers in dykes to protect us from the risk of flooding, we need to put our fingers in our pockets or wallets and spend the money that is necessary to give us the protection that we desire.

Financial investment is important, but it is not the whole story, and protection from flooding also involves many other aspects. For example, we heard earlier about the difference in emphasis between so-called hard protection, such as the dykes in Holland, and softer measures such as the maintenance and development of wetlands and relief routes. Also, when measures have been

deemed necessary and their nature determined, they need to be put into effect as quickly as possible.

Here in Edinburgh, the risk of flooding is mainly fluvial rather than due to threatened incursions of the sea. Around 500 Edinburgh homes were damaged by serious flooding in 2000, including some around Bonnington Mills, Warriston, Stockbridge, Murrayfield, Roseburn, Westfield Avenue, Ford's Road, Stenhouse Mill, Chessier Loan and Longstone Road. The Water of Leith also nearly burst its banks during the exceptionally heavy rainfall in January 2008.

In 2001, the estimated cost of protecting homes and businesses along the Water of Leith was £9 million, but today, following one delay after another and several inquiries, the cost might be as high as £54 million, and that might not be the end of it. The delays and cost increases are unsatisfactory, and whatever else we do, we need to speed up the process so that we can attend to a problem when it rears its head.

On the broader topic of flood risk management in Scotland, I welcome the long overdue step to update laws that have existed for nearly 50 years and which have now been overtaken by events. Flood policy needs to be brought into line with the European directive on the assessment and management of flood risks, and it is vital that we achieve much more effective interagency co-operation. Furthermore, we need to pay much more attention to the social as well as the economic cost of floods. Angela Constance spoke eloquently on that subject.

One element of the bill that greatly interests me is the proposal to amend the Reservoirs Act 1975 so that the Scottish Environment Protection Agency takes over from local authorities as the relevant enforcement authority for the whole nation. Another important provision enables Scottish ministers to make regulations on the reporting of incidents that might affect the safety of large raised reservoirs. We have been fortunate in Scotland, but tragedies in other countries and the risk of terrorist activities highlight the need for a co-ordinated supervisory regime, and that is what the bill gives us. The issue of reservoir safety is far too important to the country for it to be left in the hands of a multiplicity of local authorities. Here in Lothian, Threipmuir, Harlaw and Harperrig reservoirs are vital components of the flood protection scheme, so it is satisfying that they will come under SEPA's watchful eye.

Finally, the bill's requirement for a mapping exercise to be undertaken to identify areas that are at risk of flooding will produce for the first time a document that can be checked when someone is considering buying a house. That will reduce the risk that they will purchase a house that

subsequently turns out to be at risk from flooding and uninsurable.

We might not have a small boy to plug a hole in our dyke, but the bill offers an even better alternative and commands my support.

16:09

Rhoda Grant (Highlands and Islands) (Lab): I was not a member of the Rural Affairs and Environment Committee when it undertook its inquiry into flooding, so to some extent I was playing catch-up when the committee began its scrutiny of the Flood Risk Management (Scotland) Bill. However, it became apparent that the evidence that we took on the bill had a striking resemblance to the evidence that the committee had received during its inquiry. Many of the recommendations in the committee's report on the bill are strong echoes of the previous recommendations on flooding, although they are not the same. The Government has taken on board some of the committee's previous recommendations, and I hope that it will act on the new recommendations as well.

When I first read through the bill, I was struck by the possibility that, in concentrating on drawing up flood risk management plans, it could result in a hugely bureaucratic process. There is not enough about the management of risk in the implementation of the plans.

It was argued in evidence that local authorities would implement plans through current mechanisms, but that simply does not go far enough. The bill must contain more specific duties to ensure that local implementation is prioritised. I am glad that the issue will be considered, because, at worst, the plans could simply sit on the shelf, gathering dust, until they are required to be reviewed. As the recommendation in paragraph 39 of the committee report argues, the bill

"should be amended to strengthen the link between the duty to reduce flood risk and the implementation of flood risk management plans."

Moreover, the bill contains no powers to ensure that development plans have regard to the flood risk management plan. If development plans, which are probably our most important means of managing and reducing flooding, are not forced to have regard to flood risk management plans, the whole exercise will be worthless.

Evidence that we received suggested that a balance has to be struck between flood risk management and other issues such as economic development and social need. That is true, and forcing development plans to have regard to flood risk management plans would not be detrimental to that balance. Instead, it would put flooding on the same footing as other issues that need to be

taken into account when development plans are being drawn up. A duty to have regard to the flood risk management plan would also ensure that any development in a flood risk area would have to incorporate flood alleviation measures—

Mary Scanlon: Will the member give way?

Rhoda Grant: Very briefly.

Mary Scanlon: As someone who has been struck off the list of speakers, I appreciate that.

Does the member share my concern that Moray Council's £168 million budget will be seriously affected by the bill's financial proposals and that, in paying for its flood alleviation schemes, it will be worse off by £23 million a year?

Rhoda Grant: I agree. In fact, many councils expressed great concern about financing and suggested that the Government hold a pot of money to help small councils that might find themselves in difficulty.

Time is short, so I will move on swiftly. The bill requires authorities to have regard to social and economic impacts in carrying out their functions. The committee heard that tools for measuring the social and human costs of flooding are not widely available and that, at the moment, no best practice guidance is being used. As Angela Constance made clear, anyone who has witnessed flooding knows of its high social and human cost. Press reports show that major flooding often forces families into temporary accommodation for a long time. Paragraph 59 of the committee report therefore recommends that the Government produce guidance on measuring social and human costs. That work needs to be undertaken urgently. Given that the initial flood risk assessments will be required in December 2011, guidance needs to be in place sufficiently in advance of that date to enable SEPA to fulfil its requirements under the bill.

On deemed planning permission, the committee addressed the issue in its inquiry and is glad that it has been allowed for in the bill. However, I am concerned that the consultation process is not properly laid out in the bill; indeed, the bill might well not be the best place for those provisions. That said, the bill should allow for ministerial guidance to be provided on the consultation process for measures that have deemed planning permission. Complaints have already been made about the planning process, and the bill has to ensure that people are treated as stakeholders and can engage with the process as early as possible. After all, bodies that carry out consultations must listen as well provide information on what they want to do.

In fact, that approach is even more important, given the fact that the lead organisation is not

democratically elected. If a council does not consult adequately, the electorate has the last word at the ballot box; the same does not hold true for a Government-appointed organisation, which will naturally look to Government instead of constituents for a lead. Paragraph 177 makes the extremely important recommendation that consultation on proposed flood prevention schemes be

"in line with best practice".

I am confident that the committee's recommendations can improve the bill and ensure that it is more than a paper exercise. I urge the Cabinet Secretary for Rural Affairs and the Environment to accept them in their entirety.

16:14

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): This has been a hugely impressive debate on a very serious issue that affects constituency MSPs, regional MSPs and all those who are concerned about the future of Scotland's environment.

Roseanna Cunningham's excellent speech provided the context for all our speeches. Although I support the bill and wish it considerable success, I will touch on concerns about a potential inconsistency at the heart of the bill with regard to funding.

The bill has at its heart an evidence-based and needs-based approach to flood alleviation and management, yet, by and large, the funding formula takes, as Roseanna Cunningham and Des McNulty indicated, a population-based approach. How that is managed between the Scottish Government and COSLA is crucial to the success of the bill. I hope that there may still be scope during the passage of the bill for further discussions with COSLA, in the context of the concordat, on whether there may be an innovative solution that could provide challenge funding for local authorities, which will find it increasingly difficult to match need with spending from their own capital budgets.

Michael Russell: I will clear up a misconception. Mr McNulty made a comment about the population basis of the formula, which the member has repeated. The agreement with COSLA is simple. The allocation of money was done on a threefold basis, and was agreed with COSLA, which negotiated the formula. The money was allocated on the basis of, first, schemes that were already known about and, secondly, schemes that were in the pipeline; only thirdly was it allocated on a population basis to do with actual flood risk.

The Belwin formula, under which money is brought forward, and the SRDP are not population based. The formula that is being used is not a crude, population-based formula.

Jeremy Purvis: I would have hoped that the minister might have made those remarks in his summing-up speech rather than taking time out of a member's speech.

Let me get to the point, which is directly related to the position of Scottish Borders Council. I am aware of the points that the minister made in his intervention because he wrote to me in May last year about the three criteria. However, the criteria jar slightly with the evidence received by the Finance Committee. That committee received information in November—after its scrutiny of the financial memorandum—which highlighted 16 schemes, including the one in Broxburn, in Angela Constance's constituency, with a total capital value of £282 million. Those schemes are protected within the three-year settlement.

The Government is aware that there are two schemes in the Scottish Borders Council area—in Selkirk and Galashiels—which have a cost of up to £20 million. The Government is also aware of the pressures in Jedburgh, which the cabinet secretary acknowledged in his opening speech. It would be impossible for an authority the size of Scottish Borders Council, with an overall annual budget of £200 million, to deliver such capital projects without central Government support; it is simply inconceivable that that would be possible.

That is the difficulty that communities will have when they see the good intentions of the bill, which cannot be achieved without the continuing momentum of investment from central Government to support local authorities on a needs basis. The premise of the bill is that better information will deliver better flood management, but seeing on a map that their area is likely to be affected by flooding offers a community no comfort if no measures are in place to alleviate the problem or to protect that community. The bill, even with its good intentions, will therefore not be successful.

Shortly after I was elected in 2003, I travelled to the Yarrow valley and Broadmeadows after my first advice surgery to visit families whose homes had been destroyed by flash floods and landslips, as also happened in Broxburn. It is incumbent on us all to ensure that intentions in legislation are matched by action on the ground.

An aspect of the bill that gave the Finance Committee concern is whether SEPA can deliver so that the right type of approach is taken on an equitable basis throughout Scotland. I heard what the minister said in his intervention, and I have seen the Rural Affairs and Environment

Committee's report, which endorses all the findings of the Finance Committee's report.

Deliverability is not an issue to be taken lightly. There must be an equitable means of providing support to my constituents in Broadmeadows and to Angela Constance's constituents in Broxburn. The Broxburn scheme managed to get protected funding in this spending review period, but neither the Broadmeadows scheme nor—so far—the Selkirk scheme did. If the bill is to be a success, it must be equitable as well as deliverable.

I was the victim of the Presiding Officer's guillotine this morning with regards to timing—I will not be a victim again now.

The Presiding Officer (Alex Fergusson): Indeed, you will not.

16:20

Alasdair Morgan (South of Scotland) (SNP): My instinct is very much to regret the increasing complication of everyday life that is implicit in the bill. I do not apologise for regretting the need for more planners, more plans and more specialists to tell us what we need to do—the bureaucracy to which Rhoda Grant referred. I suspect that that feeling is general, except among people whose offspring want to be planners. However, if we want to reflect the reality on the ground—which is often wet—doing nothing is not an option. Even without the European directive, the complexity of modern life combined with climate change means that such plans and specialists are a necessary part of society, despite my scepticism.

Murdo Fraser made an interesting point about removing silt from river beds, which is relevant in some places and worthy of further investigation.

Peter Peacock talked about the Rural Affairs and Environment Committee's recommendation 10, which is on the governance of Scottish Water. The concern is that although sustainable flood management measures might be much more cost effective in the long term, the current system of regulating Scottish Water under the Water Industry Commission for Scotland will drive Scottish Water in the opposite direction. Many members know that, in previous years, Scottish Water's excuse for the fact that its activities often ran on a tramline was that what it did and planned was governed by directives from the Water Industry Commission. The concern is that unless that relationship is altered—I am not sure of the mechanism for it—flood management might be influenced by the short-term costs on Scottish Water rather than by long-term considerations.

There is room for debate about how precise we should make the requirements on local authorities to implement plans. When he gave evidence, the

Minister for Environment said that no Government can give a guarantee against flooding. We accept that—perhaps only King Canute could do it—but any assurance that he can give us on the responsibility to maintain watercourses, for example, might help.

Michael Russell: When I gave evidence to the committee, the member expressed an interest in that issue, which I assure him we take seriously. I have considered the questions that he asked and the evidence that the committee heard. We are preparing to lodge an amendment that will require local authorities to prepare a schedule of maintenance works. That will take care of the supervision of watercourses, because local authorities will know where they are and a duty to work on them will exist.

Alasdair Morgan: I am grateful for that—a listening Government is exactly what we need.

John Scott mentioned coastal flooding and tidal surges. The committee's discussions tended to centre on planning and how to prevent further building in areas that are liable to those phenomena, but we did not discuss to a great extent how we protect existing coastal properties from them. Finding the solution to that is much more difficult and I noticed that John Scott offered no solution.

Issues have been raised in relation to recommendation 36, which expresses the committee's concern

"that a lack of funding could seriously stifle ... effective implementation"

of plans. An issue exists, but members need to consider it in context. The plans for which the funding will be needed will not be produced until December 2015. I am not sure how many of us will be in the Parliament at that time. Some members have overstated the immediacy of the problem.

A potential lack of specialist staff is an issue, and it might be accentuated by the attraction into the system of yet more consultancy firms, which are almost as bad as planners. When I was interrogating a witness about staff recruitment, the convener helpfully used her prerogative to intervene and asked:

"Could I characterise the position as keeping your fingers crossed?"

The civil servant's response was:

"Yes and no, I suspect."—[*Official Report, Rural Affairs and Environment Committee*, 19 November 2008; c 1188.]

That does not fill one with confidence and, of course, the bill is the result of an EU directive that—despite the reservations that I presume John Scott has—will eventually come into force throughout the EU and will therefore create

Europe-wide demand for such specialists. Who knows whether other European countries—our 26 neighbours, which may shortly be joined by Iceland—will increase their supply of specialists? Depending on how our currency progresses in a downward direction, we may lose more people than we gain from that European flow.

I am not suggesting that the Government go down the route of Soviet-style workforce planning—that has never worked, and I do not suppose that it ever will. Nor would I ever say that we should tell our universities and colleges just how many hydrologists they should produce—perish the thought that they should do something that we want in return for all the funding they are given—but there is an issue that needs to be addressed, and if someone has in their family a young person with a degree in the appropriate science plus modern languages, they may be on to a good thing. I look forward to considering the bill at stage 2.

16:26

Helen Eadie (Dunfermline East) (Lab): I congratulate the Rural Affairs and Environment Committee on its work on stage 1 of the bill. This has been a really interesting debate. Every member in the chamber will have represented, be aware of and vividly recall constituents' cases on the issue.

As a lifelong supporter and advocate of the benefits of the EU, I warmly welcome the fact that yet again—as Alasdair Morgan stated—we are dealing with legislation driven by the EU, which has placed an obligation on the Scottish Government to take forward its proposals. I note from the committee's report that the EU floods directive must be implemented by November 2009; it seems that the bill is on track to achieve that.

Like Angela Constance, I note recommendation 4 of the committee's report on its inquiry into flooding and flood management, which states that the Scottish Government should ensure

"that the social and human costs, as well as the economic costs, of flooding can be included in future assessments of the value of proposed flood management measures."

I welcome the requirement that SEPA and responsible authorities have regard to social and economic impact in the exercise of flood risk management functions. I note from the committee's stage 1 report that flood risk management plans must set objectives with regard to the cost and benefits of flood management measures, including benefits to human health, the economy and the environment, but there does not seem to be an agreed method

for incorporating social and human costs into flood risk management assessments, maps and plans.

I share others' concerns about funding issues. Recommendations 11 and 12 of the committee's report highlight the inability to foresee what measures will be identified in flood risk management plans. The bill does not include clear criteria for prioritising funding of future flood management or influence the three levels of funding that are set out in recommendation 12, although those issues may be addressed by the proposed amendments that the cabinet secretary mentioned in his opening speech. Ministers need to reflect on all the speeches that have been made today, especially those of my colleagues Peter Peacock and Des McNulty, because policy and legislation are meaningless unless they are matched by adequate financial resources.

I agree with Dr Ian McKee's point about softer measures such as agreeing wetlands—he was right to say that the water inevitably wins. We need only look at the constituency of my friend and colleague Marilyn Livingstone MSP, which neighbours mine, where the sea reclaimed so much land at East Wemyss, threatening homes and businesses, when I was the roads and transportation spokesperson for Fife Council, with a remit that included coastal erosion and flooding matters. Angela Constance cited the example of her constituent Mrs Ross; I want to ensure that my constituents are spared the sort of misery that Mrs Ross described so well.

I was pleased to read in the written evidence submitted to the committee by the Association of British Insurers that it is discussing with the Scottish Government a statement of principles for flood insurance.

Michael Russell: That statement was published—signed—on the day I gave evidence to the committee in December.

Helen Eadie: Thank you, minister. The ABI identified various measures that the Scottish Government needed to take, and it seems that the Government will take them. The ABI said clearly that the planning system should prevent

“inappropriate development in flood risk areas”.

I welcome the ABI's approach. As the minister knows to his pain, I have tried ad nauseam, through 150 parliamentary questions and other interventions, to represent the concerns of my constituents in St David's Bay—the neighbouring town to where I live—who have been up in arms because the Government has signed off planning permission on a site that SEPA has designated as being at high risk of flooding. It beggars belief that a Government can put future generations of home owners in the path of certain harm.

I do not know whether it will be possible for me to lodge an amendment to the bill that would address the issue, but I will certainly lodge amendments if I can. I was especially pleased to read in the briefing from SPICe for today's debate that there might be an opening in that regard in relation to recommendation 18 in the committee's report, on flooding and flood management, which I will consider carefully.

When we legislate we have a duty to make people feel safe, but the current Government does not seem to be sufficiently sensitive to the issue—given that it accepted without question the reporter's view on the recent development proposal from Eadie Cairns. I hasten to add that I have no relationship whatever with that company. Perhaps the construction of the flats will be delayed, given the current economic situation. Every cloud has a silver lining.

I also agree with the ABI that there should be clear thinking on

“plans for more accurate identification of flood risk”

and on the responsibility of everyone involved, including developers and public agencies, to communicate to the public and insurers the risk of flooding from all sources, although I was surprised that the ABI thought that not enough work had been done in that regard.

16:32

Jim Hume (South of Scotland) (LD): I declare an interest in farming and my past directorships of NFU Scotland.

I have witnessed at first hand several floods. Living as I do in the verdant valley of the Yarrow, it is not uncommon to wake up and find that it looks more like the valley of the Nile. The worst flood that I remember happened in October 1977, when Selkirk lost its bridge and there was much damage to property and loss of livestock but no human loss, which was lucky. Last year I watched as the family dog disappeared into a 12ft-deep torrent of water rushing by the house, which had been a lazy burn of 6in only 10 minutes earlier. It was lucky that the dog swam out.

Liberal Democrats acknowledge that flooding is a tangible danger in the south of Scotland and many other parts of the country and welcome the renewed focus on flood management. We are committed to the bill, as Liam McArthur made clear, which presents an opportunity to introduce a more sustainable, integrated approach to flood management. As Liam McArthur said, the process was begun by Ross Finnie in the previous session of the Parliament. We are glad that there has been progress.

Almost 100,000 Scottish homes and 7,000 Scottish businesses are vulnerable to inland and coastal flooding. It is estimated that the annual average cost of damage from flooding is about £20 million, which could rise by 115 per cent by 2080. The economic cost should be the force behind the change that is needed to achieve a more sustainable approach to flooding.

Sustainable flood management offers a long-term solution, but there will still be a place for the hard defences that were mentioned by many members, including Roseanna Cunningham, the convener of the Rural Affairs and Environment Committee. Hard engineering defences should be considered alongside softer engineering options. Many villages and towns in Scotland, including those in the south, are located on flood plains and are vulnerable to flooding. Soft engineering can reduce the need to build ever higher flood defences to protect such vulnerable communities.

The adoption of sustainable measures to tackle flooding will require a strategic approach in which consideration is given to the catchment as a whole, including water environment and land use interests. Responsibilities will have to be shared, not only between authorities but between rural communities and other groups.

Hawick has long suffered from flooding. Murdo Fraser mentioned gravel, which is an issue there: water does not flow under one of the two arches of the main bridge because the river is so full of gravel.

Towards the end of last year, Tavish Scott and I viewed the devastating effects of flooding in the Bowmont and Kale valleys near Kelso—as did Mr Russell, I believe. We saw the destruction that was caused to roads, bridges, homes and businessness. Further to the south-west, flooding disrupted the white sands area of Dumfries last week, as it seems to do regularly, and more is expected again tonight. The River Annan also caused problems for people when it burst its banks recently.

John Scott mentioned wood planting to alleviate floods. That comes at great expense—my farm has been involved in such an initiative—and we must not underestimate the power of water to move even trees and fences.

I am concerned that flood risk management plans will not have to be in place until 2015. Jeremy Purvis mentioned that local authorities are uncertain what their rights and responsibilities will be under the bill. The cabinet secretary and Liam McArthur also mentioned that. SEPA would inherit responsibility for Scotland's national flood management under the bill, but its role may not be fully implemented until 2015. In evidence to the committee, Scottish Government officials said that

they have not finalised any interim arrangements, which has led some local authorities to question their flood management remit in advance of SEPA taking full responsibility. I echo the concerns that Jeremy Purvis, Sarah Boyack and Liam McArthur expressed about local authority funding.

Richard Lochhead mentioned that the bill will require SEPA and local authorities to assess whether natural features such as flood plains, woodlands or wetlands can be incorporated into flood risk management, but once the assessment has been carried out there will be no obligation on the authorities to incorporate natural defences into their plans and the bill does not presume that such defences should be preferred to other methods. Roseanna Cunningham, the committee's convener, mentioned that we need a cultural shift in favour of considering natural flood management techniques, as did Sarah Boyack.

Dave Thompson mentioned the Scottish rural development programme. I will not go on about it, but it is an issue—it is a pot that seems to be being dragged in all directions.

Alasdair Morgan and Liam McArthur mentioned skills. There may be opportunities, but it looks as though we have a skills gap that will have to be addressed.

The introduction of a Flood Risk Management (Scotland) Bill is welcome, but some matters still need clarification. I hope that, once the bill has progressed through stages 2 and 3, the final outcome will be a piece of legislation that builds on the good work that Ross Finnie did, so that truly sustainable flood management strategies that reduce the impact of flooding on Scotland's economy, species and habitats can be implemented with the proper finance behind them.

16:38

Nanette Milne (North East Scotland) (Con): I can sum up the mood of the Parliament no better than by quoting Scottish Environment LINK, which

“welcomes the Rural Affairs and Environment Committee's Stage 1 Report and its recommendations to strengthen the provisions of the Bill in a number of key areas. The primary legislation must be strong and robust enough to underpin effective implementation of flood risk management plans. The benefits of getting this right and reducing the risk of flooding in a sustainable way will not only help to improve and restore the status of the water environment, but will also reduce the economic and social costs of flooding.”

I am sure that none of us can disagree with that.

There is no doubt that flooding and flood prevention have moved up the political agenda as we face up to the impact of climate change. Media coverage of several recent episodes of severe flooding north and south of the border has let us see something of the devastation that it causes

not only physically but emotionally: people who experience it remain ever fearful of a recurrence, as Angela Constance highlighted by referring to her constituents' experiences in West Lothian.

SEPA's flood risk map, which was published in 2007, indicates that nearly 100,000 properties in Scotland are at risk of flooding. It is predicted that floods that are currently considered extreme are likely to become more common, as are water surges that threaten coastal defences and cause surface flooding that is likely to overwhelm our urban drainage systems. There is an urgent need for long-term planning with an emphasis on sustainable flood management, which makes the bill welcome, if long awaited.

By establishing a framework for assessing flood risk, mapping flood hazard and risk, and developing risk management plans, the bill aims to reduce the adverse consequences of flooding. It also transposes the EU floods directive into Scots law in anticipation of the deadline for doing so, which is November this year. Our party fully supports the bill and has given a commitment to work constructively with the Government to take it forward at speed. We are pleased with its provisions, as John Scott said, but they can and must be improved.

We are happy to support the recommendations that were unanimously agreed by the Rural Affairs and Environment Committee in its stage 1 report. They take due cognisance of what the many expert witnesses said in evidence during the committee's painstaking scrutiny of the bill, and as my party's environment spokesman—although I am not a member of the committee—I congratulate the committee on a thorough piece of work. I agree that its pre-legislative inquiry was impressive, and I am sure that it influenced the bill significantly.

There is a clear need to update and simplify the plethora of existing flood-related legislation, much of which, as the Government's policy memorandum states,

"is outdated and does not reflect the way that government and local services are now delivered in Scotland."

The main provisions in the bill have been ably discussed by others this afternoon so, rather than repeat what they said, I will simply endorse some concerns that were expressed to the committee. Like others, I am pleased that the Government has responded positively to the committee's recommendation by agreeing to amend the long title of the bill to include a reference to sustainability.

Funding is clearly a major issue. Local authorities and others are worried that funding streams for the lead and responsible authorities are not currently in alignment. As Dave Thompson

stressed, NFU Scotland is deeply concerned about the possibility that money might be diverted from the Scottish rural development programme to flood management or to compensate farmers who lose valuable agricultural land as a consequence of natural flood management. The NFU believes that it is essential that the Government provides either an alternative source of funding or an increase in SRDP moneys that is commensurate with flood management requirements.

Alasdair Morgan highlighted the fears of SEPA and others that a lack of capacity in the recruitment and training of hydrologists and other specialists could seriously endanger the effective implementation of the bill. There is also concern that its implementation might be affected by the absence of a binding duty on responsible authorities to implement flood risk management plans and by the lack of a targeted funding stream for flood risk management.

Another concern is that the current prioritisation by Scottish Water of more immediate short-term cost options in assessing what form of flood prevention work to undertake could result in the benefits of more costly, but more sustainable, natural flood management techniques being overlooked. The cabinet secretary's commitment to look at that issue is welcome.

Finally, Scottish Water's worry that surface water management planning does not feature in the bill must also be considered as part of a co-ordinated approach to flood risk management. However, I appreciate that such issues might not come within the remit of the bill.

I have merely skimmed over some of the issues that the committee considered in depth. Clearly, as the committee recommended in its stage 1 report, some provisions need to be improved before stage 3, and the cabinet secretary's indication that he will address some of those issues at stage 2 is welcome.

The human cost of flooding can be devastating because of the damage it does not only to homes and possessions but to emotional wellbeing, so anything that the Government can do to prevent flooding and to mitigate its effects is to be welcomed. I am pleased and relieved that we now have legislation on the table and, along with my colleagues, I look forward to supporting the general principles of the bill at decision time.

16:44

Elaine Murray (Dumfries) (Lab): As Angela Constance and others have said, there can be few more distressing and frightening experiences than the serious flooding of one's home. Unfortunately, an increasing number of residents are suffering

that experience as a result of climate change, and the trend is likely to continue.

Murdo Fraser referred to the frustration experienced by members who have tried to represent constituents who have suffered as a result of flooding but found that none of the agencies involved seems to have responsibility for solving the problem. In Eaglesfield, Annan and Langholm in my constituency, sewers have been unable to cope with pluvial flooding, so constituents have experienced a particularly unpleasant form of flooding.

As others have mentioned, the Whitesands in Dumfries floods fairly regularly when the freshwater river, swollen by heavy rainfall, meets the tidal surge from the Solway—indeed, that happened earlier this afternoon, although it was not one of the worst floods in the area. It is extremely frustrating that action has not been taken to solve the problem and that opportunities have not been taken to secure funding to solve it, even though it has been a problem for decades, if not centuries. I hope that the Government will give us an indication of interim arrangements that can be put in place, because I do not want the necessary measures to be put off again until 2015, when the flood risk management plans come into effect.

We welcome the bill, which seeks to introduce responsibility for assessing flood risk and planning for its avoidance, but believe that it would benefit from some strengthening. We welcome the fact that the Government has said that it is willing to take action in some areas but, as Rhoda Grant and Sarah Boyack stressed, we want to ensure, in particular, that plans are implemented.

Roseanna Cunningham, Sarah Boyack and Peter Peacock mentioned the need to take a long-term view of priorities for investment. We would like SEPA to be tasked with looking forward over 24-year periods and planning what programmes of events need to be developed nationally. As well as helping to inform local authorities, that work could be used by ministers during spending reviews to establish how much money is needed for flood prevention.

As others have said, we need to ensure that flood risk management plans are not just drawn up but implemented. The Government has indicated that it will make some changes to the bill as regards local authorities' responsibilities, but we might need to consider placing duties on SEPA and on ministers to ensure that the objectives of flood risk management plans are met. I am not saying that we should commit either SEPA or ministers to funding every flood prevention plan that is prepared in Scotland, but we must ensure that action is taken following the production of plans.

All committee members are disappointed that our recommendation on funding seems not to be regarded favourably by ministers. In its report on flooding of May last year, the committee was highly critical of the Government's approach, and it has repeated its criticism in its stage 1 report on the bill. Members of all parties have raised the same issue. Jeremy Purvis, Mary Scanlon—whose intervention Rhoda Grant agreed with—Des McNulty and Helen Eadie are just a few of the members who have concerns about funding. Funding is central to whether the bill will work.

It is a matter of not just cash but other resources, such as human resources, as Roseanna Cunningham and Liam McArthur said. The bill's objectives could also be thwarted by a lack of hydrologists, whose expertise will be necessary in the production of the proposed plans. We know that the planning process in Scotland has been affected by the shortage of local authority planners, which has sometimes thwarted the intentions of legislation that the Parliament has passed. Let us learn from the problems that we have experienced as a result of a lack of appropriate professionals in local authorities, and let us do what we can to ensure that the right people with the right skills are in our authorities to implement the bill's provisions.

Several members said that they are disappointed that no progress has been made on assessment of the human and economic costs of flooding. We appreciate that those are difficult matters to assess, but authorities will need guidance from the Scottish Government so that they can factor such considerations into their assessments. They need to receive such guidance in sufficient time to allow them to take account of it when they draw up their plans.

There is also a concern about the need to strengthen the bill's provisions to ensure that natural flood prevention methods are taken into account. Roseanna Cunningham discussed a presumption in favour of natural solutions, but there were concerns that that might be taken to mean that no one could use hard engineering solutions, even when it was appropriate to do so. Although we appreciate that hard engineering solutions are sometimes appropriate, we want there to be a cultural shift, as Peter Peacock and Des McNulty said, so that councils consider the use of longer-term natural solutions.

I welcome the cabinet secretary's announcement that he will take on board the suggestion of some environmental non-governmental organisations that the long title should be altered to include "sustainable".

Compensation was mentioned, and Murdo Fraser spoke about landowners' concerns that they might have to pay large amounts of money

for flood prevention work. The committee agreed that private landowners should not be required to pay for flood management on their land when the cost has been determined by responsible authorities. Local authorities have sometimes however to go on to land in order to repair field drains or water courses that have become blocked because someone has not bothered to look after them. We feel that the local authority should be empowered to make a claim for the cost to the public purse of undertaking such work.

As John Scott said, the committee felt that the duty on local authorities to cleanse and maintain watercourses should be maintained, but it should perhaps be tempered by a section that says that that should not be in conflict with their flood prevention duties.

There are several issues to do with planning consent. Helen Eadie illustrated a problem with the current planning system, and there may be opportunities to address planning issues in areas that are likely to be flooded. We are happy that the cabinet secretary indicated that the Government will take on board issues that the Association of British Insurers raised about the maintenance of sustainable urban drainage systems, and we look forward to the Government's amendment on sewerage flooding at stage 2.

Generally, we are happy with the bill, but we look forward to the amendments. I wish the minister success in his acting debut, and I wonder what part he is playing: is he in "The Tempest", or is he the villain in "Babes in the Wood"?

The Presiding Officer: Let us find out.

16:52

The Minister for Environment (Michael Russell): I will not talk about acting this evening; I will devote myself to the subject at hand. However, I understand that some tickets are still available for the performance at the Tall Ship in Glasgow at 8 o'clock tonight.

This has been a positive and important debate, but I start with one particular contribution that summed up the real issue. It is not the minutiae of legislation or the speed of the planning process, although a lot of work needs to be done on that. It is not even the details of the COSLA-agreed formula on funding, which I will come to. The issue is the suffering and distress of individuals, and sometimes the loss of life. Often property can be destroyed, which also causes distress. That was brought home to me last year, when I visited Angela Constance's constituents in Broxburn after launching the Scottish Flood Forum. I shall come to that valuable organisation in a moment.

The debate, the bill and all our work is about people. We must keep our focus on those people and how they are affected by flooding. Anyone who has visited those who are affected by flooding knows that one theme is constant. Those who have been flooded out of their homes, sometimes for months or years on end, always say that when the rain starts, they begin to feel scared again. We must reinforce a feeling of reassurance that the tasks that we undertake will be effective.

There will always be flooding. Some properties will always be affected by flooding. It cannot be eliminated, but there are actions that we can take to reduce the risk of flooding, which is precisely what we will do.

The constant theme of the debate has been that we have a good bill here. The environment organisations say that the bill is good. The political parties say that the bill is good. Our job is to work together to make that good bill substantially better. We are trying to do so and I am pleased that we have been able to move forward on a range of issues today, just as we were able to move forward after the Rural Affairs and Environment Committee's report on flooding. We accepted a large number of that report's recommendations and integrated them into our thinking on the bill.

However, genuine differences remain. I start with finance. I have heard the issue discussed today in terms that I do not recognise. The formula is entirely clear. It is not a formula that has been imposed by the Government. It was negotiated with COSLA and has been agreed with COSLA. The formula is in three parts. First, existing flood schemes that were under way when the formula came into effect at the start of the last financial year were honoured. Secondly, schemes that had been published—that is schemes that were in the process of going through—were honoured. Thirdly, the rest of the money was divided, not on a crude population basis, but on the basis of properties at risk according to the SEPA flood map. That is the formula that operates now and local authorities, through COSLA, acceded to it; indeed, they suggested it.

The formula is not set in stone, however, and, in any new funding round it is possible that it will be developed or changed. It is the outcomes that are more important than anything else. Once we have better information and are more confident about what measures to use to address flooding problems, the funding pattern might well be able to change.

It is important to recognise that the current allocation of money was made on the basis of what local authorities asked for and had in place. I must say to Mr Purvis, with the greatest respect—and not falling out with him politically—that there was no Selkirk scheme. No authority had brought

forward or published a Selkirk scheme. It has been admitted by Dr Murray—and I am grateful to her—that there was no Dumfries scheme. One had never been published. There was no agreed scheme, and the local authority had not come forward with one. Local authorities must come forward with their schemes and we will consider them.

Sarah Boyack: The scheme that I am concerned about, in Edinburgh, was under the wire in that respect. I ask the minister to investigate the matter and to report back to the city council. I would be grateful to have a meeting with the minister, if that would help. What he is trying to say would be helpful to us in Edinburgh.

Michael Russell: I would be happy to have a meeting about that, and I have repeatedly said that we are open to discussion about existing schemes that have changed in their nature. I am not making any guarantees, but I am open to discussion. It is important that we understand what the financial provisions are and how they operate. They are not crude provisions made solely on the basis of population; they are fairly sophisticated provisions made in negotiation with COSLA. I am happy to continue discussing the matter, but those are the facts.

Let me say a word or two about what we are trying to do. A great deal of work has been done so far. The Rural Affairs and Environment Committee produced a very good report and we are in active participation, debate and co-operation with the committee. At stage 2, we will continue that process. As the bill progresses, the Government will continue, I hope, to foster that feeling of consensus about what we are trying to achieve, and that will help us, along with the committee, to make a good bill better still.

We also wish to focus on some things that, although not central to the bill, are important. The support that the Scottish Government is giving to the Scottish Flood Forum is very important. The National Flood Forum has been of enormous benefit to people south of the border and the Scottish Flood Forum, funded by the Scottish Government, is now firmly established and is providing support to communities and individuals who are threatened by flooding. Those members who have constituents with such problems should talk to the forum.

Some further issues are germane. One is that of insurance, which was raised by Helen Eadie. The agreement with the Association of British Insurers is now in place. After 150 parliamentary questions from and three meetings with Helen Eadie—in one of them, I think that we were talking about different cases, which would explain a great deal—I have not been able to satisfy Helen Eadie. *[Laughter.]* It does happen. In those circumstances, I would

welcome it if Helen Eadie lodged an amendment, so that some higher court can eventually decide on the issue that she has raised, which is important. If we do not build on flood plains, we severely limit certain types of development—and we would have to evacuate half the central belt. If that is the effect of the amendment that Helen Eadie wishes to lodge, I will allow the argument to speak for itself.

The issue of emergency response was raised in the debate. That does not come under the bill, but the provisions for flood mapping and the transposition of the European directive will help to inform the whole process of emergency response. There will be a sharper, more effective emergency response on flooding because we will be able to deal with it more accurately with respect to where it takes place.

I am conscious of the shortage of time, Presiding Officer, but let me deal with one or two other issues. We are having serious discussions with Scottish Water about how its plans dovetail with the bill. It is one of the bodies that is responsible for delivery. I am sure that its methodology and actions will develop as a result of the bill.

The central concern of some members was about a lack of skills. Alasdair Morgan's and Roseanna Cunningham's suggestion that all young people should train as hydrologists was an interesting one. I cannot manufacture hydrologists out of nowhere. I do not deny that there is a shortage of hydrologists, but the bill will require not only the skills of hydrology but those of cartography, engineering and, importantly, environmentalism. Not all the solutions under the bill lie in the realm of hydrology. I encourage those who are keen to work in those other areas to work with us on the bill.

I commend the bill to Parliament and I look forward to stage 2, when everybody will work to make this good bill better.

Flood Risk Management (Scotland) Bill: Financial Resolution

17:00

The Presiding Officer (Alex Fergusson): The next item of business is consideration of motion S3M-2814, in the name of John Swinney, on the Flood Risk Management (Scotland) Bill.

Motion moved,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Flood Risk Management (Scotland) Bill, agrees to any expenditure of a kind referred to in paragraph 3(b)(iii) of Rule 9.12 of the Parliament's Standing Orders arising in consequence of the Act.—[*Michael Russell.*]

The Presiding Officer: The question on the motion will be put at decision time.

Decision Time

17:00

The Presiding Officer (Alex Fergusson): There are seven questions to be put as a result of today's business. The first question is, that motion S3M-3029, in the name of Alasdair Morgan, on the Scottish Parliamentary Pensions Bill, be agreed to.

Motion agreed to.

That the Parliament agrees that the Scottish Parliamentary Pensions Bill be passed.

The Presiding Officer: The next question is, that amendment S3M-3257.2, in the name of John Park, which seeks to amend motion S3M-3257, in the name of Fiona Hyslop, on the Scottish Government's response to the annual report of the Scottish Council of Economic Advisers, be agreed to.

Amendment agreed to.

The Presiding Officer: The next question is that amendment S3M-3257.1, in the name of Derek Brownlee, which seeks to amend motion S3M-3257, in the name of Fiona Hyslop, on the Scottish Government's response to the annual report of the Scottish Council of Economic Advisers, 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)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Allan, Alasdair (Western Isles) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brown, Keith (Ochil) (SNP)
 Brownlee, Derek (South of Scotland) (Con)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Campbell, Aileen (South of Scotland) (SNP)
 Carlaw, Jackson (West of Scotland) (Con)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 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)
 Eadie, Helen (Dunfermline East) (Lab)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 FitzPatrick, Joe (Dundee West) (SNP)
 Foulkes, George (Lothians) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)

Gibson, Rob (Highlands and Islands) (SNP)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Annabel (West of Scotland) (Con)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grahame, Christine (South of Scotland) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Harvie, Christopher (Mid Scotland and Fife) (SNP)
 Henry, Hugh (Paisley South) (Lab)
 Hepburn, Jamie (Central Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Adam (South of Scotland) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kidd, Bill (Glasgow) (SNP)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lochhead, Richard (Moray) (SNP)
 Macintosh, Ken (Eastwood) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Tom (Hamilton South) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLetchie, David (Edinburgh Pentlands) (Con)
 McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McMillan, Stuart (West of Scotland) (SNP)
 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)
 Morgan, Alasdair (South of Scotland) (SNP)
 Mulligan, Mary (Linlithgow) (Lab)
 Murray, Elaine (Dumfries) (Lab)
 Neil, Alex (Central Scotland) (SNP)
 Oldfather, Irene (Cunninghame South) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Paterson, Gil (West of Scotland) (SNP)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 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)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Somerville, Shirley-Anne (Lothians) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Stewart, David (Highlands and Islands) (Lab)
 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)
 Whitton, David (Strathkelvin and Bearsden) (Lab)
 Wilson, Bill (West of Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)

AGAINST

Brown, Robert (Glasgow) (LD)
 Finnie, Ross (West of Scotland) (LD)
 Harper, Robin (Lothians) (Green)

Harvie, Patrick (Glasgow) (Green)
 Hume, Jim (South of Scotland) (LD)
 McArthur, Liam (Orkney) (LD)
 McInnes, Alison (North East Scotland) (LD)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 O'Donnell, Hugh (Central Scotland) (LD)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Tolson, Jim (Dunfermline West) (LD)

The Presiding Officer: The result of the division is: For 98, Against 18, Abstentions 0.

Amendment agreed to.

The Presiding Officer: The next question is, that amendment S3M-3257.3, in the name of Alison McInnes, which seeks to amend motion S3M-3257, in the name of Fiona Hyslop, on the Scottish Government's response to the annual report of the Scottish Council of Economic Advisers, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Brown, Robert (Glasgow) (LD)
 Finnie, Ross (West of Scotland) (LD)
 Hume, Jim (South of Scotland) (LD)
 McArthur, Liam (Orkney) (LD)
 McInnes, Alison (North East Scotland) (LD)
 O'Donnell, Hugh (Central Scotland) (LD)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Tolson, Jim (Dunfermline West) (LD)

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)
 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)
 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)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brownlee, Derek (South of Scotland) (Con)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Carlaw, Jackson (West of Scotland) (Con)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 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)
 Henry, Hugh (Paisley South) (Lab)
 Johnstone, Alex (North East Scotland) (Con)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Tom (Hamilton South) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 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)
 Murray, Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)
 Whitton, David (Strathkelvin and Bearsden) (Lab)

The Presiding Officer: The result of the division is: For 15, Against 48, Abstentions 52.

Amendment disagreed to.

The Presiding Officer: The next question is, that motion S3M-3257, in the name of Fiona Hyslop, on the Scottish Government's response to the annual report of the Scottish Council of Economic Advisers, 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)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Allan, Alasdair (Western Isles) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brown, Keith (Ochil) (SNP)
 Brownlee, Derek (South of Scotland) (Con)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Campbell, Aileen (South of Scotland) (SNP)
 Carlaw, Jackson (West of Scotland) (Con)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 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)
 Eadie, Helen (Dunfermline East) (Lab)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 FitzPatrick, Joe (Dundee West) (SNP)
 Foulkes, George (Lothians) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Annabel (West of Scotland) (Con)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grahame, Christine (South of Scotland) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Harvie, Christopher (Mid Scotland and Fife) (SNP)
 Henry, Hugh (Paisley South) (Lab)
 Hepburn, Jamie (Central Scotland) (SNP)

Hyslop, Fiona (Lothians) (SNP)
 Ingram, Adam (South of Scotland) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kidd, Bill (Glasgow) (SNP)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lochhead, Richard (Moray) (SNP)
 Macintosh, Ken (Eastwood) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Tom (Hamilton South) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLetchie, David (Edinburgh Pentlands) (Con)
 McMahan, Michael (Hamilton North and Bellshill) (Lab)
 McMillan, Stuart (West of Scotland) (SNP)
 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)
 Morgan, Alasdair (South of Scotland) (SNP)
 Mulligan, Mary (Linlithgow) (Lab)
 Murray, Elaine (Dumfries) (Lab)
 Neil, Alex (Central Scotland) (SNP)
 Oldfather, Irene (Cunninghame South) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Paterson, Gil (West of Scotland) (SNP)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 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)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Somerville, Shirley-Anne (Lothians) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Stewart, David (Highlands and Islands) (Lab)
 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)
 Whitton, David (Strathkelvin and Bearsden) (Lab)
 Wilson, Bill (West of Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)

AGAINST

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

ABSTENTIONS

Brown, Robert (Glasgow) (LD)
 Finnie, Ross (West of Scotland) (LD)
 Hume, Jim (South of Scotland) (LD)
 McArthur, Liam (Orkney) (LD)
 McInnes, Alison (North East Scotland) (LD)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 O'Donnell, Hugh (Central Scotland) (LD)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)

Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Tolson, Jim (Dunfermline West) (LD)

The Presiding Officer: The result of the division is: For 98, Against 2, Abstentions 16.

Motion, as amended, agreed to.

Resolved,

That the Parliament notes the recommendations made in the *First Annual Report of the Scottish Council of Economic Advisers: December 2008* and the Scottish Government's response to those recommendations in the context of its action to help businesses and households, support jobs and investment and ensure Scotland is well positioned to take advantage of any recovery; calls on the Scottish Government to establish a formal link between the Council of Economic Advisers and the National Economic Forum to ensure that the work of the two bodies is coordinated to be of maximum benefit to the Scottish people, and in particular notes the commitment to an independent assessment of the full economic costs and abatement potential of the various energy options, including nuclear power, which are open to Scotland.

The Presiding Officer: The next question is, that motion S3M-3163, in the name of Richard Lochhead, on the Flood Risk Management (Scotland) Bill, be agreed to.

Motion agreed to.

That the Parliament agrees to the general principles of the Flood Risk Management (Scotland) Bill.

The Presiding Officer: The final question is, that motion S3M-2814, in the name of John Swinney, on the financial resolution to the Flood Risk Management (Scotland) Bill, be agreed to.

Motion agreed to.

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Flood Risk Management (Scotland) Bill, agrees to any expenditure of a kind referred to in paragraph 3(b)(iii) of Rule 9.12 of the Parliament's Standing Orders arising in consequence of the Act.

Cuiken Primary School Playing Field

The Deputy Presiding Officer (Alasdair Morgan): The final item of business today is a members' business debate on motion S3M-2935, in the name of Christine Grahame, on Cuiken primary school and its playing field. The debate will be concluded without any question being put.

Motion debated,

That the Parliament notes with alarm that yet another primary school playing field, at Cuiken Primary in Penicuik, is under threat of development despite Scottish Planning Policy (SPP) 11 and the presumption against building on school playing fields; notes the objection of the Penicuik and District Community Council to this proposal, and believes that there should be centralised data on the current provision of school playing fields, including location and acreage, and that sportscotland would add benefit as a mandatory consultee in any development plans that impinge on school playing fields and public open spaces.

17:06

Christine Grahame (South of Scotland) (SNP): I am grateful for the opportunity to bring the motion to the chamber, not only because I want to publicise this particular issue, but because it will allow us to talk about the wider context of the failure of public engagement with the planning process—in this case, the responsibility for that failure can be laid at the door of Midlothian Council—and the appalling loss of playing space for Scotland's children at a time when childhood obesity is on the rise. It is predicted that, if trends continue, in a decade or so around 75 per cent of our children will be obese. The wider context also includes the fact that, as the Health and Sport Committee recently heard in evidence, two out of three adult Scots are "inactive".

It is coincidental that I convene the Parliament's Health and Sport Committee, whose evidence-taking sessions on pathways into sport are well under way. Our inquiry is concentrating on the provision, in terms of time and facilities, of physical activity for our primary school children. We have been told that, so far, only one local authority has met the target—set five years ago—of two hours of physical activity a week in primary schools. Quite frequently, the barrier has been the lack of facilities or the amount of time that is taken up by travelling to facilities, so outdoor playing fields are much to be valued. However, I learned in evidence this week that there is no specific data on the number of playing fields. I also learned during this week's committee meeting that Her Majesty's Inspectorate of Education does not consider that it is required to give an evaluation of a school's provision of physical education, although it provides an evaluation of a school's provision in relation to numeracy, literacy and so on. We were

told that silence on PE meant that all was well, which we found to be an extraordinary statement. Would no comment on numeracy mean that all was well? Of course not.

What is happening at Penicuik? There is a worthy proposal to build a new school for the 200 or so pupils, and there is an equally worthy proposal to build social housing. However, there is also the less than worthy proposal to build the greater part of those developments on the outdoor playing field, which is the last primary school outdoor playing field in Penicuik.

When did parents learn of this proposal? When neighbour notices were issued. How did they react? By launching a petition, which should come before the Parliament and which currently has 90 signatures, and by assembling parent meetings to resist the proposal. What does the community council think? It is opposed to building on the playing field.

Due to the lodging of objections—there are currently 48 from the public alone—the decision on building on the playing field has been postponed. I believe that, belatedly, intimation was given to sportscotland and the Scottish Environment Protection Agency, which both lodged objections.

The rising tide of local and agency objections might cause Midlothian Council to have a rethink, but that will not happen without a great deal of anxiety being caused to the parents and the local community and great efforts being made on their part, late in the day.

There are many questions for Midlothian Council—and, indeed, any other council that is bent on developing on school playing fields and other open spaces. What constitutes appropriate consultation of the community on such developments? When should it take place? In the instance of open spaces, when should sportscotland be involved? What consideration was given to Scottish planning policy 11? What consideration has been given to the impact on the health and wellbeing of pupils, should the playing field be lost forever?

Scottish planning policies

"provide statements of the Scottish Government's policy on nationally important land use".

The key objectives of SPP 11 are:

"To protect and enhance open space ... To ensure a strategic approach to open space ... by requiring local authorities to undertake an open space audit and prepare an open space strategy for their area ... To protect and support opportunities for sport and recreation".

Midlothian Council has failed on all counts. There are not even proposals for outdoor facilities for the new school that will be built adjacent to the

old school if the current proposals proceed. In that case, outdoor facilities will be reduced to virtually nil. Midlothian Council cannot possibly have us accept that the site is the only one that is available for social housing, worthy though that is. If that were so, no more social housing could be built in Penicuik, which I very much doubt.

I started by talking about the state of our children's wellbeing and the future that lies ahead if we do not increase physical activity among children from the early years onwards. Gone are the days when children had the freedom and space of streets where no cars were parked and when they could run about from dawn to dusk. Nowadays, their fingers on a computer keyboard probably get more exercise than any other limbs. If we keep going in the same way, we shall have a nation of obese children who are vulnerable to diabetes and other ailments. Therefore, reversing the trend is an immediate and national necessity that will in many instances be delivered through local action.

For the council: it should review the plans, for which it will earn the thanks of parents and community leaders. For the Government: it is perhaps time to beef up the import of SPP 11 and to give it statutory clout. For the Minister for Schools and Skills, who will sum up in the debate: I respectfully suggest that an appraisal of the provision and standards of physical activity in schools should be made mandatory in school reports as a matter of urgency.

17:11

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): I am happy to take part in the debate, which Christine Grahame has brought to Parliament. Since last October and November, residents of Cuiken Terrace and Cuiken Bank in Penicuik in my constituency have been approaching me concerning the proposed development of social housing in Cuiken Terrace. Their concerns are valid and must be given full and proper consideration by Midlothian Council in the detailed planning process. As the local MSP, I expect that of the local authority, and have made representations on a number of points on behalf of constituents.

I will touch on those issues in a moment, but I wish to say first that since I was elected I have been careful, when constituents have approached me on matters to do with planning applications, to be honest with them and to state that I have no formal locus in determining planning applications. For five and a half years, I have sought to be careful in dealing with thousands of constituents with planning issues. That said, councillors and council officers have a duty and a job to do and I expect them to do it. Part of that job is to provide

full and proper information and to give full and proper consideration to valid representations that are made to them.

In July last year, I made representations to Midlothian Council, on behalf of parents, regarding the diminution of Cuiken primary school's playing field. The reply that I received states:

"Cuiken Primary School site complies with the current Scottish Government regulations as a school site and this includes play area, garden areas and multi-use games areas as well as designed play areas for nursery and ASN pupils."

It goes on to state that surplus land has been released to the council's property investment account and concludes:

"As you will appreciate identifying suitable land for social housing is challenging and this area is surplus to the school's requirements."

That leads me directly on to the views of Penicuik community council on the use of the site in the context of the inquiry on the local plan. The community council's view, which had the support of residents, was that the site's inclusion in the local plan was inconsistent with national planning policy guideline 3 and the council's resource protection policy RP27, so development on open space in the area should not be permitted. The reason was that, inter alia, such development would result in the loss of an attractive landscape and an important local recreation area. Planners must certainly argue and demonstrate clearly that those considerations are consistent with the local plan. If that is not the case, it will not simply be the Minister for Schools and Skills who will take an interest; it will be her ministerial colleagues with responsibility for planning.

The community council's clearly argued view is that inclusion of the site in the local plan will set a precedent in the town. I appreciate that point. Equally, I appreciate the concerns of the many constituents who have been in touch with me about local safety. As someone who has worked with residents over the years on the safety of Cuiken Terrace and who has supported them in delivering road safety improvements, I know that that is a valid concern. In the autumn I contacted Lothian and Borders Police with regard to that issue.

On the wider issue of green areas and playing space for primary schools, I will start with Penicuik, which is in my constituency. We have in our primary schools wonderful eco-committees that are pioneering not only in the county, but in Scotland. We also have them in our secondary schools. Beeslack high school was the first school in Scotland to be a health-promoting school from its inception in 1984. That is, I hope, a positive context for delivery of education in the town, with the work that pupils do taking the lead.

I am not sure what a centralised register would tell us about the information that is needed, but it is clear to me that the views of communities must be heeded, as must the views of the pupils. Those views must be our interest, and are of paramount importance. I know that the minister will take that seriously.

17:16

Ken Macintosh (Eastwood) (Lab): I thank Christine Grahame for bringing this important subject to Parliament.

I hope that we all want to protect our open spaces, especially our playing fields, and I am sure that no member here is not concerned about the trend in our lifetimes seemingly to concrete over every green space, particularly in urban areas. We know that that can be to the detriment of our health and can lead to a loss of play areas for children and young people as well as older people, and that it can bring increased incidence of flooding, which is blighting so many of our homes.

Our growing awareness of the importance of open space has in recent years led to big changes and big improvements in our planning laws. The latest figures from sportscotland seem to suggest that we are making progress: its annual monitoring report states that the problem of net pitch loss peaked in the late 1990s, but since then there has been steady improvement. In fact, we have gone from large net deficits to small gains, particularly in 2004-05 and 2006-07. That is encouraging; however, the battle is clearly not over.

The decisions on playing fields are not always about protecting every unused or underused surface. For instance, we have been particularly good over the past decade at replacing old blaes pitches with Astroturf or some other artificial all-weather surface. For me, as for others, it is important that robust national criteria are applied democratically by locally elected representatives who can bring local knowledge of each site to each decision. As part of the decision-making process, it is essential that the voices and concerns of local communities are heard. As I understand it—although I do not want to comment in detail on the application—the case under discussion has not yet gone to the planning committee. If that is the case, it strikes me that Christine Grahame may be jumping the gun somewhat.

Christine Grahame: It is my understanding, based on local information, that the matter was to go to a planning committee meeting, but that has been deferred, given the objections that have been received. The position has changed.

Ken Macintosh: That appears to be local democracy in action.

Christine Grahame: I hope so.

Ken Macintosh: All members use members' business debates as an opportunity to raise issues of concern—in this case, issues of concern to the constituency that Christine Grahame would like to represent. Even allowing for the fact that the motion is clearly written for a local audience, I had to laugh at how much at odds the wording of the motion is with Ms Grahame's Government's policy and with her support in the chamber for that policy. The motion suggests that central collection of data on playing fields will provide an extra layer of protection. I am not against that—far from it—but I ask the member to explain how exactly this new centralist approach sits alongside the historic concordat. Every day in the chamber we have to listen to monotonous repetition of the supposed benefits of the concordat. Now, we have a call for central Government action to protect residents from supposedly dreadful councils.

Christine Grahame: Ken Macintosh has—in gentlemanly fashion, I trust—invited me to intervene. One of the big issues, which overlaps with the Health and Sport Committee's inquiry, is lack of information. We have data from sportscotland, but the information by no means covers everything. We need the data if we are to protect what we have.

Ken Macintosh: I will come on to that because I believe that there is a further contrast between the work that the previous Labour-Liberal Democrat Administration did to begin the reform of national policy guideline 11, with the aim of making it more binding and robust for local authorities, and the SNP Government's introduction of SPP 11 with rather watered-down criteria. If SPP 11 has not been watered down and is robust enough, why does Christine Grahame believe that it offers insufficient protection to the communities that she would protect?

I want to highlight—I am sorry for taking advantage of the motion, but my attention has been drawn to this—a particular section of the SNP manifesto, which states:

"We will introduce a moratorium on loss or reduction of school playing fields".

The same section mentions two hours of physical education a week and free swimming pool access. We know that the two hours of PE has been reduced to two hours of walking to school, and that the only free swimming pools are in Labour-controlled authorities; it is now clear that there has also been a failure to deliver the policy on playing fields. If the promise of

a moratorium on loss or reduction of school playing fields"

had been delivered, there would be no need for today's debate.

The Deputy Presiding Officer: The member should wind up now.

Ken Macintosh: I hope that we can all agree on the importance of open spaces, and I have no reason to believe that the local authority in question will not listen to the views of the community in reaching a decision.

17:20

Jamie McGrigor (Highlands and Islands) (Con): I congratulate Christine Grahame on securing today's debate.

I recognise the good work that Fields in Trust Scotland does to highlight the threat to our school playing fields, and I pay tribute to all those who are involved in that organisation. Given that, as Christine Grahame notes in her motion, no central data on most aspects of school playing fields is collated by the Scottish Government, FIT Scotland's work is particularly important. The Scottish Conservatives recognise the vital and valuable role that school playing fields make in providing our children with places to take part in physical activity, including competitive sport, through PE when they are at school, and through extracurricular activities outwith school time.

More than that, school playing fields are often genuine community facilities that are used by people of all ages and can provide pleasant green spaces in urban areas. As Julia Bracewell, the chair of sportscotland, said:

"Playing fields are an important part of the school estate. They are an essential resource for many of our most popular sports and can help children adopt a more active lifestyle, and through their extended use for extra-curricular activity and for community use, they play a role in sustaining such a lifestyle beyond the schools curriculum."

The school in my local village in Argyll, Dalmally primary, has no playing field, but for many years it has managed wonderfully well—thanks to its staff—with a tarmac playground and a small area of grass around it. It cannot use the local Dalmally shinty pitch, which is next to the livestock market, because of worries about animal manure on the field. The teachers and pupils of the school are therefore hugely excited by the progress that has been made by the Dalmally Community Company, which has secured funding for stage 1 of the community hall project. I congratulate the company officials, Kenny Black and John Burke, for the staggering amount of work that they have done and the enormous amount of money that they have raised to achieve the building of what will be a community and indoor sports centre. Phase 2, which is the playing field that is nicknamed locally the field of dreams—

The Deputy Presiding Officer: Order. I hope that the member will not spend the rest of his speech talking about Dalmally primary school. He can illustrate the general issue by making reference to Dalmally, but he cannot spend the rest of his speech talking about it.

Jamie McGrigor: I will refrain from talking any more about Dalmally, although it is relevant to my speech.

I hope that the field of dreams will become a reality for that village.

Having spoken about the progress in Dalmally, I must say that I share the concerns of communities throughout Scotland that have faced, or which currently face, the loss of school playing fields. It is a real concern that playing fields are still being lost despite SPP 11, which makes clear the exceptional circumstances that must exist before a school playing field can be sold off for development. Those sales are taking place, despite the fact that local communities such as Cuiken in Penicuik are united in their opposition to local authority plans to sell off their playing fields.

Given the focus of the Government—and members of all parties—on encouraging our young people to live more active lives, and on tackling the increasing problem of child obesity, Christine Grahame's suggestion that sportscotland should become a additional mandatory consultee has great merit and should be explored. Sportscotland has already done great work in that area, through the helpful document that it published in early 2007, "School Playing Fields: Planning and Design Guidance", which recognises that there is little up-to-date design advice on school playing fields. I hope that the minister will address that issue when she sums up in tonight's debate. Her party raised hopes in its 2007 manifesto when it promised

"a moratorium on the loss ... of school playing fields",

and communities throughout Scotland will expect ministers to deliver on that.

17:24

Aileen Campbell (South of Scotland) (SNP): I congratulate my South of Scotland colleague Christine Grahame on securing the debate. She has been a vocal campaigner against the proposals to build on the playing fields of Cuiken primary school and I will lend her my support in any way I can.

The motion states:

"there should be centralised data on the current provision of school playing fields, including location and acreage ... sportscotland would add benefit as a mandatory consultee in any development plans that impinge on school playing fields and public open spaces."

That part of Christine Grahame's motion highlights

the fact that building on, and a lack of, playing fields is not just a problem in Penicuik or the south of Scotland; we must be mindful of the fact that the issue affects the whole country. That is why the work of Fields in Trust is so important.

Why should we be so vigilant about protecting playing fields in Scotland? As has been stated, Scotland has horrific obesity levels among children and young people, yet, incredibly, as the waistline of the country continues to expand, the acreage of our playing fields seems to contract. I do not think that the irony of that will be lost on anyone in the chamber tonight. We must do all that we can to protect playing fields so that Scotland's children and young people have somewhere to play and the freedom to run around, to play a game of fitba, or simply to enjoy being outside. They need the freedom to get muddy and scrape or graze the odd knee from time to time. If they do not, we will have a generation of people who are very risk averse.

My next suggestion is perhaps a little left field, for want of a better expression. If schools had more space, they might be able to cultivate gardens in which they could grow their own food. As a by-product, they could encourage children to eat what they have produced, to eat more healthily, to learn about the seasonality of food, and to improve their palate and their health—but that will not happen if playing fields continue to be sold off to raise a quick buck.

As well as expressing concern about the loss of playing fields due to planning decisions, we must be mindful of the quality of the playing fields that we seek to protect. FIT said recently that three out of four pitches are not fit for purpose due to poor drainage, inadequate changing facilities and poor maintenance. If that is the case, the situation is terrible. I believe that FIT is trying to secure lottery funding to rectify the situation—if the money has not already been spent on the London Olympics.

Jeremy Purvis: The member raises an important point. What would be her preference if she had to choose between a flat, properly designed and maintained play area for football and so on and a badly drained play area on a hill that was not appropriate for such sports but which had a larger footprint? That question is relevant to the case that we are discussing.

Aileen Campbell: My preference is that kids have space to play in and have adequate pitches that are properly protected and maintained. It is not a case of either/or. We have to ensure that playing fields are properly maintained. Otherwise, folk will not play on them.

A wee while back, before the election and before he became a minister, Kenny MacAskill conducted some research to compare the number of third-

generation Astroturf pitches in some Scottish cities with the number in cities in small, independent, Norway. It is no surprise that the information that he got showed that there are more pitches in Norway and that, as a result, Norway benefits from having more teams of youngsters, men and women playing on them. It is amazing what that small country can do. Its work in the area is certainly something that we would like to replicate.

Constituents in my area—Carlisle—have expressed concern about the provision of multi-use areas that are made of tarmac that is painted green, rather than Astroturf.

I support my colleague's efforts to save the playing fields of Cuiken primary school and nationwide efforts to improve and protect playing pitches and to encourage more sport so that, one day, we will become a healthier nation.

17:29

The Minister for Schools and Skills (Maureen Watt): I welcome this evening's debate, which gives me an opportunity to emphasise the Government's commitment to prevent the loss or reduction of school playing fields and facilities where no equivalent or improved facilities are provided, and our commitment to protect green spaces for sport and informal activity, particularly in disadvantaged communities.

Although I am of course aware of the proposals for Cuiken primary school—indeed, Christine Grahame has already raised this issue in the Parliament—I understand that Midlothian Council is currently considering a planning application for the site in question. As Jeremy Purvis helpfully highlighted, given the council's interest in the land, the application might require to be notified to the Scottish ministers, so it would be inappropriate for me to comment further on this particular proposal. However, I am sure that local MSPs will use their good offices with Midlothian Council on behalf of their constituents. I should also say that I am looking forward to appearing with other ministers before the Health and Sport Committee to give evidence on health and physical activity.

Sportscotland, which is already a statutory consultee on developments that are proposed for playing fields, generally resists such proposals unless the playing fields in question are surplus to requirements or adequate replacement facilities are to be provided. As members have pointed out, Scottish planning policy 11, on open space and physical activity, which was issued by this Government in November 2007, extends sportscotland's role as consultee to a greater range of facilities.

SPP 11 also introduced a requirement for each local authority to prepare an open space audit and

strategy for its area to help safeguard existing open spaces and to identify priorities for future development. By involving sportscotland more closely and requiring the preparation of open space strategies, SPP 11 delivers better, not more watered down, planning for playing fields.

Local authorities should aim to protect and enhance open spaces in their ownership; indeed, SPP 11 applies to school playing fields and to all other publicly owned open spaces. If an open space strategy demonstrates that a playing field is required to meet a continuing need, whether for school or community use, it should be protected in the development plan. Such an approach should ensure that redevelopment does not take place unless open space is shown to be surplus to requirements or replacement facilities are to be provided.

Although there is no set list of statutory consultees for development plans, changes that we are making to the planning system mean that planning authorities must prepare participation statements that set out when, how and with whom consultation on their plans will take place. Ministers expect authorities to use participation statements carefully to consider the groups and organisations that need to be involved in their particular plan and the best way to engage with them.

Each council's open space audit will provide a valuable source of local information on playing fields and their use. We see no merit in establishing a national database; it is much more important that such information is maintained locally, to inform the local decision-making process, and is accessible to local individuals and community groups.

However, sportscotland produces an annual monitoring report on planning applications that affect playing fields. It is encouraging to note that, over the past four years, the number of planning applications that affect playing fields has consistently fallen—from 118 in 2005 to 50 in 2008. As Ken Macintosh most helpfully highlighted, the most recent report shows that, since 1996, there has across the whole of Scotland been a net loss of 126 pitches, mostly the mineral ones on which we used to scrape our knees and which are now considered unsuitable for modern use.

Although, since 1996, 267 mineral and 55 grass pitches have been lost, 196 modern synthetic grass pitches have been installed. That type of pitch gives a clean and attractive playing surface that is ideal for both school and community use, because it can be used all year round in all weather conditions, which is very important in Scotland. To put that figure in context, I point out that the total number of pitches in Scotland is

estimated at 5,900. As Ken Macintosh made clear, the reduction has therefore been very small—and investment in the upgrading of existing pitches and in the provision of new pitches is improving the quality of sports facilities and increasing their playing capacity, particularly in schools.

We are working with the Convention of Scottish Local Authorities and local authorities on the development of a new school estate strategy, which will be published in the spring. I am confident that that strategy will reflect the commitment of the Government and authorities to creating a school estate that supports the needs of the whole community. As Jamie McGrigor said, it is important that communities take ownership—in its widest sense—of the open spaces in their communities.

Meeting closed at 17:35.

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice at the Document Supply Centre.

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the archive edition should mark them clearly in the daily edition, and send it to the Official Report, Scottish Parliament, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

Thursday 29 January 2009

PRICES AND SUBSCRIPTION RATES

OFFICIAL REPORT daily editions

Single copies: £5.00

Meetings of the Parliament annual subscriptions: £350.00

The archive edition of the *Official Report* of meetings of the Parliament, written answers and public meetings of committees will be published on CD-ROM.

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

Single copies: £3.75

Annual subscriptions: £150.00

Standing orders will be accepted at Document Supply.

Published in Edinburgh by RR Donnelley and available from:

Blackwell's Bookshop

**53 South Bridge
Edinburgh EH1 1YS
0131 622 8222**

Blackwell's Bookshops:
243-244 High Holborn
London WC1 7DZ
Tel 020 7831 9501

All trade orders for Scottish Parliament documents should be placed through Blackwell's Edinburgh.

Blackwell's Scottish Parliament Documentation
Helpline may be able to assist with additional information on publications of or about the Scottish Parliament, their availability and cost:

Telephone orders and inquiries
0131 622 8283 or
0131 622 8258

Fax orders
0131 557 8149

E-mail orders
business.edinburgh@blackwell.co.uk

Subscriptions & Standing Orders
business.edinburgh@blackwell.co.uk

Scottish Parliament

RNID Typetalk calls welcome on
18001 0131 348 5000
Textphone 0845 270 0152

sp.info@scottish.parliament.uk

All documents are available on the Scottish Parliament website at:

www.scottish.parliament.uk

Accredited Agents
(see Yellow Pages)

and through good booksellers